



**Exxaro Resources Limited**  
Environmental, social and governance report  
for the year ended 31 December 2024

**exxaro**  
POWERING POSSIBILITY

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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



Adapting to a changing context



Responsible environmental stewardship



Building sustainable communities



Enabling a thriving workforce



Executing our strategy



Driving business resilience



Principled governance

#### Strategic objectives



Transition at speed and scale



Make our minerals and energy businesses thrive



Empower people to create impact



Be carbon neutral by 2050



Become a catalyst for economic growth and environmental stewardship

### 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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### Follow us on social media





# Our reporting theme: Positioning Exxaro to win through our resilient strategy

We are proud to present our 2024 environmental, social and governance (ESG) report, showcasing how our resilient strategy is positioning us to win in an increasingly complex and dynamic world. Moving from transition to execution, our focus is steadfast – creating sustainable value for our stakeholders and ensuring we contribute meaningfully to an inclusive and impactful future.

**At the core of our strategy is a commitment to long-term resilience. This enables us to navigate global challenges and capitalise on emerging opportunities, ensuring we remain agile and proactive.**

We are optimising our coal portfolio to support energy security while investing in growth areas, such as our energy solutions business and evaluating investment opportunities in energy transition minerals – key drivers of a low-carbon economy. By diversifying into these areas, we aim to secure future-ready growth aligned with the global energy transition. This diversification journey into resources that power a clean world remains a core focus, with energy transition minerals playing a pivotal role in driving a cleaner future. With a track record of mining, operational and execution excellence, a diversified skillset, and a strong and flexible balance sheet, we are well positioned to achieve our goals.

We are committed to embedding ESG principles into the heart of our operations. Our Climate Change Response strategy is evolving with rigour and foresight, bolstered by the development of our decarbonisation roadmap and our proactive steps towards our goal of carbon neutrality by 2050. At the same time, our social investment initiatives drive meaningful change, creating opportunities for local businesses and contributing to socio-economic development in our host communities.

As we position Exxaro to win, we are focused on an impactful transition, ensuring that all stakeholders – particularly the vulnerable – benefit from the shift to a low-carbon, sustainable economy. For us, an impactful transition highlights the social dimensions of the low-carbon transition, reinforcing our commitment to fairness, equity and inclusivity. This perspective will continue to shape how we invest in our host communities, create opportunities and contribute to a just and inclusive future.

These priorities reflect our belief that growth is only meaningful if it is sustainable and inclusive. By leveraging innovation, collaboration, and strategic investments, we are not only powering our progress but also possibility for Africa and beyond. Together, we are creating a legacy of resilience, impact, and shared value aligned with our vision of delivering resources powering a clean world.

Welcome to the next chapter of Exxaro's journey.

**Navigating today's challenges, creating tomorrow's possibilities.**

## Reporting suite

We are committed to transparent reporting and publish an annual reporting suite detailing our performance:



Integrated report



ESG databook



Consolidated Mineral  
Resources and Mineral  
Reserves (CMRR)  
report



Group and company  
annual financial  
statements



Notice of annual  
general meeting (AGM)



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

# About Exxaro

Exxaro is a JSE-listed company operating mainly in South Africa. Coal is our core commodity and we have an established energy solutions business. Our additional growth prospects include energy transition minerals and energy solutions. Having established the business in 2006, we have deep roots in mining with a track record of operational excellence and delivering value.

Our assets have a book value of R94.7 billion (2023: R92.9 billion), including five coal mines <sup>1</sup> , two windfarms and a solar project under construction	Our market capitalisation is R55.17 billion (2023: R71.43 billion)
We produced 39.5Mt of coal product (including buy-ins) (2023: 42.5Mt)	We are in the top 30 on the Financial Times Stock Exchange (FTSE)/JSE Socially Responsible Investment Index
We generated 725GWh of renewable energy (2023: 727GWh)	The business is 30.81% black empowered

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

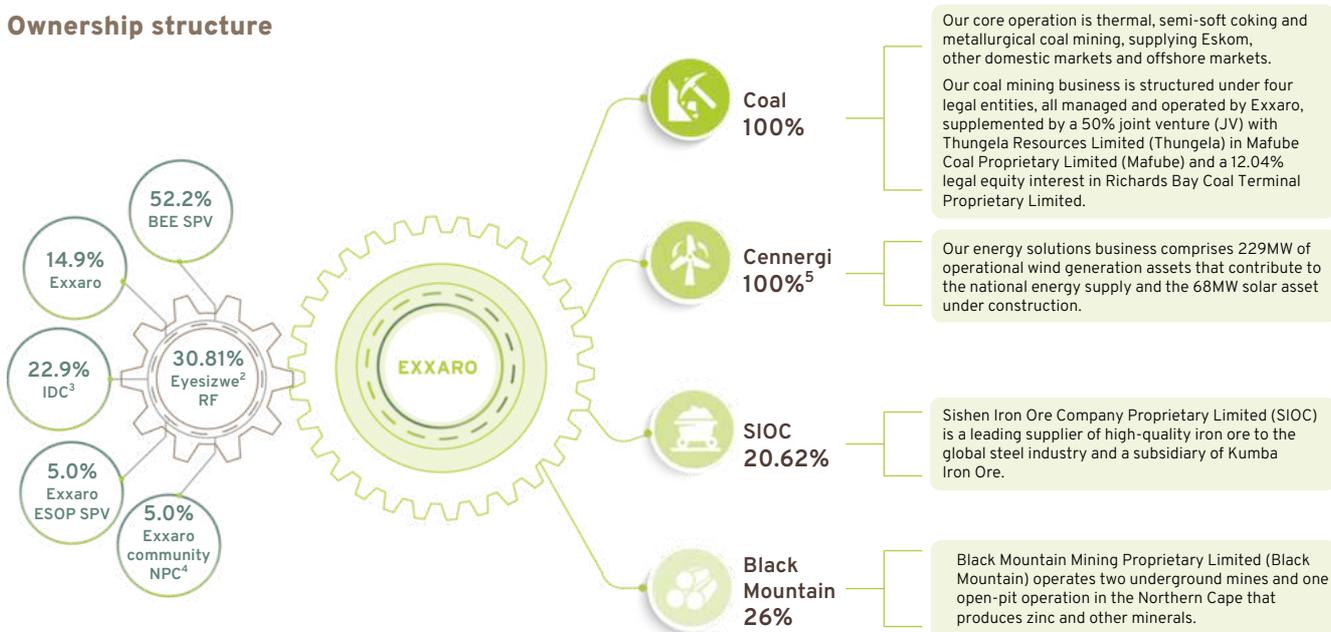
<p><b>Purpose</b></p> <p>In line with Exxaro's purpose of powering better lives in Africa and beyond, our ambition is to provide resources (people, minerals, energy and capital) critical to ensuring the energy transition and a low-carbon future.</p>	<p><b>Vision</b></p> <p>We understand that we cannot grow sustainably without creating a positive impact on the environment and communities we serve. We are committed to responsibly maximising the value of our coal assets by reducing stranded assets, and playing an active role in creating a future that realises our vision: resources powering a clean world.</p>	<p><b>Values</b></p> <p>Our success lies in the strength of our culture and values, which strengthen our resilience and ensure we deliver stakeholder value. Our values are:</p> <ul style="list-style-type: none"> <li>• Empowered to grow and contribute</li> <li>• Teamwork</li> <li>• Committed to excellence</li> <li>• Honest responsibility</li> </ul>
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**Sustainable Growth and Impact strategy**

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



## Ownership structure



<sup>1</sup> Including the Mafube JV.  
<sup>2</sup> Eyesizwe (RF) Proprietary Limited (Eyesizwe), a special purpose vehicle (SPV) private company, incorporated under South Africa's laws, holds the black economic empowerment (BEE) shares. On 12 March 2025, Eyesizwe RF's shareholders committed to maintaining Exxaro's 30.81% empowerment shareholding until 2027.  
<sup>3</sup> Industrial Development Corporation of South Africa.  
<sup>4</sup> Exxaro Aga Setshaba NPC.  
<sup>5</sup> Exxaro owns 100% of Cennergi; Cennergi owns 95% of Amakhala Emoyeni windfarm and 75% of Tsitsikamma community windfarm.

For detailed information on our group structure, refer to the 2024 [annual financial statements](#).

## 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 ferrous (iron ore) and zinc, among other base metals.



### Minerals business

- 1 Grootegeluk complex
- 2 Thabametsi
- 3 Belfast
- 4 Leeuwpan
- 5 Matla
- 6 Mafube JV (50%)
- 7 Moranbah South project (50%)

### Energy solutions business

- 8 Tsitsikamma community windfarm
- 9 Amakhala Emoyeni windfarm
- 10 Lephalale solar project (LSP)

Our minerals business comprises coal operations and our equity investments in iron ore and zinc. Our business interests in Europe comprise a marketing and logistics company in Switzerland. A joint operation with Anglo Coal Grosvenor Proprietary Limited, the Moranbah South project, is conducted in Australia.

Expanding our business portfolio to include manganese, bauxite, copper, energy and broader energy transition minerals enables our contribution to a more sustainable future and stakeholder value enhancement.

Our coal asset base is a key differentiator and critical part of how we create value for our stakeholders.

### Snapshot

Exxaro is one of the largest suppliers of coal to Eskom and ArcelorMittal South Africa Limited.

We own the largest high-quality Coal Reserves remaining in South Africa, providing a platform for early value returns.

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 invested R2.1 billion in sustaining our coal business this year (2023: R2.4 billion).

Read the [CMRR report](#) for detailed disclosure on our minerals business and its performance this year.



In line with our goal to decarbonise and diversify, Exxaro's energy solutions business comprises investments through our wholly owned subsidiary, Cennergi Holdings Proprietary Limited. This business supports Exxaro's ambition of generating 1.6GW of power by 2030 and includes supporting our current coal and future minerals operations through self-generation and providing energy to external customers including mines and larger industrial companies.

The energy solutions business and our scope 1 and 2 emissions reduction efforts are critical activities in achieving our goal to be carbon neutral by 2050, and advancing our commitment to being an active participant in the transition to a low-carbon economy.

The energy solutions business continues to develop a pipeline of opportunities for Exxaro and external offtake.

### Snapshot

Cennergi has two operational wind assets (the Tsitsikamma and Amakhala Emoyeni windfarms).

Cennergi's operating wind asset project financing of R4.1 billion (2023: R4.3 billion) will mature and be fully settled by the end of 2031.

Once operational, the LSP will supply solar energy to Grootegeluk, reducing the operation's carbon footprint and electricity costs. Commercial operation is expected by mid-2025.

Cennergi's solar asset project financing will be fully settled by the end of 2042.

Read [prioritising climate change mitigation, adaptation and resilience](#) (page 37) for information about the LSP.

# About this report

Our ESG report provides a holistic and transparent view of our ESG approach and performance during the year, and what we aim to achieve in future to address challenges and leverage opportunities.

## Reporting scope and boundary

This report covers material information for the period 1 January 2024 to 31 December 2024 (the 2024 financial year) and includes:

Financial and non-financial ESG information of our wholly owned and joint operations in South Africa

Material information about the Cennergi group of companies (Cennergi). We consolidated material information about Cennergi Proprietary Limited's safety incidents into the group's results

Limited information on operations where we:

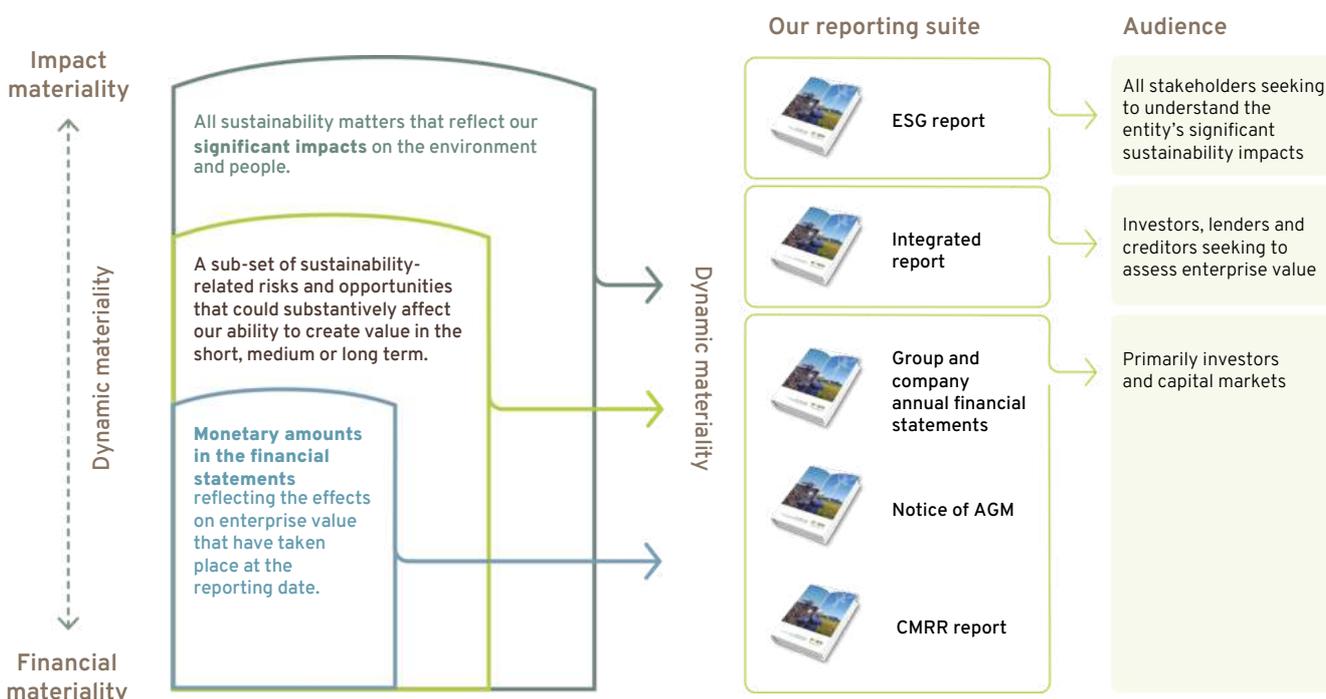
- Do not have management control but hold an important equity interest, namely Black Mountain, Richards Bay Coal Terminal Proprietary Limited and SIOC, or
- Have joint control, being Mafube JV and the Moranbah South project (joint operation)

## How we determine information to disclose

Our double materiality determination process underpins how we distinguish the information to be included in our reporting suite by identifying matters that affect enterprise value (financial materiality) and those that impact the environment, communities and society (impact materiality). Recognising that sustainability matters can shift between these lenses, we conduct an annual assessment to reflect these changes in our reporting suite.

 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 8.



## Defining short, medium and long term

### Short term

Between one and five years

### Medium term

Between six and 10 years

### Long term

More than 10 years

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

	IR <sup>#</sup>	ESG	AFS <sup>#</sup>	CMRR
Integrated Reporting Framework	x	x	x	
Companies Act, 2008 (Act 71 of 2008), as amended (Companies Act)	x	x	x	
International Financial Reporting Standards (IFRS <sup>®</sup> ) Accounting Standards*	x	x	x	
JSE Limited (JSE) Listings Requirements and Debt and Specialist Securities Listings Requirements	x	x	x	x
Department of Trade, Industry and Competition (dtic) Broad-based Black Economic Empowerment (B-BBEE) Codes of Good Practice	x	x		
The effective parts of the Broad-based Socio-economic Empowerment Charter for the Mining and Minerals Industry 2018 (Mining Charter III)	x	x		
King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)**	x	x	x	
South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 edition (SAMREC Code)	x	x	x	x
In accordance with Global Reporting Initiative (GRI) standards	x	x		
United Nations Global Compact (UNGC)	x	x		
Sustainability Accounting Standards Board	x	x		
Task Force on Climate-related Financial Disclosures (TCFD) recommendations***	x	x		

<sup>#</sup> Integrated report; annual financial statements.

<sup>\*</sup> As issued by the International Accounting Standards Board.

<sup>\*\*</sup> Copyright and trademarks are owned by the Institute of Directors South Africa NPC and all of its rights are reserved.

<sup>\*\*\*</sup> This falls under the custodianship of the IFRS Foundation<sup>®</sup>.

### Responding to the IFRS Sustainability Disclosure Standards developed by the International Sustainability Standards Board (ISSB)

Exxaro complies with all relevant legislation and financial reporting frameworks while closely monitoring advancements in sustainability reporting. Exxaro fully supports the voluntary adoption of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, which were effective from 1 January 2024. These standards seek to provide a globally consistent and transparent framework, enabling businesses to disclose sustainability-related risks and opportunities comparably.

We are actively engaging with relevant industry bodies and monitoring ongoing government discussions regarding the potential implications of adopting the new sustainability standards for businesses in South Africa. While we are refining our approach, our immediate priority in 2024 was to develop our decarbonisation roadmap, which aligns with our broader sustainability commitments.



Refer to [prioritising climate change mitigation, adaptation and resilience](#) (page 35) for details.

We recognise the integration of the TCFD into the ISSB's monitoring responsibilities and support the collaboration between the ISSB and the GRI to ensure complementary standards.

### 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, and overseen by the board and audit committee.

#### External assurance

KPMG Inc. provides assurance on select sections and data in this report, including 17 strategic sustainability key performance indicators (KPIs), marked as reasonable assurance (RA).



Refer to the [assurance report](#) (page 185) for details.

# 1 Our ESG approach



In delivering on our purpose of powering better lives in Africa and beyond, we strive to protect the natural ecosystems on which we rely and build a better future for people and the planet. To do this, we consider ESG factors in our strategic decision making, informing our approach to responsible and sustainable business practices.

## In this chapter

We unpack our approach to ESG, which is guided by our ESG policy and Sustainable Growth and Impact strategy, enabling us to:

### Embed ESG in our business by...

- 7 [Achieving the objectives set out in our strategy and ESG policy](#)
- 9 [Adopting good governance practices](#)
- 10 [Responding to external drivers of ESG by adopting best practice recommendations](#)

### Deliver meaningful and positive impact by...

- 11 [Measuring our performance against ESG KPIs and targets](#)
- 14 [Benchmarking our ESG progress against our industry sub-sector peers](#)
- 16 [Considering and responding to our stakeholders' legitimate needs and expectations](#)

## Recognition of our performance

ESG performance is an increasingly important determinant of a company's overall management, sustainability and risk. It is used by various stakeholders to inform investment and lending decisions – measuring and assessing Exxaro's exposure to ESG risks, and our mitigation and management efforts relative to our peers. We received several accolades this year in recognition of delivering on our ESG commitments, and our efforts to improve the transparency and accuracy of our reporting.



Our 2023 integrated report won the top 40 category at the 2023 integrated reporting awards. This award recognises Exxaro's commitment to innovation and excellence in integrated reporting.



Our placement in the EY Excellence in Integrated Reporting Awards excellent category over the past three years reflects our commitment to integrated thinking in strategic decision making.



Exxaro received four safety awards at the 2024 CoalSafe Awards – reflecting the progress we have made towards our goal of zero harm (read more about our [safety awards](#) on page 69).



# Embedding ESG in our business

Our Sustainable Growth and Impact strategy is a critical driver of embedding ESG into everything we do – positioning Exxaro to win in a just, sustainable and responsible manner.

## How ESG is integrated into our strategy

Our strategy is an integrated, multi-stakeholder approach to positioning the business for a resilient and sustainable future by transforming our business and evolving into a diversified resources group. To do this responsibly, we consider our broader impact and material ESG and compliance matters, which were considered in the formulation of our ESG policy.

Our ESG policy, which is near completion, outlines the actions to embed ESG in our organisation, including objectives that support the achievement of our Sustainable Growth and Impact strategic objectives. It also sets out the principles that inform our approach to ESG matters and describes our commitment to sustainability and maintaining sound governance procedures.

 Stakeholders are a critical enabler of our sustainable development and business success, which is why we adopt a [stakeholder-inclusive approach](#) (page 16), collaborating and engaging with key stakeholders in achieving our goals and implementing initiatives. Our draft ESG policy will inform stakeholders about our commitment to responsible investment practices as we integrate ESG considerations into our investment decisions and management processes. The policy is under review to ensure effective stakeholder engagement, building consensus and forging a commitment on an integrated approach to ESG.

 Our approach to ESG is embedded in how we are [transitioning into a low-carbon business](#) (page 29) – responding to climate change by transforming the business in a systematic and responsible manner. This is supported by our approved [decarbonisation plan](#), detailed on page 30.



 More information on our Sustainable Growth and Impact strategy can be found in our [integrated report](#) (page 54).

To ensure we effectively respond to ESG matters and improve our performance, we initiated a baseline assessment and gap analysis of our ESG projects and initiatives, through our ESG portfolio management office (PMO), to be concluded in 2025. The PMO has also embarked on the collation and audit of the ESG portfolio to further enhance business value and address areas of concern that could impede the timely and successful execution of projects and initiatives.

## Embedding ESG in our business continued

### 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 2024 review identified 24 material matters, grouped into seven overarching themes. The themes and matters unpacked in this report are as follows:

#### Operational and financial

 Adapting to a changing context	Material matters	 Detailed disclosure
Our operating context is ever changing, with social, political and economic issues influencing our ability to create value.	<ul style="list-style-type: none"> <li>Macro-economic and geopolitical environment</li> </ul>	<a href="#">Page 10 and 114</a>
 Driving business resilience	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Innovation and digitalisation</li> </ul>	<a href="#">Page 103</a> Information on innovation and digitalisation is disclosed across the report
 Executing our strategy	<ul style="list-style-type: none"> <li>Diversify responsibly into energy transition minerals and grow our energy solutions business while protecting and optimising our coal portfolio and business</li> </ul>	<a href="#">Page 29 to 34</a>

#### Environment

 Responsible environmental stewardship	<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>	<a href="#">Page 24 to 61</a>
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#### Social

 Building sustainable communities	<ul style="list-style-type: none"> <li>Social licence to operate</li> <li>Upholding and respecting human rights</li> <li>Sustainable job and business creation</li> <li>Supporting a just transition to a low-carbon economy</li> </ul>	<a href="#">Page 87 to 108</a>
 Enabling a thriving workforce	<ul style="list-style-type: none"> <li>Health, safety and wellness</li> <li>Workforce DEI</li> <li>Labour relations</li> </ul>	<a href="#">Page 66 to 86</a>

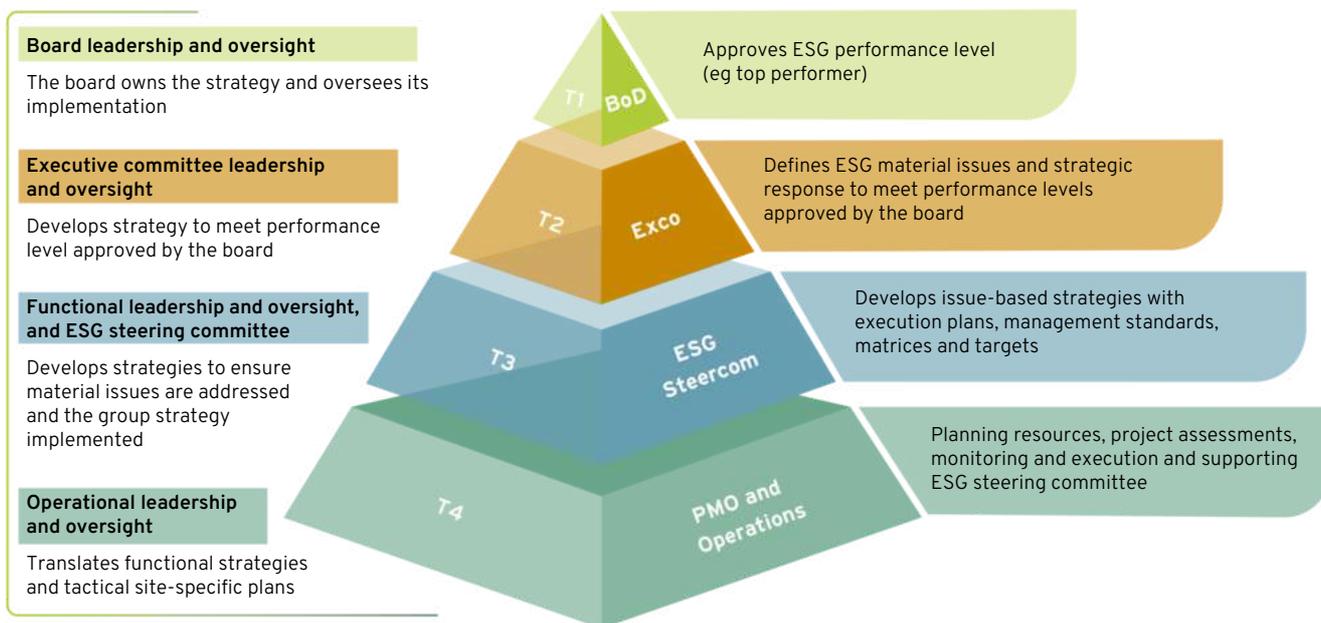
#### Governance

 Principled governance	<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>	<a href="#">Page 109 to 184</a>
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## ESG governance

Our ESG governance framework enables the effective implementation of the policies, practices and procedures adopted to manage and enhance our ESG performance.



The board is ultimately responsible and accountable for the delivery of ESG commitments. The board is supported by:

- The risk and business resilience (RBR) committee, for oversight of environmental and climate change impacts and management from a risk and business resilience perspective
- The social, ethics and responsibility committee (SERC) for the oversight of:
  - Compliance with its statutory duties and best practice, including environment, health and safety
  - Impact on planet, people and prosperity ensuring the group's conduct is congruent with being a responsible corporate citizen
  - Stakeholder management and ethics management
  - Working conditions, relationships and development of our people
  - Community support and development

Implementation is overseen by the relevant executive leadership and operationalised by business unit (BU) managers.

The ESG steering committee supports Exxaro's ongoing commitment to ESG, sustainability and other relevant public policy matters. The committee ensures ESG is integrated into our strategy, and that we consciously embed ESG in everything we do. Exxaro's ESG PMO monitors execution and drives accountability across the organisation.

 Read [ESG governance structure beyond compliance](#) (page 117 and 118) and [committee reports](#) (page 137 to 159) for details on board committee mandates and management.

The ESG steering committee reports to the group executive committee on ESG performance, measurement and improvements.

To ensure the PMO's success and management of multi-stakeholder organisational change, we are aligning the right resources and necessary skills sets, which include project management, risk management, systems and assurance, financial management and internal ESG experts. The key objective is to ensure that ESG-related goals and targets fit into the organisation's strategic objectives.

The ESG steering committee and PMO drive ESG implementation and ensure decarbonisation and other critical ESG factors are integrated across all business levels. The committee is also responsible for reviewing the decarbonisation project business cases, monitoring budget spent and advising the technical team on further risk mitigation. The SERC is responsible for the approval of the decarbonisation strategy.

## Embedding ESG in our business continued

### External drivers influencing our ESG practices

#### Local and industry drivers

The challenges facing our macro-environment influence how we manage our ESG impacts to ensure and enhance business sustainability and resilience.

We operate in a country facing energy security, infrastructure, water scarcity and socio-economic development challenges. Additionally, the mining industry is a socially and environmentally impactful industry where companies, their peers and key stakeholders need to foster partnerships to collaborate on policy formulation, enhance South Africa's socio-economic development and contribute to the low-carbon transition.

#### Global drivers

The global imperative for companies to enhance their ESG practices and report on their impact timeously and transparently has gained significant traction and prominence.

Among other factors, this is driven by:

- Ongoing shareholder activism, which is a powerful change agent in persuading companies to adopt greater accountability and responsible business practices
- A changing regulatory landscape, including new regulations and the potential for voluntary frameworks to become regulatory
- Calls to action for companies to adopt best practices in ESG, including establishing internal ESG teams, setting clear and measurable targets and providing assurance on financial and non-financial information

### How we are responding

#### Adopting global best practice



While we explore options to adopt the new ISSB standards, we continue to support TCFD recommendations and align our reporting and business processes accordingly. Our Climate Change Response strategy also aligns with TCFD recommendations.



Supporting the Taskforce on Nature-related Financial Disclosures (TNFD) will enable us to identify and manage nature-related risks. We have prepared a TNFD reporting plan, with the Locate, Evaluate, Assess, Prepare (LEAP) approach set for implementation in early 2025.



We sponsored the South African pavilion at the UN Climate Change Conference of the Parties (COP29).



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



Exxaro participates in the Carbon Disclosure Project (CDP) climate change, forestation and water programmes.

#### Target setting and remuneration

Our executive remuneration includes material ESG targets for water and energy efficiency.

#### Performance incentives

Our group short-term incentive (STI) and long-term incentive (LTI) schemes incentivise delivery against key financial, operational and ESG goals aligned to approved annual business plans.

#### Group-wide ESG policies, procedures, strategies and frameworks

We are guided by umbrella and respective ESG policies, procedures, strategies and frameworks that support our approach to ESG management and performance.

### Supporting global climate mitigation and energy transition objectives

Exxaro's climate change position statement unpacks our journey to be carbon neutral by 2050, and 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 2025 to reflect changes made to our decarbonisation roadmap and to consider new developments in climate change reporting regulations.

### 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 63).





# Delivering meaningful and positive impact

## Measuring and monitoring our performance

Our ESG KPIs demonstrate our commitment to sustainable business practices and enable us to track our progress towards delivering on our strategic objectives and ESG goals. KPIs are informed by our integrated enterprise risk management (ERM) framework, which includes clearly defined material matters. The board and executive committee monitor, measure and manage Exxaro's strategy and performance each quarter, ensuring we deliver positive impact.

To ensure the integrity of our KPI reporting, select KPIs are assured as part of our combined assurance process. This also enables us to transparently report on the value we have created, preserved or eroded across the resources we use and impact (six capitals), and sustainability drivers.

### KEY

#### Trend

- Progress has regressed or is needed
- Progress has improved over three years
- Progress remains consistent towards achieving our target



## Natural capital

Strategic objective	KPI	Target	2024	2023	2022	Trend
	<b>Incidents</b>					
	Reportable environmental incidents (levels 2 and 3)	0 level 2s 0 level 3s	0 level 2s <sup>RA</sup> 0 level 3s <sup>RA</sup>	1 level 2 0 level 3	0 level 2s 0 level 3s	
	<b>Compliance</b>					
	Stoppage directives (includes section 54 in terms of MHSA*)	0	0 <sup>RA</sup>	4	7	
	Stoppage directives (includes directives in terms of NWA, NEMA and MPRDA*)	0	0 <sup>RA</sup>	0	0	
	<b>Valid authorisations in place</b>					
	Current operations	100%	100%	100%	100%	
	Projects	100%	100%	100%	100%	
	<b>Compliance to valid licences/authorisations in place**</b>					
	Current operations	100%	97%	97%	100%	
	Projects	100%	100%	100%	100%	
	<b>Environmental liability provisions in place**</b>					
	Commercial and captive operations***	Between 80% and 100%	Between 50% and 80%	Between 50% and 80%	Between 50% and 80%	
	<b>Environmental management</b>					
	Carbon intensity (scope 1 tCO <sub>2</sub> e/total kilotonnes mined (kTTM))	Actual for previous year less 5%	3.4% increase	> 5% reduction	0.5% increase	
	Carbon intensity (scope 2 tCO <sub>2</sub> e/kTTM)	Actual for previous year less 5%	10.8% reduction	> 5% reduction	0.8% increase	
	Water intensity (kL/tonne RoM****)	0.15 to 0.18	0.14 <sup>RA</sup>	0.10	0.15	
	Physical rehabilitation (actual versus budget)	0% deviation from budget	0% deviation from budget	Between 0% to 25% deviation from budget	Between 25% and 50% deviation from budget	

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

\* 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).

\*\* Includes environmental authorisation, integrated water use licence (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.

\*\*\*\* Run of mine (RoM).

## Delivering meaningful and positive impact continued

### Human capital

Strategic objective	KPI	Target	2024	2023	2022	Trend
<b>Safety</b>						
	Number of fatalities	0	0 <sup>RA</sup>	0	1	↔
	LTIFR*	0.05	0.06 <sup>RA</sup>	0.07	0.05	↔
	LTIs*	7	10 <sup>RA</sup>	11	7	↔
<b>Health</b>						
	Occupational health diseases	**	23 <sup>RA</sup>	23	23	↔
	OHIFR* reported	0.13	0.14 <sup>RA</sup>	0.15	0.16	↔
	Employees who received HIV/Aids awareness training	95%	99.12%	92.92%	116.5%	+
	Employees who received awareness training and voluntarily tested for HIV/Aids	68% and above	94.3%	69%	70.6%	+
	HIV/Aids prevalence rate compared to country prevalence rate	Less than the country prevalence rate	1% vs 12% less than the country prevalence rate	1% to 10% less than the country prevalence rate	1% to 10% less than the country prevalence rate	↔
<b>Skills<sup>#</sup></b>						
	Skills provision (percentage of appointment of employees within)	60%	72.8% <sup>RA</sup>	73.66%	64%	↔
	Scarcity skills retention (percentage turnover)	5%	3.6% <sup>RA</sup>	4.5%	4.4%	-
<b>Security</b>						
	Fraud and corruption/asset destruction	0%	0%	0%	0%	↔

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

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

\*\* No target set for 2024.

<sup>#</sup> The operational effectiveness process completed in 2024 resulted in the decrease compared to the 2023 statistics.

### Manufactured capital

### Intellectual capital

Strategic objective	KPI	Target	2024	2023	2022	Trend
<b>Operational performance</b>						
	System availability (Core P1 and enterprise resource planning solutions)	97%	99.68%	98.66%	97.49%	+
	Information management projects (cost overrun)	0% over budget	41% under spent	73% under spent	5% under budget	+
	Information management projects (time overrun)	0% behind schedule	29% behind schedule	22% behind schedule	0% behind schedule	-

### Financial capital

Strategic objective	KPI	Target	2024	2023	2022	Trend
	EBITDA** margin (managed operations) (%)	29	26	35	41	-
	ROCE** (%)	>20	23	35	45	-
	Solvency ratio (times)	2 to 3	3.6	3.5	3.3	+

\*\* Earnings before interest, tax, depreciation and amortisation (EBITDA), and return on capital employed (ROCE).



## Social and relationship capital

Strategic objective	KPI	Target	2024	2023	2022	Trend
	<b>Employment equity</b>					
	Black ownership at group level	30%	47.10%	47.10%	47.10%	↔
	People with disability representation	2%	1.69%	1.69%	1.61%	↔
	Human resources development spend as % of payroll – Mining Charter III	5%	5%	5.04%	5.53%	↔
	HDP* representation – top management	50%	50.00%	50.00%	66.66%	↔
	HDP representation – senior management	60%	73.65%	73.33%	68.91%	+
	HDP representation – middle management	60%	77.46%	83.44%	80.92%	↔
	HDP representation – junior management	70%	79.06%	82.31%	81.16%	↔
	Women representation in top management bands	20%	25.00%	25.00%	33.33%	↔
	Women representation in senior management bands	25%	36.26%	30.67%	22.97%	↔
	Women representation in middle management bands	25%	45.64%	45.31%	40.62%	↔
	Women representation in junior management bands	30%	35.42%	34.03%	32.41%	↔
	<b>Business sustainability</b>					
	B-BBEE level	Level 3	Level 2	Level 2	Level 3	↔
	Enterprise development (percentage of NPAT*)	1%	1.00%	0.74%	0.49%	↔
	Supplier development (% of NPAT)	2%	1.57%	0.88%	0.83%	+
	Socio-economic development (percentage of NPAT)	1%	1.00%	0.58%	0.93%	↔
	Skills development expenditure on learning programmes in the learning programme matrix for black people as a percentage of leviable amount – B-BBEE	3.1%	3.5%	3.16%	3.15%	+
	<b>SLPs**</b>					
	Project delivery measure – local economic development projects per SLP time variance from plan	Within 10% deviation	14% behind schedule	18% behind schedule	40% behind schedule	↔
Cost variance from plan	Within 10% deviation	48% under budget	44% under budget	16% over budget	-	

\* Historically disadvantaged person (HDP), net profit after tax (NPAT) and social and labour plans (SLPs).

# The trend-based indicators are in accordance with Exxaro's internal sustainability framework.



\* Refer to page 93 for SLP performance.

## Delivering meaningful and positive impact continued

### Benchmarking our performance

We benchmark our ESG performance against our peers who exhibit the global best practice expected by responsible investors. Global ratings agencies assess our ESG performance using publicly available information (annual reports, websites and media) in line with various criteria requirements.

We aim to improve our disclosure by engaging with ratings agencies, ensuring we report transparently and that our reporting is accessible to a broad range of stakeholders.

As a result of our ESG approach, we proudly benchmark above our peers in global ESG best practice.

#### Our score

#### 4/5 overall ESG score



FTSE Russell's ESG scores and data model allows investors to understand a company's exposure to, and management of, ESG issues in multiple dimensions. The index series measures our ESG risks and impact performance in terms of themes relevant to our mining context.

Over the past six years, we have consistently achieved good scores, demonstrating our commitment to improving our performance. Our rating increased slightly from last year, and we remain ranked in the top quartile of global performers in the basic resources supersector.

FTSE Russell ESG Index - Exxaro's historical performance (score out of 5)



Source: FTSE Russell Corporate Performance Results.





## Our score



The Bloomberg Gender Equality Index encourages organisations to improve their gender-related policies and practices through fostering greater transparency and accountability. The index includes public companies from various organisations, and tracks their performance and progress in gender equality and advancing women in the workplace.

Exxaro was recognised in the 2024 Gender Equality Index for the fourth consecutive year – a testament to our commitment to gender equality and inclusion.



MSCI ESG Ratings evaluate and benchmark companies' ESG performance across various industries, enabling investors to integrate ESG considerations into their decision making and identify sustainable investment opportunities.

**Exxaro was rated as A**

Although this rating is slightly below the AA rating received in 2023, Exxaro remains one of the top performers among our peers' ESG reports.

Areas of disclosure improvement include our high exposure to safety risks, environmental liabilities and an inadequate anti-corruption policy.



The Transition Pathway Initiative compares companies' expected future carbon emissions with local and international targets as part of the Paris Agreement. It is used as a benchmark to determine commitment to corporate climate action. A high Transition Pathway Initiative ranking demonstrates that a company is strategically mitigating climate change and its effects.

**4/4 rating**

We have achieved this rating for the past three years demonstrating our commitment to manage greenhouse gas (GHG) emissions, which shows stakeholders that Exxaro is well positioned to benefit from opportunities presented by the low-carbon transition.



Institutional Shareholder Services empowers investors and companies to build long-term sustainable growth by providing high-quality data, analytics and insight.

**Exxaro was ranked at C-**

This rating shows that we have a high transparency level, demonstrating our continued commitment to good corporate governance.

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.



The Sustainalytics ESG rating measures exposure to industry-specific material risks (including company-specific factors such as the business model) and the company's management of those risks.

**37.2 ESG risk rating**

Exxaro's exposure was rated high and management was rated strong, which indicates the robustness of our ESG programmes, practices and policies.

We regularly assess feedback from other ratings agencies to identify common assessment areas and improvement opportunities.



S&P Global ESG Scores assess companies' risk management related to ESG factors, and comment on companies' overall sustainability and levels of responsibility. A high score indicates good management of ESG issues.

**50/100 ESG score**

Our scores in the ESG and economic categories are above the industry averages. We also achieved a very high data availability rating, highlighting our focus on transparency.



# Stakeholder-inclusive approach

At Exxaro, we remain steadfast in our commitment to a stakeholder-inclusive approach. We prioritise transparent and meaningful engagement with all stakeholders, ensuring their perspectives and needs are integral to our decision-making processes. This approach fosters trust and aligns with 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 take a strategy-led, outcomes-based approach to stakeholder engagement to ensure we build intentional and meaningful relationships. Our stakeholder engagement procedures clarify why these relationships are important and how to approach them. Our stakeholder engagement policy, plans and principles support these procedures. Our approach ensures we address stakeholder issues, manage risks, leverage opportunities and deliver on our strategic objectives.

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

 Read about how we are engaging with stakeholders on our [climate commitments](#) on page 39.

## Stakeholder universe

We regularly identify and analyse our stakeholders, assessing how our activities impact them and how they impact our ability to deliver on our strategy, contribute to our ESG performance and address risks. We categorise our stakeholders into four key groupings (government, business, communities and value chain participants) and identify relevant engagement objectives and response strategies as required.



## Quality of our relationships

The quality of our stakeholder relationships and how we manage these affect our ability to deliver on our strategy. We measure the quality of our relationships with our stakeholders through self-assessments.



## Government

*Our good relationship with this stakeholder has room for improvement*

Detailed disclosure:  [Our social impact](#) (page 62 to 108)

Stakeholders in this category include the Department of Mineral Resources and Energy (DMRE)\*, Department of Health (DoH), dtic, Department of Cooperative Governance and Traditional Affairs, the Presidency, Presidential Climate Change Commission, premiers and local municipalities.

### Engagement purpose

- Keep government informed about strategic developments
- Collaborate to find solutions to socio-economic challenges
- Partner on mutually beneficial projects
- Participate in shaping policies
- Invest in South Africa's socio-economic development
- Seek support to drive business resilience and manage country risks
- Demonstrate our ESG performance and how we respond to increasing demands, responsible environmental management and community commitments

### Engagement methods

- One-on-one, in-person and virtual engagements
- Dialogue platforms
- Events and sponsorships
- Quarterly reports

### Stakeholder expectations and issues

- Through industry bodies, businesses have raised logistics issues (such as availability of locomotives, inadequate maintenance regime, financial difficulties, and physical security) and mines have highlighted local service delivery challenges. Both seek to work together and with government to resolve these issues
- Government expects businesses to manage water responsibly, minimise negative environmental impacts, and overcome climate change issues
- Government expects mines to plan for post-mine closure, job creation, and broader community upliftment

### Our response

- Sharing our diversification plans with the DMRE's director general
- Engaging regularly with the DMRE on SLP initiatives, including planning and reporting
- Executing our Sustainable Growth and Impact strategy
- Implementing the Social Impact strategy
- Participating in the Business Leadership South Africa B20 engagements with the minister of finance
- Processing and managing requests for information through the Promotion of Access to Information Act, 2002 (Act 2 of 2002)
- Liaising with the Independent Electoral Commission's chief executive for party funding to confirm the process for Exxaro's R25 million contribution to democracy in South Africa, and with the commission's outreach department to understand their voter education programmes as input for a review of our political donations policy

### How we create value

- In 2024, we spent:
- R2.1 billion on socio-economic development through SLP projects that include local procurement, infrastructure, skills and SMME development and R122.4 million on corporate social investment (CSI) initiatives
  - R1.7 billion on employee tax and R4.8 billion on tax payments to government

\* Government is restructuring the DMRE, which will be replaced by the Department of Mineral and Petroleum Resources, and the Department of Electricity and Energy. The DMRE remained the official regulatory body at the time of reporting.

## Stakeholder-inclusive approach continued

### Regulators

*Our good relationship with this stakeholder has room for improvement*

**Detailed disclosure:**



[Our environmental stewardship](#) (page 25), [social impact](#) (page 63)

Exxaro aims to go beyond compliance in our business activities. Stakeholders include the DMRE, Department of Water and Sanitation (DWS), Water Tribunal, Department of Forestry, Fisheries and the Environment (DFFE), Department of Employment and Labour (DEL) and the JSE.

#### Engagement purpose

- Manage compliance with regulatory requirements to ensure business sustainability
- Maintain strong relationships with stakeholders at international, national and provincial levels
- Assist with relevant applications to secure our licence to operate
- Collaborate in shaping policies
- Ensure the success of our current and future businesses
- Communicate and demonstrate how we respond to issues relevant to government, industry and society while delivering on our strategy

#### Engagement methods

- One-on-one, in-person and virtual engagements
- Dialogue platforms
- Quarterly reports

#### Stakeholder expectations and issues

- Regulators would appreciate improved communication about Exxaro's plans and strategies in addition to receiving submissions regarding licences/authorisations

#### Our response

- Reporting quarterly as required by regulatory bodies
- Ensuring robust internal auditing processes, strategies and management controls to improve compliance and risk mitigation
- Regularly reviewing and addressing complaints received
- Processing information requests through the Promotion of Access to Information Act, 2002 (Act 2 of 2002) and managing them accordingly
- Proactively engaging with the DWS and DFFE on water issues at our Durnacol and Hlobane mines in closure
- Engaging with the DMRE on the renewal of our Matla mining right, the DWS and the DMRE on discard dumps, and the DWS and Water Tribunal on the Matla WUL renewal

#### How we create value

- Ongoing compliance with regulations



## Employees

*Our good relationship with this stakeholder has room for improvement*

### Detailed disclosure:



[Empowering our people](#) (page 66), [remuneration report](#) (page 160)

Understanding our employees' needs and expectations is linked to our success.

### Engagement purpose

- Regularly communicate organisational progress against goals
- Conduct workshops with employees to co-create solutions to workplace challenges
- Implement team development programmes to align employees' focus, profile and development efforts with our strategy and culture
- Empower employees to manage change and promote resilient business performance through information sharing and capabilities training
- Identify opportunities to enhance capabilities through education, awareness and skills development as we transform and transition our business
- Strengthen our culture, trust and relationships while improving employee engagement and morale
- Allow employees to be heard and receive feedback on important matters through the CEO's regular employee engagements

### Engagement methods

- Daily, weekly, monthly and quarterly meetings
- Quarterly group-wide (digital and print) and BU newsletters
- CEO roadshows
- Quarterly family meetings
- Quarterly BU management roadshows
- Regular communication campaigns on safety, anti-fraud and corruption, DEI and Social Impact strategies through emails, digital screens, SMS and the LetsConnect mobile platform
- Training initiatives
- Performance management and KPI setting, with annual performance reviews
- Caucus system (weekly departmental meetings)
- Safety engagements through toolbox talks, visible felt leadership (VFL), group-wide critical season, and safety summit
- Biannual CEO feedback on annual and interim financial results, union meetings and employee feedback sessions
- Honesty boxes, and fraud and ethics hotline
- Periodic employee engagement surveys
- Team journeys to develop a high-performance culture as part of culture transformation

### Stakeholder expectations and issues

During CEO roadshow meetings at BUs and family meetings at head office, employees raised several issues and expectations, including:

- Whether they would return to a full-time in-office working environment, or if the hybrid work environment would remain (after COVID-19)
- The need for increased mental wellness support and a review of the current offering
- A review of incentive schemes, particularly the line of sight (LOS) scheme at the BUs, which are based on production
- Effective engagement from management about employee concerns
- Additional opportunities for career growth and quality of development initiatives
- Equitable and fair treatment
- The introduction of bursaries for employees
- The introduction of a structured platform for, and recognition of, men's issues
- The need for payouts linked to a traditional employee share ownership plan (ESOP) in addition to receiving dividends from the GreenShare ESOP

### Our response

- Improving communication by:
  - Conducting workshops to foster trust
  - Encouraging reciprocal dialogue and employee buy-in for decisions
- Championing DEI by:
  - Implementing an anti-racial charter
  - Establishing forums to engage on challenges facing people with disabilities
  - Supporting women in business through women in leadership initiatives, women in mining and gender empowerment programmes
  - Conducting awareness sessions on gender-based violence (GBV) and Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual and other sexual orientations and gender identities (LGBTQIA+) issues
  - Engaging on men's issues by establishing a men's forum to promote men's health and wellbeing
  - Expediting DEI capability building workshops to promote an inclusive and diverse culture
- Investing in and developing talent through:
  - Fair promotion processes and effective reward systems
  - Skills development, including mentorship and longer-term support
  - High-quality, equitable and fair development initiatives, including bursaries
  - Youth development programmes and job opportunities
  - Ongoing engagement around group incentive (GIS) and LOS incentive schemes
  - Succession planning and mentorship training
- Across the business, we are:
  - Addressing social issues, including the environment, community, employment and diversity
  - Maintaining high health and safety standards and conducting awareness initiatives
  - Implementing the head office organisational effectiveness project
  - Reinforcing the code of conduct during CEO roadshows and employee meetings
  - Communicating divestment and investment decisions
  - Monitoring action plans to close 2023 survey issues

### How we create value

- We paid R5.1 billion in employee salaries, wages and benefits
- Each GreenShare beneficiary received a cash dividend of R10 653.40
- Our LTIFR improved to 0.06 against our target of 0.05
- We invested R402 million to develop our people through comprehensive training programmes, leadership development initiatives and opportunities for continuous learning
- Women account for 32.79% of the workforce, way above the industry standard

## Stakeholder-inclusive approach continued

### Labour unions

*We have a very strong relationship with this stakeholder based on mutual trust and respect*

**Detailed disclosure:**  [Maintaining sound employee relations](#) (page 78)

Our collaborative relationship with labour unions is critical to ensuring successful employee relations. Exxaro has a pluralist approach to union recognition, formally engaging with unions where recognition agreements were concluded, therefore maintaining their collective bargaining rights. These unions include elected officials of recognised labour organisations at BU, provincial or regional levels. Our employees are members of the National Union of Mineworkers (NUM), National Union of Metalworkers of South Africa (NUMSA), Association of Mineworkers and Construction Union (AMCU) and Food and Allied Workers Union (FAWU).

#### Engagement purpose

Through engagements, relationship building and collaboration with labour unions, we aim to better understand their objectives to ensure fair labour practices, minimise labour unrest risks and maintain workplace harmony. This enables us to proactively resolve issues or concerns and keep engagements productive.

#### Engagement methods

- Ongoing monthly engagements at BUs and quarterly engagements at employer level (Exxaro Coal and Exxaro Coal Mpumalanga) and with Exxaro Resources Limited
- Management engagement on interim and annual results

#### Stakeholder expectations and issues

- Enduring union concerns include employee wages and benefits, health and safety, DEI issues, learning and development, reskilling the workforce and post-mine closure business development
- In 2024, dissatisfaction was raised, particularly at Grootegeluk, regarding the LOS STI scheme
- AMCU attained collective bargaining rights and participated in wage negotiations for its members at Grootegeluk

#### Our response

- Communicating our business or financial performance, social impact, DEI and transformation initiatives as updates become available
- Engaging on the impact of Transnet's performance challenges
- Considering a fair process for thresholds when unions seek recognition
- Managing potential union rivalry through capability building and engagement, with AMCU reaching the recognition threshold at Grootegeluk
- Proceeding with wage negotiations to conclude a multi-year agreement to achieve operational sustainability

#### How we create value

- Our well-established and functional union engagement structures enable us to manage communication and resolve issues
- We encourage union input on business growth strategies
- We provide training and development for all stakeholders, with a focus on relationship building
- Our regulatory compliance ensures unions can negotiate fairly and equitably with Exxaro on behalf of their members
- We conducted effective wage negotiations without incident



## Communities

*Our established relationship with this stakeholder can be improved*

Detailed disclosure:



[Building sustainable communities](#) (page 87)

Our Social Impact strategy supports sustainable growth by focusing on the strategic pillars of education, SMME development and land use management – fostering sustainable livelihoods of the communities where we operate. Our proactive and intentional engagements empower communities to co-create impactful solutions that lead to shared value.

### Engagement purpose

- Create and maintain trusting relationships with stakeholders
- Share Exxaro's strategy and purpose
- Respond to community needs
- Uphold an engaged community, with open communication and opportunities to co-create solutions
- Collaborate and partner to optimise resources and drive greater impact
- Mitigate or manage operational stoppages and community unrest
- Bridge the gap between Exxaro's strategic intent and community needs
- Maintain our social licence to operate

### Engagement methods

- Primarily in-person engagements, with virtual meetings held when possible

### Stakeholder expectations and issues

- A lack of skills, limited access to procurement and employment opportunities, and infrastructure development are ongoing issues among community stakeholders
- For Exxaro, key issues include the youth not meeting basic recruitment requirements, which hinders access to employment opportunities and causes under-representation at forums
- The quality of relationships is largely determined by current affairs and changes according to stakeholder expectations
- We anticipated disruptions leading up to the national elections, as we operate in areas with unreliable service delivery, and committed to ongoing SLP projects relating to service delivery; however, stability was maintained. We attribute this to strong relationships with local communities

### Our response

- Delivering [SLPs](#) (page 92), which detail our commitments to skills development programmes and infrastructure development, including the resuscitation of boreholes in Leeuwpaa, a sports field in Lephalale, and substation and roads projects in Matla and Belfast
- Leveraging Exxaro's land resources to create sustainable socio-economic value through concessional land leases and land donations
- Planning future SLPs in accordance with social impact principles and impact areas, in consultation with communities and government (when developing municipal integrated development plans)
- Developing intellectual capital through localised, in-sourced project management – supporting improvements in SLP delivery
- Providing and allocating funding to community development initiatives, socio-economic development, local enterprise and supplier development (ESD) projects, charitable organisations and youth upskilling through Exxaro's social investment structures

### How we create value

- Exxaro spent R161.79 million on socio-economic development (SLPs and CSI), benefiting more than 71 000 people and creating 51 jobs
- Exxaro invested R85.9 million in community education to benefit 27 000 learners



CENNERGI

- Cennergi spent R27.9 million on socio-economic development initiatives, reaching 2 703 people and creating 168 jobs
- Cennergi invested R11.6 million in community education to benefit 6 712 learners

## Stakeholder-inclusive approach continued

### Investors

*Our good relationship with this stakeholder has room for improvement*

#### Detailed disclosure:

-  [Chairman's statement](#) (page 9), our strategy (page 54) ([integrated report](#))
-  [Benchmarking our performance](#) (page 14), [remuneration report](#) (page 160)

Our investor community includes existing and potential shareholders, investment analysts and other financial capital providers with current and future interest in Exxaro's operational, financial and ESG performance. We also include ESG ratings agencies in the investor stakeholder group.

### Engagement purpose

- Keep investors informed and updated on our strategy, operational, financial and ESG performance
- Build trust and foster transparency, while maintaining our reputation through expectation management
- Attract new investments and partnerships by communicating how Exxaro creates value through our Sustainable Growth and Impact strategy. Through these engagements, we gain a deeper understanding of non-holding investors' views on Exxaro and their specific investment criteria to gather insights for future partnerships
- Engage with ESG ratings agencies to clarify our approach, gain valuable feedback and recommendations that inform our efforts to enhance our overall ESG rating performance

### Engagement methods

- Financial results presentations
- Finance director (FD) pre-close message and calls
- Investor and governance roadshows
- Capital Markets Day and site visits
- Investor, industry and climate conferences
- Solicited meetings
- AGMs
- Sell-side roundtables
- Investor perception surveys

### Stakeholder expectations and issues

- Exxaro's growth and diversification aspirations remain a focus, with investors seeking clarity on value creation, execution, timelines and targeted growth areas
- The manner in which Exxaro is managing risks associated with logistics (Transnet Freight Rail) and offtake (Eskom) is of interest, as is Exxaro's capital allocation framework, shareholder returns, cash retention policy and diversification strategy
- Other ongoing areas of interest include environmental, social, sustainability and governance matters regarding Exxaro's transition, including the decarbonisation journey and carbon emission reduction efforts
- Exxaro's succession planning was also a focus in 2024
-  Exxaro's remuneration approach for the board, senior management and our broader employee base, especially rewarding for performance, was again commended in 2024. Read page 164 of the [remuneration report](#) for details regarding shareholder engagement and non-binding advisory votes
- Exxaro's succession planning was also a focus in 2024

### Our response

- Communicating Exxaro's disciplined capital allocation framework, which prioritises investment into our operations, promotes shareholder returns and considers our growth ambitions. Supported by a clear dividend policy and defined growth-oriented cash retention levels, Exxaro continues to deliver attractive returns while laying the foundation for future success
- Keeping shareholders informed about Exxaro's initiatives and collaborative efforts with industry stakeholders and government to address rail logistics challenges
- Communicating our approach to prioritising and solving material ESG issues and going beyond compliance by creating lasting, far-reaching socio-economic impact
- Considering investor feedback on our reporting suite and implementing suggestions that enhance the credibility, transparency and robustness
- Ensuring our investor community understands our growth journey through a clear investment thesis outlining the risks and rewards as we prioritise optimising our business and transitioning into a diversified minerals and energy solutions business
- Shareholder and analyst engagements

### How we create value

- We paid R5 744 million in dividends to external shareholders and R1 893 million to BEE Parties (Eyesizwe's external shareholders) (R23.78/share), which included a special dividend of R5.72/share
- Our FTSE Russell ESG index score remained high at 4/5
- We established a new coverage relationship



## Customers

*Our good relationship with this stakeholder has room for improvement*

Detailed disclosure:



Manufactured capital ([integrated report](#), page 108)

We have domestic and offshore customers in Europe, Asia and other markets. Eskom remains our largest customer, with 72% of our coal sales (per product tonnes) (2023: 73%).

### Engagement purpose

- Understand customers' and strategic partners' requirements and foster mutually beneficial relationships through continuous engagement and information sharing
- Engagements focus on the environment (including scope 3 emissions mitigation), trends, market sentiment, exploring future relationships and improving operational and financial performance

### Engagement methods

- Outbound marketing
- Email correspondence
- Meetings at different levels of customer organisations
- Marketing and industry conferences

### Stakeholder expectations and issues

- Our customers expect quality, consistent and reliable product supply and responsive service. They also seek improvements in communication and demonstrations of our approach to solving societal issues, improving the lives of our communities, minimising our environmental impact, becoming climate resilient and addressing climate change issues
- Exxaro's concerns include the vulnerability of customers in several domestic market segments to the economic climate, inflationary pressures, the weakening rand and sluggish economic growth

### Our response

- Increasing engagement with customers about their challenges
- Facilitating strategic discussions to strengthen relationships in the longer term

### How we create value

- Risk-based mindset to achieve safe production
- Reliable and continuous supply of coal to all customers in terms of quantity and quality

## Suppliers

*We have a good relationship with this stakeholder, with room for improvement*

Detailed disclosure:



[Driving supply chain sustainability](#) (page 103)

Suppliers are crucial participants in our value chain. We have over 4 000 active registered vendors in the provinces where we operate. We categorise our suppliers as strategic, SMMEs and local.

### Engagement purpose

- Achieve mutually beneficial operational, financial, environmental, social impact and governance goals

### Engagement methods

- Direct, proactive engagement with strategic suppliers, aligned with our supplier relationship management framework
- Contract reviews
- Quarterly contractor forum engagement platform at our BUs
- Interaction via our vendor services helpdesk

### Stakeholder expectations and issues

- Exxaro aims for security of supply and related performance management, while suppliers look for long-term, sustainable relationships, including contractual amendments, timeous communication of business opportunities and collaboration for shared value
- There is a high demand for local procurement opportunities and for suppliers to prioritise local communities for employment
- Suppliers expect a visible and impactful demonstration of good corporate citizenship from Exxaro

### Our response

- Regularly engaging with strategic suppliers (as part of our supplier relationship management programme) to address key issues such as cost savings, diversity and transformation (black ownership and participation), supply security, risk management and decarbonisation strategies
- Publishing user-friendly guidelines on Exxaro's procurement systems, policies and processes on our websites to assist suppliers
- Communicating our local procurement strategy, sharing progress at regular BU stakeholder engagement forums and educating suppliers about accessing business and funding opportunities
- Identifying procurement opportunities for local communities
- Securing local economic development commitments from our suppliers
- Setting annual progressive targets (going beyond compliance to regulatory requirements) for preferential, local and green procurement

### How we create value

- Exxaro benefits from reserved allocations of high-risk and strategic commodities to ensure business continuity
- Our ESD programme invested R169.8 million in enterprise development, creating/maintaining 286 jobs and contributing to Exxaro's Mining Charter and dtic scorecard performance:
  - R1.08 billion of our procurement spend was directed to local black-owned SMMEs
  - We have achieved level 2 B-BBEE compliance, with preferential procurement scores improving from 26.44 points in 2023 to 27.47 points in 2024

# 2 Our environmental stewardship



To deliver on our strategic objective of becoming a catalyst for economic growth and environmental stewardship, we incorporate responsible business practices in everything we do. Not only do we aim to mitigate and manage our negative impact on natural resources, we also contribute to enhancing ecosystem resilience and the lives of our employees and communities.

## In this chapter

We unpack our approach and performance through the following lenses:

### We deliver environmental stewardship by...

Page	<u>Striving for carbon neutrality</u>	Page	<u>Safeguarding natural resources</u>
28		47	
29	<u>Transitioning into a low-carbon business</u>	48	<u>Restoring and protecting biodiversity</u>
35	<u>Prioritising climate change mitigation, adaptation and resilience</u>	53	<u>Integrating mine closure and rehabilitation</u>
41	<u>Driving energy efficiency</u>	58	<u>Improving water security</u>
44	<u>Protecting air quality</u>	60	<u>Managing waste responsibly</u>

### We are positioning Exxaro to win through our resilient strategy, which underpins...

Our commitments, management approach and meeting or exceeding compliance	Unpacked in this chapter
How we track and measure our performance	Highlighted in this chapter and <a href="#">measuring and monitoring our performance</a> on page 11
Our stakeholder-inclusive approach	Engagements and collaboration in achieving our goals and initiatives summarised in this chapter, with <a href="#">stakeholder needs and concerns</a> unpacked from page 17

## Reflecting on our environmental stewardship over the years



<p><b>2007</b></p> <p>Signatory to the UNGC</p>	<p><b>2016</b></p> <p>Headline sponsor of South African Pavilion at annual UN Framework Convention on Climate Change COP meeting</p>	<p><b>2022</b></p> <p>Established an ESG steering committee and PMO, which integrates decarbonisation and other critical ESG factors</p>
<p><b>2009</b></p> <p>Committed to support and disclose through the CDP</p>	<p><b>2019</b></p> <p>Top five ESG rating</p>	<p><b>2023</b></p> <p>Incorporated ESG objectives with key steps into our Sustainable Growth and Impact strategy</p>
<p><b>2011</b></p> <p>A- for CDP disclosure</p>	<p><b>2020</b></p> <ul style="list-style-type: none"> <li>Published climate change position statement and alignment with TCFD recommendations</li> <li>Acquired a controlling interest in Cennergi</li> </ul>	<p><b>2024</b></p> <ul style="list-style-type: none"> <li>Planted 16 000 Spekboom trees at our operations as part of carbon offsetting</li> <li>Developed our decarbonisation roadmap and plan</li> </ul>
<p><b>2012</b></p> <p>Cennergi JV with Tata Power</p>	<p><b>2021</b></p> <ul style="list-style-type: none"> <li>Established decarbonisation PMO</li> <li>Best sustainability reporting award winner</li> <li>Climate change reporting finalist</li> </ul>	
<p><b>2013</b></p> <p>Partnered with Eskom and other companies to develop the first grid emission factors for South Africa</p>		



## Our environmental stewardship approach at a glance

We are guided by our environmental policy in delivering on our environmental commitments, which is further driven group-wide through:



## Our strategic response

Our Sustainable Growth and Impact strategy guides the evolution of our environmental policy as we progress against delivering on our ESG objectives embedded in our strategy:

ESG objectives		Supporting the achievement of our Sustainable Growth and Impact strategy
<b>Decarbonisation and resilience</b>	To implement cross-cutting measures to decrease carbon emissions emanating from our operations and building on adaptation and resilience	
<b>Air quality</b>	To reduce air pollution, including dust fallout, PM <sub>10</sub> and PM <sub>2.5</sub>	
<b>Rehabilitation programme</b>	To close and rehabilitate mines for a positive social impact legacy	
<b>Biodiversity management</b>	To protect and conserve biodiversity within our area of influence through the implementation of management plans and initiatives that promote and enhance biological diversity	
<b>Energy and water management</b>	To set water and energy targets aligned to our national benchmarks, industry standards and site objectives, and to allow for future resilience of the business, environment and communities	
<b>Waste management</b>	To minimise our environmental impact by promoting waste management hierarchy and transforming waste streams into opportunities for a circular economy model	
<b>Strategic partnerships</b>	To partner with various stakeholders to enable the successful delivery and broader positive impact of our ESG objectives	



### Further reading

How we are embedding ESG-related risks and opportunities in the business

 [Embedding ESG in our business](#) (page 7)

Our materiality determination process and environment-related material matters

 [Material matters](#) ([integrated report](#), page 46)

## Our environmental stewardship continued

Exxaro's wheel of excellence, detailed below, 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 commitments are categorised into key focus areas, each underpinned by targeted strategies and policies:





## How we performed

### Key highlights

Progressed against our decarbonisation journey, and identified and implemented decarbonisation projects and opportunities for the short to medium term, which included planting **16 000 Spekboom trees** at Grootegeluk and Leeuwan as part of nature-based solutions adopted

Improved disclosure through participation in the **CDP**

Achieved an **energy intensity** of 27.688GJ/kt against our 2024 target of 32.329GJ/kt

Collected **data** on air pollutants at Grootegeluk – a key result of the multi-pollutant ambient air quality monitor installed

Planted **100 trees on rehabilitated land** at Belfast as part of adopted nature-based solutions

Achieved a **carbon intensity** of 4.12tCO<sub>2</sub>e/kTTM against our target of 4.2tCO<sub>2</sub>e/kTTM

**No environmental fines**, complaints or penalties recorded (2023: none)

Planted **100 trees at Matla** to create a wind break and mitigate the impact of dust from the area

Achieved a **water intensity** of 142L/t RoM against our target of 180L/t RoM



Cennergi did not record any significant environmental incidents during the year (2023: none)

In 2024, we sharpened our focus on environmental priorities critical to our carbon neutrality goal for 2050. To drive decarbonisation, we advanced energy efficiency initiatives, implemented nature-based solutions and introduced energy and water performance metrics across all functional areas and strengthened our commitment to resource circularity.

We are also exploring strategic partnerships, adopting green technologies, and employing robust environmental management tools to further enhance sustainability.



Through our [university chairs](#) (page 39), we support research that promotes sustainable resource use, addresses climate change adaptation and mitigation, and tackles other pressing environmental challenges.

### Key challenges

#### Seven

level 1 incidents recorded

(2023: three)

The Matla WUL renewal application was declined in 2022. There were various engagements between Exxaro and DWS which concluded in Exxaro conceding to line the Matla pollution control dams. Supporting documentation (including the designs for the dams) were submitted to DWS for the finalisation of the WUL.

## Environmental incidents

Since updating our environmental incident management standard in 2021 to include level 0 incidents (those posing a potential risk but with no environmental impact), we have continued to monitor these events closely.

In 2024, Exxaro recorded 45 level 0 incidents (2023: 53), seven level 1 incidents (2023: three) and zero level 2 and 3 incidents.



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

## Environmental complaints, penalties and fines

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 is exploring an electronic system to manage environmental complaints.

In 2024, Exxaro received no new environmental complaints.

## Regulatory changes

The Climate Change Act 22 of 2024 was signed into law on 23 July 2024. This Act establishes a comprehensive framework for South Africa's climate response, including mitigation and adaptation measures. It introduces sectoral emission targets and mandates carbon budgets for major emitters, aiming to transition the nation towards a low-carbon, climate-resilient economy. As a key player in the mining sector, we are aligning our operations with these new requirements to comply with the Act.

### Future focus



In 2025, the focus will remain on reducing emissions and energy consumption, protection of ecosystems, resource circularity, policy and regulatory developments in the ESG space. The ESG PMO will further aim to embed ESG criteria into project delivery through the integration of ESG KPIs.

# Striving for carbon neutrality

Exxaro’s commitment to carbon neutrality by 2050 is central to our vision for a sustainable future, supporting South Africa’s low-carbon transition while positioning us as a leader in environmental stewardship. Achieving this goal requires an integrated approach that embeds decarbonisation across all aspects of our business.

By taking action in the focus areas described below, we are addressing climate change, reducing carbon intensity and building resilience in a changing world.

	Why this matters	Our response
<p><a href="#">Transitioning into a low-carbon business</a></p> <p>Page 29 to 34</p>	<p>To ensure we thrive in a low-carbon future, Exxaro is shifting from a coal base to a diversified minerals and energy business. This transition supports resilience and enhances our social impact.</p>	<p>We are responsibly optimising our coal operations, repositioning to capture opportunities in the just energy transition, and prioritising support for employees, communities and value chain partners throughout this journey.</p> 
<p><a href="#">Prioritising climate change mitigation, adaptation and resilience</a></p> <p>Page 35 to 40</p>	<p>Climate change impacts every aspect of our business, from risk management to capital allocation, making adaptation critical to our long-term value creation and sustainability.</p>	<p>We are responding to the climate change agenda by putting plans in place that will enable us to meet our short and long-term targets. We mitigate the impact of climate change on our business and communities through decarbonisation initiatives, building on adaptation and resilience, and implementing renewable energy self-generation projects and operational efficiency programmes – all of which are cost-effective ways of addressing socio-environmental challenges.</p> 
<p><a href="#">Driving energy efficiency</a></p> <p>Page 41 to 43</p>	<p>Energy efficiency is fundamental to our decarbonisation strategy, as it reduces our carbon footprint, minimises costs and strengthens our resilience against energy-related risks.</p>	<p>We are actively reducing emissions and energy consumption through innovative, sustainable practices, focusing on operational efficiency and exploring alternative energy sources to further support our transition to a low-carbon business.</p> 
<p><a href="#">Protecting air quality</a></p> <p>Page 44 to 46</p>	<p>Our operations invariably generate pollutants that impact air quality. This, in turn, affects the health of our employees, communities and the natural ecosystems surrounding our operations.</p>	<p>We mitigate air pollution through prevention, proactive mitigation and the application of best practices, ensuring compliance and addressing stakeholder concerns about environmental and public health.</p> 

## Partnering for progress towards carbon neutrality

<p><b>Research and educational initiatives</b></p>	<p>To enhance our climate resilience, Exxaro works with the Council for Geoscience on carbon capture, utilisation and storage; the Agriculture Research Council on climate-smart agriculture and land use management; and the South African National Biodiversity Institute on nature-based solutions. We also conducted research into energy efficiency initiatives and developed climate change training courses in partnership with the University of Pretoria.</p>
<p><b>Industry and government contributions</b></p>	<p>Our involvement in industry forums such as the Industry Task Team on Climate Change, Minerals Council, Energy Council and Energy Intensive Users Group of Southern Africa supports the development of national climate change policies and the transition to clean energy. Additionally, Exxaro collaborates with the Coaltech Research Association to address GHG emissions.</p>
<p><b>Business and community actions</b></p>	<p>Technology partners and energy management service providers, such as ECS, Cascadia and SmartOps, enhance our energy management and energy efficiency initiatives. To reduce scope 3 emissions, we collaborate on emission reduction projects with customers and suppliers while raising air quality awareness in surrounding communities.</p>





# Transitioning into a low-carbon business

We are responding to climate change by transitioning Exxaro into a resilient, diversified resources company and decarbonising our operations and portfolio – positioning the business to thrive in a low-carbon future and enhance our social impact.

This section provides an overview of what guides, informs and drives the transition of our business, including:

		Detailed disclosure
<b>Accountability and responsibility through board oversight</b>	Our board and its committees are ultimately accountable and responsible for overseeing Exxaro's response to climate change, ensuring integrated business processes and responses. The board also oversees the executive committee's execution of Exxaro's strategy, including measures that address climate change, among other material ESG matters.	<a href="#">ESG governance structure beyond compliance</a> (page 116)
<b>Integrating climate change into our strategy</b>	Our strategy to diversify through investments in our low-carbon transition minerals and grow our energy solutions business is key to addressing the impacts of climate change and reducing our scope 3 emissions.	<a href="#">Embedding ESG in our business</a> (page 7)
<b>Executing our decarbonisation roadmap</b>	The roadmap and strategy will guide our emission reduction targets for scope 1 and 2 emissions. We will employ technology and integrate renewables to reduce our scope 1 and 2 emissions. Additionally, we form strategic partnerships and investigate innovative technologies to address scope 3 emissions to ensure carbon-neutral goods and services within the value chain.	<a href="#">Prioritising climate change mitigation, adaptation and resilience</a> (page 35)
<b>Measuring, managing and reporting on performance</b>	We report on energy and carbon data in terms of the GHG Protocol, and participate in the CDP climate change and water programmes.	
<b>Collaborating</b>	We engage and partner with various stakeholders to raise awareness and collectively drive climate action.	<a href="#">Stakeholder-inclusive approach</a> (page 16)
<b>Addressing risks</b>	Climate-related risks are incorporated into our ERM processes – a strategic initiative fully supported by the board and executive management.	Risks and opportunities ( <a href="#">integrated report</a> , page 28)

## Governance oversight of climate change

The board's responsibilities and activities include:

- Ensuring Exxaro remains sustainable in a carbon-constrained environment
- Strategically ensuring climate change issues are addressed from a corporate governance perspective
- Providing oversight of pathways management should follow to remain sustainable in a dynamic climate policy environment and economy with an objective to transition to a low-carbon world
- Considering climate change when reviewing and guiding strategy, major business plans, capital allocation, risk management, annual budgets and business plans
- Setting the organisation's climate change-related performance objectives, and monitoring their implementation and performance

The board has delegated responsibilities for ongoing management of risks and opportunities to the RBR committee and oversight of the manner in which we have an impact on the planet, including climate change, to the SERC. These committees meet quarterly and review progress in mitigation, adaptation, leveraging of opportunities and community engagements. The ESG steering committee aims to enhance our effectiveness as we gear up for our transition, and coordinates our internal and external responses.

To ensure alignment with our carbon emissions reduction goals, the ESG steering committee monitors initiatives based on our ESG strategies. This helps us understand risks and opportunities so that our operations can focus on managing energy consumption, carbon emissions and other climate-related matters. The ESG steering committee is supported by the decarbonisation technical working team and the core coordination team, which track progress, escalate issues and align initiatives with Exxaro's emissions reduction roadmap.

Our board and management monitor our performance against climate change goals as part of the regular internal reporting process. Additional sessions inform our board and management of emerging trends, risks and opportunities. Climate change matters that relate to committees' terms of reference are reported as part of each committee's annual work plan.

Our board and management are committed to understanding and embracing the science behind climate change and the use of climate scenarios to understand impacts on the business.

## Integrating climate change into our strategy

In line with our purpose of powering better lives in Africa and beyond, our ambition is to provide resources (energy, commodities, capital and people) critical to ensuring a low-carbon world. We are acutely aware of the delicate balance between a rapid energy transition and a fair, equitable shift that benefits all stakeholders. Our Sustainable Growth and Impact strategy was established with this in mind, allowing us to respond to the energy and just transitions.



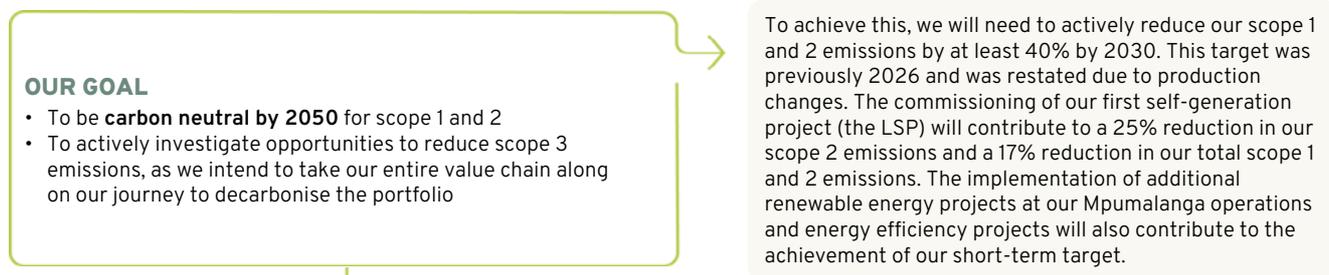
Climate change is one of the forces that shaped our strategy. We conducted a detailed scenario analysis that considered various parameters, assumptions and the resilience of our strategy to climate-related risks and opportunities in line with the TCFD recommendations. These included the transition to a lower-carbon economy consistent with a 2°C or lower scenario, impact of carbon pricing and increased physical climate-related risk management to ensure business resilience under these scenarios.

We published our Climate Change Response strategy and assessment on our alignment with the TCFD recommendations in our 2020 Climate Change Response strategy report. The TCFD provides a strategic framework for guiding our Climate Change Response strategy. This supports our overarching Sustainable Growth and Impact strategy through three of the five objectives (transition at speed and scale, empower people to create impact and be carbon neutral by 2050).

## Transitioning into a low-carbon business continued

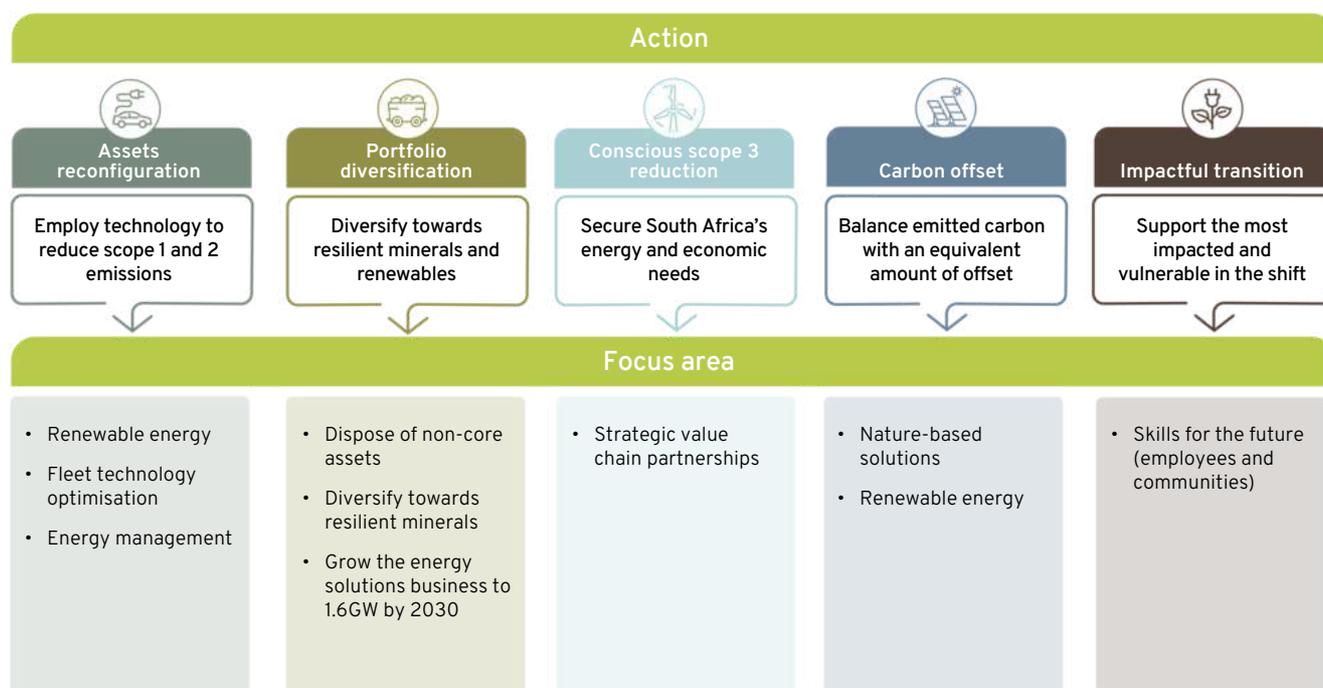
### Our decarbonisation approach

This plan includes key initiatives, milestones and partnerships in line with our decarbonisation strategy to address scope 1, 2 and 3 emissions. Implementation of our plan will prioritise initiatives that effectively balance emission reduction, technology adoption, technological feasibility and funding availability, ensuring a comprehensive approach to our overall emissions reduction goals.



### Our decarbonisation strategy

We aim to achieve carbon neutrality by 2050 through a strengthened contribution towards a low-carbon transition.



### Guiding principles

- Exxaro's decarbonisation roadmap and plan apply exclusively to our current coal operations and assume that assets will continue to be mined until resources are depleted (life of mine (LoM))
- Only Grootegeluk is targeted for scope 1 decarbonisation, given its operating model and its contribution of 58% of total group diesel emissions
- Leeuwpan will not integrate renewable energy, while only 50% of Mafube's emissions were baselined and accounted for in the transition strategy
- Subsequent acquisitions or divestments will trigger a review of the roadmap



## Optimising our vehicle fleet (scope 1 emissions)

We are reducing our diesel utilisation through a phased fleet optimisation strategy that explores hybrid technology and fleet electrification. Grootegeluk, which contributes 58% of total group diesel emissions, is the primary site for decarbonisation.

Timeframe	Key initiatives
2025	<ul style="list-style-type: none"> <li>Conduct decarbonisation technology study to assess fleet optimisation solutions</li> </ul>
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 reliance</li> <li>Initiate electrification with 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>Expand the use of electric drills in mining processes</li> <li>Introduce electric dozers as replacements for diesel-powered models</li> <li>Full expansion of trolley assist systems</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>

The following assumptions underpin our fleet decarbonisation approach:

- Initiatives are under investigation, with decarbonisation studies informing the final framework
- Business case potential will be confirmed through these studies
- Technology selection is based on operational data, addressing inefficiencies and aligning with industry OEM roadmaps
- Implementation will be aligned with BU rebuild or replacement strategy, technology readiness levels and governance processes

## Renewable energy integration (scope 2 emissions)

We aim to reduce our coal-fired electricity emissions by integrating solar and wind renewable energy to replace coal-fired electricity. The roadmap includes solar and wind projects, such as the LSP, and wheeled energy solutions.



## Value chain engagement (scope 3 emissions)

As a fossil fuel company, Exxaro's use of sold products is the largest contributor to our emissions. To address emissions in our value chain, Exxaro is exploring strategic value partnerships with end-users to foster a culture of shared responsibility. These collaborations are intended to drive industry-wide changes towards a more sustainable future. To this end, we aim to sign memoranda of understanding (MoUs) with our top five customers to collectively execute carbon-reduction initiatives and contribute to the low-carbon transition.

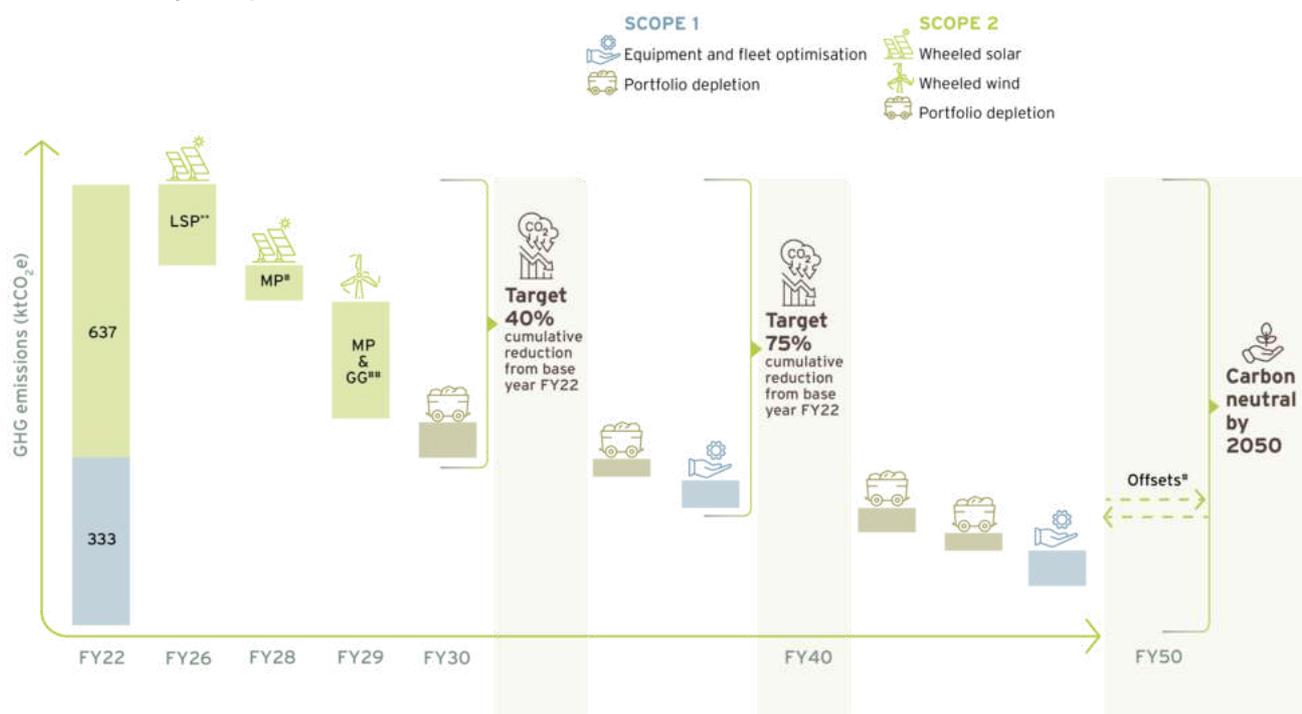
Scope 3 category	Pathway	Objectives	
Use of sold products	Strategic value chain partnerships	Carbon emissions reduction	Just transition
Indirect GHG emissions occur when a sold product undergoes further processing or transformation by a third party before it reaches the end consumer	MoUs and collectively executing initiatives	<ul style="list-style-type: none"> <li>Reduce scope 1, 2 and 3 emissions</li> <li>Engage suppliers and business partners to encourage the adoption of carbon-reduction practices and transition principles</li> </ul>	<ul style="list-style-type: none"> <li>Provide retraining and reskilling opportunities</li> <li>Support job creation in green sectors</li> <li>Inclusively and proactively engage stakeholders to transition to a low-carbon economy and mitigate potential adverse impacts</li> </ul>

## Transitioning into a low-carbon business continued

### Our roadmap to becoming carbon neutral

Exxaro's decarbonisation roadmap, illustrated below, provides a comprehensive framework summarising the key milestones, initiatives and technologies necessary to achieve carbon neutrality in accordance with the plan and strategy. The roadmap provides a clear pathway to operational resilience in a low-carbon future.

### 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).

\* MP (wheeled solar in Mpumalanga (Belfast, Mafube and Matla).

\*\* Wheeled wind in Belfast, Mafube, Matla and Grootegeluk.

### Managing climate change-related risks

Our ERM processes consider and embed climate-related risks and opportunities into our existing processes and decision making. We conducted a detailed climate change scenario analysis in 2019 and 2020 to identify these risks and determine their relative significance. These risks remain relevant to our context. Our response includes leveraging opportunities such as resource efficiency, growing our energy business, self-generation projects, investments in low-carbon transition minerals and developing adaptive capacity.

Our response to 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).

Transition risks	
Credit and insurance risk	1
Carbon pricing risk	2
Market risk	3
Reputational risk	4

Physical risks	
Water security risk	5
Risk of heatwaves at our operations	6
Risk of drought	7
Risk of extreme rainfall days	8

#### Transition risks

1

#### Credit and insurance

Financial institutions are increasingly moving away from funding companies with high climate change risk exposure and intangible carbon reduction targets. Globally, funding of coal operations is being diverted to investment that supports a low-carbon economy. Locally, most commercial and development banks have indicated they will no longer fund new coal projects. The financial institutions are increasingly evaluating the impacts of climate change scenarios on borrowers' revenues, costs and property values, and how this could affect the probability of default and loan-to-value ratios at a borrower and portfolio level. This sentiment is likely to grow in the next five to 10 years as action increases to mitigate climate change impacts.

#### Impact on Exxaro

Over the past six years, we have noted a significant increase in our insurance premiums against our assets. This scenario is likely to increase as climate action intensifies. Additionally, the major risk will be associated with an inability to cover our assets through insurance.

To manage this risk, our Sustainable Growth and Impact strategy is strongly focused on renewable generation and transition minerals that can facilitate a cleaner future. Many financiers have indicated their interest in this new business direction, mitigating some of the financial lending risk.



## 2

## Carbon pricing

The South African government is implementing policy measures to reduce its GHG emissions to meet its Paris Agreement commitments. The government implemented carbon tax in June 2019 to encourage corporate behaviour to direct investments and expenditure towards low-carbon alternatives and emission reduction.

The nominal tax rate is R190/tCO<sub>2</sub>e and represents a 16% increase from the 2023 nominal tax rate of R159. However, government still allows specific tax-free allowances to facilitate a smooth transition to a low-carbon economy and mitigate competition among affected industries, reducing the rate to between R9.50 and R76/tCO<sub>2</sub>e.

The first phase of the carbon tax (up to December 2025) is not designed to affect the electricity price but to address concerns raised by the mining sector. However, in November 2024, National Treasury released phase two of the carbon tax as a discussion paper for public comment. This phase, scheduled for implementation from 2026 to 2035, introduces significant changes to the design of the tax. The proposed changes include:

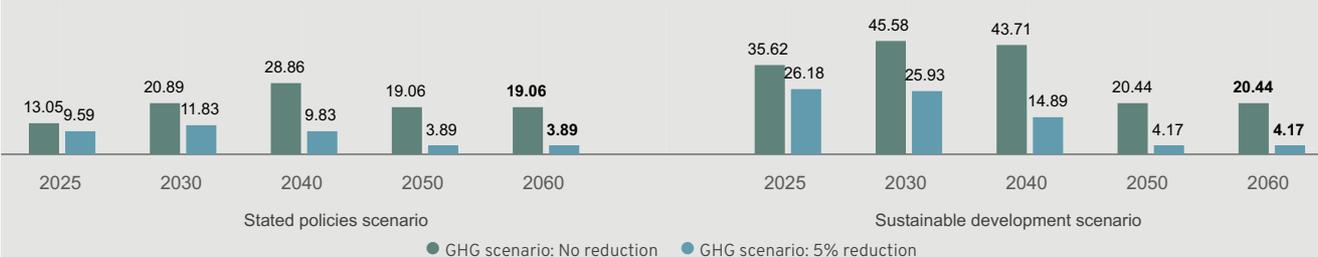
- Reduction in the basic tax-free allowance by 10% (from 60% to 50%) in 2026 and increments of 2.5% per year from 2027 to 2030
- A higher carbon tax rate of R640/t on emissions exceeding the carbon budget allocation will also be implemented from 1 January 2026

Our calculations indicate that based on the proposed phase two carbon tax changes, Exxaro's carbon tax liability for the short term (2024 to 2027) will increase, with liability figures of R3.3 million for 2024, R4 million for 2025, R7.9 million for 2026 and R9.7 million for 2027.

We also undertook a scenario analysis assuming that the current tax-free allowances will fall away from 2031 going forward. Our scenario analysis identified increased carbon pricing and operating costs (such as higher compliance costs) as examples of climate-related policy risk. Carbon prices associated with emissions trading schemes, carbon taxes, fuel taxes and other policies are expected to rise as government reduces GHG emissions in line with the Paris Agreement.

The speed and rate of carbon price increases are uncertain and likely to vary across countries and regions. Our scenario analysis of carbon price risk exposure below shows the expected outcome based on the stated policies and sustainable development scenarios. The impacts of carbon pricing on exports to regions such as the EU, which is planning to implement the Carbon Border Adjustment Mechanism, will depend on Exxaro's export strategy, carbon intensity of exported goods and the EU carbon price for 2026 going forward.

## Carbon pricing risk exposure (US\$m)



## Projected increase in operating expenditure due to carbon pricing risk (% change)



## 3

## Market

One of the major ways in which markets can be affected by climate change is through shifts in supply and demand for certain commodities, products and services as climate-related risks and opportunities are increasingly taken into account.

The shift in fossil fuel and energy markets will have implications for our business portfolio resilience and transitioning process. Further, we also appreciate that climate change has created new markets, increased emissions reduction technology demand and supply, presented new financial instruments, and renewed efforts to mitigate fossil fuels and potential financial impacts on the business.

## 4

## Reputation

Climate change was identified as a potential source of reputational risk tied to changing stakeholder perceptions – investors, customers, communities, non-governmental organisations (NGOs) and government – of an organisation's contribution to or detraction from the transition to a lower-carbon economy.

The mining sector is exposed to the reputational risk of climate change – a threat to the credibility of its efforts to reposition itself as a more sustainable sector, and by extension to its licence to operate.

New policies such as the Climate Change Act could impact the business from many angles, ie compliance, financial, mitigation and adaptation points of view (upon the Act becoming effective). Non-compliance to the Act may also present reputational risks.

Our approach is to genuinely commit to climate action, sustainability, accountability and transparency, and implement adequate mitigation, adaptation, governance, risk and communications strategies to ensure a sustainable future for Exxaro and our stakeholders.

## Physical risks of climate change

## Impact on Exxaro

5

### Water security

Climate change physical impacts, such as increasing temperatures, rising sea levels, more frequent or intense droughts, and more frequent and more damaging floods and storms, are serious challenges for our facilities, supply chains, employees, current and potential customers, and our host communities.

Exxaro's flagship mine, Grootegeluk, is situated in the Waterberg region. It relies on the Mokolo and Crocodile River (West) Augmentation Project phase 1 water supply scheme for reliable water supply. Water from the Mokolo Dam is supplied via a 46km pipeline to the Lephale area for the town, Eskom and Exxaro. The system can supply 30 million m<sup>3</sup> of water per year.

The risk of water security has increased significantly at our Waterberg operation due to a lack of perennial water basins and high temperatures. Our Waterberg operation has a negative water balance as it relies on an external source for its operational water requirements. To address this risk we have signed the supply agreement for MCWAP 2 that will bring in additional water from the Crocodile catchment.



Climate change, coupled with anthropogenic effects (population growth, etc), will impact our daily water management practices, and we need to adapt to a new normal that will require a shift in our overall [water management strategy](#) (page 58). In 2024, we conducted a water security risk assessment to understand the likelihood of Exxaro's operations, the environment, and communities suffering physical climate change risks to their water management systems, ecosystems and livelihoods respectively.

The risk assessment recommended various operation-specific mitigation measures and changes to our water management strategy to ensure business and community resilience.

Exxaro has one active tailings facility (slimes dam 1 and 2) at Grootegeluk, managed by operators and an engineer of record. To manage the facility and limit the deposition of slimes to the slimes dam, Exxaro has operational cyclic ponds which are used for slimes management.

As part of the risk management and continuous improvement in the operation of the tailings facility, Exxaro adopted the Global Industry Standard on Tailings Management. This is part of ensuring that the operation and governance of the tailings facility aligns with SANS and international standards.

6

### Heatwaves at our operations

Heatwaves are events where the maximum temperature at a given location exceeds the average maximum temperature of the year's warmest month by 5°C or more for at least three consecutive days. Downscaled climate models show that the Waterberg complex is predicted to experience a relatively higher number of average heatwave days than other Exxaro assets in Mpumalanga. The Waterberg operation will experience between 14 and 19 heatwave days from 2021 to 2040 (relative to 1961 to 1980). Our Mpumalanga operations are predicted to experience between eight and 13 heatwave days for the same period. This risk of heatwaves increases between 2041 and 2060 with Waterberg and Mpumalanga operations predicted to experience heatwave days of between 20 and 26, and 14 and 19 days respectively.

An increase in heatwaves could result in negative health and safety impacts for employees, create occupational health risks such as heat stroke, and restrict employees' physical functions and capabilities.

Our proposed actions will enable employees and the business to cope with heat stress and include improving our health and safety policies and emergency response plans. We plan to improve communication through instantly alerting and updating affected employees and host communities on sudden or rapidly changing weather conditions. We are also investigating the review of personal protective equipment to ensure specialised personal protective equipment for extremely high temperatures and heatwaves is available to employees. We have made recommendations for an industry-wide approach to specialised personal protective equipment for extreme weather events to enhance employees' health and safety.

7

### Drought

According to the Council of Scientific and Industrial Research Green Book - Detailed Projections of Future Climate Change over South Africa, there is a pronounced west-east rainfall gradient over the country. Over the eastern escarpment and east coast, for the period 2021 to 2050, relative to the period 1971 to 2000, under low mitigation, rainfall is projected to increase over the central interior and the east coast. The western interior, northeastern parts and the winter rainfall region of the southwestern Cape are projected to become generally drier.

The Grootegeluk complex is in an area predicted to experience a higher level of drought severity than Exxaro's other sites - a trend that will increase over time. The increasing frequency of drought, particularly in the Waterberg, will increase our water security risks.

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### Extreme rainfall days

On 13 March 2014, the Waterberg region received an unprecedented high rainfall in a 24-hour period, which led to operational interruption for five days. Grootegeluk is in an area predicted to experience fewer average extreme rainfall days than Exxaro's other sites. The average number of extreme rainfall days is expected to increase across all sites towards 2060.

The flood event had a severe impact on our operations in terms of infrastructure damage, supply chain interruption, production stoppages, and employee and community safety. The frequency of extreme rainfall events is expected to increase in the Mpumalanga region.



# Prioritising climate change mitigation, adaptation and resilience

Supporting our transition to a low-carbon business is our commitment to building our resilience and adaptability in response to the climate change agenda. Our approach is collaborative and inclusive as we believe partnering with our stakeholders is key to achieving our carbon neutrality goal in a just manner.



## Showcasing our response in action

**As part of our decarbonisation and climate mitigation efforts, we are investigating nature-based solutions – one of the most cost-effective ways of sustainably addressing climate change impacts.**

The Spekboom, or *Portulacaria afra*, is an extraordinary plant known for its remarkable ability to sequester carbon. It can absorb between 4tCO<sub>2</sub> and 10tCO<sub>2</sub> per hectare per year, making it one of the most efficient plants for carbon sequestration. Its resilience to harsh environmental conditions, drought resistance, and ability to thrive in various soil types make it ideal for our mining sites.

During the year, we planted 6 000 Spekboom trees at our Grootegeluk mine, and 10 000 trees at Leeuwpan mine. We are monitoring the trees to assess their adaptability to the different environments. The aim is to scale up Spekboom carbon offset projects in the near future based on the survival and sequestration rates of the plants at our operations.

The scaling up of the projects will consider community engagement and participation, as we believe in fostering a culture of sustainability and creating employment opportunities by involving our communities in monitoring and maintaining the trees. We will potentially provide commercial opportunities such as the supply of Spekboom trees to various stakeholders.

## Our approach at a glance

Exxaro's Climate Change Response strategy and the TCFD recommendations ensure we embed climate change in our strategic thinking and decision making. Supported by analytics tools that inform this decision making, we include climate change metrics in scorecards, and climate change is embedded in our capital allocation model.

Critical enablers of our response to climate change include:

- Further developing our decarbonisation roadmap and delivering on our decarbonisation objectives, which requires an integrated approach across our business
- Building our adaptation and resilience, considering the external climate-related risks we face; the systems, processes and projects we implement; and awareness created through communication, education and training for stakeholders across our value chain
- Monitoring, measuring and reporting on our performance, enabling us to progress against targets and adjust our approach where necessary
- Supporting research and development in collaboration with stakeholders to contribute to policy formulation, innovation and knowledge sharing in South Africa

Exxaro is committed to conducting all climate lobbying in line with the goals of the Paris Agreement. Our objective is to clearly and transparently articulate Exxaro's commitment of contributing positively to climate policy development and implementation.



For a holistic view of our approach, read the supplementary information available on our website: [Databook](#) | [Climate Change Response strategy](#) | [Climate change position statement](#)

## Prioritising climate change mitigation, adaptation and resilience *continued*

Our response to climate change is rooted in sustainable business practices and environmental stewardship imperatives, and is driven through:

<p><b>Accountability and responsibility</b></p>	<p>The RBR committee manages climate change risks and opportunities. The SERC ensures we align with low-carbon transition principles.</p> <p>The ESG steering committee's role is to support Exxaro's ongoing commitment to environmental, health and safety, corporate social responsibility, corporate governance, sustainability, and other relevant public policy matters.</p>
<p><b>Regulatory compliance</b></p>	<p>We comply with the National Environmental Management: Air Quality Act, Carbon Tax Act, GHG Protocol, the DFFE GHG reporting regulations and pollution prevention plans regulations in executing our Climate Change Response strategy and supporting projects, and align our operations with national energy efficiency objectives.</p> <p>To enable compliance with the Climate Change Act approved in July 2024 (upon operationalisation), Exxaro is working towards adapting our operations to align with stricter emissions targets and investing in sustainable practices to mitigate climate impact. The Act aims to establish a framework for reducing GHG emissions and promoting climate resilience in South Africa. Compliance with the Act may require increased transparency in reporting emissions and a shift towards cleaner technologies, which could enhance Exxaro's reputation as an environmentally responsible company, and drive innovation and efficiency at our mining operations.</p>
<p><b>Beyond compliance</b></p>	<p>We recognise that the role we play in mitigating the impacts of climate change is strengthened through how we conduct our business beyond regulatory requirements. We achieve this by:</p> <ul style="list-style-type: none"> <li>• Adopting voluntary reporting frameworks, particularly TCFD, GRI, UNGC and ISSB</li> <li>• Improving disclosure through CDP participation</li> <li>• Hosting and participating in events and forums such as New York Climate Week, COP29, the Exxaro sustainability summit and other panel discussions related to climate change issues, including the low-carbon transition and our role as a business in prioritising skills development programmes for our employees and communities</li> <li>• Providing funding to support research and development, and to support SMMEs through decarbonisation projects</li> <li>• Engaging in strategic partnership discussions with key stakeholders to collaborate on scope 3 reduction projects, carbon offsetting projects and further integrating how we manage the impacts of our activities by adopting a holistic approach to air quality and climate change management</li> </ul>

 Since our [decarbonisation roadmap](#) (page 32) was approved this year, we will review our Climate Change Response strategy and position statement in the 2025 financial year to reflect updates from the roadmap.

### Contributing to South Africa's low-carbon transition

We play our part in contributing to South Africa's low-carbon transition, responding to the global call for more ambitious nationally determined contributions. South Africa's revised nationally determined contributions for 2025 require us to do more to support the country's transition to a low-carbon economy.

Additionally, the implementation of South Africa's Carbon Tax Act, 2019 (Act 15 of 2019) has elevated GHG emissions reduction to a prominent business imperative, as the tax rate of CO<sub>2</sub> emissions could affect our financial and sustainability performance. Governed by the Carbon Tax Act, the current carbon tax rate is R190/tCO<sub>2</sub>e with several tax-free allowances.

<p>We have an MoU with the Agricultural Research Council, enabling the parties to develop and conclude research agreements and development projects in:</p> <ul style="list-style-type: none"> <li>• Livestock production and sustainable land use management</li> <li>• ESG and climate change in line with the UN SDGs</li> <li>• Socio-economic development in the context of secondary agriculture and value addition</li> <li>• Innovative partnerships for socio-economic impacts including technology and information dissemination</li> </ul>	<p>We have an MoU with the Council for Geoscience, which expresses our intent to collaborate on carbon capture, utilisation and storage initiatives aimed at reducing carbon emissions in South Africa and potentially contributing to value chain/ scope 3 emissions reduction</p>	
<p>We create employment and reskilling opportunities for communities living in and working at and around our operations</p>	<p>We provide sponsorships for South Africa's pavilion at COP every year. The conference is a platform for government, industry and other stakeholders to share and contribute towards global efforts to mitigate and adapt to the impacts of climate change</p>	<p>We were one of the first mining companies in South Africa to participate and disclose information on climate change mitigation, water security, governance, risks and opportunities, strategy, metrics, and targets on the CDP</p>



## Reducing emissions

To reduce scope 1 and 2 emissions while enabling continuous operations and building a resilient clean energy network, we implement operational efficiency programmes, carbon offsets and renewable energy self-generation projects. These initiatives contribute to the reduction of our carbon intensity by reducing diesel and electricity consumption, and rectify higher carbon intensity per tonne of product mined caused by suboptimal equipment use.

We work with our engineering teams and a service provider to identify potential group-wide projects to implement at our operations with significantly high energy usage. We are systematically reducing the emissions of our Grootegeluk vehicle fleet by addressing logistics constraints using analytics tools and implementing optimisation solutions that include:

- Mine digitalisation
- Dispatch and fleet allocation optimisation
- Truck payload management
- Shovel and truck cycle variability management
- Road condition and construction opportunities
- Out-of-cycle waste reduction

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. We also plan to implement solar photovoltaic (PV) projects at our mines in closure offices and Ferroland game lodges to reduce our scope 2 carbon footprint.

Furthermore, the LSP and similar projects will foster sustainable development and enhance socio-economic benefits for local communities.

We also promote renewable energy as a cost-effective technology through the anaerobic biodigester programme, which was launched with the South African National Energy Development Institute and Unisa in 2019.

While it is critical to reduce our direct emissions, the largest contributor to our indirect emissions profile is our scope 3 emissions. Over 98% of our scope 3 emissions emanate from the generation of power by Eskom using Exxaro's coal. Although Exxaro will not set targets for scope 3 emissions currently, we are pursuing opportunities to monitor and manage scope 3 emissions through partnerships with our customers and suppliers (including inbound and outbound logistics); prioritising green procurement of goods and services; contributing to research and development on decarbonisation technologies; and reducing emissions related to employee travel.

Our strategy to diversify to low-carbon transition minerals and grow our energy solutions business will be key in addressing scope 3 emissions and ensuring our contribution to the low-carbon transition.

### We classify our emissions as follows:

#### Scope 1

Direct GHG emissions (measured in tCO<sub>2</sub>e) from sources owned or controlled by Exxaro using diesel, petrol, gas, explosives and limestone. Production-related fugitive methane emissions are also included

#### Scope 2

GHG emissions from electricity generated by utility Eskom and purchased by Exxaro

#### Scope 3

Emissions outside our control but emanating from our products or value chain activities such as customers burning coal supplied by Exxaro

Initiatives we implement include:

Priority

Low



High



Quick wins

### Scope 1

- Feasibility on green energy potential at operations
- Energy and water efficiency programmes (linked to performance incentives)
- Compliance focus: pollution prevention plans for operations

### Scope 2

- Solar PV at Tshikondeni
- Solar PV at Grootegeluk
- Renewable energy consumption at all our operations

### Scope 3

We engage and partner strategically and take targeted measures with our key suppliers to partner and collaborate on value chain emissions reduction

Our approach of aligning our portfolio towards low-carbon transition minerals will be key in addressing scope 3 emissions

We 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

### Carbon credits

- Community waste management/SLP
- Land management projects
- Rehabilitation opportunities
- Nature-based offset projects

### Enablers

- Exxaro decarbonisation training and employee participation
- Decarbonisation and communication plan
- Leadership-driven process



Our emissions reduction initiatives are supported by our efforts in [driving energy efficiency](#) (page 41) and implementing cleaner energy sources at our operations.

## Prioritising climate change mitigation, adaptation and resilience continued

We submit an annual pollution prevention plan report to the DFFE. The 2021 to 2025 pollution prevention plans include CO<sub>2</sub> emissions reduction projects for reducing diesel consumption and carbon emissions at our operations.

Project	Implementation	Anticipated emissions reduction (tCO <sub>2</sub> e)				
		2022	2023	2024	2025	Total
Grootegeluk in-pit crushing and conveying project	Ongoing	6 503	6 250	<b>6 104</b>	6 050	30 960
Road management and improvement	Ongoing	3 827	3 678	<b>3 592</b>	3 561	18 222
Pantograph utilisation optimisation	2021	735	707	<b>690</b>	684	3 500
Out-of-cycle time reduction	2021	1 724	1 657	<b>1 618</b>	1 604	8 208
Autonomous drilling	2021	208	200	<b>195</b>	193	989
<b>Total</b>		<b>12 997</b>	<b>12 491</b>	<b>12 199</b>	<b>12 093</b>	<b>61 879</b>

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

### Reflecting on our progress to date



#### 2018

Carbon intensity baseline assessment boundary for operational BUs (excluding mines in closure)

#### 2020

- Rebased carbon intensity baseline
- Established decarbonisation PMO and interconnected workstreams

#### 2021

- Reduced carbon intensity by more than 8% against the 2018 baseline with focus on managing electricity and diesel consumption
- Decarbonisation baseline:
  - Scope 1: 327ktCO<sub>2</sub>e
  - Scope 2: 503ktCO<sub>2</sub>e
  - Total: 830ktCO<sub>2</sub>e

#### 2022

- Implemented STI scheme to track water and energy security and efficiency targets (related to diesel and electricity consumption)
- Delivered on targets set for first half of year (BUs on or beyond targets)

#### 2023

- Re-baselined our short-term decarbonisation plan emissions to reflect 2022 as the new baseline year
- Decarbonisation baseline:
  - Scope 1: 333ktCO<sub>2</sub>e
  - Scope 2: 637ktCO<sub>2</sub>e
  - Total: 970ktCO<sub>2</sub>e

#### 2024

- Developed our medium to long-term decarbonisation roadmap
- Developed a draft climate action transition plan
- Planted 16 000 Spekboom trees

#### 2030

- We aim to actively reduce scope 1 and 2 emissions by at least 40% through energy efficiency projects self-generation and consumption of renewable energy at our operations
- We collaborate with our value chain partners to reduce scope 3 emissions and contribute to implementation of renewable energy projects by our value chain partners

#### 2050

- Goal: carbon neutral for scope 1 and 2 emissions
- Our objective is to also contribute to carbon-neutral value chains

### Monitoring, measuring and reporting on our performance

#### Internal performance measures

- Monitoring performance using monthly energy and carbon data reporting
- Monitoring and reporting on scope 1, 2 and 3 emissions annually using the operating control accounting approach
- Tracking carbon and energy reductions using the STI scheme at group and BU levels to inform employee and executive reward performance
- Continuously investigating data solutions for real-time feedback, which we believe will allow us to respond quickly to emerging issues and opportunities to reduce our emissions

#### External performance measures

- Participating in the CDP climate change programme (since 2008) – our CDP climate change inputs provide information on our energy consumption and intensity, carbon emissions measurement and cost performance at BU and group levels. This information is audited and assured externally every year
- Participating in the CDP water programme (since 2010), and supplier engagement since 2019 – the CDP water and supplier engagement programmes help us ensure that we align water security and supply chain risks to climate change impacts
- Participating in the CDP forestation programme in 2023 – our CDP forests inputs provide information on how we manage our forest-related dependencies, and risks and opportunities

In 2024, we participated in the revised CDP programme which has an integrated questionnaire for climate change, water security and biodiversity management.

We are reviewing our scope 3 calculation methodologies to ensure continuous improvement and data credibility. In 2025, we will also develop and publish a methodology report which indicates how we approach emissions quantification and disclosures.

To ensure comparability, Exxaro measures, manages and reports energy and carbon data in terms of the GHG Protocol's Corporate Accounting and Reporting Standard. Our scope 1, 2 and 3 emissions are monitored and reported annually.

**GHG emissions** recorded over the past three financial years are on page 40.



## Adaptation and resilience

To enable our business to thrive in a low-carbon future, we are strengthening our ability to adapt to climate change and building our resilience against it. We are developing our climate change adaptation and resilience plan for the organisation. This plan will bolster our existing approach, which includes:

### Adopting nature-based solutions

We have engaged with the South African National Biodiversity Institute on guidance for the use of nature-based solutions to offset emissions at all our operations. 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. Our afforestation and reforestation projects as well as rehabilitation projects enable carbon absorption and sequestration, and are a cost-effective way of addressing climate change, the biodiversity crises and land degradation. The project at our Hlobane mine in closure also provides work opportunities for local people and entrepreneurs in the forestry industry.

To measure carbon sequestration results from our Hlobane afforestation and reforestation initiative, we are investigating an evidence-based approach to quantifying, measuring and managing results. We have also initiated discussions with several stakeholders such as the South African National Biodiversity Institute to ensure we leverage all opportunities presented in using nature-based solutions.

 Our increasing efforts to [reduce our scope 1 and 2 emissions](#), and [improve energy efficiency](#) (page 37) align with our decarbonisation plan, now and into the future.

### Responding to risks and opportunities

Growing external risks present significant opportunities for us to evolve and transition, thereby securing a future for Exxaro, our communities and future generations.

 The [risks](#) identified during the detailed climate change scenario analysis conducted in 2019 and 2020 (page 32) continue to inform our response and mitigation efforts.

### Using data analysis

Exxaro aims to use climate-related data to predict the impacts of extreme weather events on our operations, communities and social impact programmes. We have engaged with a service provider to consult on climate predictions for specific operations and value chain partners. These predictions will enable us to determine or better understand how the impacts of extreme weather events on our value chain in turn impact our business, suppliers, customers and communities.

### Creating awareness

Exxaro has several awareness, training and education initiatives that cover topics such as carbon pricing, carbon tax, adaptation, carbon budgets, and climate mitigation from a global, national and business perspective. These initiatives not only deepen our knowledge as an organisation, but also stimulate behaviour change in pursuit of climate change adaptation and resilience at our operations and in communities.

Exxaro has been facilitating climate change masterclasses for the past three years as part of employee awareness, education and behaviour change. Classes are held throughout the year.

## Supporting research and development

We are investing extensively in developing knowledge of climate change, renewable energy and sustainability. We prioritise innovation, research and development, and collaboration on sustainability issues with value chain stakeholders. In previous years, we also funded three university chairs to build on climate knowledge and to advance efforts towards climate mitigation and adaptation.

Stakeholder	Initiative	Benefits
Wits Global Change Institute	Enhancing climate change adaptation and resilience for industry and government	<ul style="list-style-type: none"> <li>Adaptation pathways for a changing world</li> <li>Aligning global climate change adaptation and mitigation with the SDGs</li> <li>Minimising the impact of extractive industries</li> <li>Maximising post-extractive landscapes for sustainable communities</li> </ul>
Unisa Business and Climate Change	Publications on the coal mining sector's response to climate change and a decision-making framework for corporate climate change response	<ul style="list-style-type: none"> <li>Innovation</li> <li>Advocacy-oriented community engagement</li> <li>Climate governance</li> <li>SDG domestication</li> <li>Climate change mitigation and adaptation</li> <li>Green buildings</li> </ul>
University of Pretoria Energy, Water and Food	Two toolkits on motor resizing and multi-drive conveyor belt design and simulation to save energy as well as technical reports on energy efficiency in South Africa	<ul style="list-style-type: none"> <li>Energy efficiency improvements to Exxaro's operations</li> <li>High-quality related services for our business</li> </ul>
Industry Task Team on Climate Change	Working with government and other businesses to address South Africa's international climate change obligations	<ul style="list-style-type: none"> <li>Supporting the low-carbon transition, carbon price merits, collaboration and the just transition</li> </ul>
National Business Initiative membership	Contributing to thought leadership on climate change issues	<ul style="list-style-type: none"> <li>Just transition and the role of business in ensuring the transition to a low-carbon economy</li> <li>Preparation for COP meetings</li> <li>Alignment with the SDGs</li> </ul>
Minerals Council of South Africa	Discussions with government on climate change management	<ul style="list-style-type: none"> <li>Implications of environmental policy, carbon tax, air quality, waste and water management</li> </ul>
Energy Council of South Africa	Contribute towards advancement of energy policy and implementation pathways	<ul style="list-style-type: none"> <li>Ensure that Exxaro remains informed about policy shifts</li> </ul>
Business Unity South Africa (BUSA) and Business Leadership South Africa	Engaging on issues affecting the country and securing energy supply	<ul style="list-style-type: none"> <li>Macro-economic and high-level issues at national and international levels</li> </ul>
Government, NGOs, communities and industry	Engaging on air quality management in priority areas	<ul style="list-style-type: none"> <li>Multi-stakeholder reference groups and implementation task teams for the Highveld and Waterberg-Bojanala priority areas</li> </ul>

## Prioritising climate change mitigation, adaptation and resilience *continued*

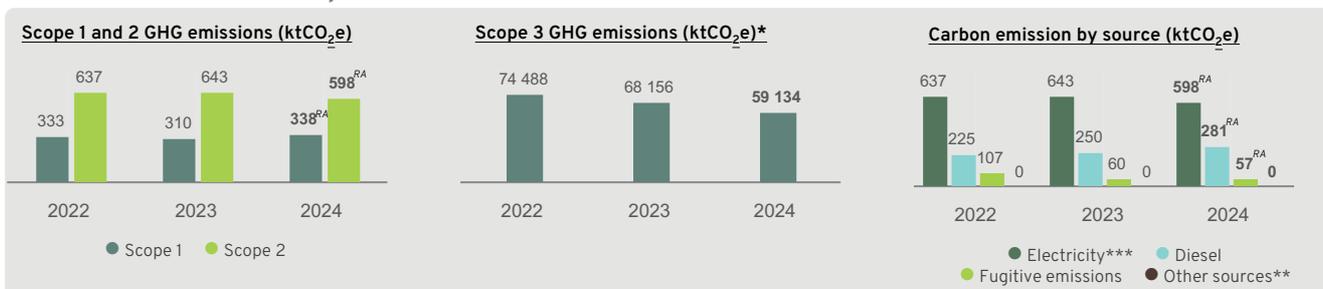
### How we performed

<b>Total carbon intensity</b> <b>4.12<sup>RA</sup></b> (2023: 4.4tCO <sub>2</sub> e/kTTM)	<b>Scope 1 emissions*</b> <b>1.49<sup>RA</sup></b> (2023: 1.4tCO <sub>2</sub> e/kTTM)	<b>Scope 2 emissions*</b> <b>2.63<sup>RA</sup></b> (2023: 2.96tCO <sub>2</sub> e/kTTM)	Resulting in a 6.36% decrease in carbon intensity compared to 2023 due to energy efficiency measures at our operations
<b>Supporting research and development in climate change</b> <b>R64.5 million</b> invested to date (2023: R63 million)	<b>Carbon tax liability</b> <b>R3.3 million</b> for production-related emissions, ie fugitive methane emissions associated with the coal seams (2023: R2.8 million)	<b>CDP scores</b> <b>B</b> for climate <b>B</b> for water security	

\* Only the operating mines' carbon emissions were taken into account for the intensity calculations. This excludes the ConneXXion, Hlobane, FerroAlloys, etc.  
<sup>RA</sup> Reasonable assurance provided.

For more information on our CDP performance, please refer to [www.cdp.net](http://www.cdp.net) and the [databook](#).

### Absolute emissions for all operations



<sup>RA</sup> Reasonable assurance provided.  
 \* Scope 3 emissions for domestic sales.  
 \*\* Source proportion.  
 \*\*\* Restated: the previously reported amount of 634ktCO<sub>2</sub>e included operational mines only. This year's figure includes all operations.

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

### Improving our performance

<b>tCO<sub>2</sub> saving</b>	In 2024, 12 474tCO <sub>2</sub> e saving was realised for scope 1 emissions, which is linked to five energy efficiency projects implemented at Grootegeluk as part of our pollution prevention plans.
<b>Renewable energy self-generation</b>	The LSP at Grootegeluk, designed to reduce our emissions by 161ktCO <sub>2</sub> e, is undergoing construction. Although the project experienced some delays in 2024, construction activities are ramping up and include piling, installation of mounting structures and installation of solar PV modules. Commercial operations are expected to commence mid-2025.
<b>Employee carbon footprint calculator</b>	In 2023, we launched a pilot for a carbon footprint calculator mobile app designed to help employees track, calculate and assess their emissions profiles. While the pilot demonstrated potential, employee uptake was lower than expected. This was primarily due to concerns related to the protection of personal information, in line with the requirements of the Protection of Personal Information Act, 2013 (Act 4 of 2013). As a result, the tool's effectiveness in gathering the necessary data was limited. Despite these challenges, we remain committed to exploring future opportunities for implementing a similar tool that aligns with privacy regulations and our sustainability goals, enabling employees to track and reduce their carbon emissions in a secure and impactful way.
<b>Community awareness and education</b>	For the past three years, Exxaro has run awareness and education campaigns for community members about climate change issues. Topics include the negative impact of pollutants on the environment and their health. Campaigns align with the goals of our Social Impact strategy, and going forward, will include an increased focus on embedding knowledge and assisting communities with access to renewable energy.
<b>Future focus</b>	We recognise that it takes time, and a systematic, integrated and stakeholder-inclusive approach, to implement projects that will address the impact of climate change in a just and sustainable manner. Our focus for 2025 includes finalising our adaptation and resilience plans, and updating our various policies and Climate Change Response strategy – bolstering our readiness to achieve our long-term carbon neutrality target while current projects contribute to achieving our short-term targets.



## Driving energy efficiency

Energy efficiency enables us to reduce operational costs, lower our emissions and support our goal of carbon neutrality. We aim to enhance energy efficiency across our operations by optimising plant performance, investing in energy-efficient technologies, and implementing monitoring systems to track and reduce our consumption.

### Showcasing data-driven energy optimisation in action

Exxaro is pioneering a pilot project at Grootegeluk mine, focused on optimising diesel consumption for the mine's mobile mining fleet using FuelActive's innovative fuel pick-up technology. This six-month proof-of-concept study aims to improve fuel efficiency, reduce diesel use and achieve significant reductions in scope 1 GHG emissions, aligning with Exxaro's decarbonisation objectives and commitment to operational sustainability.

The project leverages FuelActive's patented fuel pick-up system to minimise the intake of contaminants such as water and particulates, delivering cleaner fuel to engines. By integrating seamlessly with existing fuel systems, the technology ensures consistent engine performance, reduces fuel wastage and extends engine life. Operators benefit from real-time data insights to optimise performance, while Grootegeluk's mechanics are receiving training to support long-term adoption and benefits.

Fuel efficiency will be closely monitored by installing advanced sensors and software on selected haul trucks. These tools collect detailed engine performance data and provide predictive analytics to guide fuel-saving decisions. The FuelActive pilot is scheduled for completion in the first quarter of 2025.

#### Potential benefits include:

Saving fuel, translating to R6.85 million in savings across the 12 pilot units

Reducing annual carbon emissions by 7 717tCO<sub>2</sub>, delivering both financial and environmental benefits



## Driving energy efficiency continued

### Our energy management approach at a glance

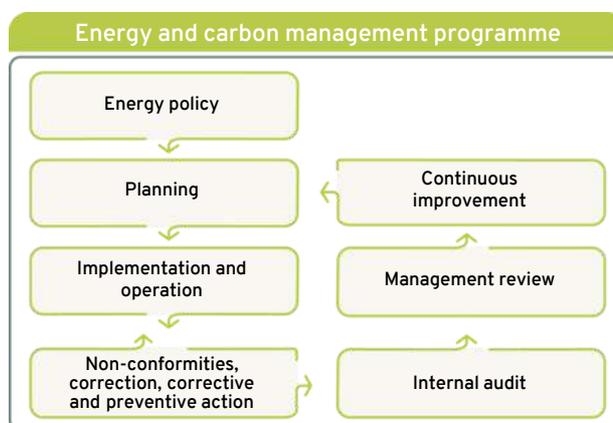
Our energy and carbon management programme is central to advancing Exxaro's carbon neutrality goals. The programme enables us to reduce our direct emissions and energy consumption and embed decarbonisation practices across our operations. Group-wide execution of this programme is driven through:

<b>Accountability and responsibility</b>	BU managers are accountable for achieving energy management objectives, supported by the group manager engineering, general manager technical support and optimisation and chief coal operations officer. Group engineering in the technical support and optimisation department is primarily responsible for our energy management strategy and governance.
<b>Regulatory compliance</b>	We adhere to all relevant regulations and management standards, and align our operations with national energy efficiency objectives.
<b>Beyond compliance</b>	Through the Energy Intensive Users Group, Exxaro participated in a voluntary benchmarking exercise initiated by the DMRE to review and update the post-2015 National Energy Efficiency Strategy (NEES) for the period up to 2030.  To deliver positive social impact through our ESD programme, we appointed a local SMME and Exxaro ESD programme beneficiary to develop a group energy intensity performance dashboard.

The programme is supported by:

- Monitoring, measuring and reporting performance using targets and the productivity and energy management services (PEMS)
- Creating awareness through education and training to encourage energy-saving behaviour across the business
- Interdepartmental collaborating and using technology to lower diesel and electricity consumption

Continuous improvement in energy efficiency requires an adaptive approach that embraces evolving regulations and technologies. Exxaro has shifted to a data-centric, technology-driven energy management model, leveraging predictive analytics and machine learning to enable proactive adjustments and accountability across BUs.



### Monitoring, measuring and reporting

Each operation has energy intensity targets linked to the group STI scheme, established through current state and opportunity scoping reviews. These reviews inform site-specific interventions to reduce energy consumption and GHG emissions while improving intensity (GJ per total tonnes handled).

Intensity performance is tracked monthly against a baseline calculated using prior year energy consumption and production data, representing each mine's steady-state operation. KPIs include diesel and electrical energy intensity, ensuring that each BU meets targets that align with our carbon reduction goals.

We regularly benchmark our reporting against other mining houses and international standards to maintain alignment with best practices.

### Awareness, education and training

Energy management is a collaborative effort that integrates decarbonisation across BUs and the value chain. To support this, we invest significantly in specialised training programmes, including the certified energy manager and carbon audit professional programmes, to build employee expertise in energy management and efficiency. Our people and performance, business improvement and information management teams drive a culture of emissions reduction and accountability through continuous awareness, training and engagement. Engineering teams lead energy-saving initiatives, fostering behaviour change aligned with energy management systems. Monthly forums at each BU reinforce progress and performance, motivating employees to actively contribute to our goals.

### Reducing consumption

Internal collaboration between the technology, engineering and innovation departments strengthens our efforts in reducing electrical energy intensity. These efforts include operational energy efficiency projects and renewable energy self-generation that aim to reduce consumption.

To reduce our diesel consumption, we implement initiatives such as fuel additives and payload management.

 Read page 37 for information on [reducing emissions](#).

### Innovation and technology

Exxaro's energy management technology enables precise monitoring and verification of energy performance across BUs. Our independent technical service provider facilitates the process through which we quantify energy savings for SARS section 12L tax rebates and conducts regular performance reviews at Grootegeluk, Matla, Belfast, Leeuwpan and FerroAlloys sites, ensuring alignment with our energy and GHG targets.

We use innovative technology to enable real-time monitoring and support operational energy efficiency projects in achieving energy intensity targets.



### Enabling effective monitoring and verification using technology



We use the **PEMS dashboard** to track and address operational efficiencies daily, targeting a 5% reduction in fuel consumption and carbon emissions at each site over a five-year period from 2021.



We use the **smart energy and carbon transition profiler (SmartEPS)** to further enhance long-term planning by projecting energy and GHG impacts of interventions up to 2050.



**Cascadia Scientific's proprietary machine learning tools** enable efficient, accurate fuel usage reporting, improving asset productivity and supporting our broader decarbonisation objectives.

### How we performed

Electricity and diesel consumption	2024	Year-on-year change (%)	2023	Year-on-year change (%)	2022
Electricity (MWh)	<b>598 461</b>	1.27	590 931	0.14	590 078
RoM (kt)	<b>225 522</b>	18.5	190 311	8.64	175 176
Electrical energy intensity (MWh/kt)	<b>2.86</b>	(8.04)	3.11	(7.72)	3.37
Diesel (kl)	<b>103 797</b>	24.12	83 629	0.48	83 226
Diesel energy intensity (l/t)	<b>0.467</b>	6.38	0.439	(7.58)	0.475



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 37% (2023: 41%), and diesel at 63% (2023: 59%). Overall energy consumption rose by 5% to 5 485 137GJ (2023: 5 219 390GJ).

Electrical energy intensity decreased by 8.04% (2023: 7.72% decrease), while diesel energy intensity increased by 6.38% (2023: 10.04% decrease). The group's energy intensity performance of 27.688GJ/kt outperformed our 2024 target of 32.329GJ/kt.

The Mpumalanga BUs, including Belfast, Matla and Leeuwan, met their STI energy intensity targets in 2024. Grootegeluk mine achieved an energy intensity performance of 40.646GJ/kt compared to its target of 39.473GJ/kt.

### Improving our performance

We made notable progress in optimising plant throughput and energy efficiency, which translated to significant improvement in the energy intensity trends across the BUs.

In addition, significant improvements to the PEMS enabled real-time monitoring and data-driven insights. Data collected from various metering points informs diesel inventory management, haul truck performance, plant equipment operations and overall equipment effectiveness. To further enhance visibility and measurement granularity, we are installing smart meters across BU plant and mining areas where practical.

### Projects implemented

#### Energy analytics

An analytical tool was developed at Grootegeluk to link plant production throughput with electrical energy per module, allowing for enhanced monitoring and management of energy intensity across the plant. Additionally, advanced process control was introduced in the modules to further optimise energy efficiency.

#### FuelActive pilot

Following successful results from FuelActive units installed on three haul trucks at Mafube, a new pilot programme was initiated at Grootegeluk with 12 haul trucks. This pilot aims to achieve a fuel consumption improvement of 3% to 5% and reduce maintenance costs.



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#### LSP construction

We completed bush clearing and construction has ramped up, including the installation of mounting structures and solar PV modules.

### Future focus



Our primary focus in 2025 will be:

- Standardising the energy management framework and processes across the group
- Enhancing data management systems to improve data collection and analysis
- Implementing energy efficiency projects through a centralised platform, leveraging predictive analytics to assess impacts on decarbonisation and energy intensity targets
- Benchmarking, engaging and collaborating with industry stakeholders
- Exploring the feasibility of ISO 50001 certification for 2025/2026

## Protecting air quality

Pollutants such as dust and particulate matter (PM) emanate from opencast mining activities that unavoidably generate dust, posing health and safety risks and negatively impacting the environment and our host communities. To address this, we aim to progressively reduce air quality emissions (dust fallout, PM<sub>10</sub> and PM<sub>2.5</sub>) within our operating boundary.



### Showcasing dust mitigation improvement in action

**We conducted detailed measurement and monitoring of our operations' fugitive dust emissions to ensure we comprehensively comply to the revised draft Dust Control Regulations.**

We have since developed detailed dust management plans for all our operations in anticipation of the revised Dust Control Regulations and for the reduction of air quality impacts associated with our operations.

Mitigation measures include:

- Implementing innovative fugitive dust control techniques, such as stabilising haul road surfaces
- Optimising water usage during wet suppression activities
- Scheduling dust-intensive tasks with consideration for weather factors such as wind speed and direction
- Using technology to ensure accurate measurement and monitoring of dust and air pollutants
- Collaborating on regional dust mitigation and general air quality management



### Showcasing dust suppression partnerships for local economic development in action

**Lubocon Dust Suppression Project JV Proprietary Limited, a joint venture between Siluno Group and Lubocon Civils, has expanded its capabilities to deliver effective dust suppression and road maintenance services through Exxaro's ESD programme.**

In 2021, Lubocon was awarded a five-year contract to provide dust suppression services at Grootegeluk mine and the Rustenburg depot. Initially leasing equipment, the company sought to own its assets and approached the Exxaro ESD programme, securing zero-interest loan funding of R20.2 million. This support, combined with the contract, enabled the creation of 58 jobs and boosted local procurement, with Lubocon sourcing plant hire and accommodation services from local businesses.

Building on its success, we awarded a three-year contract to Lubocon at Leeuwan mine, creating an additional 30 jobs. The parent companies have committed to establishing Lubocon as a permanent, transformed player in the dust suppression industry, positioning the business for long-term growth and environmental impact.

Exxaro continues to drive solutions that integrate sustainable environmental practices with economic empowerment opportunities.



## Our air quality management approach at a glance

Our risk-based air quality management plans and systems support sustainable pollution reduction measures for current and future operations. Implementation of these plans is driven through:

### Accountability and responsibility

The chief sustainable impact officer approves air quality policies, procedures and mechanisms. Mine managers allocate capital, oversee projects and monitor impacts. BU specialists are responsible for compiling site-specific dust management plans.

### Regulatory compliance

Our prevention and mitigation measures comply with relevant environmental legislation, particularly the National Environmental Management: Air Quality Act, 2004 (Act 39 of 2004) and associated regulations. We meet the conditions of our atmospheric emission licences and submit quantitative data to the National Atmospheric Emissions Inventory System.

### Beyond compliance

Our approach integrates safety, health and environmental objectives, including:

- Working with all stakeholders on air quality management
- Participating in air quality public policy development
- Contributing to community awareness campaigns
- Collaborating with dust suppression service providers to explore and implement more effective technologies through pilot projects

We also aim to comply with dust fallout and air quality standards at levels below regulated limits.

To successfully implement sustainable air pollution reduction measures, we aim to conduct:

- Quarterly air quality awareness and education campaigns
- Continuous dust fallout monitoring at all operations
- Continuous PM<sub>10</sub> monitoring at all operations
- Meteorological monitoring at all operations to provide surface data on temperature, wind direction and wind speed, which are essential for dispersion modelling, baseline characterisation, ambient monitoring design, dust fallout tracking and reporting

Our proactive approach to air quality management includes compliance to the Air Quality Act and monitoring changes to the National Dust Control Regulations to ensure BUs understand and adhere to fallout measurement, mitigation and reporting requirements, including protocols for exceedances or non-conformances. We regularly evaluate and enhance our management plans, expanding our monitoring network to maintain 100% coverage at all operations and improving data granularity.

We partner with research institutions to further advance air quality standards by refining emission quantification methods, especially for discard dumps. We also engage with the Coaltech Research Association, the National Association for Clean Air and government agencies in joint initiatives aimed at reducing pollution and carbon emissions in these critical areas.



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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

To ensure effective dust management, we incorporate best practice control measures based on safety and health considerations, environmental impact, regulatory requirements and compatibility with current processes and future developments. Our mitigation measures to minimise any impact on the environment or communities include:

- Applying chemical and wet dust suppression on unpaved roads and open ground, with additives for enhanced effectiveness
- Limiting drop heights during offloading
- Controlling vehicle speeds using proximity detection systems and speed limiters
- Vegetating topsoil stockpiles and overburden material
- Optimising blast design with wind conditions in mind
- Planting trees as windbreaks, as implemented at Belfast

Given the proximity of some operations to residential areas or sensitive receptors, we prioritise dust suppression on unpaved roads, which are a significant source of dust. During winter, we intensify dust control measures to address the potential for increased emissions due to high winds. We are also exploring environmentally friendly suppression technologies to reduce our reliance on chemicals.

## Monitoring, measuring and reporting

Our dust monitoring networks are essential for regulatory compliance, which permits up to two exceedances per site annually for residential and non-residential areas (excluding consecutive months). These networks did not require any changes in 2024 due to previous efforts of ensuring they are comprehensive and representative.

In highly industrialised regions like Mpumalanga, ambient monitoring reveals exceedances in pollutants such as PM, sulphur dioxide (SO<sub>2</sub>), and nitrogen oxides (NO<sub>x</sub>) from multiple sources including vehicles.

As such, Exxaro actively supports air quality improvements in the Highveld and Waterberg-Bojanala priority areas to reduce cumulative environmental and community health impacts.

The DFFE tracks cumulative data for these regions, which we review regularly to assess our contributions and refine mitigation strategies in collaboration with stakeholders.

We report quantitative data to the National Atmospheric Emissions Inventory System.

## Protecting air quality continued

### Enabling effective monitoring using technology



We invest in advanced digital solutions for real-time emissions monitoring. A key example of this is the multi-pollutant ambient monitoring station at Grootegeluk. This station measures a wide range of emissions, including PM<sub>10</sub>, PM<sub>2.5</sub> and SO<sub>2</sub>, providing critical data to support air quality management in the Waterberg-Bojanala priority area. By tracking pollutant levels in real time, we can adjust operations to minimise health and environmental impacts.

### Awareness and education

For the past three years, we have run communication campaigns on air pollution and GHG emissions in our communities to raise awareness about the environmental impacts associated with mining activities. These campaigns empower our communities to change their behaviour and mindsets – highlighting the health impacts of using domestic fuels and assisting communities with access to renewable energy.

To ensure our campaigns remain relevant and determine how we can assist communities in reducing the impact of mining activities, we have quarterly feedback sessions on air quality data collected and mitigations implemented.

### How we performed

		Limits	Highest recorded		
			2024	2023	2022
Maximum allowance					
Non-residential dust fallout exceedances	Two exceedances per BU per year (not occurring in sequential months)	1 200	<b>1 at Matla, 2 at Belfast</b>	1 at Matla	0
Residential dust fallout exceedances	Two exceedances per BU per year (not occurring in sequential months)	600	<b>0</b>	2 at Matla	2 at Matla

We diligently monitored dust fallout across all Exxaro operations in alignment with the National Dust Control Regulations in 2024. Our comprehensive monitoring programme ensured that we maintained dust levels well within the prescribed limits of 1 200mg/m<sup>2</sup>/day for industrial areas and 600mg/m<sup>2</sup>/day for residential areas. Each BU submitted data to the National Emissions Inventory System.

Reduced rainfall at Belfast from May to October 2024 led to increased dust on haul roads. In response, we intensified dust suppression efforts, deploying additional water bowsers to reduce dust fallout.

### Improving our performance

We are proactively preparing for the revised National Dust Control Regulations, currently open for public comment, by creating site-specific dust management plans. These plans include updating monitoring networks to ensure effective dust fall measurement. All the operating BUs have completed dust management plans in line with the draft regulations.

Additionally, we are aligning with the draft second-generation Highveld Priority Area Air Quality Management Plan and draft regulations for the Waterberg-Bojanala Priority Area, which set enhanced standards for compliance with the National Ambient Air Quality Standards. The proposals introduce expanded monitoring requirements, stricter compliance measures and measurable reduction targets for identified industries, including mining. Exxaro fully supports this approach, and Grootegeluk has submitted interventions to the Waterberg Integrated Task Team to support regional air quality improvements.

### Projects implemented

#### Multi-pollutant monitor

The multi-pollutant monitoring station at Grootegeluk has been fully operational for over two years, backed by a service level agreement that ensures timely maintenance, calibration, and data accuracy. The station has recorded PM spikes, attributed to ash dust. This monitored data supports regional efforts in the Waterberg-Bojanala priority area to track and manage air quality impacts on community health and the environment.

#### Dust suppression services

Exxaro has appointed Dust-A-Side, a leading provider of dust suppression services, to effectively manage and reduce fugitive dust emissions through innovative technologies at Belfast and Grootegeluk. These services include high-pressure mist spray systems, proprietary chemical applications, and dedicated maintenance teams to ensure optimal road conditions and minimal dust generation. At Grootegeluk, Dust-A-Side applied chemical dust suppression across all primary and secondary roads, significantly reducing dust levels and water usage.

### Future focus



Our primary focus in 2025 will be:

- Implementing continuous dust fallout monitoring across all operations to ensure compliance with dust limits and maintain levels below regulatory standards
- Establishing PM<sub>10</sub> monitoring to assess particulate levels and support targeted mitigation
- Installing weather stations at each site for essential meteorological data, aiding dispersion modelling, baseline assessments and dust reporting
- Conducting air quality awareness campaigns and training for employees and local communities to reinforce dust management practices and reduce environmental impacts



# Safeguarding natural resources

To minimise, mitigate and manage the negative impact our operations have on the environment, we prioritise the responsible use, conservation and rehabilitation of the natural resources on which we rely. The focus areas described below not only align with our vision for a thriving, low-carbon future, but also enable us to create enduring value for our stakeholders.

	Why this matters	Our response
<a href="#">Restoring and protecting biodiversity</a> Page 48 to 52	Mining activities have an impact on the environment by causing biodiversity loss, destroying natural ecosystems and affecting the people who rely on them for survival.	We protect the natural environment by implementing biodiversity management plans that set standards for monitoring and reporting, aiming to create a low-impact legacy for current and future generations. Biodiversity is also a critical enabler of building resilience in the face of climate change. 
<a href="#">Integrating mine closure and rehabilitation</a> Page 53 to 57	Responsible closure and rehabilitation are essential to leave a positive environmental legacy and uplift communities long after mining operations have ceased.	We conduct integrated closure planning and concurrent rehabilitation, ensuring compliance with legislation and sustainable practices while providing alternative land use options for communities and employees. 
<a href="#">Improving water security</a> Page 58 and 59	Access to quality water is essential for our operations and communities. This is because we operate in South Africa where public infrastructure is declining and water remains scarce. Effective water management protects our licence to operate, addresses climate variability and watershed risks, supports biodiversity efforts and reduces competition for scarce resources.	We manage water-related risks, minimise impacts on the environment and communities, and operate efficiently to support long-term resource resilience and responsible water use. 
<a href="#">Managing waste responsibly</a> Page 60 and 61	Waste generated by our mining activities could negatively impact the environment and communities if not managed and mitigated responsibly. Responsible waste management reduces environmental degradation and contributes to sustainable development.	We prioritise prevention, minimisation, reuse and recycling of waste, ensuring safe disposal only as a last resort to create lasting benefits for the environment and surrounding communities. 

## Partnering for natural resource conservation

<b>Research and educational institutions</b>	Through partnerships with universities and research institutes as well as initiatives like Coaltech, we advance sustainable mine water management, land use planning and rehabilitation strategies that enhance water security and responsible mine closure practices.
<b>Industry and government departments</b>	Exxaro engages with government bodies (eg DFFE, DMRE, DWS and provincial departments) and industry groups like the Minerals Council South Africa and BUSA, to ensure regulatory compliance, influence public policy on waste and mine closure, and tackle air and water quality issues facing the mining sector.
<b>Communities</b>	We work closely with local communities to co-create solutions that address the environmental and social impact of our operations. These engagements aim to strengthen local economies, foster skills development and create opportunities for sustainable waste-to-product conversions. Exxaro also works with community groups to ensure restored land benefits biodiversity and agriculture.
<b>NGO and environmental organisation alliances</b>	Partnerships with conservation groups, including the Endangered Wildlife Trust (EWT) and Peace Parks Foundation, allow Exxaro to leverage external expertise for our biodiversity and water protection programmes. These partnerships support ongoing monitoring, conservation initiatives and the preservation of local ecosystems impacted by mining.



## Restoring and protecting biodiversity

Healthy ecosystems are essential for resilience against climate change, supporting the natural resources that sustain our operations and communities. Exxaro is committed to safeguarding biodiversity through targeted initiatives, including relocating species, rehabilitating wetlands, managing invasive plants and implementing conservation programmes that protect the native flora and fauna across our operations.



*Manketti team and Cheetah Outreach field employees with a satellite collared cheetah*

### Showcasing conservation in action

The survival of free-roaming cheetahs in South Africa is increasingly threatened by habitat loss, human-wildlife conflict and dwindling prey availability. In response, Exxaro’s Manketti game reserve partnered with the Cheetah Outreach Trust and EWT to conduct a groundbreaking three-year census of the country’s remaining free-roaming cheetah populations. This initiative aims to deepen our understanding of cheetah behaviour, habitat use and co-existence strategies that support the long-term conservation of these apex predators.

The project employs a multifaceted approach to gather critical data, beginning with an online questionnaire distributed to local landowners to gain insights into cheetah sightings and potential hotspots for monitoring. To track cheetah movement and activity, we deploy state-of-the-art cameras at strategic scent-marking sites in the expansive farmland surrounding Manketti. These cameras allow for non-invasive monitoring, capturing cheetah activity patterns and identifying individual animals.

Cheetahs captured as part of the project are fitted with satellite-linked collars (as seen in the picture above), allowing for real-time tracking across vast landscapes. This advanced tracking technology offers precise data on cheetah movement patterns, territory sizes and interactions between prey and human-influenced landscapes. Alongside tracking efforts, the team conducts detailed analysis of cheetah scat samples to understand their prey preferences and food sources, providing valuable insights into the ecological needs of these cheetahs.

Gathering a comprehensive dataset on free-roaming cheetah populations and their environmental needs will inform conservation strategies to promote the co-existence of cheetahs and human communities, fostering a balanced and richly biodiverse ecosystem in South Africa.



## Our biodiversity management approach at a glance

Exxaro's biodiversity management plans guide our efforts in the protection and conservation of biodiversity-rich ecosystems within mining right areas and support sustainable land use. Our biodiversity approach is implemented through:

### Accountability and responsibility

Biodiversity management plans and stakeholder engagement are overseen by a team at our operations and head office, including executives and mine management, and sustainability and environmental specialists. A senior biodiversity specialist leads biodiversity prevention and mitigation measures, policies and processes.

### Regulatory compliance

We comply with the National Environmental Management: Biodiversity Act, 2004 (Act 10 of 2004) and the requirements of mining and environmental permits.

### Beyond compliance

We enhance our positive impacts on biodiversity by:

- Forming strategic partnerships with conservation organisations and local communities for species relocation, habitat restoration and invasive plant management
- Participating in academic and industry research to enhance conservation efforts and drive innovation
- Conducting biannual monitoring of wetland health, terrestrial vegetation and fauna at our Belfast operation
- Undertaking biannual monitoring of the African grass owl (*Tyto capensis*) within the Matla mining right area
- Exploring the adoption of the TNFD recommendations for enhanced biodiversity reporting
- Contributing R5 million annually to rhino conservation since 2020

Our holistic approach to biodiversity management combines:

- Protection initiatives, including species relocation, invasive plant management and wetland and pan research
- Baseline assessments, monitoring, measuring and reporting through environmental and social impact assessments, biomonitoring and incident reporting
-  Nature-based solutions such as our [Spekboom carbon offset projects](#) (page 35) that support climate resilience and biodiversity restoration
- Social impact goals that contribute to local livelihoods through job creation and training opportunities

With the growing focus on biodiversity loss and South Africa being a signatory to the Convention on Biological Diversity, Exxaro is updating existing biodiversity management standards and plans to align with the Kunming-Montreal Global Biodiversity Framework, national biodiversity plans and our operational needs.

To identify and manage nature-related risks, we are conducting a baseline TNFD assessment, addressing gaps and building on the prior work we did to implement TCFD recommendations. The ESG committee has received the proposed TNFD reporting plan, with the LEAP approach set for implementation in early 2025.



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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.

Since 2016, two full-time local SMMEs have successfully managed Cennergi's invasive alien plant control programme.

## Monitoring, measuring and reporting

Each operation has a detailed biodiversity plan aligned with the group biodiversity management standard. Plans include procedures that guide how inspections, audits and biomonitoring programmes should be conducted. Biodiversity KPIs are tracked for each BU and align with safety, health and environment management systems for impact mitigation and progress monitoring.

Biomonitoring, including river health assessments, ensure our mining activities do not negatively impact nearby ecosystems. We send samples of certain parameters to independent labs for analysis, which informs management actions for improving wetland biodiversity. These actions are tracked to ensure improved compliance and ecosystems health.

To support these efforts, Exxaro engages external service providers to conduct regular biomonitoring across key sites, including Grootegeluk, Belfast, Matla, Leeuwpan, Tshikondeni and Thabametsi. Monitoring is aimed at evaluating the physical and chemical characteristics of the impacted ecosystem through assessing aquatic, terrestrial, soil and wetland health in line with WUL requirements. Monitoring takes place during wet and dry

seasons to capture seasonal variations and determine optimal project execution timeframes.

Exxaro also engages with service providers to monitor river systems connected to the KwaZulu-Natal mines in closure (Hlobane and Durnacol) to assess potential long-term impacts on aquatic biota from these sites.

## Awareness, education and training

We equip community members with the knowledge and skills to contribute to invasive alien plant eradication, providing training through an external service provider.

Exxaro appoints local community contractors for the eradication of invasive alien plants. We provide contractors with training, equipment and start-up capital to support local community development.

## Restoring and protecting biodiversity continued

### Biodiversity protection initiatives

#### Invasive alien plant eradication

Exxaro's invasive plant management and eradication programme aims to restore ecological balance by monitoring, controlling and eradicating invasive alien species that threaten native vegetation and disrupt water availability. The initiative is aimed at supporting healthier, more resilient ecosystems that will ultimately promote biological diversity within our operational and rehabilitated land.

All BUs have invasive species management plans and have completed initial physical removal of invasive alien plants.

	Stage 1 Development of invader species management plan	Stage 2 Physical implementation (removal of invader species)	Stage 3 Maintenance (eradication of invaders on site)
<b>Mpumalanga</b>			
Belfast	✓	✓	→
Leeuwpan	✓	✓	→
Matla	✓	✓	→
<b>Limpopo</b>			
Grootegeluk	✓	●	●
Tshikondeni	✓	●	●

✓ Completed ● To start in 2025 → Ongoing

We aim to:

- Minimise our impact on biodiversity loss
- Prevent and mitigate negative impacts on sensitive environments within our area of influence
- Prevent ecological impacts such as extensive alien invasive plant growth, soil erosion, habitat fragmentation and habitat loss
- Protect sensitive ecosystems and species within our area of influence, through the implementation of rehabilitation interventions and conservation management programmes
- Explore opportunities that contribute to the protection and enhancement of biodiversity

#### Protecting vulnerable species

Our mining right areas overlap sensitive environment that is home to threatened and protected species listed on the International Union for Conservation of Nature Red List. We take steps to protect these species and hold the necessary permits for any removal and relocation of vulnerable plants or animals.



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Amakhala Emoyeni is classified as situated within a natural habitat under IFC Performance Standard 6 (IFC PS6), requiring compliance with the no net loss biodiversity target.

#### Wetland rehabilitation and pan research

Exxaro monitors and manages wetland systems located within its mining right area, focusing on habitat restoration and species diversity. These efforts improve water retention, support local biodiversity and provide sustainable water resources critical for surrounding communities and ecosystems. Ongoing wetland initiatives include:

Waterberg (Limpopo)	<p><b>Grootegeluk proof-of-concept pan project</b></p> <p>Our efforts to recreate seasonal pans at Grootegeluk continue to deliver promising results. Seasonal pans, which naturally form in low-lying areas and fill with water during the rainy season, are vital for supporting local biodiversity. To preserve these ecosystems, we created six pans using clay and biological material from natural pans located in front of the pit area, which would otherwise have been lost to mining. The pans were constructed by sealing the base with clay from the original pans and introducing a biological layer containing invertebrate eggs to seed biodiversity.</p> <p>A five-year monitoring programme, initiated in January 2022, evaluates the potential for these recreated pans to be integrated into future rehabilitation or offsetting initiatives. Monitoring results have been encouraging, with biodiversity levels in the recreated pans stabilising and aligning with those of the source pans.</p> <p>In 2024, we expanded our efforts to monitor the natural seasonal pans remaining in the landscape, ensuring that mining activities have minimal impact on these critical ecosystems.</p>
Mpumalanga	<p><b>Belfast wetland rehabilitation project</b></p> <p>Following a review of phase 1 interventions, we updated our rehabilitation strategy for phase 2 of the project, targeting smaller wetland systems along the mine's boundaries to extend the restored area. We appointed a specialist consultant to oversee the implementation of new interventions. The specialist will be required to produce a wetland management and maintenance plan that will document the measures to be taken by Exxaro to ensure that rehabilitation interventions remain functional and intact in the post-rehabilitation landscape.</p>
	<p><b>Leeuwpan wetland interventions</b></p> <p>To prevent net loss of functional wetland areas around Leeuwpan mine, we developed a wetland offset strategy in 2019 to compensate for any residual operational impacts. In 2024, the strategy was updated to include revised rehabilitation recommendations for the affected wetlands, with the updated interventions scheduled for implementation in 2025.</p>



## Conservation programmes

Our conservation programmes protect threatened species in and around our mining right areas, focusing on initiatives that meet the biodiversity needs of various BUs. Ongoing projects include:

Waterberg (Limpopo)

### Grootegeluk

#### Manketti game reserve conservation

A 22 000ha game reserve surrounds Exxaro's Grootegeluk mine, creating a unique conservation buffer that balances mining activities with environmental stewardship. This reserve generates income through sustainable practices, including commercial hunting, game trading and guest stays at Manketti Lodge, which offers game viewing and birding opportunities. A dedicated monitoring programme supports the conservation of the rare Manketti tree (South Africa's only known location for this species) alongside other protected flora like leadwood, marula and camelthorn. Manketti is home to diverse wildlife, including buffalo, sable antelope and tsessebe and supports cheetah conservation. The reserve also provides habitat for over 200 bird species, including three vulture species nurtured at an on-site vulture feeding station.

### Matla

#### African grass owl protection

We are working with the EWT and Digby Wells to protect the African grass owl, a vulnerable species whose habitat is impacted by mining activities. Through biannual monitoring surveys conducted during wet and dry seasons, we assessed the population and nesting success of these owls within the Matla mining rights area. Our April wet-season survey confirmed the presence of an actively nesting pair, indicating that the area provides suitable habitat for breeding. However, the September dry-season survey showed a decrease in roosting owls and suitable habitat due to factors such as fire and farming activities. By preserving open grassland areas and carefully managing habitat conditions, we support the continued occupancy and breeding success of the African grass owl, which plays a critical role in controlling local vlei rat populations.

Mpumalanga

### Belfast

#### Dullstroom Bird of Prey Centre

Exxaro partners with the Dullstroom Bird of Prey Centre to rehabilitate and gradually release birds of prey into a protected conservation area. This collaboration provides a controlled environment where birds acclimate to the wild in a semi-natural habitat before achieving full independence. Constructed by a local SMME, the release area offers safety and access to food, ideal for a gradual transition. The initiative also supports the release of grass owls and bats, contributing to natural pest control in surrounding agricultural areas.



#### Bird and bat fatality mitigation

Bat curtailment involves adjusting turbine operations, particularly by reducing or halting activity during low wind speeds, to lower the risk of bat collisions with wind turbines. At the Amakhala Emoyeni windfarm, Cennergi's bat curtailment programme employs this technique to protect local bat and bird populations. Through regular monitoring by local carcass search teams and compliance with South African bird and bat wind energy guidelines, Cennergi ensures responsible windfarm operations. Semi-annual monitoring reports are shared with stakeholders, including BirdLife Africa and the EWT, demonstrating our commitment to biodiversity alongside renewable energy generation.

Eastern Cape

#### Cape vulture management

We collaborate with the EWT on the Eastern Cape vulture safe zone initiative at Amakhala Emoyeni, aiming to reduce Cape vulture fatalities near wind energy facilities. This programme establishes a protected habitat zone where threats to vultures are mitigated, creating the first vulture-safe area within a windfarm landscape. Cennergi's on-site food management programme further supports these efforts by removing livestock and wildlife carcasses to lower the risk of collisions with turbines.

Our Cape vulture offset programme leverages the EWT's innovative detection system (called the eye in the sky programme), which uses GPS tracking to monitor vultures' movements. Alerts are triggered by unusual behaviour, such as immobility, enabling rapid responses to poisoning incidents. This system prevents further fatalities, rehabilitates poisoned birds and contributes to the conservation of Cape vultures.

Cennergi has committed over R800 000 to this programme over two years, funding GPS tracking, personnel and wildlife poisoning response measures, including mobile ambulances equipped for rehabilitation. Based on current data, this initiative is projected to avert the loss of approximately seven Cape vultures annually, meeting the project's offset requirement of six vultures per year.

#### The Greater Kromme Stewardship initiative

Launched by Tsitsikamma, Jeffrey's Bay, Oyster Bay and Gibson Bay windfarms in partnership with the Kromme Enviro-Trust, this initiative addresses the ecological impacts of wind energy in these regions. This programme fosters biodiversity stewardship by encouraging landowners to legally protect valuable ecosystems on private land, whether across entire properties or only ecologically sensitive areas. Since its establishment seven years ago, the initiative has facilitated the declaration of seven new nature reserves (2023: four), with five more nearing completion (2023: two). The initiative has been widely recognised for securing more priority land for conservation in the Kouga region than any other independent conservation body in the last 50 years.

## Restoring and protecting biodiversity continued

### How we performed

We did not record any biodiversity-related grievances in 2024 (2023: none). We experienced minor challenges arising from seasonal variations, which may have impacted biodiversity assessments and optimal timeframes for the execution of some projects.

The data in the table alongside shows that we actively maintain sites cleared of invasive plants. We finalised the appointment of a local community service provider in 2024 to eradicate invasive alien plants at Grootegeluk and Tshikondeni, with eradication scheduled for early 2025.

Land cleared of invader plants (ha)	2024	2023	2022
<b>Mpumalanga</b>			
Belfast	52	29	19
Leeuwan	94	77	86
Matla	32	102	0
<b>Limpopo</b>			
Grootegeluk	0	0	0
Tshikondeni	0	1 430	132
<b>Total</b>	<b>178</b>	<b>1 638</b>	<b>236</b>

### Protecting vulnerable bird and bat species



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Amakhala Emoyeni is classified according to IFC Performance Standard 6 (IFC PS6) (IFC 2012) as situated within a natural habitat. Since operations began in 2016, 41 priority bird species fatalities (due to wind turbines) have been recorded.

Species	Regional classification	Global classification	Wind turbine fatalities	Overhead line fatalities	Total fatalities
Cape vulture	Endangered	Vulnerable	13	2	15
Blue crane	Near threatened	Vulnerable	7	1	8
Denham's bustard	Near threatened	Near threatened	1	2	2
Secretarybird	Endangered	Vulnerable	2	0	2
Black harrier	Endangered	Vulnerable	1	0	1
Tawny eagle	Endangered	Vulnerable	1	0	1
Burchell's courser	Vulnerable	Least concern	2	0	2
Martial eagle	Endangered	Vulnerable	2	0	2
Amur falcon*	Least concern	Least concern	13	0	13

\* The Amur falcon is classified as a priority species due to its gregarious, flocking behaviour and the potential for fatality events involving multiple birds.

Cape vulture fatalities have exceeded the annual average threshold in the project's first eight years of operation. To address these impacts, Cennergi collaborates with the EWT and the IFC to improve existing mitigation measures by implementing the Cape vulture offset programme.

During 2024, six Cape vultures and one blue crane wind turbine fatalities were recorded, along with one Denham's bustard fatality. No secretarybird fatalities were recorded (2023: one). The bat fatality threshold was not exceeded for the monitoring period and, as a result, no bat curtailment was conducted during the year.

#### TCWF

No Red List bird species mortalities were recorded in 2024 (2023: none). However, four priority bird species fatalities occurred. We are collaborating with an Avifauna specialist to conduct flight and collision risk modelling to determine which turbines should be prioritised for mitigation measures.

One fruit bat fatality was recorded, triggering the need for mitigation under the South African Bat Fatality Threshold Guidelines. To address this, Cennergi 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. We also engaged an international bat specialist to establish biologically meaningful fatality thresholds for fruit bats at the neighbouring Jeffrey's Bay windfarm.

### Improving our performance

As part of our sustainability efforts, 16 000 Spekboom trees were planted at Grootegeluk mine and Leeuwan mine on rehabilitated land in 2024. These pilot projects are helping to control and eradicate invasive alien species that previously encroached on these sites, while preventing soil erosion due to the Spekboom's soil-binding properties. Likewise, an indigenous forest planted at Matla's new Mine 1 shaft area enhances local biodiversity while serving as a wind break that improves air quality.

At Tshikondeni, natural indigenous vegetation has regrown post-closure. We are assessing soil and plant conditions in the area to identify further opportunities for growth enhancement.

#### Future focus



Our primary focus in 2025 will be:

- Implementing wetland offsets at Matla, Leeuwan, Belfast and Grootegeluk mines
- Launching a biodiversity initiative to enhance understanding of sensitive environments and support endangered species protection
- Developing a biodiversity management strategy and updating existing standards to align with the Global Biodiversity Framework, national plans and Exxaro's operational needs
- Adopting and implementing the LEAP approach for TNFD reporting
- Providing training and development for employees in the protection and management of biodiversity



# Integrating mine closure and rehabilitation

We take a holistic, integrated approach to mine closure and rehabilitation\*, balancing environmental stewardship, social wellbeing and financial sustainability. Our commitment to environmental rehabilitation also creates opportunities to support our employees and communities through sustainable land use alternatives.



## Showcasing our response in action

Exxaro is advancing the rehabilitation of Durnacol discard dump 7, a legacy site from historical mining activities at Durnacol. As part of our commitment to responsible environmental stewardship, this project is restoring the site through comprehensive rehabilitation efforts that improve land stability, enhance water management and support long-term ecological recovery.

Dump 7 comprises a combination of burned and partially burned discard, along with coal slurry co-disposed over time. The rehabilitation strategy includes final profiling of the dump, the construction of contour benches and the covering of intra-bench slopes and plateau areas with stabilising materials. Additionally, stormwater management infrastructure, including down chutes and concrete energy dissipation structures, is being installed to control runoff and minimise erosion. By integrating advanced rehabilitation techniques and strategic land management, we aim to restore the integrity of the Durnacol site while contributing to sustainable land use practices in the region.

The project was initiated in October 2022, with a contractor appointed to execute the rehabilitation in 2023. To date, 75% of the work has been completed, including the covering of 19.2ha of the dump's top surface and the partial installation of stormwater chutes using repurposed concrete railway sleepers. The project continues to progress according to plan, with complete rehabilitation scheduled for September 2025.

## Social impacts

### Employment opportunities

The project has created jobs for 25 general workers, with a focus on employing youth from the Durnacol area.

### Skills development

A civil technician is completing service training as part of her higher qualifications, gaining hands-on experience in rehabilitation work.

### SME sub-contracting

A local SME was appointed to construct stone pitching and stormwater down chutes, supporting small business development in the region.

\* Mine rehabilitation restores the post-mined landscape to the intended post-mining land use.

## Integrating mine closure and rehabilitation continued

### Our mine closure and rehabilitation management approach at a glance

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. Execution of this approach is driven through:



Our comprehensive approach to land management, mine closure and concurrent rehabilitation is outlined on the following page. This approach focuses on supporting sustainable outcomes through:

- Assessing impacts on employees, communities, the environment, government and infrastructure
- Proactively managing environmental effects to limit residual liabilities, particularly in areas such as water quality, water retention and soil health, which could influence Exxaro's financial resilience
- Executing concurrent rehabilitation in alignment with operational timelines
- Protecting rehabilitated areas from water ingress
- Establishing financial provisions for all operational and closure sites, with annual assessments by our sustainability and finance teams in partnership with independent specialists
- Updating and approving liabilities through structured internal governance processes

### Closure and rehabilitation strategic objectives

Integrating concurrent rehabilitation and mine closure into daily operations at all BUs

Aligning with standards that promote sustainable post-mining land uses, including vegetation suitable for carbon sequestration

Setting specific, measurable targets for concurrent and continuous rehabilitation

Embedding accountability within operational management KPIs

Lowering the environmental financial liability associated with mine closure

### Annual environmental liabilities are approved through internal governance processes and updated as follows:

<b>Identify impacts and rehabilitation areas</b>	<ul style="list-style-type: none"> <li>• Add identified impacts</li> <li>• Remove rehabilitated areas</li> </ul>
<b>Adjust tariffs and escalation</b>	<ul style="list-style-type: none"> <li>• Current tariffs and producer price index escalation</li> </ul>
<b>Separation of immediate and LoM cost</b>	<ul style="list-style-type: none"> <li>• Apply definition and optimisation option</li> </ul>
<b>Calculate and prioritise concurrent liability</b>	<ul style="list-style-type: none"> <li>• Prioritise rehabilitation according to environmental risk assessment</li> <li>• Calculate volumes to be moved during concurrent rehabilitation</li> </ul>
<b>Schedule concurrent rehabilitation</b>	<ul style="list-style-type: none"> <li>• Schedule rehabilitation according to mine plan schedule</li> </ul>
<b>Budget</b>	<ul style="list-style-type: none"> <li>• Budget the first year per month and the next four years per annum in five-year slices</li> </ul>
<b>Report</b>	<ul style="list-style-type: none"> <li>• Report monthly physical movement against budget</li> </ul>

Exxaro developed a new mine closure and rehabilitation strategy this year, underpinned by our updated policy and management standard changes. The strategy, policy and management standard changes progressing through board approval for early 2025, align with our Sustainable Growth and Impact strategy. The new strategy outlines specific roles, responsibilities and metrics for tracking rehabilitation progress across all BUs. A key focus of the updated strategy is on final land use outcomes, enhancing social impact after closure, and integrating environmental and social sustainability into land rehabilitation efforts.

### Integrating social impact

Our approach is closely aligned with Exxaro's Social Impact strategy, integrating principles that support employee and community resilience both during and after mine closure.

Key areas of focus include equipping employees with portable skills for alternative employment, establishing effective communication plans and delivering specialised training for managing closure plans.

We prioritise safety, health and job creation in impacted communities, ensuring ongoing socio-economic activities and identifying stakeholder needs to guide our closure practices. Our commitment extends to preparing host communities with skills for commercial and infrastructure use post-closure, while maintaining alignment with SLP commitments to improve quality of life.

Through active engagement with communities, government bodies and NGOs, we strive to ensure a responsible and liability-free closure that meets community expectations and supports a sustainable transition.



## Integrated stages of mining and mine closure planning

We aim to incorporate land and liability management into daily mine planning to reduce final closure costs and enhance post-closure land use for each operation.



### 1 Monitoring, measuring and reporting

- Leverage advanced systems and tools to oversee environmental liabilities and rehabilitation efforts
- Operations provide updates on concurrent rehabilitation KPIs through monthly management reports

Regular environmental management programme performance assessments guide amendments to rehabilitation plans and closure objectives.

### 2 Social impact

We remain committed to transferring 90% of rehabilitated post-mining land to emerging farmers in local communities by 2026.

To manage Exxaro-owned land effectively and efficiently while supporting current and future operations, biodiversity offsets and social impact initiatives, we categorise land parcels as follows:

#### Long-term agricultural leases

Through our **minerals succession programme (MSP)** we empower farmers by providing access to funding, mechanisation, inputs and training under a three-year contract with an external service provider.

#### Available land for emerging farmers and communities

- **Mpumalanga**
  - Strathrae: 5 447ha (seven farmers on 4 495ha for crop and cattle farming)
  - Sheepmore: 740ha (two farmers on 740ha for cattle farming)
- **KwaZulu-Natal**
  - Durnacol: 190ha (110ha leased to one female farmer for cultivation)
- **Limpopo**
  - Lephalale: 296ha (112ha leased to three entities for intensive vegetable farming)

Land is diversified for agricultural use, including dryland maize, soya bean cultivation and livestock farming). Internal and external audits evaluate farm transfer success.

### Donations

- Donate land where either a right is established or social impact can be achieved (such as local municipality projects)
- Transfer land under claims to government for redistribution
- Support resettlement and local government projects in areas where our operations impact communities
- Help uplift communities (such as Phumulani agri-village in Belfast) through livelihood restoration programmes

### Current and future operations

Areas designated for operations are actively managed to protect against land grabs and ensure our sustainability.

### Biodiversity and conservation

- Preserve harmony between operations and natural surroundings, such as at Manketti game reserve
- Maintain biodiversity management plans (including alien invasive control) and sensitive ecosystem enhancement to uphold environmental licences to operate
- Control invasive alien plant growth to improve water quality, surface water runoff and indigenous vegetation health, increasing biodiversity and productive land availability

### 3 Employee engagement and development

- Provide employees with portable skills, such as vegetable farming to support their transition into alternative employment and economic opportunities
- Deliver training programmes that enable employees to implement and manage mine closure plans effectively
- Implement a communication plan for employees

### 4 Infrastructure

- Assess power lines, water pipes, buildings and dams and retain infrastructure that supports sustainable final land use
- Integrate retained assets into the final closure environmental management plan and transfer them to an appropriate entity for ongoing management

### 5 Assets

Redundant but serviceable assets, such as vehicles and furniture, are retained if they can support social impact programmes and transferred to appropriate entities for implementation

## Integrating mine closure and rehabilitation continued

### 6 Financial

We conduct annual reviews of our mine closure and rehabilitation obligations, with plans and closure objectives updated based on environmental management programme performance assessments. Cost estimates for concurrent and final closure rehabilitation activities are evaluated and adjusted. External auditors carry out biannual site visits, document reviews, and environmental liability audits, identifying potential rehabilitation alternatives to reduce long-term closure liabilities.



CENNERGI

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.

Exxaro's Environmental Rehabilitation Fund, along with bank and insurance guarantees, supports new developments and addresses financial provision shortfalls. The fund's assets are managed in terms of asset and liability modelling, ensuring alignment with site-specific risks, returns, and liabilities. The fund's goal is to maximise investment growth relative to liability costs. Trustees are supported by an external specialist who provides technical expertise to assess and recommend suitable investment structures. Current implementation includes:

- Two income building blocks benchmarked against cash rates and investing in government treasury bills, banks and corporate paper
- Three growth building blocks targeting inflation-linked returns and investment in insurance and bank-guaranteed products
- Equity-driven portfolios without explicit investment guarantees, where capital risk is controlled by managing volatility through portfolio adjustments

### 7 Community safety, health and job creation

Programmes such as the MSP are in place to address health and safety issues, as well as employment opportunities for communities.

### 8 Mining plan

Each BU maintains five-year conceptual concurrent rehabilitation plans, schedules and associated budgets to:

- Establish measurable targets
- Prevent backlogs that could increase rehabilitation liabilities
- Enable managers to implement strategies without cash flow constraints
- Integrate concurrent rehabilitation in operational tracking

### 9 Safety and risk control

Health and safety standards at mines undergoing closure are as rigorous as those at operational mines. Exxaro applies consistent health and safety policies across all its operations, including those in closure. Security risks remain a significant challenge during the closure process, requiring continuous safeguarding of infrastructure and assets to ensure safety and compliance.

### 10 Interested and affected parties

- Ensure socio-economic activities can continue after mine closure
- Identify the needs and expectations of stakeholders and socio-economic impacts
- Assist host communities in acquiring skills for commercial activities and infrastructure use after mine closure
- Create opportunities to enhance quality of life for affected communities
- Align closure with community expectations to honour SLP commitments
- Develop and implement plans for engagement with communities, government and NGOs, among others
- Assist mine owners and operators achieve liability-free closure within a reasonable timeframe

### 11 Environmental stewardship

Exxaro's disturbed footprint, which encompasses buildings, roads, and mining areas, is rehabilitated in accordance with the environmental management programme and aligned with the final land use plan, including provisions for ongoing maintenance and monitoring.

### Exxaro's rehabilitation milestones since 2002



2002

**Hlobane:** Sealing of cracks on the mountain was completed, and the Hlobane waterfall is flowing during every rainfall event

2015

- **Matla:** Crack sealing on subsidence areas was completed within two years, and local farmers were given access to the area for crop production. The water treatment plant has been operating successfully since 2016

2016

- **Eerstelingfontein/Inyanda:** Concurrent rehabilitation completed within one year after completion of mining activities

2020

- **Belfast:** Rehabilitation of the wetland system adjacent to mine was completed

2021

- **Grootegeluk:** Proof-of-concept study in the mining right area was completed and six seasonal pans were created
- **Tshikondeni:** All rehabilitation completed within five years, with maintenance on discard remaining

2023

- Design and plans for Durnacol dumps 1, 2 and 3 in progress
- Tshikondeni dump maintenance continues

2024

- Initiated rehabilitation at Durnacol's dump 7
- Implemented a water treatment plant at Durnacol
- Commenced with phase 2 of the Belfast wetland rehabilitation system
- Completed 477ha of rehabilitation at Matla for agricultural use



## How we performed

	2024	2023	2022
Land rehabilitated (ha)	2 609	2 132	2 000
Land disturbed (ha)	10 794	11 028	9 624
Operational guarantees (Rm)	3 552	3 552	3 606
Unscheduled closure costs (Rm)	8 773	9 327	8 427
Returns on Exxaro and Matla rehabilitation trust funds including fair value adjustments (Rm)	240	244	19
Active closure sites*	4	4	4

\* Tshikondeni, Durnacol, Hlobane and Strathrae.



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

Rehabilitated land increased by 477.27ha due to Matla rehabilitated areas being signed off and handed to external farmers for utilisation. Although this led to an overall decrease in land disturbed compared to 2023, new areas opened for mining in 2024 increased land disturbed by 243.75ha.

### Active sites

Concurrent rehabilitation continued at all active sites, with substantial investment allocated to backfilling mined-out areas. While exceeding the initial budget, this proactive approach allowed for more extensive rehabilitation. However, challenges such as equipment limitations, regulatory delays and extreme weather conditions impacted the timely completion of backfilling activities. To optimise future backfilling processes and reduce environmental impact, we aim to improve planning, resource allocation and stakeholder collaboration.

Government indefinitely postponed the expected NEMA financial provisioning for mine closure regulations in February 2024. This delay creates legislative uncertainty in financial provisions for environmental rehabilitation. In the interim, Exxaro follows GNR1147 for liability calculations.

We completed the rehabilitation of 477ha of land at Matla mine, which was transferred to local farmers for agricultural use. The land is used for cattle and crop farming and supports local economic activity.

The design phase for a new Grootegeluk dump is underway and expected to be finalised in 2025. We have actively engaged with government authorities to finalise the rehabilitation designs for Grootegeluk dumps 4 and 5. Productive discussions with the DWS confirmed the requirements for the new designs. Exxaro appointed specialists to lead the design process, ensuring that our rehabilitation plans meet regulatory standards and follow environmental best practices.

### Inactive sites

Exxaro progressed on rehabilitation projects at Fripp, Zwartkops and Hoornbosch. At Fripp, headgear was dismantled, and the shaft sealed, with further physical rehabilitation scheduled for 2025 following plan approval. The Zwartkops site was secured, with a comprehensive rehabilitation plan under development for completion in 2025.

### Closed mines

Rehabilitation at Tshikondeni mine progressed well, with 80% of planned work completed by year end and finalisation set for May 2025. The discard dump showed early signs of natural vegetation regrowth, prompting a detailed assessment of soil and vegetation to guide further enhancements.

At Durnacol, the design for dump 3 was approved, preparing the site for rehabilitation activities to begin in 2025. Exxaro appointed a service provider to implement a water treatment solution to treat the decant from the closed mine at Durnacol, with the plant operating since November 2024. This initiative aims to address the long-lasting issue of acid mine drainage and contributes to the protection of local ecosystems and water resources.

Work is also progressing at Hlobane, where the design phase is set to complete in the first half of 2025. A water treatment solution is under review by the DWS as part of our integrated WUL application, and we appointed a specialist to explore alternative options for optimal environmental performance.

### Future focus



Our primary focus in 2025 will be:

- Aligning rehabilitation schedules with mine schedules and tracking performance monthly
- Updating closure liabilities monthly to address financial sensitivities
- Implementing the water treatment solution at Durnacol
- Finalising rehabilitation designs for Grootegeluk and Hlobane dumps

# Improving water security

Water security is a critical component of our operational and environmental approach, given South Africa’s water scarcity and the effects of climate change, particularly rising temperatures and rainfall variability. Through proactive risk identification and planning, we support communities, protect the environment from watershed risks and stabilise critical ecosystems.

## Our water management approach at a glance

Our water management policy is supported by our group water strategy, which aims for excellent compliance with policies, standards and processes, stakeholder partnerships and technologies for operational water efficiency. Implementation of our approach is driven by:

<p><b>Accountability and responsibility</b></p>	<p>Sustainable impact managers, supported by the corporate water team and on-site environmental specialists, led by the chief sustainability officer: sustainable impact, oversee policy implementation and practice at operations.</p> <p> The facility site manager supported by the head: corporate and social responsibility oversee policy implementation and practice at wind energy facilities.</p>
<p><b>Regulatory compliance</b></p>	<p>Our water management measures comply with relevant environmental legislation, particularly the NWA, the MPRDA, NEMA regulations and the National Water Resource Strategy. We comply with the conditions of our WULs and maintain the required records for compliance audits.</p>
<p><b>Beyond compliance</b></p>	<p>We align with voluntary water reporting standards and are working towards full alignment with the Global Industry Standard on Tailings Management. Through collaborative research with Coaltech and local universities, we support sustainable mine water management and mine closure practices.</p>

We manage water-related risks and minimise environmental impacts through a comprehensive approach that includes water conservation, contamination prevention and advanced treatment processes. Our practices include:

- Reducing, reusing and recycling water in line with the National Water Resource Strategy
- Protecting groundwater by installing barriers at dirty water facilities
- Enhancing water quality through reverse osmosis and sewage treatment at Matla and Belfast, where treated water is discharged safely
- Integrating climate analytics, including ENSO and South African Weather Services outlooks into our decision making

Our policy guides our integrated water and waste management plan for the current and future operations – from planning to construction, operation, decommissioning, closure and rehabilitation. We implement this policy through our water management standard, which covers mining and industrial water use, water authorisations and site-specific water management plans including:

- Water-related risk assessments
- Water conservation and demand management
- Stormwater controls
- Security of supply
- Water monitoring
- Water balance simulations



Cennergí’s windfarms use licensed boreholes and rainwater.

## Monitoring, measuring and reporting

We monitor and report water performance in line with the CDP water programme. A centralised database supports disclosure by consolidating data, while our water accounting methodology measures volumes and quality against efficiency and intensity targets, water use permits and internal benchmarks.

Water consumption and intensity targets are integrated into our group-wide STI scheme, aligning with our Climate Change Response and Sustainable Growth and Impact strategies.

Exxaro embraced the internal water pricing strategy as a planning tool by setting a shadow price, where a price is used during discussions and evaluations of water-related business decisions. The shadow pricing is based on the minimum cost of producing water from alternative sources such as reverse osmosis. This shadow price is further adjusted by evaluating current and future water risks using the Aqueduct Water Risk Atlas for the regions under consideration to identify the true cost of water for a location. The Aqueduct Water Risk score is a combined score comprising physical, chemical and regulatory risks.

## Tailings storage facilities and dams

Our tailings management system guides BUs on the operation, monitoring and decommissioning of tailings dams using a comprehensive, risk-based approach aligned with internationally recognised standards.

Under South African dam safety legislation, dams with a wall height over 5m and a capacity above 50 000m<sup>3</sup> are deemed a safety risk and are classified by risk level: Category I, II, or III, with Category III indicating the highest hazard potential.

Our dams contain either clean or polluted water. The table below lists dams with safety risk classifications as defined by the DWS.

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



## How we performed

Consumption (ML)	2024	2023	2022
<b>Total water withdrawal</b>	<b>10 342</b>	8 744	11 486
Surface water	7 776	5 834	8 602
Groundwater	1 149	1 487	1 408
Third-party water	1 417	1 423	1 476
<b>Total water discharged</b>	<b>(1 033)</b>	(1 314)	(1 068)
Surface water	(1 033)	(1 314)	(1 068)
<b>Total water consumption</b>	<b>9 309</b>	7 430	10 419

Total water consumption (water withdrawals less water discharged) increased by 25%. The deterioration was mainly attributed to lower recycling at our Grootegeluk operation due to flooding of the pit and other infrastructure.

Recycling ratio (%)	Target	2024	2023	2022
Grootegeluk		51	57	47
Matla		46	51	50
Leeuwpán (estimated)		30	30	30
Belfast		40	62	38
<b>Total group</b>	38	<b>50</b>	56	47

Our water recycling target of 38% overall water recycling ratio (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. In 2024, we realised a lower performance from 2023 by 11% with an overall recycling ratio of 50% as we normalised the Belfast excess water by June with no further treatment in the second half of the year.

	Target (L/t)	Water intensity (L/t)			Water consumption (m <sup>3</sup> )		
		2024	2023	2022	2024	2023	2022
<b>Mpumalanga</b>							
Belfast	210	143	54	232	560 024	170 324	612 115
Leeuwpán	55	36	29	40	138 221	140 051	148 466
Matla	260	169	206	200	991 015	1 235 167	1 231 293
<b>Limpopo</b>							
Grootegeluk	170	146	104	148	7 524 410	5 802 577	8 344 744
Tshikondeni	79 176kL	n/a	n/a	n/a	83 736	71 295	74 532
<b>Gauteng</b>							
FerroAlloys	21 000kL	n/a	n/a	n/a	10 567	9 841	7 205
<b>KwaZulu-Natal</b>							
Hlobane	432kL	n/a	n/a	n/a	291	408	410
<b>Total group</b>	180	142 <sup>RA</sup>	105	150	9 308 265	7 429 662	10 418 765

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

Our water intensity deteriorated by 35% to 142L/t RoM due to factors mentioned above. Our water intensity targets align with industry norms and site-specific conditions. The 180L/t RoM target is well below the coal industry average of 380L/t RoM. This supports our strategy to reduce water intake and support the DWS's objectives to increase water conservation and reclamation. We will further lower our target to 175L/t for 2025.

We finalised our water security study that outlines suitable mitigation measures to ensure resilience against the impacts of climate change and other anthropogenic effects. The study evaluated site-specific impacts on the availability of water, flooding, droughts, veld fires, heatwaves and deteriorating water quality of natural water systems at each BU. The proposed mitigation measures will be unpacked in 2025 to earmark potential projects that could enhance our business resilience, support communities, protect the environment, safeguard our employees and infrastructure, and promote technological advancement through innovative solutions.

## Projects implemented

### Belfast water treatment plant

Belfast implemented a reverse osmosis water treatment plant to alleviate hydraulic load in the mine reticulation system by removing excess water, treating it and returning it to the watershed. Drier conditions in the second half of 2024 allowed Belfast to switch off the plant for maintenance and upgrade. This resulted in a lower return of water to the catchment, as an offset, that impacted the operation's performance from 2023. Overall, the operation's performance has markedly improved from 2022 and we could subsequently lower its target in 2024 by 16%.

### Grootegeluk recycling project

The recycling project at Grootegeluk that consists of a desilting plant, upgraded channels and the already refurbished Oliphantskop Dam has progressed well and will enable enhanced water recycling at the beneficiation plants to prevent process water losses to the pit.

### Future focus



Our primary focus in 2025 will be:

- Further enhance the recycling of process water to lower the import of fresh water
- Investigate projects that will enhance resilience against climate change
- Update our water balances to inform our integrated water management plans

# Managing waste responsibly

Exxaro generates various waste streams, including mining waste, general and hazardous waste. To manage these waste streams, we adopt a cradle-to-cradle approach, prioritising the prevention, reuse and recycling of waste while ensuring safe disposal as a last resort. By transforming waste streams into opportunities within a circular economy model, we reduce our environmental impact and create lasting benefits for host communities.

## Our waste management approach at a glance

Our waste management practices are guided by our environment policy and focus on responsible waste handling that mitigates environmental risks, optimises resource use and creates opportunities for local economic upliftment. Our waste management practices are enabled by:

<p><b>Accountability and responsibility</b></p>	<p>Our sustainability managers, supported by on-site environmental specialists, under the leadership of the chief sustainable impact officer, oversee the implementation of our policy and practices at operations. A newly appointed senior specialist: waste management oversees compliance with waste licences, policy reviews and the implementation of group-wide recycling strategies.</p> <p>BUs are responsible for managing and separating general and hazardous waste at source, with authorised third-party waste management service providers appointed to handle recycling, collection and safe disposal.</p>
<p><b>Regulatory compliance</b></p>	<p>We comply with the National Environmental Management: Waste Act, 2008 (Act 59 of 2008) and supporting legislation to ensure waste prevention, minimisation, reuse and recycling are prioritised. We adhere to the Industry Waste Tyre Management Plan to manage waste tyre collection, develop processing capacity and implement monitoring systems to track progress.</p>
<p><b>Beyond compliance</b></p>	<p>We use advanced technologies to optimise waste recycling and reuse, as well as innovative solutions that promote sustainable waste management and local economic development. We integrate recycling effort into SLPs to empower local communities through training and skills development.</p>

Key elements of our approach include:

- Minimising waste by using outputs from one process as inputs for another, supporting cradle-to-cradle principles, zero-waste operations and circular economy concepts
- Applying Exxaro's standards for general, hazardous and non-hazardous waste to ensure safe and compliant waste handling
- Prioritising avoidance, reduction, reuse and recycling to minimise the need for disposal
- Adhering to the proximity principle (treating and disposing of waste near its source), duty of care principle (ethical responsibility for waste management) and the precautionary principle (proactively mitigating environmental risks)
- Monitoring, measuring and reporting waste data to track progress and drive continuous improvement
- Embedding waste management practices into employee induction and ongoing training programmes across BUs

## General waste

Exxaro's general waste streams include:

- Recyclable domestic waste (plastics, polymers, cardboard, metal cans and paper)
- Non-hazardous recyclable industrial waste (rubber products such as waste tyres and conveyor belts, scrap metal and industrial products)
- Inert, non-recyclable waste (rubble and demolition waste separated at source) collected, recycled or taken to safe disposal sites by authorised waste management service providers

BUs benefit from recycling initiatives, including rebates from selling scrap metal and conveyor belts. Our target is to divert 80% to 85% of recyclable waste from landfill sites by 2025.

## Hazardous waste

Hazardous waste streams (such as contaminated soil, used personal protective equipment and medical waste) are separated from general waste. Authorised waste service providers handle hazardous waste, including used oil, hydrocarbons and sewage, ensuring disposal at licensed waste facilities. Medical waste generated at Matla and Grootegeluk clinics is managed by healthcare professionals, ensuring environmental, health and safety compliance.



Cennergi's operation and maintenance contractors are responsible for waste management at both wind 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.

The draft Waste Act Amendment Bill 2024 proposes to amend the definition of waste and is likely to have far-reaching regulatory consequences for mining and other industries. Exxaro is participating in the consultation process through the Chemicals and Waste Management branch of the Minerals Council of South Africa to ensure that our waste management policies and procedures remain relevant and effective.



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

## Monitoring, measuring and reporting

All BUs report monthly on waste volumes generated, recycled and sent to licensed waste facilities (as required by waste management legislation, management procedures and efficiency reporting). We also collate data on our waste tyre stockpiles at BUs in support of the national drive to reliably quantify waste tyre data.



Sites producing more than 20kg/day of hazardous waste are registered on the South African Waste Information System.

We track our performance using KPIs aligned with the JSE/FTSE and ESG indices, which include:

- Environmental fines and penalties incurred
- Hazardous waste sent to landfill
- Hazardous waste generation (disclosed over three years in tonnes)
- Recyclable waste generated
- Policy commitments to address waste impacts and improve efficiency
- Collaboration with others to reduce pollution and resource use, including partnerships on shared waste streams (eg waste tyres)

To drive continuous improvement and align with best practices, we are working towards additional disclosures, including:

KPI	Target
Time-specific, quantified and unquantified targets to reduce or avoid waste	December 2025
Three-year data for non-recycled and recycled waste (in tonnes)	December 2025
Progress against previously set waste reduction targets	December 2028

Exxaro is also exploring environment, health and safety and ESG software solutions to integrate the management, monitoring and reporting of sustainability KPIs, including waste.

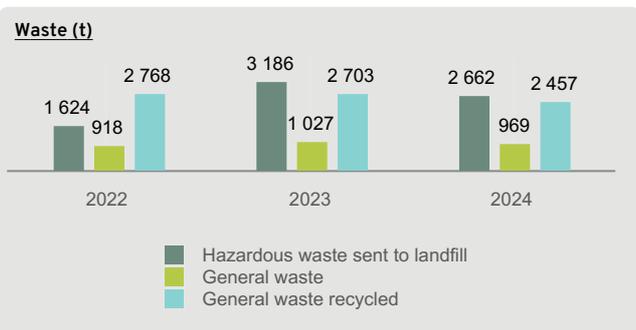
### Research and innovation

We collaborate with the Minerals Council of South Africa, the Waste Management Bureau and the Council for Scientific and Industrial Research to advance sustainable waste tyre management. This includes quantifying waste tyre stockpiles and exploring technologies such as energy recovery (tyre-derived fuel), pyrolysis, material recycling (crumbing) and reuse.

We contributed to the development of integrated waste management solutions in collaboration with the Lephalale local municipality and Impact Catalyst. These solutions promote sustainable waste management, support local economic development, create jobs and facilitate business participation. The key solutions we are exploring include:

- Professionalising waste pickers and providing market access through BanQu technology
- Beneficiating coal fly ash for use in construction and other industries
- Developing a material recovery facility, including garbage trucks and skip bins
- Raising awareness and educating communities on waste management

### How we performed



There was a general increase in hazardous waste generation at most of our mines:

- The 41% increase at Belfast mine was due to growing production volumes and the expedited rate of mining
- The 17% increase at Matla mine was due to the cleaning campaign of the silt traps
- The 22% increase at Leeuwpans mine was due to mixing of hazardous and non-hazardous waste

Despite this increase, there was an overall decrease in group hazardous waste generation in 2024, attributable to the 25% reduction in hazardous waste generated at Grootegeluk.

The reduction is due to minimising the coal residue from the dump trucks' beds ending up in the silt trap of the wash bay.

The overall volumes of general waste generation across our operations decreased by 9% to 969t (2023: 1 027t).

The general recyclable waste diverted from landfill is 72%, that is 2 457t recycled, out of 3 426t of total general waste (2023: 73%, 2 745t of 3 772t).



CENNERGI

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

### Projects implemented

#### Belfast recycling project

Applying Exxaro's waste hierarchy principles, the company sells Belfast's recyclable waste to local recyclers who, in turn, can reduce their financial and environmental costs by using fewer resources (raw materials, water and energy) in manufacturing products from recyclable waste bought from previously unemployed citizens.

We contracted a black youth-owned company that employs community members to sort and collect recyclable waste.

The project faced significant disruptions due to contractor non-conformance that led to delays in recycling activities. Contractor onboarding documents were finalised in October and recycling activities resumed in November 2024.

To prevent this in future, we are strengthening due diligence when engaging local partners, developing contingency plans to address potential disruptions and maintaining regular communication to monitor progress and ensure compliance.

#### Reverse osmosis technology

Belfast and Matla mines treat dirty water from pits and underground workings through a modular water treatment plant that produces drinking quality water in compliance with their WUL limits.

The Exxaro corporate office embarked on a waste separation and recycling drive to divert recyclable waste from landfill sites. Waste (eg sludge organic waste, glass, paper, plastic, non-ferrous metal cans) generated is securely stored in and separated at the designated temporary waste storage facility. The waste is removed by an authorised service provider and transported to a recycling facility in Pretoria West. Each load is tracked by the appointed waste service provider, ensuring contribution to waste reduction and prevention of environmental pollution. Following this successful implementation of our waste stream separation measures, the corporate office was able to divert 65% of recyclable waste from landfill.

#### Future focus



Our primary focus in 2025 will be:

- Diversifying Belfast mine's recycling scope by exploring opportunities to recycle additional materials beyond plastics, tin and paper to include recycling hazardous waste
- Implementing targeted education and awareness programmes at all operations, including integrating recycling awareness into employee induction programmes and internal communication channels, and collaborating with local schools, community groups and other stakeholders
- Conducting the identification and classification of waste streams across the group, and providing possible implementable initiatives to reduce, reuse and recycle various waste streams, thereby contributing to the principle of a circular economy

# 3 Our social impact



As part of our Sustainable Growth and Impact strategy, we empower people to create impact while enhancing business sustainability. We aim to foster mutually beneficial relationships with our people, partners and host communities, equipping them with the capabilities, mindset and passion to achieve our purpose. We are committed to being accountable for our actions and creating a lasting, positive legacy.

## In this chapter

We unpack our approach and performance through the following lenses:

### We deliver social impact by...

Page	Empowering our people	Page	Building sustainable communities	Page	Upholding and respecting human rights
66		87		105	
67	<a href="#">Prioritising safety</a>	88	<a href="#">Empowering our communities</a>		
70	<a href="#">Promoting health and wellness</a>	97	<a href="#">Contributing to enterprise and supplier development</a>		
74	<a href="#">Maintaining sound employee relations</a>	101	<a href="#">Creating post-mining economies</a>		
81	<a href="#">Investing in talent</a>	103	<a href="#">Driving supply chain sustainability</a>		

## We are positioning Exxaro to win through our resilient strategy, which underpins...

<b>Our commitments, management approach and meeting or exceeding compliance</b>	Unpacked in this chapter
<b>How we track and measure our performance</b>	Highlighted in this chapter and <a href="#">measuring and monitoring our performance</a> on page 11
<b>Our stakeholder-inclusive approach</b>	Engagements and collaboration in achieving our goals and initiatives summarised in this chapter, with <a href="#">stakeholder needs and concerns</a> unpacked from page 17

## Reflecting on our diverse and inclusive social journey over the years



### Before 2019

- Youth pipeline
- Inclusive culture
- Racial and gender equity
- Women in mining

### 2020

- Launch of initiatives for people with disabilities and inclusive culture
- Gender equity charter, skills audits and anti-GBV focus
- Leadership capability building through the Exxaro Leadership Way

### 2021

- Strategy integration
- Fair pay
- Leadership DEI capacity building
- Integrating equity into DEI strategy

### 2022 and 2023

- Raise visibility of leadership commitment and accountability to DEI
- Educate and capacitate leaders and employees about DEI
- Activate the DEI baseline survey
- Revision of policies and processes

### 2024 and 2025

- Enable DEI governance structures
- Implement measures to close the wage gap
- Educate and capacitate leaders and employees to effectively deal with key diversity issues
- Enable DEI throughout the employee lifecycle
- Foster strategic DEI partnerships for ongoing learning and best practice

### 2024 and 2025 continued

- Official launch of the group-wide Ibandla Men's Forum as part of the gender equity initiatives
- Launch our DEI e-learning programme before the end of the first quarter of 2025

### 2026 and beyond

- Power possibilities by being a diverse and inclusive South African company with employees believing "I am valued and feel included at Exxaro"



## Our social impact approach at a glance

By integrating social considerations across our operations, we develop innovative, long-term initiatives that create measurable value for employees, communities and the broader society in which we operate. Exxaro's approach to managing social impact is grounded in principles of inclusivity, sustainability and collaboration and is embedded group-wide through:

### Accountability and responsibility

The SERC oversees the health, safety, engagement and development of employees, as well as community engagement and the implementation of the Social Impact strategy. Responsibility for employee-related strategies lies with the chief people and performance officer, supported by various management departments, while the Social Impact strategy reflects an integrated approach involving multiple executive functions.

### Regulatory compliance

Exxaro complies with South African mining industry regulations and Mining Charter III. We monitor legal and parliamentary processes to clarify the intent and standing of the charter.

### Beyond compliance

We also consider the long-term perspectives of government's strategies such as the 2030 National Development Plan and integrated development plans of local municipalities where we operate. We endorse several external voluntary standards, charters and principles, including the UNGC and SDGs and participate in private-public partnerships and industry forums to align with leading social impact practices.

Our social commitments are supported by specific strategies and policies:

- Exxaro's people strategy informs our employee engagement approach, supported by the group's:
  - Safety strategy, focused on preventing incidents and managing risks with five safety pillars
  - Integrated health and wellness strategy, addressing occupational and non-occupational health risks to enhance workforce wellbeing
  - DEI strategy, driving an inclusive environment, removing systemic barriers and maintaining a representative workforce
  - Talent management strategy, which aims to build future capabilities, enabled by supportive leadership and technology
- Our Social Impact strategy (illustrated below) ensures that our socio-economic development initiatives contribute to the resilience, sustainability, and growth of our host communities, enabling them to thrive beyond the lifespan of our operations
- Aligned with these efforts, our supply chain sustainability policy and strategy integrates socio-economic priorities into procurement practices, while our human rights policy ensures accountability through regular due diligence to prevent and mitigate impacts

Stakeholder engagement and collaboration remain central to our approach, supporting the development of initiatives that deliver measurable, sustainable benefits.

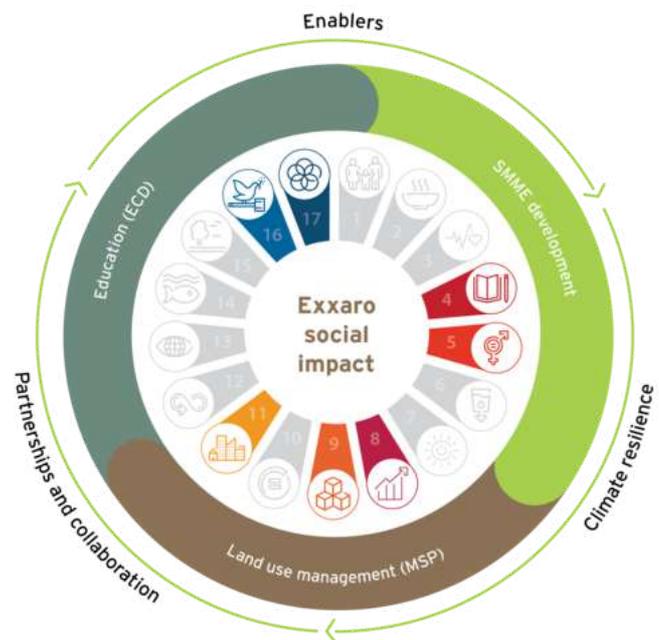
## Delivering sustainable social outcomes

Our Social Impact strategy adopts a holistic, integrated approach to addressing systemic social challenges in host communities. Rather than focusing solely on immediate, compliance-based projects, the strategy takes a long-term perspective, prioritising initiatives that deliver sustainable, multidimensional benefits. By targeting the root causes of socio-economic disparities, such as inadequate education, limited economic opportunities and restricted access to land for productive use, the strategy seeks to create systemic change that uplifts communities over time.

This approach integrates ESG principles and global SDGs to promote sustainable development within a low-carbon economy:

- **Environmental:** initiatives such as green procurement, land rehabilitation and climate-resilient agricultural practices contribute to reducing Exxaro's environmental footprint while building community resilience to climate change
- **Social:** our focus on education, job creation and SMME support reduces poverty and improves community resilience but also generates multiplier effects, influencing other areas of wellbeing without requiring additional investment
- **Governance:** partnerships with credible institutions, transparent funding mechanisms and adherence to global human rights and ethical standards ensure the strategy maintains integrity and scalability

Our Social Impact strategy ensures that Exxaro's social initiatives not only benefit current stakeholders but also lay the foundation for sustainable, equitable growth for generations to come.



Our social impact continued

## Our strategic response

Exxaro's social initiatives align with ESG objectives embedded in our Sustainable Growth and Impact strategy:

ESG objectives		Supporting the achievement of our Sustainable Growth and Impact strategy
<b>Health and safety</b>	To power zero harm through a risk-based mindset and boost our employees' and host communities' quality of life through integrated health and wellness	
<b>Social impact</b>	To contribute towards social cohesion and sustainable community development	
<b>Human rights</b>	To respect and uphold human rights for all people in Exxaro's sphere of influence, ie where we have the ability to effect investments and developments	
<b>DEI</b>	To be the industry leader in diversity and inclusion, developing capabilities and leaders, achieving compliance and fostering inclusion	
<b>Land management</b>	To leverage Exxaro's land assets to create sustainable post-mining economies	
<b>Partnerships and funding</b>	To use Exxaro's capabilities and resources to attract partners and create impact at scale	

**Further reading**

<p><b>How we are embedding ESG-related risks and opportunities in the business</b></p>	<a href="#">Embedding ESG in our business</a> (page 7)
<p><b>Our materiality determination process and social-related material matters</b></p>	<a href="#">Material matters</a> ( <a href="#">integrated report</a> , page 46)

### How we performed

#### Key highlights

<p><b>No fatalities,</b> with an LTIFR of 0.06</p> <p style="background-color: #4CAF50; color: white; padding: 2px;">(2023: zero fatalities, 0.07 LTIFR)</p>	<p><b>OHIFR of 0.14</b></p> <p style="background-color: #4CAF50; color: white; padding: 2px;">(2023: 0.15)</p>	<p><b>51</b> jobs created through SLPs</p> <p style="background-color: #4CAF50; color: white; padding: 2px;">(2023: 29)</p>
<p><b>R11 million</b> invested in developing targeted employees in management programmes, leadership roles, postgraduate studies and support functions</p> <p style="background-color: #4CAF50; color: white; padding: 2px;">(2023: R10.5 million)</p>	<p><b>R187.29 million</b> invested by Exxaro and Cennergi in socio-economic and ESD programmes</p> <p style="background-color: #4CAF50; color: white; padding: 2px;">(2023: R223.51 million)</p>	<p>Local contracts worth <b>R1.2 billion</b> were awarded to 38 suppliers</p> <p style="background-color: #4CAF50; color: white; padding: 2px;">(2023: R1.9 billion; 31)</p>

#### Key challenges

<p><b>10</b> injuries incurred by employees at our operations</p> <p style="background-color: #4CAF50; color: white; padding: 2px;">(2023: 11)</p>	<p><b>Two</b> cases of alleged discrimination or related grievances filed</p> <p style="background-color: #4CAF50; color: white; padding: 2px;">(2023: none)</p>
<p><b>Two</b> cases of sexual harassment reported</p> <p style="background-color: #4CAF50; color: white; padding: 2px;">(2023: none)</p>	<p><b>Four</b> cases of community unrest at Leeuwpán</p> <p style="background-color: #4CAF50; color: white; padding: 2px;">(2023: four)</p>



Two cases of community unrest are attributed to the Leeuwpan community demanding opportunities be ring-fenced for local people. The other two protests were by contractor employees, one of which lasted two days. Other BUs did not experience community unrest.

### Regulatory changes

The Mine Health and Safety Council announced new milestones in 2024. Since we measure our safety, health and wellness performance against mining industry targets as set out in 2014, we will update our reporting against the new milestones from 2025 onwards.

In compliance with the South African Companies Act, companies and close corporations are required to file beneficial ownership information with the Companies and Intellectual Property Commission. This information will support Exxaro's supply chain management team in conducting due diligence and ensuring regulatory compliance.

#### Future focus



Our focus for 2025 will be to:

- Improve our preventive programme with mandatory comprehensive wellness awareness campaigns and healthy lifestyle coaching
- Invest in the growth of our people to unlock a wealth of untapped talent, while fostering continuous learning and development
- Build core and critical skills to ensure we have a workforce that is equipped to evolve, succeed and drive sustained excellence in line with our business strategy
- Roll out our refreshed safety strategy and embed it across the group



# Empowering our people

The safety, health, wellbeing and professional growth of our employees are critical to our success and long-term sustainability. We therefore maintain an attractive value proposition and remain committed to creating a safe and inclusive workforce wherein our employees can thrive.

	Why this matters	Our response
<p><u>Prioritising safety</u></p> <p>Page 67 to 69</p>	<p>Safety incidents have profound consequences on our employees, communities and business. A safe workplace is critical for protecting our people as well as operational efficiency, continuity and compliance.</p>	<p>We implement a proactive five-pillar safety strategy focused on preventing and mitigating safety incidents, eliminating repeat incidents, embedding safe behaviours and applying stringent risk management processes to foster a zero-harm culture.</p> 
<p><u>Promoting health and wellness</u></p> <p>Page 70 to 73</p>	<p>We recognise that a physically and psychologically safe workplace is inextricably linked to successfully delivering on our strategy. Addressing health risks builds resilient employees and host communities by enhancing quality of life, boosting morale, improving productivity and ensuring safety.</p>	<p>Our integrated health and wellness strategy addresses occupational and non-occupational risks. We provide tailored health initiatives, mental health resources and proactive wellness programmes, supported by our culture themes.</p> 
<p><u>Maintaining sound employee relations</u></p> <p>Page 74 to 80</p>	<p>An inclusive workplace culture is essential for employee satisfaction, fostering innovation and maintaining our value proposition as an employer of choice. Engaged employees are more productive, which enhances safety at our operations and supports long-term organisational success.</p>	<p>Our approach to employee engagement centres on maintaining a representative workforce, with respect for the needs of our host communities, and is defined in our DEI strategy. To cultivate a thriving and equitable workplace, we create inclusive policies, address systemic barriers and ensure leadership reflects workforce diversity. We drive initiatives aimed at addressing any identified issues to improve employee engagement and inclusion.</p> 
<p><u>Investing in talent</u></p> <p>Page 81 to 86</p>	<p>Building future-ready skills ensures Exxaro remains competitive in a dynamic environment. Developing talent supports our employment equity goals, reduces turnover, enhances leadership effectiveness and ensures sustainable business growth.</p>	<p>We empower and upskill employees by offering structured learning programmes, career development opportunities and leadership training. To secure a talent pipeline for our minerals and energy businesses, we invest in skills development initiatives, provide bursaries and support internships for students in our host communities.</p> 



## Partnering to maintain an excellent employee value proposition

<p><b>Employees and contractors</b></p>	<p>We identify opportunities to collaborate on and co-create solutions with employees and contractors to help them thrive. Honesty boxes and regular feedback sessions provide employees with safe spaces to share their perspectives, while health and wellness initiatives, regular safety training and life-saving campaigns embed a culture of accountability and zero harm.</p>
<p><b>National and regional government departments</b></p>	<p>We work with the DMRE and DoH to ensure health and safety compliance. In partnership with the Limpopo and Mpumalanga DoHs, Exxaro supports national health priorities, including HIV/Aids and TB prevention and treatment. On-site health screenings, occupational health services and disease awareness campaigns give employees and contractors access to the resources and support they need to manage health risks effectively.</p>
<p><b>Industry bodies</b></p>	<p>Collaborative efforts with the Minerals Council, the Mining Qualifications Authority (MQA) and other industry bodies focus on advancing safety standards, promoting skills development and sharing best industry practices. We participate in industry benchmarking programmes and support sector-wide initiatives that enhance our long-term performance and sustainability.</p>
<p><b>Education and skills development partners</b></p>	<p>Partnerships with the Colliery Training College, MQA, Quality Council for Trades and Occupations and Women in Mining Leadership Forum support engineering, mining and leadership training while promoting gender diversity in the mining industry. These initiatives build critical skills and foster a robust talent pipeline through equity-focused bursaries and internships for students in host communities.</p>



## Prioritising safety

Safety is fundamental to our operational integrity and the wellbeing of our workforce and communities. Preventing workplace incidents and fostering a proactive safety culture not only safeguards lives but enhances operational resilience. Through leadership-driven initiatives, risk management and continuous improvement, we strive to achieve our ultimate safety goal of zero harm across all operations.

### Showcasing our commitment to safety

On 17 October 2024, we celebrated our annual leadership safety day, dedicated to reaffirming Exxaro's commitment to safety across all operations. This year's theme, seven deadly signs, highlighted key factors that can lead to high-potential incidents (HPIs) and fatalities. The leadership safety day is a powerful reminder of the collective responsibility we share in creating and upholding a safe working environment.

Throughout the day, executive committee members visited BUs to engage with employees on critical safety issues, underscoring Exxaro's commitment to safety excellence. The leadership safety day celebrated BUs that achieved multiple years without fatalities such as Leeuwan's impressive 35 years, Grootegeluk's 12 and Matla's seven years.

As we move forward, we will renew our commitment to making safety our top priority, every day and during every shift.

Safety always! All the way!

#### Key observations and actions from the leadership safety day:

Strengthening VFL as a proactive tool for monitoring and enhancing safety performance

Ensuring consistent hazard identification and control practices through refresher training

Refining the induction process to provide clear, digestible standards for new employees

Aligning business partners with Exxaro's values and safety culture

### Our safety management approach at a glance

The safety of our people is critical to achieving the objectives of our Sustainable Growth and Impact strategy and underpins our productivity and efficiency. Exxaro's approach to embedding safety across our operations remains founded on:

#### Accountability and responsibility

While ultimate responsibility for safety lies with our people, accountability for their safety is built into leadership and governance structures and ultimately rests with the board. Site management at each BU oversees a high-risk task verification process to ensure that controls for high-risk activities and non-routine tasks are effective. Our BU management team investigates all incidents, and a skilled committee, headed by an independent chairperson, investigates fatalities and HPIs.

#### Regulatory compliance

We manage our mining operations in strict compliance with the MHPA, the Occupational Health and Safety Act, 1993 (Act 85 of 1993) (OHSA) and DMRE safety regulations. Employees are encouraged to exercise sections 22 and 23 of the MHPA in terms of stopping work when it is perceived to be unsafe.

#### Beyond compliance

Exxaro collaborates with the Minerals Council to enhance operational safety. We adopt leading industry practices such as the Mine Health and Safety Council safety milestones. Our participation in the CEO Zero Harm Forum enables us to share safety learnings and benchmark with industry peers.

Matla, Leeuwan and Grootegeluk are ISO 45001 certified.



CENNERGI

Cennergi's windfarms comply with the OHSA and the LSP with the OHSA and MHPA. 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.

## Prioritising safety continued

### Our safety strategy

We actively manage safety risks through strict and consistent implementation of Exxaro's safety focus areas:

<b>Incredible leadership</b>	Drive safety accountability through leadership-led engagements and forums, recognising safety excellence and reinforcing a zero-harm culture
<b>Communication</b>	Promote safety awareness via targeted campaigns, incident learnings and group-wide campaigns that are shared through platforms such as safety stand downs, BU safety indabas and toolbox talks
<b>Consequence management</b>	Enforce a zero tolerance approach to unsafe working practices through consistently enforcing adherence to Exxaro's zero tolerance rules
<b>Training</b>	<ul style="list-style-type: none"> <li>Build safety competence through comprehensive training for both employees and contractors, focusing on developing skills that are specific to identified risks</li> <li>Ensure all employees are authorised and declared competent before they begin their tasks</li> </ul>
<b>Risk management</b>	Proactively identify and mitigate risks with robust controls during high-risk tasks to prevent incidents and enhance safety performance

We review our safety improvement plans annually to ensure the methods we use to achieve our safety focus areas are relevant and effective. We also review our safety targets every year, based on prior performance, and apply stringent management protocols, programmes and systems to maintain the highest safety standards.

In 2024, we initiated a comprehensive review of our health and safety strategy to strengthen the five safety focus areas strategy. The updated strategy, aimed at reinvigorating these pillars and principles, will be launched in 2025.

Our proactive approach to identifying, assessing and implementing effective controls to manage risks and opportunities aims to prevent incidents and enhance our safety performance. We strictly enforce adherence to non-negotiable safety rules to embed life-saving behaviours across all operations.

### How we performed

	Target	Exxaro			CENNERGI		
		2024	2023	2022	2024	2023	2022
Fatalities	0	0 <sup>RA</sup>	0	1	0	0	0
HPIs		1	4	5	0		
LTIs		10 <sup>RA</sup>	11	7	0	0	0
LTIFR	0.05	0.06 <sup>RA</sup>	0.07	0.05			

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

Our LTIFR stood at 0.06, slightly above the annual target of 0.05, yet still an improvement from the 2023 performance of 0.07. Lifting and material handling incidents constituted 40% of all reported incidents. This was followed by trackless mobile machinery-related incidents and those caused by slips, trips and falls, each accounting for 20% of the reported incidents. The completion of a high-risk shortwall move at Matla without injuries marked a significant safety achievement in 2024. We remain steadfast in our commitment to eliminate incidents and will intensify daily efforts to achieve zero harm.

We had no<sup>RA</sup> section 54(a) mining activity stoppages (2023: four).

We evaluate the effectiveness of our incident responses and embed learnings to prevent recurrence. We use an incident management standard to verify corrective actions and ensure meaningful learning from internal operations and industry-wide practices.

### Awareness and education

Ongoing safety campaigns reiterate our philosophy that every life counts and encourage proactive, preventive action to address safety-compromising behaviours.

Our various safety campaigns play a fundamental role in our efforts to ingrain safety as a personal value for all our employees across the group. We also provide comprehensive training to address safety risks, which includes:

- Safety management training for line supervisors
- Safety representatives training
- On-the-job training and safety induction for our employees
- Mini-HIRA training

Employees are encouraged to care for their own safety and the safety of their colleagues, and hold one another accountable for unsafe work practices.

To eliminate repeats, we investigate and communicate all incidents through group-wide platforms, including email updates, toolbox talks, mass meetings, safety stand downs, SMS notifications and noticeboards. Recurring themes inform toolbox talks, helping employees translate lessons into practical safety improvements.

The annual CEO safety summit and leadership safety day further reinforce safety fundamentals while providing a platform to recognise safety excellence.

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

**Technology and innovation**

In addition to XXoro, 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. The VFL app is also used to enhance on-site leadership presence and engagement.



## Recognising our achievements

Group	Two years fatality-free on 15 August 2024
Grootegeluk	12 years fatality-free
Belfast	Two years fatality-free
Leeuwpán	34 years fatality-free
Matla	Seven years fatality-free
Mines in closure	15 years fatality-free
FerroAlloys	27 years fatality-free
Cennergi	Eight years fatality-free

## 2024 Coal Safe awards

Group	Award for being a fatality-free business with over 10 000 employees
Grootegeluk	Award for reaching 10 800 fatality-free production shifts
Belfast	First place in the section 34 EIA health and hygiene regulations compliance category Award for the most improved noise in an opencast mine Recognition for obtaining a zero LTIFR
Leeuwpán	Award for the most improved dust in an opencast mine Award for reaching a remarkable 31 716 fatality-free production shifts Recognition for obtaining a zero LTIFR
Matla	Award for reaching 13 712 fatality-free production shifts



CENNERGI

Cennergi demonstrated its commitment to safety excellence by maintaining a zero-fatality incident rate and zero LTIs in 2024. No reportable health and safety incidents were submitted to the DEL and quarterly external compliance audits scored Tsitsikamma and Amakhala Emoyeni at 95.9% and 95.1% respectively.

However, Cennergi's main contractor reported two unrelated LTIs at Amakhala Emoyeni. Lessons learned from these incidents are used to enhance safety practices, including collaborating with the contractor to install new safety equipment on wind turbines.

## Improving our safety performance

### CEO safety summit

The 2024 CEO safety summit, themed "Leave the world a better place than we find it", highlighted critical safety, wellness and mental health issues, empowering employees and leadership to collaborate on actionable improvements. Frontline workers and supervisors led panel discussions that focused on identifying and resolving operational safety challenges.

### Leadership safety day

Conducted on 17 October 2024 under the theme "Seven deadly signs", our executive committee visited BUs to address the leading causes of fatalities and serious incidents. On-site VFL engagements further reinforced safety priorities and accountability, driving improved awareness.

### Enhancing capacity

Exxaro launched initiatives such as the supervisor indaba at Matla to address operational challenges identified at the safety summit. In addition, safety leaders across BUs were supported through targeted training programmes including a course for managers in risk management, legal liability and VFL.



CENNERGI

### Cennergi fire safety collaboration

Following a turbine fire at a neighbouring windfarm, Cennergi implemented measures to enhance fire safety and emergency preparedness. These included introducing a fire management procedure, procuring a fire bowser with on-site training and fostering collaboration with neighbouring windfarms to strengthen collective emergency response capabilities.

### Future focus



Our primary focus in 2025 will be:

- Launching the Exxaro one safety strategy
- Launching our fatal risk protocols and zero tolerance rules, focusing on Exxaro's top fatal risks to address our priority unwanted events

## Promoting health and wellness

Health and wellness are central to our commitment to creating a thriving, resilient workforce. As a critical enabler of operational efficiency and sustainable growth, we focus on early intervention, proactive health management and driving a culture of care through innovative initiatives that improve employees' quality of life, morale, productivity and safety.



### Showcasing proactive healthcare in action

With a recent health report showing a rise in lifestyle diseases and high body mass index (BMI) levels among employees, Exxaro recognised the need for proactive measures to promote healthy lifestyles and reduce the risk of related illnesses. By integrating health education, advanced monitoring technologies and personalised guidance into our wellness initiatives, Exxaro aims to keep employees healthier and prevent long-term health complications.

As part of our wellness campaigns, Exxaro collaborated with a dietician to educate employees on healthy eating and lifestyle habits. Employees who seek these services are provided with smartwatches capable of monitoring key health metrics in real time, including blood pressure, ECG, blood sugar, oxygen saturation, fatigue and stress levels. These devices empower employees to take charge of their health by offering immediate insights into their wellbeing. The dietician uses these tools to guide employees on how to adapt their habits based on their personal health data, creating a tailored and impactful approach to wellness.

This initiative reflects Exxaro's commitment to fostering a healthier workforce, equipping employees with the resources they need to thrive both personally and professionally.



**Cennergi remains committed to promoting health and wellbeing for all individuals working on site, including contractors. In 2024, wellness initiatives were conducted at Amakhala and Tsitsikamma, focusing on preventive health and mental wellbeing.**

The initiatives included comprehensive health screenings for contractors, covering general wellness checks, blood pressure, glucose levels and BMI assessments. Mental health awareness sessions highlighted the importance of stress management and available support resources, encouraging open conversations about mental wellbeing.

To ensure a safe and healthy workplace, occupational health talks addressed common health concerns and best practices for wellbeing on site. These initiatives equipped contractors with the knowledge and tools to proactively manage their health, contributing to a resilient and more productive workforce at Cennergi's operations.



## Our health and wellness management approach at a glance

A physically and psychologically safe workplace is inextricably linked to successfully delivering on our strategy. Guided by our integrated health and wellness strategy, we identify and address occupational, non-occupational and mental health risks, aiming to mitigate their causes and impacts on our people and business.

Preventive, holistic and employee-driven health and wellness underpins our approach, which is reinforced by:

### Accountability and responsibility

The executive committee oversees health and wellness by delegating authority to mine managers and our sustainability managers.

### Regulatory compliance

We adhere to the MHSa and the Basic Conditions of Employment Act 75 of 1997 (BCEA) and align our health and wellness initiatives with government's national and regional priorities.

### Beyond compliance

We adopt a preventive approach to intervention and awareness of hearing loss. We begin intervention from a 2.5% loss of hearing shift to prevent further deterioration, whereas the DMRE requires intervention from a 3.2% loss of hearing shift. We also monitor dermatitis, asbestosis and work-related limb disorders.

## Integrated health and wellness strategy

This strategy enables us to create an empowering environment for our employees through our employee wellness programme (EWP) and complementary awareness campaigns, health testing drives and wellness initiatives.

### Prevent

Preventive programmes (mandatory awareness campaigns and healthy lifestyle coaching) address a range of employee health and wellness challenges.

### Diagnose

We improve medical surveillance by extending clinical tests (heart disease and risk-based cancer screening) and DNA analysis from middle management upward.

### Manage

We improve healthcare management by ensuring all employees with occupational and non-occupational health risks are included in a disease management programme.

To further enhance our offering, we are reviewing wellness needs across BUs through engagements with wellness coordinators. Insights from these discussions will guide an updated wellness programme, scheduled for completion early next year.



Our integrated health and wellness strategy is supported by our [culture themes](#) (page 76).

## Occupational and non-occupational diseases

To identify employee illness trends, prevent the development and spread of disease, and assess the effectiveness of our interventions, we record and analyse data on occupational and non-occupational diseases. These include:

	Communicable diseases	Non-communicable diseases
Occupational diseases	Contagious illnesses such as occupational TB and hepatitis B contracted at work	Non-contagious illnesses such as noise-induced hearing loss (NIHL), pneumoconiosis, silicosis, chronic obstructive airway disease and occupational asthma
Non-occupational (lifestyle) diseases	Cholera, malaria, typhoid, influenza and sexually transmitted infections such as HIV/Aids	Diabetes, hypertension and cardiovascular ailments

## Employee wellness programme (EWP)

Our EWP offers holistic support to employees, addressing a wide range of challenges that may impact their wellbeing. Managed by our people and performance department since its launch in 2021, the EWP provides access to external counselling services and targeted interventions to support employees across the following wellness dimensions:

1. Financial
2. Emotional
3. Social
4. Occupational
5. Environmental
6. Spiritual
7. Thinking
8. Physical

Counselling services, primarily available in English, are complemented by Bayport Financial Services' offerings, including debt restructuring, financial rehabilitation and financial management training for employees facing financial hardship.

### Awareness and access

We ensure employees are well informed about the EWP through various communication channels:

- LetsConnect platform, LCD screens, screensavers and the intranet
- SMS updates with EWP contact details
- #You'reNotAlone campaign, sharing personal stories via voice notes and videos to highlight the programme's mental health support

As part of our induction process, the EWP is integrated into employees' physical fitness tests and certificate of fitness procedures.

### Focus on mental health

Mental health remains an important part of the EWP, guided by World Health Organization principles. We offer virtual mental health masterclasses on Microsoft Teams, equipping employees with self-diagnosis techniques and practical coping strategies.

## Promoting health and wellness continued

### Awareness and training

We conduct noise and hearing induction sessions for all employees, ensuring they understand the risks and protective measures related to workplace noise. HIV/Aids awareness forms part of medical inductions for employees, with contractors attending dedicated programmes during specific campaigns and medical inductions. These initiatives encourage voluntary counselling and testing, and enable easy access to medication through occupational healthcare centres.



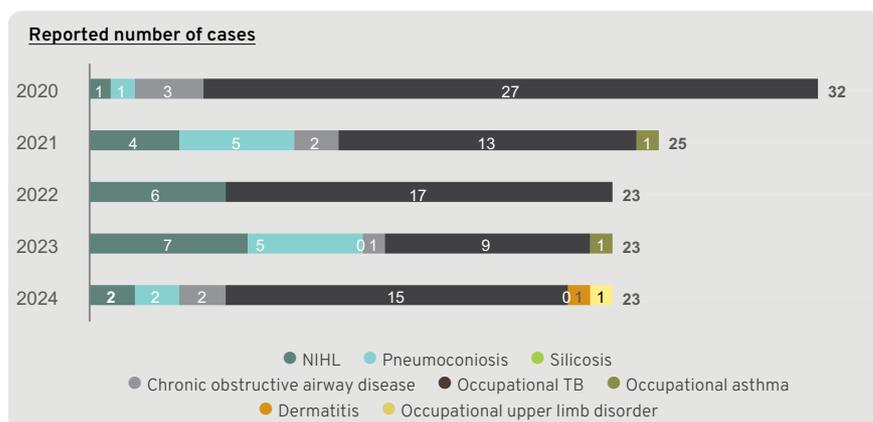
Employees use the group's employee health and wellness programme and attend sessions arranged for Exxaro BUs.

### How we performed

#### Occupational diseases

In 2024, we recorded 23<sup>RA</sup> occupational disease cases (2023: 23), resulting in an OHIFR of 0.14 (2023: 0.15) against the target of 0.13.

We measure our performance against the Mine Health and Safety Milestones, which were revised and communicated this year for adoption beyond 2024.



	NIHL	Pneumoconiosis	Silicosis
<b>Mining industry target</b>	<p>No employee's standard threshold shift will exceed 25dB from the baseline when averaged at 2 000Hz, 3 000Hz and 4 000Hz in one or both ears.</p>	<ul style="list-style-type: none"> <li>No new cases of pneumoconiosis, including coal workers' pneumoconiosis, occurred among individuals not exposed to mining dust before December 2008, based on current diagnostic techniques</li> <li>95% of coal dust exposure measurements remained below 1.5mg/m<sup>3</sup> (&lt;5% crystalline silica) for respirable particulate, using individual readings rather than averages</li> </ul>	<ul style="list-style-type: none"> <li>95% of respirable crystalline silica exposure measurements remain below 0.05mg/m<sup>3</sup>, based on individual readings rather than averages</li> <li>No new silicosis cases occurred among individuals not exposed to mining dust before December 2008, using current diagnostic techniques</li> </ul>
<b>Exxaro's progress</b>	<p>Our hearing conservation programme aims to reduce NIHL cases. We conduct regular checks and tests to ensure hearing protection and controls remain effective.</p> <p>Key initiatives include:</p> <ul style="list-style-type: none"> <li>Modifying digital noise sensors at Belfast to integrate with the SCADA system, enabling real-time monitoring from the control room</li> <li>Removing all machines emitting noise levels above 107dB(A)</li> <li>Implementing new technologies such as a noise camera at Belfast for quick identification of noisy equipment parts, and a "visualise noise robot" at Grootegeluk to raise awareness and provide visual warnings for hearing protection</li> <li>Providing moulded and customised hearing protection for engineering and plant employees at Belfast and Grootegeluk to ensure proper fit and effectiveness</li> <li>Implementing continuous real-time monitoring of airborne pollutants, noise and thermal stress at Grootegeluk, which experiences notably high temperature conditions</li> </ul>	<p>Pneumoconiosis cases have declined since 2014 due to proactive investigations and targeted actions in response to over-exposures. These measures include:</p> <ul style="list-style-type: none"> <li>Reviewing ventilation and dust suppression systems</li> <li>Conducting regular equipment maintenance, such as checking door seals and air-conditioner functionality</li> </ul> <p>At Matla, we adopted two leading practices from the Minerals Council's Mining Occupational Safety and Health programme, namely the conveyor belt dust fogger system and a real-time underground dust monitoring system.</p>	<p>We have not recorded silicosis cases since 2019 due to dust control measures that reduce exposure.</p>



## Non-occupational diseases

We identified 39 new diabetes cases (2023: 93) and 122 hypertensive employees and contractors (2023: 334).

### HIV/Aids and TB

#### Mining industry target

By December 2024:

- 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.

#### Our performance

As part of the health and wellness programme, 14 143 employees and contractors received HIV/Aids counselling (2023: 18 419). Additionally, 13 459 employees and contractors voluntarily tested for HIV/Aids (189 employees and contractors tested positive). The prevalence of HIV/Aids cases is 1.4% (2023: 1.87%). The national prevalence rate is 12.7%.

HIV-positive employees can easily access medication at our occupational health centres.

HIV/Aids awareness (employees and contractors)	2024	2023	2022
Attended information sessions	14 143	18 419	14 585
Total tested	13 459	12 597	7 827
% tested	94.33	68.39	54
Employees tested positive	189	236	203
Enrolled in December (cumulative)	1 548	2 123	1 745
Received antiretroviral treatment	1 548	4 815	1 674

### EWP

#### EWP utilisation and counselling

	2024	2023	2022
Utilisation rate (%)	7.8	8.9	12.68
Proactive Health Solutions benchmark (%)	5.3	6.4	6.4
Cases managed	3 785	6 350	5 870
Individual cases	541	716	684
Individuals in group trauma debriefing sessions	615	578	512
Individuals in group information sessions	3 781	5 056	4 674

The majority of employees who utilised EWP services are men (20 to 49 years old)

(2023: Men 18 to 50 years old)

**Depression** is the leading cause of mental health issues

(2023: stress)

Preferred services are **onsite and face-to-face**

(2023: face-to-face counselling)

**191** employees have relationship-related challenges

(2023: 251)

## Campaigns and initiatives

#### Taking services to people

We are adopting the principle of bringing health and wellness services directly to employees, making these services more accessible. This includes the use of smart devices for real-time screening of blood pressure, blood sugar, fatigue and stress levels. We introduced dietician services to educate employees on healthy eating habits that prevent lifestyle diseases. On-site therapists are available at each BU, providing psychological support without the need for employees to take time off work. This has reduced absenteeism due to illness and improved workplace attitudes.

#### Medication pick-up point

Grootegeluk clinic is an accredited external medication pick-up point as part of government's Central Chronic Medicines Dispensing and Distribution programme. Our employees collect their chronic medication from the clinic, reducing transport costs and allowing employees to receive two to three months' medication at a time.

#### Wellness day

Exxaro hosted wellness days across BUs, offering screenings for lifestyle diseases such as blood pressure, blood sugar, cholesterol, HIV, breast cancer and prostate cancer. Employees also received guidance from dieticians on balanced diets and the importance of physical activity to prevent or delay the onset of lifestyle diseases.



#### Cennergi health screenings

Cennergi conducted medical screenings, including blood pressure, blood sugar and HIV tests, as well as financial wellness interventions for employees in 2024. Health initiatives were extended to contractors, including wellness screenings and mental health check-ins, ensuring all individuals on site have the knowledge and resources to manage their health effectively.

#### Future focus



Our primary focus in 2025 will be:

- Rolling out our updated wellness programme
- Focusing on cancer awareness and screening in all BUs
- Increasing the hours of the on-site therapists at some BUs, such as Grootegeluk, due to the demand for the service
- Identifying a service provider to advance our electronic health and hygiene systems for better data management
- Implementing the first phase of distributing wearable health devices to track vital signs in real time at Belfast

# Maintaining sound employee relations

Strong labour relations founded on open communication, mutual respect and proactive engagement with our people are key to maintaining a stable and motivated workforce. We value employee voices, advance workplace equity and achieve transformation objectives by aligning our efforts with our DEI and employee relations strategies.



## Showcasing our zero tolerance stance on gender-based violence and femicide (GBVF) in action

Exxaro employees took a powerful stand against GBVF during the 16 Days of Activism campaign, which runs annually from 25 November to 10 December. This global initiative calls for collective action to combat GBVF and create safer communities for all.

At Grootegeluk, the women in mining committee led a peaceful march on 25 November, reinforcing Exxaro's zero tolerance stance on GBVF. The event served as a platform to raise awareness, encourage dialogue and mobilise support.

Significantly, members of the newly formed Grootegeluk Ibandla Men's Forum participated, demonstrating that ending GBVF is a shared responsibility that requires action from all genders.

Exxaro is committed to fostering a safe, inclusive workplace where employees are encouraged to speak out, challenge harmful norms and advocate for change. Through initiatives like this, we reinforce our commitment to the message: **#NotInExxaro'sName**.

## Our employee management approach at a glance

The organisational culture we drive enables us to deliver on our business strategy and advance our decarbonisation goals without leaving employees and communities behind. We maintain our employee value proposition as an employer of choice through:

### Accountability and responsibility

The SERC oversees employee engagement. The people and performance team support managers in identifying and implementing engagement initiatives. The CEO and the chief people and performance officer monitor DEI for the board.

Culture is a leadership responsibility from executive level to employees. BU managers and teams drive culture at operations.

### Regulatory compliance

The South African Labour Relations Act, the Employment Equity Act (EEA), the BCEA and the MHSA, among others, set out specific requirements for employment in the mining industry. We actively comply with B-BBEE requirements.

### Beyond compliance

As a signatory of the UNGC, Exxaro actively promotes DEI to achieve meaningful transformation across the business.

We support women in mining and contribute to the Minerals Council's data portal by sharing performance data and employment equity progress.



CENNERGI

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 (REIPPPP), including opportunities secured for South African citizens and local communities.



Our people strategy serves as a catalyst for achieving the five strategic objectives of our Sustainable Growth and Impact strategy. Built on four pillars, the refreshed people strategy reflects our commitment to building a strong, diverse culture, developing capabilities, empowering people and delivering performance in alignment with our purpose to power better lives in Africa and beyond.

Our people strategy informs our approach to our overall employee experience by embedding our values and driving a culture of trust and collaboration. Established engagement structures ensure regular communication on key organisational topics, including health, wellness, safety, operational changes and financial performance. These channels provide insights that inform process improvements and workplace enhancements, aligning with employee and organisational needs.

Our performance achievement system, policy and approach further enhance performance principles and delivery.



#### CENNERGI

Cennergi implements its human resources framework through policies and procedures that align with Exxaro's standards. In instances where specific guidelines are absent, Exxaro's established policies and procedures serve as the benchmark.

**A CULTURE FOR A DIVERSIFIED TOMORROW**  
Cultivating a culture of inclusion and innovation for a diversified Exxaro with new traditions and unprecedented success

**UNEARTHING POTENTIAL, EMPOWERING  
XXCELLENCE**  
Prospecting potential, energising and investing in our people to deliver sustained Exxaro xxcellence

**CONTINUOUS ACCESS TO TOP TALENT**  
Igniting our future by attracting, retaining and empowering top talent in shaping tomorrow's mining and energy legacy

**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

**FOUNDATIONAL ENABLER**  
Enabling operational excellence through optimised, fit-for-purpose policies and processes

## Building a diverse and inclusive workplace

Our DEI strategy, supported by our employee relations strategy and people with disabilities policy, ensures equal access to employment, training and skills development opportunities. These frameworks enable us to address systemic barriers and promote equity across our operations.

As part of our commitment to promoting a diverse, inclusive and equitable workplace, we have comprehensive policies and practices that promote DEI across the business, including:

- **Inclusive recruitment and hiring processes** that actively seek out candidates from underrepresented groups, ensuring a diverse talent pool
- **Mentoring and leadership development programmes** that empower employees from marginalised backgrounds to advance their career paths
- **Employee resource groups** that allow employees to interact, share experiences and drive positive change, ensuring that diverse perspectives are represented in decision-making processes
- **Fair and transparent compensation processes**, with regular audits to identify and address pay inequities based on gender, ethnicity or other characteristics
- **Comprehensive training programmes** on unconscious bias and cultural competency to support an inclusive environment
- **Collaboration with local organisations, universities and non-profit groups** to create opportunities for underrepresented community members

Our employee assistance programme (EAP) complements these efforts, providing wellness support for mental health, GBV and stigmatisation.

## Promoting racial equity

Exxaro's anti-racism charter outlines our zero tolerance approach to racism, emphasising education, solidarity and respect. The charter demonstrates our commitment to addressing racist behaviour, promoting understanding across racial lines and creating an inclusive environment where employees feel safe to speak out.

We review our policies and practices to eliminate systemic racism, ensuring equity and fairness within our business and host communities. The anti-racism charter builds on the principles of our code of conduct, and was co-created by Exxaro's DEI forum, as it is a key element of the racial equity pillar of our DEI strategy.

## Our DEI strategy

reflects Exxaro's purpose, values, vision and strategic objectives

### Guiding principles

- Respect for all
- Trust as a foundation for collaboration
- Processes free from prejudice
- Zero tolerance for discrimination and harassment
- Promotion of DEI throughout the organisation

### Strategic priorities

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

### The strategy empowers us to:

- Create an environment built on trust and respect, free from prejudice, harassment and discrimination
- Recognise DEI as a business imperative that enables employees to achieve organisational goals
- Foster a workplace where employees thrive by addressing systemic barriers through changes in attitudes, behaviours and ways of working
- Implement inclusive processes, procedures and practices that align with South African legislation

Our DEI approach is driven by courageous and accountable leadership and ongoing communication, enabling lasting change

## Maintaining sound employee relations *continued*

### Awareness, education and training

Our DEI e-learning programme, launching in 2025, aims to:

- Enhance awareness and understanding of DEI concepts across the business
- Provide practical strategies and approaches for creating an inclusive work environment
- Equip employees to recognise and address any biases that may exist in the workplace
- Develop empathy, respect and appreciation for diverse perspectives
- Empower every individual to contribute to our culture of inclusion and belonging

The programme offers an introduction to DEI, as well as courses in harassment and bullying, diversity of thought and generational differences. It is accessible to all employees and can be completed at their own pace and in their own time.

### Embedding our culture

Exxaro's culture themes reflect our commitment to achieving strategic goals while staying true to our purpose and vision. These themes guide our internal and external stakeholder partnerships.

Responsible	Ownership	Diverse	Open and connected	Adaptable
<b>Make Exxaro a positive place to be</b>	<b>Success lies with each of us</b>	<b>Our potential is in our differences</b>	<b>Working together will bring out the best in us all</b>	<b>We cannot move forward by standing still</b>
Acting ethically, with accountability and against misconduct, while treating others with dignity, fosters a safe and healthy work environment.	Contributing to performance and innovation every day, building together, we can drive Exxaro to new heights.	Harnessing our unique individual skills, opinions and contributions enables us to achieve exceptional outcomes.	Achieving organisational excellence in an open and evolving ecosystem requires collaboration and teamwork.	Succeeding in the ever-changing world around us requires agility as well as willingness to learn and improve.

### Our workforce

	2024		2023		2022	
	Number	% of total workforce	Number	% of total workforce	Number	% of total workforce
<b>Exxaro</b>						
Permanent employees	6 966	31	6 797	33	6 745	35
Contractors	15 300	69	13 868	67	12 497	64.9
<b>Total employees</b>	<b>22 266</b>		<b>20 665</b>		<b>19 242</b>	
<b>Cennergi</b>						
Permanent employees	31	6	35	20	21	20
Contractors	520	94	143	80	82	80
<b>Total employees</b>	<b>551</b>		<b>178</b>		<b>103</b>	



Wind turbines are operated and maintained under contract by Nordex at Amakhala Emoyeni and by Vestas South Africa at Tsitsikamma. These contractors use sub-contractors for maintenance activities, employing 55 people (2023: 47) at Amakhala Emoyeni and 37 (2023: 29) at Tsitsikamma.

The 68MW LSP is being constructed under contract by Elsewedy and Edison, employing 428 people at year end.



## How we performed

### Share ownership

GreenShare, our ESOP, pays dividends to participants during their employment. It is open to employees not participating in a management share scheme. When dividends are declared, participants in service receive a cash payment equal to the dividends on 560 Exxaro shares minus dividend tax. Participants do not have capital appreciation rights.

In 2024, each GreenShare beneficiary received a cash payment of R10 653.44 (2023: R10 209.92).

	Number of active beneficiaries	Number of units	Payment before tax (R)	Payment after tax (R)
June 2024	6 414	3 591 840	56 822 909	45 458 327
November 2024	6 468	3 622 080	28 831 757	23 065 405

### Culture and engagement

Exxaro has been participating in the Top Employers Institute survey since 2021, demonstrating our commitment to aligning people practices with global best practice and identifying areas for growth.

We have consistently improved our performance year on year and once again received recognition as a top employer in 2025. We exceeded the certification threshold by 18.39%, achieving an overall score of 83.39%, a 7.47% improvement from our participation in 2023.

This certification highlights Exxaro's exceptional performance in the following key areas:

- Business strategy **100%**
- DEI **97.2%**
- People strategy **96.67%**
- Sustainability **92.58%**
- Creating a positive work environment **92.38%**
- Listening strategies **90.34%**

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

Insights from these surveys guide our focus areas, with identified challenges addressed in the year following each survey. The 2023 survey provided valuable insights into our strengths, including high ratings for vision and strategy, work environment and sexual orientation inclusion, as well as challenges related to creating a psychologically safe environment, addressing workplace harassment and enhancing employee skills development.

In response to recommendations stemming from the 2023 survey, feedback sessions were held with all BUs and department heads, incorporating honesty boxes to encourage open and candid input from employees. Based on this feedback, all BUs have developed targeted action plans.

Key initiatives across the group include:

- **Enhancing leadership capability** through the roll out of "hearts and minds" workshops, which focus on developing leadership skills, advancing DEI concepts and fostering open communication and trust. The first phase of the DEI capability building workshops has commenced across all BUs. The second phase will be completed by the end of the third quarter of 2025
- **Reimagining career development** as part of a group-wide initiative included in our learning and development strategy, scheduled for implementation in 2025
- **Advancing DEI** to ensure an inclusive workplace for persons with disabilities. We held a disability awareness campaign, which was broadcast across all BUs to enhance awareness and promote disclosure across the business
- **Improving employee engagement** by collecting regular feedback on our post-survey action plans and reviewing employee listening strategies to further enhance our employee value proposition

We hosted CEO roadshows across all BUs to provide feedback and progress updates on agreed actions, which were well received by employees. We also introduced team journeys to improve communication and trust among teams and leadership, with significant progress made to date. Continuous improvement is planned for 2025, particularly in training and career development.

Exxaro's 2025 culture and engagement survey will evaluate the effectiveness of these initiatives and guide further enhancements to our workplace culture.

### Employee relations management

Our approach to organised labour relations is defined by collaboration and constructive engagement. Trade union relationships are based on trust and integrity.

Our policies and procedures comply with best labour relations practices and relevant legislation. We manage individual and collective employee concerns with due respect.

We actively engaged with stakeholders across BUs to support a healthy and collaborative workplace and progressed in the long-term review process of our employee relations strategy. This approach is reinforced through established engagement structures and effective dispute resolution mechanisms.

To strengthen employee relations, we provided targeted workshops and training for employee relations managers and line managers, ensuring a shared commitment to building strong and constructive relationships.

As part of our capacity building efforts, we developed a comprehensive matrix of organisational goals and engaged trade unions to align with their capacity building objectives. Additionally, we initiated training for shop stewards to prepare them for wage negotiations conducted in 2024.

## Maintaining sound employee relations *continued*

### Housing

In compliance with the Mining Charter III and to ensure our business sustainability, we will not support hostel residents after 2025. Our housing strategy therefore encourages employees to become homeowners. In addition, bargaining unit employees receive a housing or living-out allowance.

Since 2017, 1 410 permanent employees have received mortgage repayment subsidies for first-time home buyers. Capital assistance of R125 000 significantly reduces employees' mortgages and improves affordability.

Our converted hostels (single-quarter accommodation or family units) are not fully utilised, with 33 employees living in these facilities (2023: 42). The lower utilisation rate could be due to employees taking up home ownership opportunities or using the living-out allowance option to seek other suitable accommodation.

We paid a housing allowance to 2 353 employees (2023: 2 213) and a living-out allowance to 3 561 employees (2023: 3 271).

### Trade union representation

We maintain good relations with employees in bargaining units by engaging with their representative trade unions through formal structures.

Wage negotiation processes are conducted at employer level. These engagements determine negotiated conditions of employment and enable labour stability.

In 2024, 5 483 employees (2023: 5 376) were represented by affiliated unions recognised by Exxaro (NUM, Solidarity, AMCU, FAWU and NUMSA).

The wage agreements signed in 2021 expired in June 2024. Wage negotiations with all employers commenced in June and concluded in December 2024. We secured three-year wage agreements with all employers and these long-term agreements ensure ongoing labour stability across the business.

	Number of employees	
	2024	2023
AMCU	692	467
FAWU	25	32
NUM	4 419	4 543
NUMSA	100	56
Solidarity	247	278
<b>Total</b>	<b>5 483</b>	<b>5 376</b>

### Employment equity

Our policies and skills development strategies allow us to meet our transformation objectives in support of the national imperative for a non-racial and transformed society. Appropriate affirmative action measures and people development programmes support our transformation processes and cultural engagements. We measure our transformation profile against the employment equity plans of each BU and employer.

We achieved our employment equity targets over the past six years, aligned with the Mining Charter III. Good progress was made against employment equity plans and we are on track to achieve, and potentially exceed, our targets. Our employment equity plans for the next five years, aligned with our DEI strategy, will enable us to address employment equity compliance.

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	2	50	50	20
Senior management	37	40	22	36	70	76	60	25
Middle management	288	39.8	250	45	618	85	60	25
Junior management	1 183	48.3	724	35	2 049	83	70	30

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



CENNERGI

Cennergi's employment equity plan aligns with legislation and the DEL Codes of Good Practice.

Independent power producers are required to provide proof of meeting job creation obligations quarterly to the Department of Electricity and Energy (DEE) and underperformance could result in contract termination. In this way, the DEE ensures bidders are genuinely dedicated 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)

Cennergi consistently meets job creation targets and did not incur contract termination points or penalties from the DEE in 2024.



## B-BBEE

Exxaro was certified as a level 2 B-BBEE contributor, retaining our empowerment level and status as one of South Africa's largest and foremost black-empowered and diversified mining companies. Initiatives to improve the B-BBEE score are underway, including refined learning and development marketing practices targeted at minority groups and the absorption of learners.

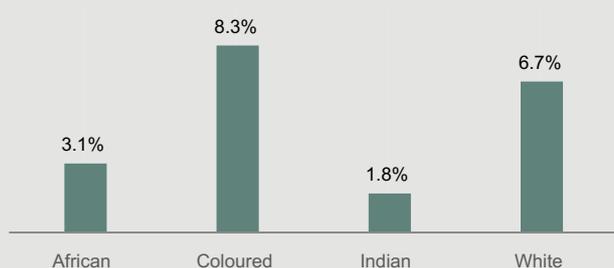
## Employee turnover

The turnover rate for the year was 3.6% due to abscondment, death, incapacity, dismissal, resignation and retirement (2023: 4.5%).

We had 6 966 permanent employees in 2024 (2023: 6 797) with 83% in bargaining units (2023: 83.81%) and 17% in the management and specialist category (2023: 16.19%).

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

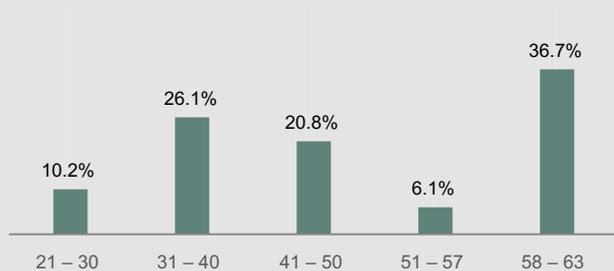
### Turnover by ethnicity (%)



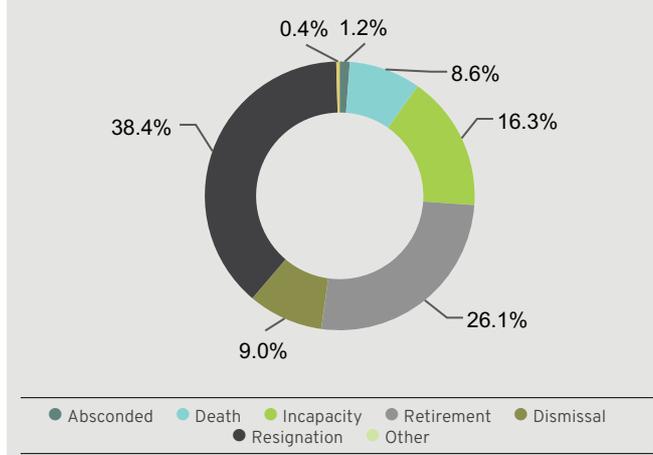
### Turnover by gender (%)



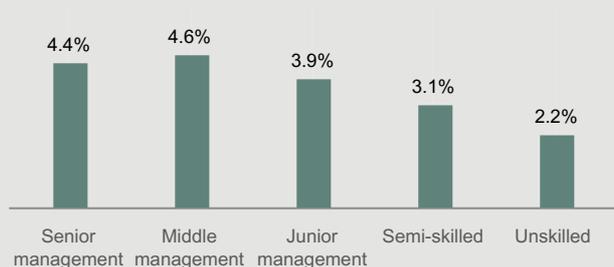
### Turnover by age group (%)



### Reasons for termination (%)



### Turnover by category (%)



## Maintaining sound employee relations *continued*

### Workplace harassment policy

This policy guides the prevention and management of sexual and racial harassment, ensuring such behaviours are not barriers to inclusion. It aligns with the codes of good practice on preventing and eliminating workplace harassment. Exxaro maintains a zero-tolerance stance on all forms of workplace harassment.

Our interventions to prevent workplace harassment are yielding positive results, with two cases of sexual harassment reported this year (2023: zero). Both cases were finalised and the perpetrators were dismissed.

### People with disabilities policy

Exxaro updated and socialised the people with disabilities policy, with additional policy reviews expedited to support people with disabilities initiatives. This process included establishing forums for people with disabilities across the business to promote a culture of inclusivity. We completed an environmental accessibility assessment, and actively monitored and reviewed action plans to identify gaps and support future initiatives for people with disabilities.

As part of our broader DEI strategy, a dedicated workstream drives initiatives that create an accessible and inclusive workplace for people with disabilities. In 2024, we placed an emphasis on building disability awareness and fostering workplace confidence, ensuring that leaders recognise and address their own and their teams' unconscious bias.

Key milestones achieved in 2024 include:

- Developing and adopting a people with disabilities leaders toolkit
- Addressing employee work accessibility issues
- Creating a fair and equitable process for the provision of reasonable accommodation
- Launching a disabilities declaration campaign, where the issue of stigma was addressed
- Communicating available tax benefits for employees with disabilities and their families, including claiming 33.3% of qualifying out-of-pocket medical expenses, as prescribed by SARS
- Progressing towards a 2% workforce profile of employees with disabilities, reaching 1.7% in 2024, with deliberate actions planned over the next two years to meet the target

### Eliminating discrimination and resolving grievances

Guided by our values, we are committed to equal opportunity, irrespective of race, religion, gender, health status, sexual orientation or nationality. We believe that our diversity and differences strengthen our potential.

We embrace the diversity of our strengths and individual skills to enable exceptional outcomes and promote a culture of inclusivity. Accordingly, we invest in upskilling and training managers and supervisors to appropriately apply necessary disciplinary measures.

Two cases of alleged discrimination or grievances were filed (2023: zero).



We discuss our approach to child and forced labour, working hours, minimum wage and labour standards under [upholding and respecting human rights](#) (page 107).

#### Future focus



Our primary focus in 2025 will be:

- Reviewing the effectiveness of initiatives implemented through a pulse survey to inform the next phase of Exxaro's culture journey
- Resetting the culture journey, defining key priorities for each milestone to position Exxaro for the next chapter of growth
- Strengthening leadership capability to foster an inclusive, psychologically safe workplace, enhancing the overall employee experience
- Introducing a compelling employee value proposition framework with distinctive offerings to position Exxaro as an employer of choice
- Launching men's forums across BUs to address issues specific to men and support Exxaro's gender equity priorities
- Collaborating with organised labour to implement the provision of the agreed long-term wage agreements
- Establishing a unified disciplinary framework across all Exxaro employers to enhance BU alignment and reporting efficiency
- Enhancing employee engagement platforms to listen, learn and improve based on employee feedback
- Enabling continuous skills alignment with future organisational needs through succession management to enhance business continuity and motivating employees with clear progression trajectories at Exxaro



## Investing in talent

A talent and learning strategy is more than just a framework, it serves as a roadmap designed to attract and retain fit-for-purpose talent by cultivating an inclusive and human-centred experience, thereby empowering employees to grow, innovate and contribute meaningfully to our business.



### Showcasing the development of future leaders in action

Exxaro's professional in training (PIT) programme is a flagship initiative designed to develop future leaders by equipping graduates with the skills and experience necessary for success in the energy and mining sectors. The programme combines structured on-the-job training with mentorship and technical development, offering participants exposure across various operational and functional areas of the business.

To enhance its impact, the PIT programme underwent a transformation in 2023, with phase 1 of the reimagined experience implemented in 2024.

Key enhancements include benchmarking against leading graduate programmes, conducting coach training and revising the development plan to foster greater inclusivity. The PIT brand was elevated through storytelling initiatives and participation in career fairs. We also optimised reporting on bursar data by developing Power BI dashboards.

Looking ahead to 2025, our focus will be on cross-functional mentoring, digitising the onboarding process, introducing a PIT of the Year award and implementing initiatives to improve graduate interview skills. These enhancements will ensure PIT participants are well equipped to transition into leadership roles.

PIT graduates play a critical role in building Exxaro's internal talent pipeline, with a growing proportion of participants being women and black South Africans. The PIT programme addresses skills shortages and improves diversity in engineering and mining disciplines, further strengthens our leadership culture and advances transformation objectives.

### Our talent management approach at a glance

Supporting our people to achieve their full potential is integral to our employee value proposition and the delivery of our strategic objectives. Our approach ensures that we have the right skills, at the right time, in the right place. Our approach is anchored in:

#### Accountability and responsibility

The SERC oversees talent-related strategies and performance. Line managers and management teams at BUs are responsible for overseeing talent management, supported by our people and performance department.

#### Regulatory compliance

Exxaro submits annual workplace skills plans and training reports to the MQA, Mining Charter compliance to the DMRE and B-BBEE scores to the dtic.

#### Beyond compliance

We spend above the required threshold for training and development under the Skills Development Levies Act. In addition, we:

- Support SMME development through the Powering Knowledge platform
- Assist youth in establishing cooperatives in partnership with the Small Enterprise Development and Finance Agency (Sedfa)
- Create employment opportunities through Yes4Youth programmes
- Opened a bursary pipeline for people living with disabilities
- Recruit interns with disabilities from local communities

## Investing in talent continued

Our talent management strategy focuses on strategic workforce planning, talent development, leadership capability, compliance training and succession planning to address skills shortages and build a robust leadership pipeline. These efforts ensure Exxaro's workforce is equipped to deliver on strategic objectives while adapting to evolving operational demands.

We achieve this through:

### Measuring and monitoring performance

Talent management KPIs, tracked annually on our strategic dashboard, help identify and prepare internal candidates for key positions while addressing identified skills shortages

### Education and training

We provide classroom-based training, e-learning platforms, simulators, virtual reality, webinars and masterclasses to broaden access to learning

### Innovation and technology

Our people and performance and digital value chain teams regularly update training programmes to reflect technological advancements, including adapting to 4IR on MyNexxt, Power BI dashboards and our data science language curriculum

Our leadership team supports operational excellence, streamlining internal policies by integrating related policies into overarching frameworks, reducing complexity and improving employee access. Additionally, we are reimagining career development across the group as part of our learning and development strategy, with delivery planned for 2025/6 to enhance employee experiences.



CENNERGI

Cennergi prioritises internal recruitment of high-potential employees to retain talent and grow management expertise. Employees receive STIs based on individual and company performance. Cennergi allocates 1% of its payroll to employee training and development. Line managers conduct performance appraisals twice a year to determine training and development needs.

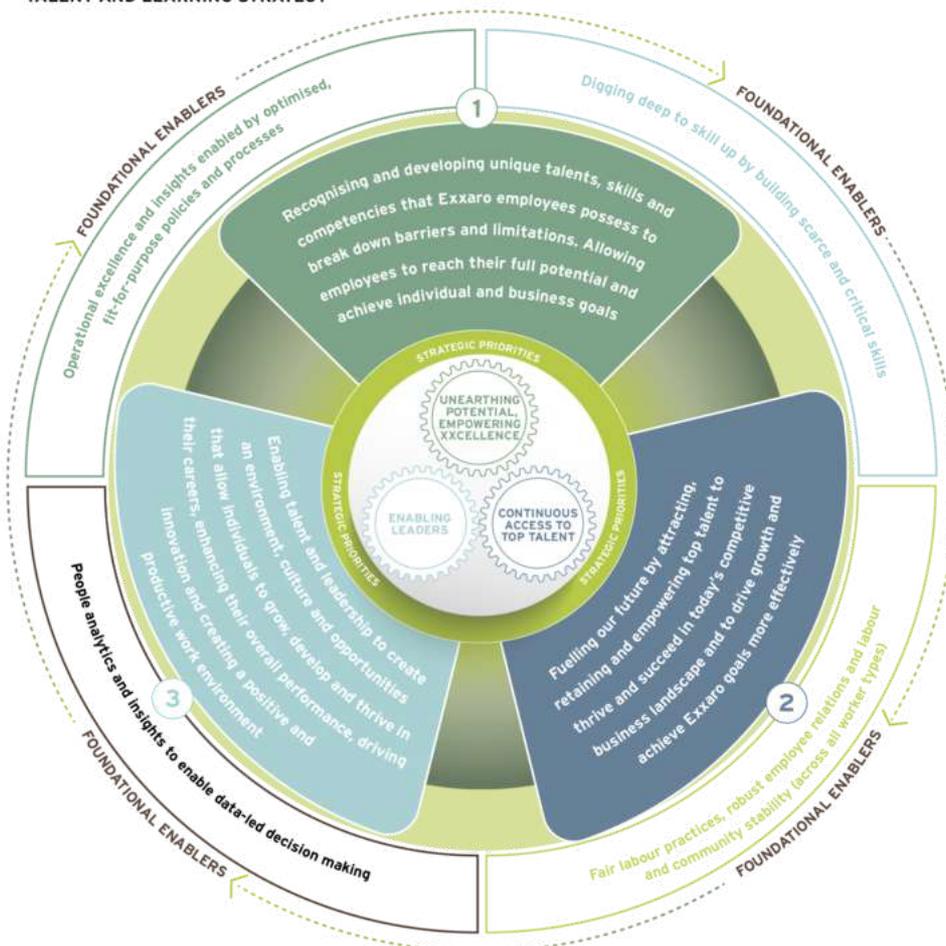
### Talent management strategy

Exxaro's talent management strategy aligns with our Sustainable Growth and Impact objectives, considering global and local trends and the evolving needs of our energy and minerals businesses. This strategy supports organisational inclusivity, future capability development and a healthy, engaged working environment. We leverage technology and supportive leadership to achieve these goals.

By focusing on these talent management strategic objectives, we aim to provide resources beyond commodities, supporting Exxaro's vision of delivering critical solutions for a sustainable, low-carbon future.

These objectives are supported by talent management functions and our culture and values are at the centre of our strategy's success. Our progress against these objectives is unpacked on the next page.

### TALENT AND LEARNING STRATEGY





## How we performed

People development training expenditure	2024	2023	2022
Total training (Rm)	402	358	331
Total training (% of total payroll)	6.75	6.22	6
Training of black people (Rm)	363	318	275
Black people trained (% of total payroll)	6.08	5.54	5

**R402 million** or  
**6.75%** of our payroll spent  
on training and development

(2023: R358 million or 6.22%)

Community development, such as  
portable skills training

**R9.4 million**

(2023: R7.6 million)

Support for Youth Employment Service  
to train and develop youth from our host  
communities

**R28 million**

(2023: R22 million)

Job-related skills development  
(functional and technical training)

**R200 million**

(2023: R193.5 million)

Bursaries, training professionals,  
internships, learnerships and skills  
programmes

**R173 million**

(2023: R126.6 million)

Developing targeted employees in  
management programmes, leadership  
roles, postgraduate studies and support  
functions

**R11 million**

(2023: R10.5 million)

## Progressing against our talent management strategy

### Use of digital platforms

Our digitalised environment is a critical success factor in executing our strategy and supports the creation of a self-learning culture. By leveraging technology, we expand access to learning opportunities, reach a broader audience and enable group-wide career growth.

To further enhance career development, we are developing a capability system tool to guide employees in capacity building and leveraging various learning and development opportunities. While implementation was delayed in 2024 due to system integration challenges, the tool is on track for deployment in 2025.

108 employees registered for open-source  
online courses, including LinkedIn, Udemy,  
Coursera (2023: 1 033), achieving 8% utilisation  
in 2024 (2023: 70%)

6 788\* training interventions were completed on  
the MyNexxt e-learning platform as part of our  
iNOVAXXION strategy and aligned with  
connect2NEXT and smart workforce initiatives  
(2023: 109 745)

99 395 compliance-related courses were  
completed through MyNexxt (2023: 91 309),  
ensuring safety, health and environmental  
compliance

The Powering Knowledge e-learning platform  
provided learners participating in Exxaro  
Yes4Youth initiatives with self-learning  
opportunities, achieving 94% utilisation in 2024  
(2023: 63%)

Courses and number of interventions	2024	2023
<b>ESG and risk</b>		
Climate change	35	5
Anti-bribery and anti-corruption	727	9 663
Confidentiality	103	246
DEI courses such as workplace harassment	612	196
Exxaro Leadership Way	15	8
Risk management framework	20	32
Implicit and unconscious bias	61	116
<b>Performance</b>		
Performance management	37	95
<b>Information technology and cyber</b>		
Cybersecurity	146	2 248
Microsoft Office	144	136
Adapt to 4IR	126	270
Managing innovation	3	5
<b>Management</b>		
Beyond budgeting management thinking	33	4

\* Most of the courses we offer on MyNexxt are voluntary, and we only enforce the 18-month anti-bribery and anti-corruption course. This, combined with Exxaro's operational effectiveness process, resulted in a lower usage of the platform this year.

## Investing in talent continued

### Enhance employee experience

We enhanced our internal processes to improve performance achievement, career and succession planning, leadership development and alignment with SLP commitments.

To foster a culture of empowerment, line managers are no longer required to approve employment applications from their team members, enabling employees to freely pursue internal growth opportunities. Additionally, our employee referral reward programme incentivises employees to contribute to talent acquisition by offering rewards for successfully referred candidates who are appointed.

Internal career mobility	2024	2023
Applications for internal growth opportunities (Paterson DL band and higher)	3 646	1 598

### Build relevant future skills and competencies

We proactively address talent and critical skills shortages and changes when employees are promoted, rotated, resign or retire.

- 102 employees attended various leadership programmes (2023: 306) and 153 enrolled in management programmes (2023: 162)
- 52 employees enrolled in the University of Cape Town Graduate School of Business Women in Leadership programme (2023: 30)

Leadership programmes	Occupational level	Number of employees	
		2024	2023
Leading programme	E band	0	8
Leadership in connected economies	Paterson DM/ DU band	18	26
Essential leadership	DL level	33	21
Launchpad leadership	below Paterson DL	19	127
Nano sessions	Paterson C band	32	94
Women in leadership		52	30

Our learning interventions are structured appropriately to support improved employee capabilities through formal studies in traditional programmes and to ensure new capabilities support renewable energy, digitalisation and the new world of work.

We also provide university-accredited short courses in competencies to support automation, neuroscience, change management, data analytics and digital business strategy.

Our talent management strategy supports capability development and succession planning for management and specialist roles in response to new ways of working and global workforce trends.

Formal studies	Total enrolled	Black people	Black women
Postgraduate <sup>1</sup>	14	13	3
Undergraduate <sup>1</sup>	10	9	9
New skills short courses <sup>2</sup>	20	18	9

<sup>1</sup> South African universities.

<sup>2</sup> South African and international universities.

### Build a talent pipeline representative of economically active populations

We are dedicated to advancing employment equity by focusing on the development and promotion of employment equity candidates. Exxaro prioritises vacancies for black people, with a particular emphasis on black women and people with disabilities. Succession planning clusters play a critical role in preparing black employees for immediate or medium-term progression to higher-level positions.

Key progress includes:

- D band representation: 23.8%<sup>RA</sup> (2023: 32.5%)
- E band representation: 27.9%<sup>RA</sup> (2023: 25.3%)
- B-BBEE bursary element: improved to 0.69% (2023: 0.44%)

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

Our women in mining initiatives focus on growing this talent pipeline through:

- Development and executive coaching programmes
- Participation in mentorship training (47% of employees trained in 2024 were women, compared to 69% in 2023)
- Enabling young women in our communities to plan their careers through programmes like Edumap, which helps matriculants improve their maths and science results
- Employment equity plans to increase black women's representation in feeder schemes and the talent pipeline
- Dedicated forums, including the Women in Mining and Women in Leadership programmes

Women talent pipeline	2024	2023
Female employees in the workforce	33%	31.2%
Female PIT graduates	65%	61%
Black women full-time bursars in engineering and mining disciplines*	61%	61%
Women in learnership and internship feeder schemes	52%	55%
Number of black women sponsored at TVET** colleges for access to formal learnerships	20	11

\* South Africans at local universities.

\*\* Technical and vocational education and training.

We are also strengthening our talent pipeline by supporting the education and empowerment of people with disabilities. This effort aligns with our DEI strategy and employment equity targets. Our recruitment policy is integrated with both the DEI and people with disabilities strategies, ensuring a holistic approach to inclusivity.

People with disabilities	2024	2023
Black South Africans with disabilities supported at local tertiary institutions (full-time studies)	30 (50% women)	25 (56% women)
Internships for people with disabilities appointed (all black people)	3 (67% women)	23 (52% women)



CENNERGI

In accordance with its aim to further the objectives of diversity and inclusion in the energy sector, Cennergi recruited three new employees in 2024, of which 66% were female (0% black women) and 33% were male (0% black men).



### Build a talent pipeline for energy and minerals businesses

We align our talent pipeline with Exxaro's strategic direction, focusing on addressing skills shortages in science, technology, engineering and mathematics fields. To achieve this, we identify full-time students in core disciplines such as engineering, information technology, geology and business support services, prioritising candidates from our host communities.

Feeder schemes	In training	Black people	Black women
Engineering learners	639	620	305
Miner learners	36	36	23
Operator learners	231	229	116
Internships	124	124	74
Business administration learners	38	38	35

Key professional training outcomes include:

## 56

**full-time bursars** in engineering and mining disciplines

(2023: 54)

## R9.3 million

**invested in bursaries** to address engineering skills shortages

(2023: R1.1 million)

## 20

**matriculants** supported in Edumap maths and science bridging programme

(2023: 10)

## 21

**full-time bursaries for tertiary** studies awarded to Edumap students and youth from Exxaro's communities

(2023: 12)

Our three-year PIT programme provides a structured blend of academic theory and hands-on workplace experience, preparing graduates to meet current and future business needs. Each participant is guided by a technical coach and gains exposure to various operations. Alongside technical training, leadership and management development form a key part of the programme. Graduates who meet accreditation requirements are supported to qualify as professional engineers.

PIT programme	2024	2023
PIT programme graduates in the talent pipeline	82	85
Percentage of black South Africans	94%	96%
<b>Total programme cost</b>	<b>R64 million</b>	R55 million

In 2024, Exxaro adapted to new occupational qualifications developed by the Quality Council for Trades and Occupations, following the expiry of legacy artisan trade qualifications in 2023. New learners were enrolled under these updated frameworks, ensuring alignment with evolving industry standards.

### Establish healthy strategic partner relations

Strong partnerships enable Exxaro to build competencies that align with our strategic objectives and address national socio-economic priorities, such as youth unemployment, within our host communities.

Through the submission of annual workplace skills plans and training reports to relevant government entities, Exxaro receives grants that enhance our training and development programmes. In 2024, we received R55.3 million in grants due to the successful submission of the MQA Workplace Skills Plan and Annual Training Report (2023: R50.5 million).

Our partnerships with Yes4Youth service providers SME.TAX and Lularides are prime examples of our commitment to empowering young entrepreneurs.

#### SME.TAX

Since 2024, SME.TAX has supported youth employment and skills development by recruiting 50 participants for a two-year programme, which will conclude in April 2026.

The success of the programme will be measured by youth finding employment or starting their own cooperatives, which will contribute to small business ventures. Since its inception, the SME.TAX programme has had a positive impact, with our participants finding employment or entrepreneurial opportunities after their training.

#### Lularides

Since April 2024, Lularides trained 250 youths in motorcycle operation, equipping them with learner's licences and delivery driver certifications. Key achievements include:

- Training milestones: 200 participants completed motorcycle training
- Most of the youths were placed as delivery drivers with companies like Mr D in Centurion, Soweto, Middelburg, Witbank and Secunda

## Investing in talent continued

### Enhancing talent bench strength

#### Talent acquisition

To expand talent pools, Exxaro advertises opportunities on virtual platforms, attends career fairs at accredited universities and collaborates with disability units at institutions such as the University of Pretoria, Wits University and North West University. To support agile and responsive talent acquisition, we implemented an applicant tracking system in 2024. This platform streamlines internal and external recruitment by enabling current and prospective employees to easily explore, apply for and track job opportunities.

Succession planning and leadership development have enabled numerous internal promotions, highlighting the effectiveness of Exxaro's talent pipeline.

#### Middle management (Paterson D band)

- 52 external candidates were appointed (2023: 16), of whom 51 are black people and 40% black women
- 115 internal appointments were made (2023: 43), comprising 86% black people and 40% black women

#### Senior management (Paterson E band)

- Five external black candidates were appointed (2023: three), of whom 100% are black women, alongside 86% internal black candidates

We recorded a talent bench of 27.9% for E Band (2023: 25.3%) and 23.8% for D Band (2023: 32.5). Exxaro's organisational effectiveness process impacted our talent bench scores as follows:

- The number of employment equity candidates declined within these bands
- The creation of new positions
- Succession planning ratings changed
- Clusters that will be delimited after the process concludes were removed
- The appointment of new employees who were rated as not plotted in the 2024 succession planning cycle

It is envisaged that the 2025 succession planning cycle will contribute to a positive movement in employment equity representation on the D and E bands.

#### Mentorship programme

Exxaro's 24-month mentorship programme is critical for developing a diverse leadership pipeline. No training was conducted in 2024 due to our organisational effectiveness process (enabling the successful realignment of roles across the organisation), which resulted in the decline in participants. We anticipate an improvement in participants for the 2025 financial year.



#### 17 total participants

88% black people  
47% black women  
(2023: 126 participants, 89% black, 58% black women)



17 mentees trained (2023: 100)

#### Women in mining

Recognising the vital contributions of women in mining, we aim to attract and support women across all levels of the business. All BUs have championed inclusivity through their women in mining committees and transformational leadership initiatives, creating a supportive environment for women. We also prioritise developing internal talent and broadening the skills base of women within mine communities to drive local employment and achieve employment equity goals.

#### Adult education and training

Interest in adult education and training remains low due to the age profile of our workforce and lack of interest. To address this, we offer portable skills training in practical areas such as welding, plumbing and civils to support the development of entry-level employees.

Adult education and training equips employees with the skills to achieve national qualification framework level 1 (equivalent to grade 9), enabling functional literacy for health and safety communication, further learning opportunities and access to higher-level roles within the organisation.

	2024	2023	2022
Investment (Rm)	0.97	0.95	1.57
Employees enrolled	1	0	4
Community members enrolled	61	125	52

#### Future focus



Our primary focus in 2025 will be:

- Providing training on artificial intelligence (AI) capabilities using open-source and customised software
- Expanding the accessibility and variety of learning opportunities through e-learning facilities
- Introducing the EduMine platform to offer mining experience in Exxaro technologies and prepare employees for future merger and acquisition (M&A) opportunities
- Offering Bookboon resources, including downloadable books, podcasts and videos for online development



# Building sustainable communities

Delivering meaningful socio-economic value is integral to Exxaro's purpose of powering better lives in Africa and beyond. Our efforts focus on addressing unemployment, enhancing education and enabling infrastructure development to empower host communities and drive inclusive economic growth.

By taking action in the focus areas described below, we are building resilient and thriving host communities, creating opportunities and leaving a positive legacy.

	Why this matters	Our response
<a href="#">Empowering our communities</a> Page 88 to 96	Uplifting host communities is vital to socio-economic stability, sustaining Exxaro's licence to operate and aligning with South Africa's national development goals. Addressing critical challenges such as education, skills development and job creation ensures long-term community resilience.	We implement initiatives designed to uplift local communities and deliver lasting impact, such as early childhood development (ECD) and school development programmes, skills training and municipal capacity building. 
<a href="#">Developing local enterprises and suppliers</a> Page 97 to 100	Supporting local enterprise growth boosts economic transformation, creates employment and builds a stronger local supply chain, thereby promoting economic transformation and long-term community sustainability.	Our ESD programme offers financial and non-financial support to black-owned businesses, with a focus on SMMEs from host communities. This includes incubator hubs, mentorship and funding, ensuring a sustainable pipeline of capable suppliers. 
<a href="#">Creating viable and sustainable post-mining economies</a> Page 101 and 102	Intentionally using our land assets, capabilities and ecosystems helps us to create post-mining economies while we are still mining and post mining, while also reducing the over reliance on mining as a source of local economic livelihood.	Our MSP offers developmental, financial and technical support to emerging farmers in host communities and labour sending areas, helping them to become self-sustainable and secure and successfully deliver on commercial offtake agreements. 
<a href="#">Ensuring supply chain sustainability</a> Page 103 and 104	A sustainable supply chain mitigates economic, social and environmental risks, supports compliance with industry procurement targets and aligns with Exxaro's decarbonisation goals.	Our supply chain sustainability initiatives prioritise local black-owned businesses and women-owned enterprises, integrating socio-economic development into procurement decisions. We also advance ethical conduct and green procurement to align supply chain activities with environmental and governance standards. 

## Partnering for sustainable community development

<b>Communities and local stakeholders</b>	We engage with communities to understand their needs and co-create economic upliftment projects. Regular consultations with community forums and SMMEs ensure alignment with their priorities and Exxaro's development goals.
<b>Government agencies</b>	We collaborate with the DMRE, Department of Education (DoE), DoH, dtic and Department of Small Business Development to comply with legislation and align initiatives with national and provincial priorities. Partnerships with Sedfa and local municipalities promote skills development for youth, entrepreneurs and SMMEs. Development finance institutions at national and provincial levels assist with funding various socio-economic development efforts.
<b>Industry associations</b>	We collaborate with the Minerals Council to contribute to socio-economic development and share best practices as part of the Community Development workstream and the ESD Community of Practice. Partnerships with industry peers also support supply chain sustainability objectives.
<b>NGOs and programme partners</b>	Through partnerships with organisations such as the National Business Initiative, Impact Catalyst, Cotlands, SE Holdings, University of Johannesburg, Siyakhana Growth and Development, Komatsu and Yes4Youth, we advance education, skills development and employment opportunities for host community members.
<b>Private sector organisations</b>	Exxaro delivers tailored training and development programmes through leading institutions such as the GIBS and SAICA. Financial contributions to BUSA initiatives and funding partnerships further drive inclusive economic growth and create job opportunities.



## Empowering our communities

Exxaro recognises the pressing challenges of poverty and inequality facing South Africa and the vital role businesses play in addressing them. By equipping local people with skills and resources and creating sustainable economic opportunities, we aim to create lasting, positive impacts that extend beyond compliance, ensuring mutual growth and shared prosperity for our business and the communities we serve.



### Showcasing community upliftment at Nelsonskop Primary School

As part of our 2018 to 2022 SLP engagements, Exxaro committed to building a hall and conducting external works and services (water, sewage and site clearance) for the Nelsonskop Primary School in Lephalale, worth R20 million.

The school hall was needed to address overcrowding from the influx of new learners at the school, as seasonal workers took up permanent residence in Lephalale during the construction of the Medupi power station and Grootegeluk expansion project.

During implementation, the team at Grootegeluk reviewed the scope for a more sustainable and fit-for-purpose spatial design that created an uplifting learning environment and aligned the budget accordingly. The result was an aesthetically appealing school hall with a stage featuring automated curtains, a backstage changing area and props storeroom – a first for Marapong. The hall, named in honour of the founding headmistress Martina Kekana, accommodates the need for separate junior and senior assembly points, at a maximum occupancy of 1 000 learners, and a block of four grade R classrooms.

To mitigate initial cash flow challenges, the contractor applied for and received an interest-free loan of R2 million from Exxaro’s ESD committee, which ensured the project’s timely completion.

To further promote a conducive learning and teaching environment, Exxaro Aga Setshaba NPC contributed R780 000 for the purchase of classroom desks, chairs for the hall and classrooms, whiteboards and air conditioners. Furthermore, the NPC funded the school’s landscaping. The final total cost of the project was R20.38 million (excluding VAT).

The project was also used as a training ground within the construction and built environment, contributing to expanding skills and supporting suppliers and services in a secondary economy to mining – a critical component of transitioning beyond the coal economy.

#### Key project highlights

- 1 580 learners and teachers from the Marapong community benefited from this project
- 48 temporary jobs were created, including the provision of valuable on-the-job skills training to two TVET college students as part of their mandatory artisan qualification requirements, concluding with their employment on the project
- Local companies involved included:
  - One black, female-owned principal contractor
  - Six sub-contractors
  - 15 suppliers (material, tools, etc)
  - 11 service providers (plant, equipment hire, OHS)
- The contractor permanently employed three local skilled individuals, led by a black female project manager



## Showcasing Cennergj's community empowerment projects in action



### Giving girls wings

Our mission is to nurture confident, high-impact women who will inspire and uplift others in rural communities. Khazimla Gongqa, a young woman from Bedford and a former learner at Templeton High School, was captivated by airplanes and the art of flying from a young age. The Amakhala Emoyeni Community Fund Trust (AECFT) invested R250 000 towards her two-year pilot training programme at the Madiba Bay School of Flight in Walmer-Port Elizabeth. This contribution, along with support from her parents, is helping Khazimla pursue her dream and pave the way for others to follow.



### Bedford wheelchair support

On 16 November 2024, the AECFT donated wheelchairs to 13 beneficiaries in the Bedford community. This initiative aims to improve mobility and enhance the quality of life for individuals facing mobility challenges. Cennergj remains dedicated to empowering people with disabilities and supporting their journey toward greater independence.



### Bursary recipients internship programme

To ensure our bursary recipients gain practical experience and avoid unemployment, the AECFT launched an internship programme. R30 000 was allocated for monthly stipends to support two education degree graduates, Siyahluma Majoka from Cookhouse and Romario Alexander from Somerset East. Between January and April 2024, they gained teaching experience at Cookhouse Secondary School and Wegie Olivier School. Both interns secured permanent employment at Templeton High School, starting in May 2024, showcasing the programme's success in creating sustainable career opportunities.

## Our community empowerment approach at a glance

While mining companies are legally obligated to implement social development initiatives, translating policy into meaningful, on-the-ground impact is often complex. We therefore take a multidimensional approach to community development, anchored in sustainability, stakeholder inclusiveness and collaboration, which is further supported by:

### Accountability and responsibility

The SERC oversees community engagement and development, ensuring the implementation of our Social Impact strategy. The chief sustainable impact officer is responsible for integration and execution of the strategy across various executive functions, including people and performance, sustainable impact, investor relations and supply chain management.

### Regulatory compliance

Exxaro's social impact compliance plans comply with the Mining Charter's SLP requirements as well as MPRDA regulations. The DMRE oversees SLP implementation.

### Beyond compliance

Our Social Impact strategy was designed to ensure lasting impacts beyond regulatory requirements. We partner with various organisations to implement initiatives that uplift our host communities. Projects include training farmers through the land use management programme, improving food security, developing ECD hubs and enhancing youth employability.



Cennergj's internal community liaison officers and local community trustees oversee formal and informal community engagement with local communities, mayors, government departments and other groups such as local business forums and youth, among others.

## Empowering our communities *continued*

Exxaro's Social Impact strategy is a proactive response to mitigate systemic social challenges by delivering large-scale, meaningful community development initiatives. The strategy addresses communities' longer-term needs and focuses on enhancing the quality and sustainability of education, skills development and job creation projects.

The strategy aligns with the social pillar of Exxaro's ESG imperative while incorporating environmental and governance elements to ensure sustainability, particularly in relation to energy transition considerations. Viewed through the lens of the SDGs, the strategy not only reduces poverty but also influences other areas of community wellbeing without requiring additional investment.

### Key principles

The Social Impact strategy is implemented through:

- **A market-based approach** that integrates social, environmental and economic outcomes
- **Long-term planning** aligned with operational lifecycles and post-mining livelihoods
- **Scaled project design** that enables multiplier effects within host communities
- **Optimisation of existing resources and partnerships** to maximise social and economic impact

### Strategic enablers

The value we deliver is supported by:

- **Funding structures** to ensure effective allocation of resources through 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

## Our Social Impact strategy

We achieve tangible impact in our communities through the three pillars of the Social Impact strategy:

### Land use management (MSP)

Our land use management strategy empowers black emerging farmers by providing the resources and support needed to sustain and grow their businesses. Through the **MSP**, we offer:

- Farm and farmer audits, assessments and profiling
- Farmer training and development
- Compliance
- Technical support
- Access to land
- Access to markets
- Financial support
- Business plan development

The strategy also protects and manages current and future operations, supporting biodiversity and conservation efforts, and repurposing erven for employee housing, offices and training centres.

 [Creating post-mining economies](#) (page 101)

### Education

Our education initiatives improve the quality of education across all levels, focusing on:

- **ECD**, which lays a strong foundation for learning by enhancing physical, cognitive and social development for children aged zero to nine:
  - Advocating for equitable access to play-based ECD for vulnerable children
  - Providing accredited and non-accredited training for ECD practitioners, teachers and parents
  - Improving access to quality resources and fostering school readiness
- **Whole school development**, which ensures sustained, quality education throughout primary and high school to benefit our communities

 [Education initiatives](#) (page 93 to 95)

### SMME development

We strengthen black-owned businesses and drive local economic growth through:

- Financial support, skills development and training to enhance service and product delivery
- **The ESD programme**, which provides funding and development opportunities for black-owned suppliers and entrepreneurs
- Increasing the participation of black- and women-owned suppliers from host communities in our supply chain, fostering local economic inclusion and transformation

 [ESD](#) (page 97)



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 the LSP are only applicable during the operation phase.



## Social Impact strategy funding

Exxaro's Social Impact strategy is supported by a range of funding structures that serve as conduits for community donations and sponsorships. Some funding is compliance driven, such as SLPs and the dtic scorecard, while other types of funding are value-add investments to optimise our social impact, such as funding from Exxaro Aga Setshaba NPC.

To further enhance the delivery of impact at scale, we are simplifying our funding structures to enable better coordination and enhance the financial efficiency of our impact efforts.

Exxaro group social investment structures include:

Structure	Funding and purpose
Exxaro Chairman's Fund (ECF)	Contributions from BUs and co-investors (suppliers) for the implementation of SLP projects and CSI projects respectively.
Exxaro Aga Setshaba NPC	Receives dividends from a 5% shareholding in Eyesizwe (30.81% Exxaro BEE shareholder). Funds are allocated to community development initiatives.
AECFT	Allocates 2.1% of windfarm revenue to socio-economic upliftment and ESD projects within a 50km radius.
Tsitsikamma Community Windfarm Trust (TWFT)	Allocates 2.1% of windfarm revenue to community projects within a 50km radius.
Amakhala Bedford and Cookhouse Trusts	Represent the 5% community shareholding in the Amakhala Project Company (2.5% each).
ESD programme	Funded by 3% of Exxaro's NPAT as required by the B-BBEE codes, supporting black-owned suppliers (2% within Exxaro's supply chain) and enterprises (1% outside the supply chain) through interest-free loans and grants.
Socio-economic development initiatives	Supported by 1% of NPAT as required by the B-BBEE codes, designated expenditure by the ECF and Exxaro Aga Setshaba NPC, funding discretionary projects, as well as donations to charitable organisations.
Exxaro Mountain Bike Academy	Annual funding supports youth by enabling them to complete schooling and develop skills for employment opportunities in sports and related fields.



CENNERGI

The LSP committed to spend 0.1% of total construction and operation cost value on skills development, 0.1% of total construction and operational cost value on supplier development, and 1.5% of revenue on enterprise development and socio-economic development projects with local communities and municipalities.

### Land use contributions

We leverage Exxaro's land resources to create sustainable socio-economic value:

#### Concessional land leases

Emerging farmers gain access to rehabilitated or surplus mining land, enabling agricultural and commercial ventures.

#### Land donations

Local governments and SMMEs receive land packages for human settlements, agricultural projects and community infrastructure.



Read more about [rehabilitated land transferred to farmers](#) on page 55 and 57.

### Aligning future planning with social impact principles

We plan future SLPs in accordance with social impact principles and impact areas in consultation with communities and government when developing municipal integrated development plans. Through localised, in-sourced project management, we develop intellectual capital to support improvement in SLP delivery.

### SLP project benefits

<b>Matla</b> (2020 to 2025)	Electrical and road infrastructure as well as education projects to benefit 22 000 eMalaheni residents on completion in 2025
<b>Thabametsi*</b> (2020 to 2024)	Sustainable sanitation infrastructure to be completed in 2025
<b>Grootegeluk</b> (2018 to 2022)	The sports, arts and culture facilities in the Marapong precinct, and fencing, was completed in 2024. The soccer/athletics stadium with grandstands and an indoor multi-sports complex to be completed in 2025
<b>Tshikondeni</b> (2018 to 2022)	Agricultural irrigation and skills development for commercial farming to be completed in 2025

\* Non-operational mining right.

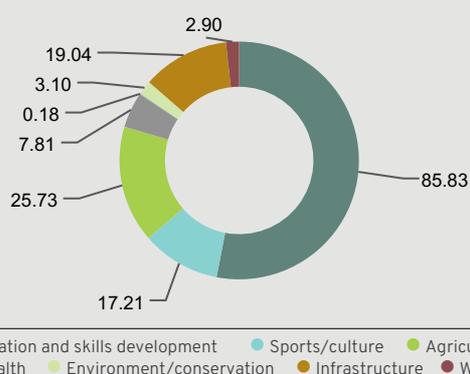
Exxaro also integrates these principles into energy and mining operations, leveraging discretionary expenditure to complement regulatory requirements. For example, SLP-funded school infrastructure projects are enhanced by teacher development initiatives funded through discretionary channels.

## Empowering our communities continued

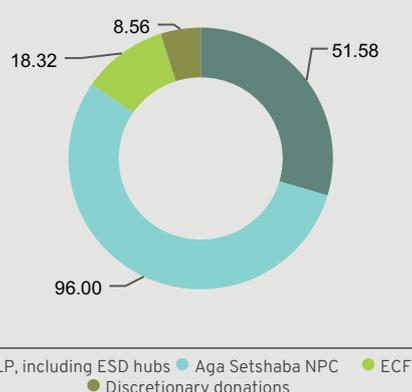
### How we performed

	2024	2023	2022
Social investment projects for socio-economic development (SLPs and CSI) (excluding R12.67 million ESD programmes)	<b>R161.79 million</b>	R86.91 million	R181.31 million
Combined investment by Exxaro and Cennergi in socio-economic and ESD programmes	<b>R187.29 million</b>	R223.51 million	R205.81 million
CSI (excluding ESD programmes)	<b>R117.87 million</b>	R71.95 million	R167.93 million
Number of community members benefited	<b>71 525</b>	41 867	1.17 million
SLP project investment (excluding R7.67 million ESD investment)	<b>R43.91 million</b>	R14.96 million	R13.38 million
Jobs created through SLPs	<b>51</b>	29	83

**Social investment projects in local economic development excluding ESD financial support (R161.79 million) (Rm)**



**Investment structure spend to support social investment projects, including ESD (Rm)**



### SLPs, REIPPPP and CSI initiatives

Implementation of current five-year SLPs continues at BUs until completion as per our mining right commitments in Limpopo and Mpumalanga.

**Exxaro spent R43.91 million on SLPs (2023: R14.96 million), benefiting 140 000 people (2023: 50 630), with projects that are still in progress potentially benefiting 123 425 people (2023: 71 752)**

Completed	2024 spend	2023 spend	Beneficiaries
Nelsonskop Primary School hall and classrooms	<b>11.36 million</b>	R7.32 million	1 580 learners with 51 jobs created

In progress	2024 spend	2023 spend	Potential beneficiaries
Lephalale ECD centre	<b>R1.33 million</b>	R0.72 million	2 000
Marapong sport, arts and culture precinct	<b>R12.39 million</b>	R0.12 million	
Marapong potable water pipeline	<b>R0.79 million</b>	R1.1 million	36 227
Paarl sewer rehabilitation	<b>R9.79 million</b>	R0.29 million	(21 720 youth)
Lephalale ESD programme	<b>R5.81 million</b>	R0.45 million	
Waste management at Lephalale	<b>R2.4 million</b>	R2.4 million	30 745
Bonginhlanhla School phase 4	<b>N/A</b>	R0.20 million	1 200
Matla rehabilitation of roads	<b>R0.25 million</b>		2
Belfast roads rehabilitation phase 2	<b>R4.87 million</b>		24
Leeuwpan ESD	<b>R1.86 million</b>		9
Leeuwpan borehole rehabilitation	<b>R0.77 million</b>		2

Implementation of our prevailing five-year SLPs experienced delays due to challenges with small enterprises and suppliers lacking relevant skills, resources and capabilities.



We are managing these challenges through ESD interventions aimed at [building capabilities](#) (page 94). The project teams provided a developmental approach through technical and administrative mentoring support to guide local contractors.



SLP project expenditure of R43.91 million (2023: R14.96 million) covered some projects in planning and implementation stages as outlined on the previous page. In 2025, the bulk of the projects to be completed will be in Grootegeluk and Matla. For Grootegeluk, the projects are the ECD hub, ESD programme, Marapong sportsfield and Thabametsi's Paarl sewer project. Matla projects include the Thubelihle substation, sheep shearing shed and hydroponics, Ekungeneni internal road rehabilitation and Bonginhlanhla Primary School's grade R block. Other projects that will be handed over are the Tshikondeni water and irrigation projects, and the Belfast road project.

The REIPPPP expenditure activities at our energy business performed better, despite the intensity of quarterly expenditure targets to maintain and fulfil licence to operate and related 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.

## Community education and economic development

### Exxaro Aga Setshaba NPC and ECF contributions

#### Project highlights

**20** deserving learners were awarded bursaries to attend Curro schools until their matriculation

We have successfully connected **80%** of the 34 selected schools in Lephhalale and Mpumalanga to Wi-Fi networks and provided information and communications technology labs to 20 schools

We trained

**172** ECD practitioners and **19** principals

Benefiting

**over 2 700 ECD children** through our play school programme in Lephhalale

We delivered the following high-impact initiatives through various partnerships:

Exxaro Aga Setshaba NPC spent **R96 million** (2023: R26.93 million), while the ECF contributed **R18 million** (2023: R27.43 million), benefiting 72 106 **community members** (2023: 41 867).

### Understanding and responding to the local ECD landscape

Recognising the foundational role of ECD in shaping long-term educational outcomes, Exxaro prioritised understanding the ECD landscape in Nkangala, Mpumalanga, in 2024. Our assessment of 199 ECD centres revealed significant challenges:

- Only 60% of ECDs are registered with the Department of Education, leaving 40% unregistered or unrecognised
- 60% of registered centres receive government funding, while many unregistered facilities operate without financial support
- Only 53% of practitioners are adequately qualified, impacting the quality of early learning

These findings highlight critical gaps in funding, infrastructure and practitioner qualifications, which affect the sustainability and effectiveness of ECD centres. In response, Exxaro has realigned 70% of our education investment towards ECD initiatives, ensuring greater impact in early learning support, teacher training and infrastructure development. This shift may require adjustments to other education programmes, such as Curro bursaries, annual career expos, and matric academic camps, which will be carefully managed to maintain continuity in our broader educational impact.

### Driving impact through ECD programmes

Exxaro's Social Impact strategy in education is directly aligned with South Africa's 2030 ECD Strategy and the 2030 National Development Plan, which prioritise quality early learning as a cornerstone of national development. Addressing the country's numeracy and literacy challenges requires coordinated efforts between the private sector, government and relevant NGOs. We are committed to collaborating on strategic ECD interventions that enhance access, equity and quality learning experiences.

To support this vision, Exxaro partnered with Cotlands in 2024 to implement a comprehensive ECD programme in Lephhalale, benefiting:

**44** registered ECD centres

**2 736** children and

**182** practitioners

**11** additional centres, which achieved registration and bronze status

**172** practitioners, who received professional training, with 20 attaining NQF level 4 certification

**44** principals provided with managerial skills and competence to implement effective and efficient processes and systems

To further strengthen play-based learning, the programme provided:

**3 353** age-appropriate educational toys, delivered weekly on a rotational basis

**440** additional wooden toys and puzzles purchased at a value of R0.563 million

Beyond Lephhalale, Exxaro also facilitated NQF level 4 training for **15** ECD practitioners in Mpumalanga, expanding the reach of our capacity building efforts.

## Empowering our communities *continued*

Aga Setshaba projects	2024 investment
Supported grade 12 academic camps in Belfast and Delmas, and hosted a career expo in Belfast. In Delmas, we partnered with Go Maths, achieving an overall performance improvement of 8.5% for the circuit. One school improved by 22.9%, increasing its pass rate from 53.7% in 2023 to 76.6% in 2024.	R8.94 million
Provided ongoing support for food gardens in six schools in Tshwane, promoting food security and sustainable agriculture.	R0.89 million
Supported ECD initiatives at Amakhala Emoyeni and Tsitsikamma for a five-year period, including practitioner training to enhance early learning outcomes.	R21 million
Funded school sports development in the Eastern Cape through Arch Impact Accelerator NPC, encouraging youth participation in sports.	R6.8 million
Implemented the Talent Accelerator Tool, guiding learners in subject and career selection. The tool assessed grade 9 learners to assist with grade 10 subject choices and grade 11 learners in identifying career paths. 7 500 learners benefited across our Mpumalanga BUs.	R14 million
Built a ramp at Chris Hani Baragwanath Hospital in partnership with the Stanley Daphne Nkosi Foundation, ensuring the safe transfer of patients on stretchers during load shedding.	R4 million
Supported the implementation of an agripreneur programme on Exxaro-owned land in Lephalale in partnership with the African Japan Businesswomen NPC.	R25 million
Funded the Lepharo SMME incubation programme, which supports SMMEs over three years, connecting them with supplier opportunities at Exxaro and other sectors in Lephalale. The programme prioritises black women, people living with disabilities and youth-owned businesses in engineering, manufacturing and mining.	R5 million

### Ensuring long-term sustainability

To further support quality education, we collaborated with the Lephalale local municipality to enhance water and sanitation infrastructure, while our municipal capacity building programme has developed technical competencies to improve long-term service delivery.

We are also engaging telecommunications providers to support digital connectivity for local education programmes, with discussions facilitated by the DoE. These efforts aim to enhance learning environments and ensure the sustainability of digital tools in education.



### Showcasing municipal capacity building in action

**Exxaro has successfully completed a three-year municipal capacity building pilot programme in partnership with the National Business Initiative through its Technical Assistance, Mentorship and Development programme. This initiative aimed to strengthen institutional capacity within the Waterberg District and Lephalale local municipalities, equipping municipal leadership with the skills and technical expertise required to drive sustainable local development.**

The programme focused on mentoring senior municipal employees, providing hands-on guidance in key areas such as PMO establishment, public works and infrastructure operations, wastewater management, electrification, spatial development and financial management. The pilot was a success, with 20 mentees sharing tangible evidence of how the programme positively influenced their work, demonstrating improvements in service delivery and governance efficiency.

The initiative also aligned with the Department of Cooperative Governance and Traditional Affairs's pilot of the District Development Model, reinforcing collaboration between business and government to drive regional development. While the mentorship phase was completed, several infrastructure projects (including road construction, power supply enhancements and wastewater treatment upgrades) are ongoing and will continue to support economic growth in the region.

The programme's handover ceremony, held on 13 May 2024, marked a significant milestone in public-private partnerships for sustainable development. The event was attended by Exxaro's chief sustainable impact officer, senior government officials, traditional leaders and key stakeholders, celebrating the success of this collaboration in fostering long-term municipal resilience.



## Education initiatives and programmes

We delivered the following projects through various investment structures:

We invested **R85.83 million** (2023: R40.4 million) in community education to benefit **27 000 learners** (2023: 25 000)

Project	2024 investment	2023 investment
<b>School infrastructure and resources</b> Construction of Nelsonskop school hall and a block of classrooms (Lephalale) Phase 4 of construction of grade R block at Bonginlanhla School (eMalahleni)	<b>R11.36 million</b>	R8.85 million
<b>Whole school development programmes</b> Learners' academic programmes and school resourcing Learners' extracurricular activities Health and nutrition programmes	<b>R45.65 million</b>	R21.93 million
<b>ECD</b> Practitioner training and child development programmes	<b>R25.02 million</b>	R1.22 million
<b>Skills development</b> Research and development University chairs	<b>R3.81 million</b>	R8.43 million
<b>Total</b>	<b>R85.83 million</b>	R40.42 million

## Cennergi's socio-economic and enterprise development programmes

In total, R27.9 million (2023: R25.3 million) was spent on socio-economic development initiatives, including education, welfare, agriculture development and health.



Tsitsikamma

Invested **R12.3 million** in host communities (2023: R10.9 million) reaching more than **2 423** (2023: 2 000) **people** and **creating 104** (2023: 130) **jobs**

		2024 investment	2023 investment
<b>ECD support</b>	Continued provision of resources for six crèches benefiting 185 children. Created 26 jobs with national qualifications framework level 2 training for practitioners and cooks.	<b>R1.60 million</b>	R2.10 million
<b>Teacher stipends</b>	Funded monthly stipends for nine (2023: eight) school governing body teachers and three information and communication technology tutors at Qhayiyalethu FET School, Paul Sauer High School, Kareedouw and Loerie Primary Schools in the Eastern Cape.	<b>R0.92 million</b>	R0.44 million
<b>Bursary support</b>	Supported 10 (2023: 12) students through bursaries coordinated by Masinyusane.	<b>R1.40 million</b>	R2.50 million
<b>Internet connectivity</b>	Provided free internet for 654 (2023: 654) AmaMfengu households to access procurement platforms, SMME funding and other opportunities, in partnership with Herotel.	<b>R0.04 million</b>	R0.04 million
<b>Community hall renovations</b>	Renovated Wittekleibos community hall, creating 10 (2023: 70) temporary jobs and empowering two (2023: seven) local SMMEs.	<b>R0.40 million</b>	R1.00 million
<b>Grade 12 learner accommodation</b>	Accommodated 87 (2023: 86) grade 12 learners from Qhayiyalethu High School at Paul Sauer High School hostel and funded monthly stipends for three (2023: three) school governing body teachers.	<b>R1.50 million</b>	R0.71 million
<b>Youth jobs and literacy programme</b>	Partnered with Masinyusane Development Organisation to hire and train 17 unemployed youth (2023: 16) to teach 181 (2023: 225) learners to read and write.	<b>R0.66 million</b>	R0.31 million
<b>Global wind organisation training</b>	Trained 10 youth in the Global Wind Organisation Basic Safety and Technical training programme in partnership with SP-Wind.	<b>R0.54 million</b>	
<b>NNT women poultry expansion</b>	Funded operational costs and construction of a second poultry house, enabling expansion from 1 620 to 4 000 egg layers.	<b>R1.40 million</b>	R1.80 million
<b>Wittekleibos vegetable garden initiatives</b>	Supported vegetable gardens through farm audits, market access and sourcing external funds in partnership with SE Holdings.	<b>R0.89 million</b>	R0.31 million
<b>Business empowerment support</b>	Supported Tsitsikamma Development Trust's business empowerment programme benefiting trustees and area management committee members.	<b>R0.25 million</b>	
<b>SMME soap and detergent manufacturing training</b>	Collaborated with Chemical Industries Education and Training Authority and SAICA's Hope Factory to train 10 local SMMEs in soap and detergent manufacturing.	<b>R0.73 million</b>	

## Empowering our communities continued



### Amakhala Emoyeni

We invested **R15.5 million** (2023: R14.4 million) in host communities, reaching more than **263 people** (2023: 2 500) and **creating 64 jobs** (2023: 220). This decrease is due to reduced Infrastructure development initiatives compared to 2023.

		2024 investment	2023 investment
<b>Bursaries</b>	Provided bursaries for 14 students from Cookhouse, Bedford, Adelaide and Somerset East to acquire scarce skills at South African universities and TVET colleges (2023: 14).	<b>R2.70 million</b>	R1.10 million
<b>Pilot training</b>	Empowered Khazimla Gongqa to attend a two-year pilot training programme at the Madiba Bay School of Flight in Walmer-Port Elizabeth.	<b>R0.25 million</b>	
<b>School refurbishment</b>	Refurbished ablution facilities, installed a high-water pressure pump and added six 10 000L rainwater tanks at Cookhouse Secondary School, creating four jobs (2023: four), benefiting eight teachers and 246 learners (2023: 246 learners).	<b>R0.46 million</b>	R0.61 million
<b>Teacher and admin stipends</b>	Funded stipends for one assistant teacher and two administrative clerks (2023: six teachers, one admin clerk), creating four temporary jobs (2023: seven), benefiting over 1 000 learners (2023: 1 088).	<b>R0.22 million</b>	R0.31 million
<b>Youth literacy programme</b>	Hired and trained 10 previously unemployed youth to teach learners from Msobomvu Primary School and local ECDs to read and write.	<b>R0.45 million</b>	
<b>Clinic renovation</b>	Renovated Mzamomhle Clinic in Bedford, creating 13 temporary jobs, benefiting one local SMME and more than 1 607 households.	<b>R0.81 million</b>	
<b>School vegetable gardens</b>	Established vegetable gardens at four schools (2023: four), benefiting 1 142 learners (2023: 1 961).	<b>R0.22 million</b>	R0.69 million
<b>Wheelchair support</b>	Purchased wheelchairs for 14 beneficiaries residing in Bedford, Cookhouse, and Somerset East communities (2023: 14 beneficiaries).	<b>R0.17 million</b>	R0.13 million
<b>Soup kitchen construction</b>	Constructed a soup kitchen container for the Lixhase Women Cooperative, benefiting 60 elderly beneficiaries.	<b>R0.27 million</b>	
<b>Mini-solar farm construction</b>	Built a 24kW mini-solar farm with a 35kW battery backup, benefiting 16 farmworker houses and 31 residents at Alstonfield Farm.	<b>R0.96 million</b>	
<b>Community radio station support</b>	Supported electrical works and operational costs for Ikhala FM Community Radio in Cookhouse, creating 21 jobs for DJs, presenters and managers.	<b>R0.15 million</b>	
<b>Victim support centres</b>	Supported construction of plinths and rainwater tanks for Somerset East and Cookhouse victim support centres.	<b>R2.10 million</b>	
<b>Livestock farm support</b>	Supported Laphumikwezi livestock farm, benefiting 10 beneficiaries (2023: 10).	<b>R0.69 million</b>	R0.88 million
<b>Soap and detergent training</b>	Trained 16 local SMMEs from Adelaide, Bedford, Cookhouse and Somerset East in soap and detergent manufacturing (2023: 16 SMMEs).	<b>R0.52 million</b>	R0.82 million
<b>SMME support</b>	Supported agriculture, baking, sewing, waste recycling and general trading SMMEs in partnership with SAICA Enterprise Development.	<b>R0.71 million</b>	R1.40 million
<b>Sewing training and mentorship</b>	Partnered with Nubain Renewables Energy Solutions to provide sewing training and market access for the Cookhouse Sophila Sewing Women Cooperative, benefiting four individuals.	<b>R0.96 million</b>	
<b>Ikamva-Lethu poultry project</b>	Supported Adelaide's Ikamva-Lethu poultry project with farm audits, market access and external funding, benefiting two farmers.	<b>R0.21 million</b>	
<b>Sakhubuntu vegetable farm</b>	Supported a farming project in Cookhouse, benefiting 100 people.	<b>R0.89 million</b>	
<b>Rise &amp; Shine bakery</b>	Supported a small business in Adelaide, benefiting one SMME and creating 21 permanent jobs.	<b>R0.12 million</b>	

### Future focus



Our primary focus in 2025 will be to continue:

- Going beyond compliance and achieve sustainable impact through our Social Impact strategy
- Enhancing our efforts to ensure delivery of the SLPs
- Creating an economic livelihood in our communities



# Contributing to enterprise and supplier development

Creating meaningful opportunities for entrepreneurs and small businesses is central to Exxaro's strategic objective of empowering people to create impact. Our ESD programme aims to create employment and market access for SMMEs, and a legacy for host communities – building capabilities, driving economic transformation and fostering sustainable communities.



Tshikondeni pitch for funding winners



Belfast pitch for funding session

## Showcasing collaboration with public sector development institutions in action

Exxaro collaborated with Sedfa in hosting two events (SMME day and pitch for funding) for aspiring entrepreneurs, and micro and survivalist enterprises. These events aimed to foster ideation and small enterprise development in Exxaro's host communities.

We held three SMME days for host communities in KwaZulu-Natal and Limpopo, where our mines in closure are located. With approximately 180 SMMEs in attendance, the events aimed to connect SMMEs with development support institutions.

The pitch for funding event was hosted in nine of our host communities, with over 500 participants attending the masterclasses. The event included a competition for best business pitch after participants received training on developing and articulating a business model. Three winners in each community were chosen, receiving R250 000 in grant funding.

The winning 27 small enterprises will also be given an opportunity with Sedfa to co-develop and implement growth strategies.



## Showcasing improved financial management and discipline

The programme is a three-year partnership with SAICA Enterprise Development, where small enterprises are taken through the importance of financial management and compliance, assisted with bookkeeping services and mentorship on managing business finances over a 12-month period.

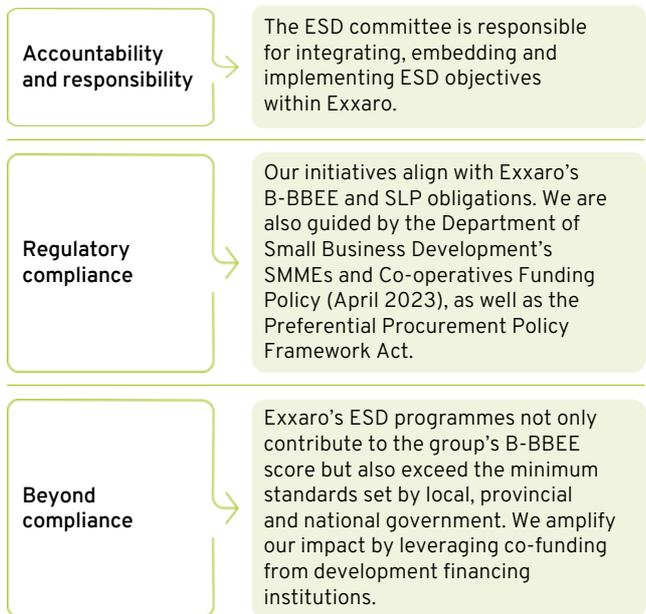
The third and final cohort of 57 beneficiaries graduated from the financial excellence programme in 2024. The supported enterprises benefited from the support and mentorship and demonstrated the following key outcomes at the end of the programme:

- Average turnover increase of 25%
- 35% indicated that they employed more people at the end of the programme
- Improved Companies and Intellectual Property Commission and SARS compliance

## Contributing to enterprise and supplier development continued

### Our ESD management approach at a glance

ESD initiatives are a key component of our socio-economic development response and support the SMME development pillar of our Social Impact strategy. Guided by the principles of empowerment, collaboration and resilience, our approach ensures meaningful engagement with host communities and alignment with South Africa's national development goals. Our ESD programme is built on:



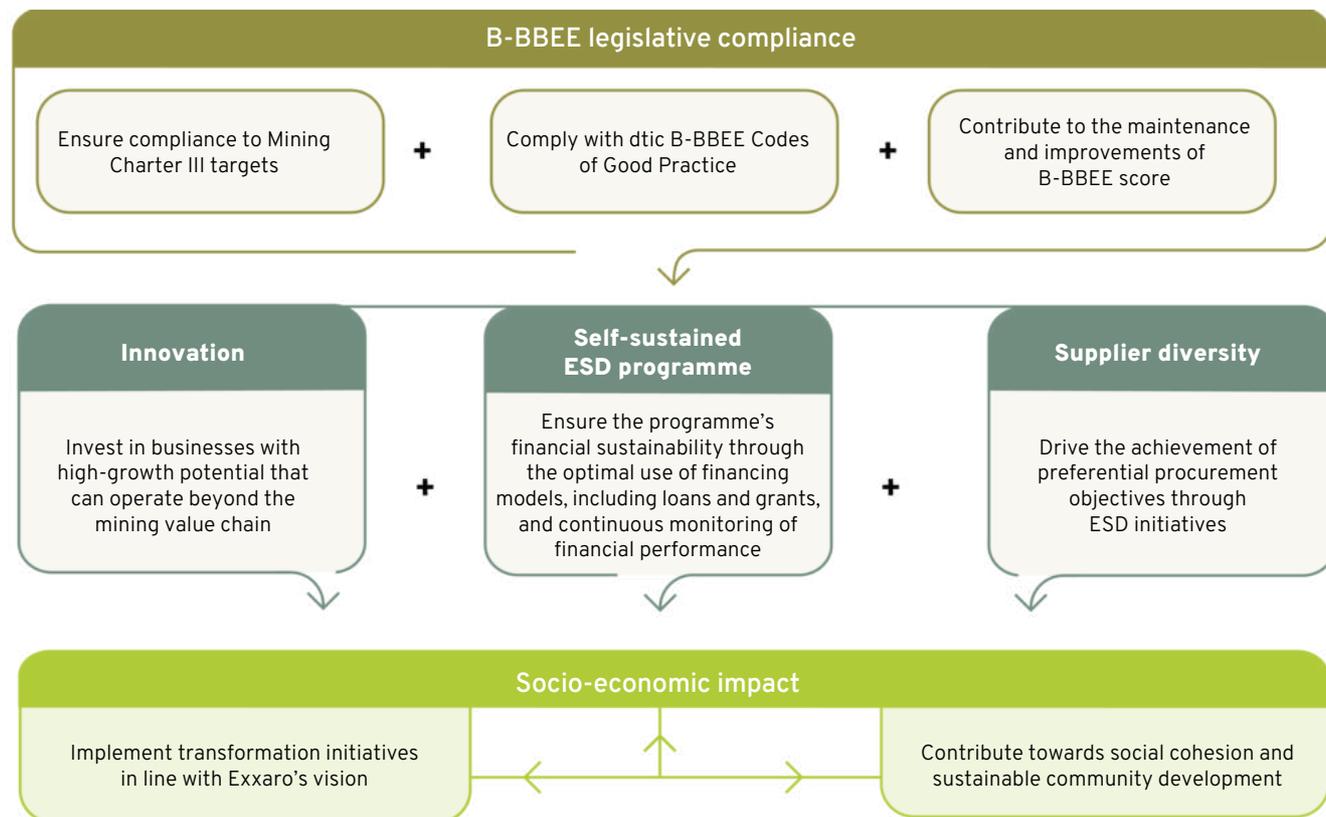
Exxaro's ESD programme promotes inclusive economic participation by addressing systemic barriers faced by emerging enterprises. We create opportunities for black-owned suppliers and entrepreneurs through financial support, such as grants, zero-interest loans and non-financial assistance, including partnerships with external service providers and incubator hubs. Each hub in an SLP area offers three-year programmes to support and develop SMMEs and serve as a key enabler in advancing enterprise capabilities and strengthening our local supply chain.

The programme delivers sustained stakeholder value by:



### ESD strategic objectives

Our ultimate goal of economic transformation is supported by the following strategic objectives:



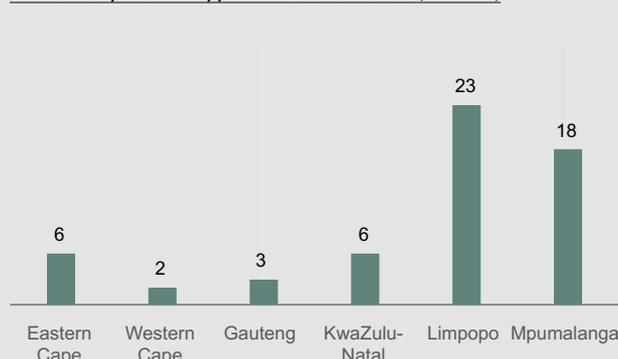


## How we performed

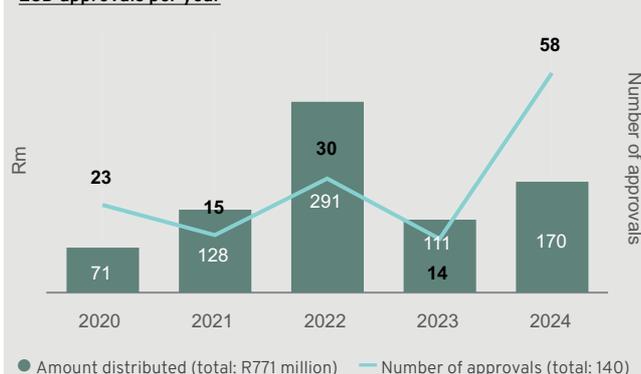
	2024	2023	2022
Approved spend (Rm)	169.8	111.3	291.2
Jobs retained (number)	286.0	355.0	1037.0
Beneficiaries (number)			
Qualifying small enterprises (QSEs) and exempt micro-enterprises (EMEs)	58	14	30
Youth-owned	22	1	16
Women-owned	21	9	9

The provincial breakdown of beneficiaries highlights the focus on beneficiaries from host communities.

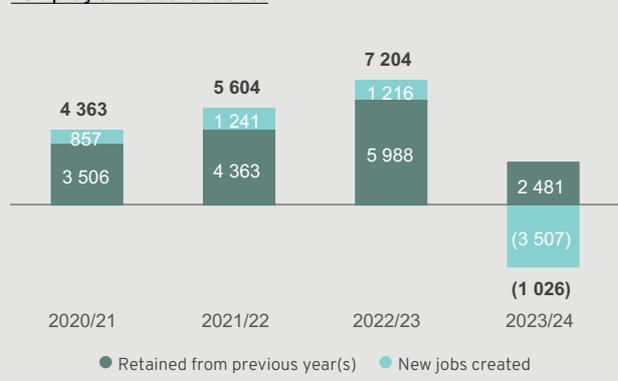
### Provincial spread of supported QSEs and EMEs (total: 58)



### ESD approvals per year



### ESD programme beneficiaries



The decline in job figures in 2023/24 is attributed to the graduation of the 2018 cohort (after being part of the programme for five years as per B-BBEE regulations) and the 2 649 jobs they added to the jobs figure, as well as an actual job loss of 858 jobs attributable to contract losses/end of contracts.

Of our total approved spend, over R130 million was dispersed through grants and zero-interest loans in 2024. Since the programme's inception, ESD approvals have consistently increased, overcoming setbacks experienced during the COVID-19 pandemic and economic downturn since 2020. By the end of 2022, the programme achieved self-sustainability, enabling new beneficiaries to be supported through loan repayments rather than requiring additional budget allocations.

Funding from repayments played a pivotal role in securing Exxaro's overall B-BBEE performance target. The ESD programme aims to achieve a target score of 9 out of 15 points, with anticipated performance in 2024 reaching 13.72 points, contributing significantly to Exxaro's level 3 (or better) B-BBEE status.

Efforts to leverage co-funding have bolstered the programme's impact. Although a youth-focused fund with a provincial development finance agency faced delays due to financial challenges, engagements with two development finance institutions to raise co-funding through Exxaro's loan administration service provider are set for favourable completion in 2025. Additionally, under the MSP, R30 million was secured from the Sedfa and R100 million from the Land Bank to support emerging farmers, demonstrating the programme's ability to amplify resources and enhance its reach.

### Loan fund management

#### Loans advanced

**R117.28 million**

(2023: R184.95 million)

#### Loan repayments

**R84.69 million**

(2023: R103.48 million)

#### Outstanding loan book

**R378.14 million**

(2023: R339.20 million)

#### Settled loans

**R88.70 million**

(2023: R62.38 million)

## Contributing to enterprise and supplier development continued

### Non-financial support

#### GIBS contractor development programme

47

beneficiaries graduated from the programme

(2023: 50)

The accredited course includes customised mining and Exxaro-specific content to maximise its impact and relevance. To broaden our impact, we have initiated a project to identify an implementation partner for an expanded version of the programme.

#### SAICA Enterprise Development financial excellence programme

57

beneficiaries graduated from the programme

(2023: 58)

The programme provides monthly access to a business and finance coach as well as accounting, back office, tax, human resource management and Companies and Intellectual Property Commission compliance support. The latest cohort celebrated their graduation in November 2024 (read the case study below).

### Empowering local contractors

#### Building a local supplier pipeline

The ESD Hub in Lephalale aligns its intake with the localisation objectives of Grootegeluk, with incubatees positioned in areas the BU has earmarked for future opportunities. Sub-contractors in explosives handling and fuel logistics are supported by the ESD programme, supply chain management and co-developed with existing suppliers.

#### Supporting first-time contractors

The ESD programme has supported several sub-contractors and first-time contractors, with compliance workshops conducted to ensure host community small enterprises meet legislative requirements. We will amplify and mature these initiatives during 2025.

### Community initiatives implemented

#### SMME day

We rolled out SMME day in communities surrounding our mines in collaboration with Sedfa and other small enterprise development organisations. This initiative addressed perceptions that our ESD support programme does not cater for the broader SMME sector by partnering with other development institutions to support micro and survivalist enterprises.

#### Pitch for funding programme

We introduced a pitch for funding programme in collaboration with Sedfa in nine host communities. Through this initiative, we provided 27 small enterprises with grant funding of R250 000 each to support their business growth.

#### Future focus



Our primary focus in 2025 will be:

- Implementing programmes that support the micro and survivalist segment of the SMME sector, such as the pitch for funding programme and a purchase order fund
- Collaborating with supply chain management on developing transformed suppliers in strategic goods and services



## Creating post-mining economies

To ensure optimal land use and management, and create lasting positive social and economic impact, Exxaro focuses on the agricultural sector. All mined and rehabilitated land, or land no longer required for mining, is reallocated immediately for agricultural activities. This serves as an effective vehicle for supporting the development of agri-enterprises and local economic activity and sustainability in host communities.

Key measures of success 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 (seasonal and permanent) created and retained, number of farmers trained and sustainable farmers who can operate independently and deliver on their offtake agreements.



### Showcasing mixed farming in action

MBB Agriculture is poised to be a successful black farming enterprise on the back of the MSP's support. The MSP supported the mixed agriculture business to raise R15 million to purchase inputs and mechanisation for planting and spraying.

MBB Agriculture is a 100% black-owned farming enterprise that leases 718ha of land from Exxaro in Mpumalanga. The land is used for maize and livestock farming – 275ha is planted with maize and there are 173 cattle. The MSP has assisted the farmer in ensuring that he has a resilient beef breed that can satisfy various offtake agreements. The programme also helped the farmer raise R15 million (50% grant and 50% loan) from a development finance institution for the 2024 summer planting season.

The farmer's combined farming activities demonstrate sustainable management practices and strategic use of financial and technical support to enhance productivity and profitability.

### Our MSP approach at a glance

#### Strategic objective

We aim to effectively develop black emerging farmers, transforming them from subsistence to commercial farmers. We also provide access to resources that guarantee the commercial viability and sustainability of their agri-enterprises. We do this by creating market access opportunities and raising funding through development finance institutions and internally with Exxaro.

#### Rationale

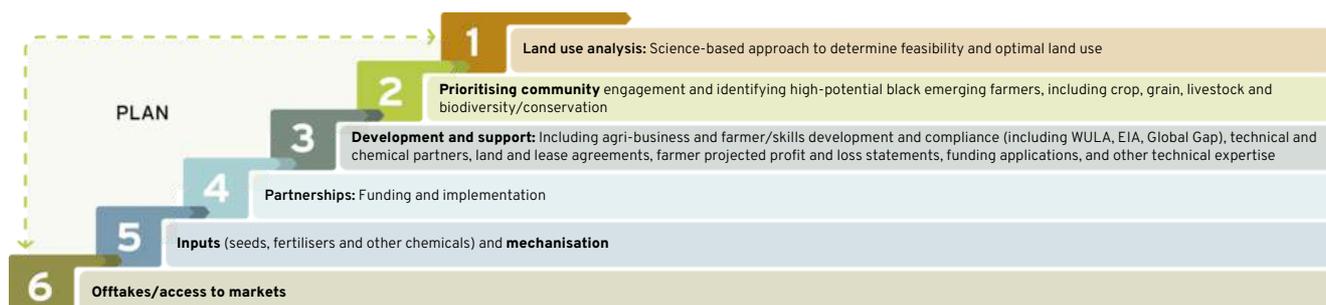
Providing holistic support will better position emerging farmers to commercialise their businesses, grow in a viable and sustainable manner, create jobs and improve economic activity for their families and communities.

The support provided includes farmer and skills development, funding, land preparation, inputs, mechanisation, planting, harvest and post-harvest support, and access to markets.

#### Approach

The support provided to emerging farmers is preceded by identifying, assessing and profiling these farmers.

Support includes needs assessments and implementation, business plans and financial models, crop and animal production best practices training and mentorship. We secure land leases, partnership with funders, agri-specialists and product offtakers on behalf of the farmers.



## Creating post-mining economies continued

### How we performed

At year end, the MSP supported 662 farmers, grouped into 36 projects across six provinces.

Province	Type of farming	Number of projects	Number of farmers
Limpopo	Crops	4	230
Mpumalanga	Livestock, grain, fruit and poultry	13	32
Gauteng	Essential oils	1	1
KwaZulu-Natal	Livestock, grain, forestry and essential oils	15	297
Western Cape	Honey	1	1
Eastern Cape	Livestock	2	101
<b>Total</b>		<b>36</b>	<b>662</b>

The MSP has 10 608.5ha under management. Key performance relates to the funding provided by Exxaro's funding instruments towards supporting the farmers, and additional funding leveraged from development financial institutions. Most of the funding went towards pre-operational costs, such as compliance and infrastructure and input costs for operational farmers.

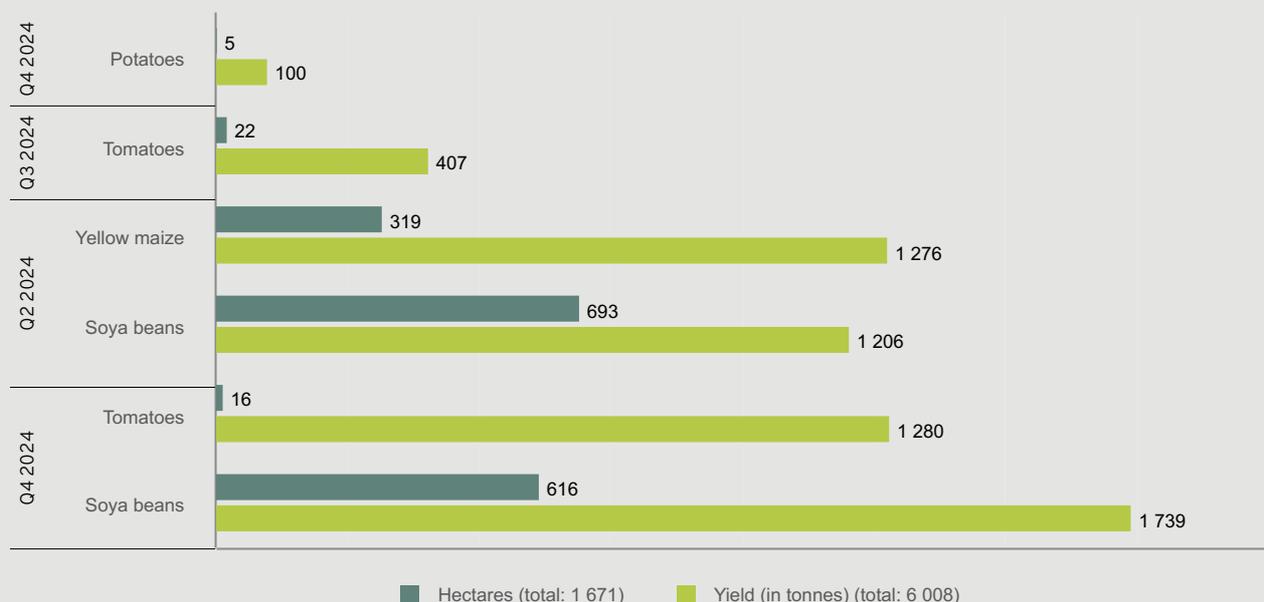
#### 2024

Funding provided*	R63.3 million
Additional funding leveraged	R15.0 million
% female farmers	54%
% youth farmers	23%

\* The funding includes the technical, non-financial support provided to the farmers.

During 2024, nine of the 36 projects planted soya beans, yellow maize, tomatoes and potatoes on 1 671ha of land. Despite challenges such as frost and insufficient water supply, the farmers managed to harvest over 6 000t. The quarterly breakdown of the harvests is tabled below:

#### Harvest quarterly breakdown





# Driving supply chain sustainability

Exxaro drives sustainable growth and reduces supply chain risks by embedding socio-economic development and environmental responsibility into procurement practices. Through the adoption of our supplier code of conduct and supply chain sustainability policy, we have demonstrated success in leveraging our procurement spend to empower local black-owned SMMEs and deliver on our preferential and green procurement commitments.



## Showcasing support for SMMEs in action

Recognising the cash flow challenges faced by many small businesses, Exxaro launched an initiative offering early payments for services and goods provided by our SMMEs.

The initiative targets the settlement of invoices from SMME vendors within 15 working days, significantly ahead of standard payment terms, thereby enhancing cash flow and helping these businesses thrive. Since the launch of the programme, Exxaro has paid over R1.5 billion to 1 205 SMMEs in accordance with the set favourable payment terms. Timely access to funds has proven especially critical for smaller vendors, enhancing their financial resilience and market competitiveness.

By prioritising prompt settlement, Exxaro has also strengthened relationships with our SMME vendors, increasing trust by demonstrating a tangible commitment to supporting SMMEs.

## Our supply chain management approach at a glance

Incorporating the principles of sustainability in our supply chain is one way of demonstrating our sensitivity to the environmental and socio-economic challenges facing South Africa. This is underpinned by:

### Accountability and responsibility

Performance measures and decision-making structures within Exxaro are in accordance with the relevant governance practices.

### Regulatory compliance

Aligning our inclusive procurement targets with guidance as set out in the MPRDA, Mining Charter III and B-BBEE codes.

### Beyond compliance

Where opportunity allows, Exxaro achieves performance above regulatory targets.



CENNERGI

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 DEE.

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.

## Supply chain policy

Since updating our supply chain sustainability policy in 2023, we have progressed against our ESG imperatives and supply chain priorities as follows:

<b>Environmental</b>	<ul style="list-style-type: none"> <li>Data is essential for informed decision making. As part of our ongoing efforts to assess our performance in green procurement, we undertook a comprehensive data environmental labelling exercise which yielded positive progress on the visibility of our spend on green procurement</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>Exxaro sourced goods and services to the value of R1.57 billion from 502 local community vendors</li> <li>We achieved level 2 B-BBEE compliance, with preferential procurement scores improving from 26.44 points in 2023 to 27.47 points in 2024</li> <li>Exxaro achieved a success rate of 98% preferential payment on invoices generated by our SMMEs</li> </ul>
<b>Governance</b>	<p>Dominant supply chain governance themes include:</p> <ul style="list-style-type: none"> <li>Enhancing ethical supply chain practices through ethics awareness sessions conducted throughout the supply chain organisation</li> <li>Identifying conflicts of interest with vendors using technology and removing conflicted suppliers from the vendor database</li> <li>Addressing supply chain risks associated with B-BBEE fronting and fraud by incorporating effective due diligence on vendors</li> </ul>

## Driving supply chain sustainability continued

### Enhancing green procurement practices



We monitor and review procurement data, enabling us to assess our progress on green procurement. Our efforts in enhancing our systems to track and report green procurement are part of a continuous improvement in this area.

Key initiatives include:

- **Ensuring accurate data capture** by correctly identifying and recording green products in procurement processes
- **Developing comprehensive reporting solutions** to track and measure expenditure on green products

### How we performed

#### Local procurement and localisation

	2024	2023	2022
Procurement spend directed to local black-owned SMMEs	<b>R1.08 billion</b>	R1.3 billion	R1.09 billion
Number of local black-owned SMMEs supported through procurement spend	<b>291</b>	263	246
Value of local contracts awarded	<b>R1.2 billion</b>	R1.9 billion	R0.53 billion
Number of local vendors awarded contracts	<b>38</b>	31	38

#### Ethical procurement

We drive ethical and sustainable procurement through:

- Verifications to ensure our vendors comply with conflict of interest guidelines
- Advanced technology that detects potential conflicts of interest involving our vendors and employees
- Mitigating supply chain risks related to B-BBEE fronting and fraud by implementing thorough due diligence practices for vendors

Our e-procurement software reduces the risk of fraud and maintains cost efficiency.

#### Preferential procurement

Exxaro fully complies with the requirements of relevant regulations on preferential procurement.



CENNERGI

Cennergi met its preferential procurement targets for 2024 and did not incur any termination points.

#### Green procurement

##### 2024 goods procured

1.15% spent on resource-efficient procurement

0.92% spent on energy-efficient procurement

0.48% spent on environmental preferable procurement

6.40% spent on reverse logistics

**Combined 8.9% spent on green procurement**

#### Mining Charter III

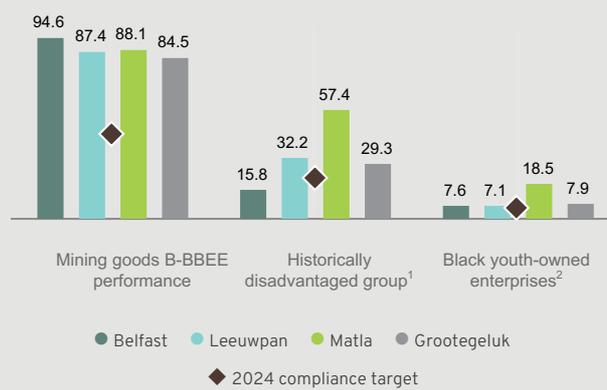
As a mining right holder, Exxaro measures our inclusive procurement by assessing our performance against Mining Charter III for procuring of mining goods and services from designated groups. Exxaro maintained the achievement of our target of 40 points (2023: 40) on the Mining Charter III in 2024.

##### Mining Charter III – services 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.

##### Mining Charter III – goods procurement performance (%)



<sup>1</sup> Procurement from entities with HDP as majority owners.  
<sup>2</sup> Procurement from entities with black youth as majority owners.

#### Future focus



Our primary focus in 2025 will be:

- Enhancing B-BBEE preferential procurement compliance focusing on EMEs and QSEs
- Increasing procurement opportunities for SMMEs from host communities through focused opportunities
- Driving ethical and sustainable procurement by refining the supplier onboarding and due diligence process
- Improving systems and enabling technologies to accurately track green procurement



## Upholding and respecting human rights

The mining industry faces increasing scrutiny for its role in resource extraction, climate change and impacts on indigenous peoples. By upholding human rights through robust policies, legal compliance, stakeholder engagement and contributions to community wellbeing, Exxaro supports a fairer, more equitable society while safeguarding our social licence to operate and ensuring mutual long-term success.

	Why this matters	Our response
<a href="#">Honouring human rights</a> Page 106 to 108	Respecting the fundamental and universal human rights and freedoms of every person is a key aspect of corporate social responsibility.	We champion fundamental human rights, including the basic freedoms of dignity, fairness, equality and respect for our employees, communities and other stakeholders. 

### Partnering for sustainable community development

<b>Employees, communities and suppliers</b>	We ensure human rights are respected across all our stakeholder groups by driving responsible business practices across our organisation and supply chain. We address all human rights concerns related to our business and respond promptly to grievances.
<b>Government and regulators</b>	Engagements with the DMRE, DoH and DoE ensure compliance with the regulations that protect community and worker rights.
<b>Industry alliances</b>	Through the Minerals Council, we work with industry peers to promote responsible practices and address key human rights concerns within the mining sector.
<b>Global frameworks</b>	As a signatory of the UNGC, we align our practices with universal human rights principles and leverage the framework to guide responsible business conduct.
<b>Research and education institutions</b>	Collaborations with universities support research and innovative projects that empower communities and protect their natural resources.



### Showcasing respect for human rights in action

**Access to clean water, education and economic opportunities are fundamental human rights that drive sustainable community development.**

At Tshikondeni, Exxaro engaged extensively with the community to identify priority needs, ensuring that its initiatives deliver meaningful and lasting impact. Through this process, the focus shifted from the initial plan for an ESD and skills development centre to addressing a more urgent need for potable water, alongside skills development and agricultural support.

To meet the community's immediate water needs, Exxaro launched a sand water extraction project, breaking ground in January 2025. At the same time, recognising the importance of skills development in the area, we funded an NPO computer literacy programme for school children and unemployed youth. Additionally, eight local farmers received support through infrastructure, agricultural training and market access facilitation in partnership with Tiger Brands.

These initiatives empower communities, enhance livelihoods and uphold the fundamental right to sustainable resources.

## Upholding and respecting human rights continued

### Our human rights management approach at a glance

We are committed to respecting and protecting the human rights of people, in line with our purpose.

Exxaro's human rights policy supports the objectives of our Sustainable Growth and Impact, Social Impact and DEI strategies and our management approach ensures:

#### Accountability and responsibility

The SERC oversees the group's activities and output as a responsible corporate citizen, including the protection of human rights, on behalf of the board. The RBR committee is responsible for risk and compliance oversight, while the remuneration committee focuses on fair and responsible remuneration within the group. The executive committee ensures the implementation of our human rights policy.

#### Regulatory compliance

At a minimum, we uphold the human rights set out in legislation, including the South African Constitution, the BCEA and the Labour Relations Act.

#### Beyond compliance

We align our processes with the following guidance:

- The Minerals Council South Africa's Human Rights Framework, which outlines management practices for South African mining companies
- The UN Guiding Principles on Business and Human Rights
- The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, which guides us in upholding basic human values
- The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, which set standards for responsible business conduct
- The UNGC principles, addressing human rights, labour, environmental and anti-corruption standards

Recognising that potential for adverse human rights impacts, we are committed to conduct regular due diligence reviews to identify, prevent and mitigate such risks across our operations. This process assesses actual and potential human rights impacts, integrates and acts upon findings, tracks responses and communicates how impacts are addressed.

#### We are committed to:



Preventing discrimination, harassment and racism



Regularly reviewing our human rights processes and policies



Providing secure whistleblower channels through our fraud and ethics hotline



Encouraging open and honest communication between employees and supervisors



#### CENNERGI

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 workers fairly, provide safe and healthy working conditions, avoid using child or forced labour and identify related risks in their primary supply chain.

Employees can report human rights violations to supervisors, line managers, the people and performance department or anonymously through Exxaro's fraud and ethics hotline.

#### Volunteerism initiatives

Our employees actively participate in social responsibility initiatives. We have established food gardens in schools and, to ensure sustainability, provided training to employees. Furthermore, through our PIT symposium, a fundraising concert raised R21 000 for the Zodwa School for children living with disabilities. This amount was matched by Exxaro, resulting in a total donation of R100 000.

### Prevention and mitigation

We address key human rights issues in the following areas:

#### Governance and ethics

Our board oversees the management of reputational impacts across the following dimensions:

- Economic: ensuring economic transformation while preventing, detecting and responding to fraud and corruption
- Social: protecting public health and safety, consumer rights and community development, alongside universal human rights
- Environmental: safeguarding the natural environment
- Governance: ensuring Exxaro remains ethical and compliant

We prioritise human rights protection throughout our value chain, favouring contractors and suppliers that align with our values as outlined in our supplier code of conduct. Ethics awareness is promoted through our Mining with Morals theme, a strategic initiative that shapes our ethical culture, mitigates ethical risks and protects Exxaro's reputation.



[Fraud and ethics hotline](#) (page 118)



### Equal opportunities/ non-discrimination and transformation

Our DEI strategy protects employees' human rights by preventing discrimination, harassment and racism. It aligns with the South African Constitution and other national legislation, the National Gender Policy Framework and the UN Convention on the Elimination of all Forms of Discrimination against Women. We provide training for leaders and employees on critical topics such as gender equity and identity, LGBTQIA+ inclusion, racial equity, disability competence and creating an inclusive culture.

 [Our DEI strategy](#) (page 75)

### Human rights in the workplace

Exxaro strictly prohibits forced or compulsory labour and does not employ individuals under the legal minimum age of 18, adhering to ILO conventions on child labour. We support legitimate workplace apprenticeships, internships and similar initiatives in full compliance with applicable laws. To safeguard employees' physical and mental health, we enforce reasonable working hours, leave and holidays, aligned with ILO conventions. Disciplinary and grievance mechanisms are transparent and ensure fair treatment when required.

 [Maintaining sound employee relations](#) (page 80)

### Security

Our response to protest actions is guided by the Regulation of Gatherings Act, 1993 (Act 205 of 1993), stakeholder management policy, human rights policy and our security strategy, which aligns with the Voluntary Principles on Security and Human Rights. To uphold human rights in security practices, we conduct ongoing training that includes induction programmes, security personal training and refresher courses to ensure employees and security teams are equipped with an understanding of human rights principles and our stance against discrimination.

### Freedom of association and the right to collective bargaining

We respect the right of employees to form or join labour unions 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 with these representatives to build trust and maintain positive labour relations.

 [Maintaining sound employee relations](#) (page 78)

### Safety and health in the work environment

We uphold the highest safety standards and strive for zero harm in all workplaces through rigorous management systems, protocols and dedicated safety programmes at each operation.

 [Prioritising safety](#) (page 67) and [promoting health and wellness](#) (page 71)

### Environmental management and conservation

To safeguard the environment and support community resilience, we prioritise early mine closure planning and rehabilitation throughout the lifecycle of operations. Our mineral succession planning programme addresses mine closure impacts by supporting black emerging farmers with access to resources that enable them to commercialise their businesses. The programme ensures a positive legacy through secondary economic activities in areas where Exxaro (previously Kumba and Iscor) has operated mines. Support focuses on funding, market access, inputs, machinery and training for sustainability. This approach aligns with our commitments to responsible mining, decarbonisation and climate change mitigation.

 [Integrating mine closure and rehabilitation](#) (page 54)

### Respect for all communities

Communities have a fundamental right to access quality water, affordable electricity and protection from noise, air pollution and hazardous materials. As a responsible corporate citizen, we uphold the cultural values of local communities, including traditional authorities in host communities. Our efforts focus on advancing self-sufficiency, sustainability and protecting health, safety and the natural environment. When resettlement is necessary, we follow the DMRE's mine community resettlement guidelines. For non-mining-related resettlements, we are guided by the IFC's Performance Standard 5 and the Minerals Council's Human Rights Framework to ensure ethical and equitable practices.

 [Building sustainable communities](#) (page 87)

### Children's rights

Exxaro believes that every child has the right to access education and be treated in a manner that considers their age. Our 2024 social investment strategy prioritised human capital development, focusing on ECD, whole school development, skills development, and agricultural and entrepreneurial skills. Our ECD programmes are designed to ensure children are school-ready and have the opportunity to thrive. Recognising the importance of quality education beyond early childhood, Exxaro, also through our Grootegeluk and Matla SLPs, committed to improving school infrastructure. These infrastructure projects, identified through stakeholder engagement, create conducive learning environments for students and teachers, promoting equal access to education.

## Upholding and respecting human rights continued

### Monitoring, measuring and reporting

In 2024, the strategic resilience and governance function completed an internal due diligence analysis to reinforce alignment with Exxaro's Sustainable Growth and Impact strategy.

The analysis focused on:

- Evaluating our governance processes, policies and operating practices for compliance with national regulations and international standards, accompanied by actionable recommendations
- Identifying and assessing actual and potential human rights impacts and risks across operations and communities
- Ensuring alignment with the United Nations Guiding Principles on Business and Human Rights and the FTSE Russell indicators on human rights, while promoting positive relationships with host communities

The analysis highlighted several strengths, including Exxaro's human rights policy, which aligns with both local industry standards and international best practice. Key highlights included:

- Conducting annual independent compliance audits at all operations, covering environmental management, water use, air quality, SLPs, health and safety, with oversight from the combined assurance forum
- Subscription to the Minerals Council South Africa's human rights framework, reinforcing industry best practice, including respect for all communities and supply chain responsibility
- Robust governance structures, including board policy approval, oversight by two board committees and an internal escalation process for complaints received from the South African Human Rights Commission

The findings, consisting mainly of process improvements, were presented to the SERC on 22 October 2024 and incorporated into ongoing governance processes to enhance accountability and reinforce our commitment to honouring human rights.

### How we performed

	2024	2023	2022
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>136</b>	196	None
Fraud and ethics allegations reported	<b>252</b>	191	213
Allegations reported via the fraud and ethics hotline	<b>220</b>	164	186
Percentage of allegations resulting in disciplinary inquiries	<b>4%</b>	23%	20%
Disciplinary hearings concluded	<b>5</b>	22	42
Cases brought before the Council of Conciliation, Mediation and Arbitration (CCMA)	<b>4</b>	2	None

Of the five disciplinary hearings concluded in 2024, four ended with a verdict of guilty (2023: 19), while one resulted in a not-guilty verdict (2023: one).

With regard to CCMA cases, the Commissioner decided in favour of Exxaro twice (2023: once) and there was no instance where the matter was resolved through a mutual agreement (2023: once). Two other matters lodged with the CCMA in 2024 are still outstanding.

### Improving our performance

The due diligence conducted identified process improvements and operational challenges requiring management action. Key areas for improvement include:

- Aligning policies with Exxaro's new organisational structure, following the 2023/2024 operational effectiveness process
- 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

In addition, a recommendation was made to expand Exxaro's policy commitment on child labour to include broader children's rights, aligning with our Sustainable Growth and Impact strategy.

These enhancements will strengthen Exxaro's human rights management approach, ensuring compliance, transparency and meaningful engagement with all stakeholders.

#### Future focus



Our primary focus in 2025 will be:

- Ensuring that our human rights processes are aligned to the UNGC on Human Rights, meet legal requirements and promote positive community relations
- To continue addressing the fundamental human rights issues in our communities, such as access to potable clean water, good quality education and decent work



# 4 Prioritising good governance



A robust governance approach is essential to our ability to create value. Aligned with our theme, Positioning Exxaro to win through our resilient strategy, we uphold good governance to drive sustainable growth and stakeholder confidence. This section highlights our commitment to responsible business practices that support our strategy and future readiness.



Through good governance, our board is committed to contributing positively to achieving SDG 16, which seeks to promote peaceful and inclusive societies for sustainable development, provide access for all and build effective, accountable and inclusive institutions.

## In this chapter

Our approach to governance supports Exxaro's Sustainable Growth and Impact strategy. We present how Exxaro's governance structures support our ability to create value in the short, medium and long term.

Our corporate governance reporting is structured under the four desired King IV governance outcomes of ethical culture, performance and value creation, adequate and effective control, and trust, good reputation and legitimacy.

### We report on our governance activities across the following areas:

Page 113	<a href="#">Governance and leadership</a>
113 to 136	<a href="#">Key focus areas and outcomes of material focus areas</a>
118 to 125	<a href="#">How we deliver the outcomes of good governance</a>
126 to 136	<a href="#">Demonstrating the balance of knowledge, skills, experience, diversity and independence that supports Exxaro's board in delivering on its governance role and responsibilities objectively and effectively</a>
137	<a href="#">Committee reports</a>
138 to 159	<a href="#">How our committees support our ability to create value</a>
160	<a href="#">Remuneration report</a>
160 to 184	<a href="#">Demonstrating how Exxaro remunerates fairly, responsibly and transparently to promote the achievement of the group's strategic objectives</a>

## Prioritising good governance continued

### Our approach

Exxaro's corporate governance is underpinned by principles that guide the board in meeting its responsibilities to the company, the group, and its stakeholders. These principles enable the company to achieve the King IV governance outcomes and fulfil its purpose to power better lives in Africa and beyond through its own ethical and effective leadership.

#### Accountability and responsibility

Exxaro's board is the focal point and custodian of good corporate governance for the group, assuming ultimate accountability and responsibility for the group's performance and affairs. In so doing, it effectively represents and promotes the group's legitimate interests. As a responsible corporate citizen, Exxaro considers its material stakeholders' legitimate interests and expectations to ensure it contributes positively to society and the environment.

#### Regulatory compliance

Our governance approach complies with relevant national legislation, particularly the Companies Act, Financial Markets Act, JSE Listings Requirements, SAMREC Code and King IV.

#### Beyond compliance

King IV promotes good governance, transparency in leadership and decision making, and a focus on sustainability. Sustainable development is an ethical and economic imperative. It entails economic and social growth to meet present needs without compromising future generations' ability to fulfil their needs. Sustainable development is a fitting response to organisations being an integral part of society, their status as corporate citizens, and meeting stakeholders' needs, interests and expectations. Exxaro expresses its commitment to sustainable development through its Sustainable Growth and Impact strategy.



In line with King IV's recommendation to apply and explain how Exxaro practices good governance, we include our detailed King IV application register in our [databook](#), which sets out each principle with an explanation of steps taken, policies, and processes.

#### Future focus



To execute on our strategy in creating sustainable value and building resilience through principled and robust governance, we focus on responding to the class action, monitoring any release under the 2017 replacement empowerment structure, overseeing succession planning and revisiting our internal delegations.

### Material themes



Exxaro's board provides attention to the [material themes](#) (page 8) throughout the year. These include:



Adapting to a changing context



Executing our strategy



Responsible environmental stewardship



Driving business resilience



Building sustainable communities



Principled governance



Enabling a thriving workforce



The table below outlines the board's quarterly progress in addressing our material themes to achieve our governance outcomes.

Area	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Material themes
<b>Board engagement</b>	<ul style="list-style-type: none"> <li>First quarter board meeting</li> </ul>	<ul style="list-style-type: none"> <li>Second quarter board meeting</li> <li>Special board meeting to approve the group and company annual financial statements and integrated report</li> <li>Annual strategy sessions with executive and management</li> </ul>	<ul style="list-style-type: none"> <li>Third quarter board meeting</li> </ul>	<ul style="list-style-type: none"> <li>Fourth quarter board meeting: 100th board meeting and budget review</li> <li>Board site visit to Grooteegeluk coal mine and LSP</li> </ul>	
<b>Stakeholder engagement</b>	<ul style="list-style-type: none"> <li>2023 financial results presentation</li> <li>Participation in the Mining Indaba: "Unlocking African Mining Investment: Stability, Security, and Supply"</li> </ul>	<ul style="list-style-type: none"> <li>AGM: shareholder election of audit committee and SERC members, auditors and approval of remuneration policy and implementation through the non-binding advisory vote</li> <li>FD pre-close</li> </ul>	<ul style="list-style-type: none"> <li>2024 interim financial results presentation</li> <li>Governance roadshow</li> </ul>	FD pre-close	
<b>Board performance</b>	<ul style="list-style-type: none"> <li>All meetings commence with confirmation of declarations of interest</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed benchmarking of non-executive director fees for recommendation to shareholders in 2025</li> </ul>	<ul style="list-style-type: none"> <li>Board composition review including appropriateness of the size of the board</li> <li>Declarations of interest. This was extended to include a review of the roles directors hold on other JSE-listed companies</li> <li>Performance against Exxaro's DEI targets was measured (and met)</li> <li>Committee composition review to ensure all committees are adequately composed and skilled</li> <li>The skills set (against which the board measures itself) was better defined to ensure it encompasses the experience necessary to govern the organisation towards its prevailing strategic objectives</li> </ul>	<ul style="list-style-type: none"> <li>Non-executive director independence categorisation</li> <li>Internal board performance evaluation interviews (next external evaluation is due in 2026)</li> <li>Performance evaluation of the company secretary</li> <li>Board committee performance evaluations commenced</li> </ul>	
<b>Continuous development of the board</b>	<ul style="list-style-type: none"> <li>SERC training: ESG reporting and assurance knowledge sharing (ISSB standards, ESRS updates)</li> </ul>	<ul style="list-style-type: none"> <li>Governance session: Risk – economic landscape, strategic risk report, cybersecurity</li> <li>SERC and remuneration committee training: proposed Companies Amendment Bill</li> </ul>	<ul style="list-style-type: none"> <li>Strategy workshop: commodities outlook, M&amp;A landscape and insights, energy markets</li> <li>Governance session: water challenges and trends, climate interactions, the Companies Amendment Act, 2024 (Act 16 of 2024) (Companies Amendment Act), JSE Listings Requirements when applicable, and roles and responsibilities of the board, committees and executive committee</li> </ul>		
<b>Safety</b>	<ul style="list-style-type: none"> <li>All meetings commence with a safety moment and monitoring of frequency of safety incidents and occupational health incidents</li> </ul>		<ul style="list-style-type: none"> <li>Safety leadership days at all sites to ensure VFL</li> </ul>		
<b>Growth performance</b>	<ul style="list-style-type: none"> <li>Noted progress on various acquisition, divestment, and investment opportunities</li> <li>Approved the Resource and Reserve statement</li> </ul>	<ul style="list-style-type: none"> <li>Reaffirmed the Exxaro Sustainable Growth and Impact strategy and the inclusion of energy transition minerals into the growth pipeline</li> </ul>	<ul style="list-style-type: none"> <li>The CEO roadshow, where the CEO and executive committee provided an update on the Exxaro strategy, which was rolled out to all BUS</li> </ul>		

## Prioritising good governance continued

Area	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Material themes
<b>Risk</b>	<ul style="list-style-type: none"> <li>Approved the delegation of authority</li> </ul>	<ul style="list-style-type: none"> <li>Noted no significant changes to the strategic risk report but requested consideration of country risks applicable to Exxaro operations</li> </ul>	<ul style="list-style-type: none"> <li>Noted the strategic risk report</li> </ul>	<ul style="list-style-type: none"> <li>Approved the group ERM framework, risk appetite approach and risk appetite statement</li> <li>Approved the revised group delegation of authority</li> </ul>	
<b>Environmental sustainability</b>		<ul style="list-style-type: none"> <li>Reviewed the strategic logistics programme</li> </ul>	<ul style="list-style-type: none"> <li>Noted the progress made on the decarbonisation plan and roadmap</li> </ul>	<ul style="list-style-type: none"> <li>Monitored the performance of the Amakhala Emoyeni windfarm and Tsitsikamma community windfarm</li> <li>Monitored the progress of the LSP construction and visited the site in November 2024</li> <li>Reviewed energy efficiency and rehabilitation initiatives being planned by the business</li> </ul>	
<b>Social sustainability</b>	<ul style="list-style-type: none"> <li>Considered the coal mine dust class action litigation matters that were launched in 2023</li> <li>Considered the new Political Party Funding Act 2018 to ensure alignment and approved a donation of R25 million to the Independent Electoral Commission Multi-Party Democracy Fund</li> </ul>	<ul style="list-style-type: none"> <li>Noted an increase in B-BBEE compliance to level 2 and the organisation's progress on the DEI strategy</li> <li>Noted the amended EEA and management's approach to alignment</li> </ul>	<ul style="list-style-type: none"> <li>Took due notice of the relocation of the Sindane family to ensure the matter was handled with care and dignity</li> </ul>		
<b>Economic sustainability and governance</b>	<ul style="list-style-type: none"> <li>Approved the group year-end financial results and IFRS announcement</li> <li>Approved the integrated suite of documents for publication, including the King IV report and JSE compliance certificate</li> <li>Approved a dividend and special dividend payment to shareholders</li> <li>Approved the registration of a bond programme</li> </ul>	<ul style="list-style-type: none"> <li>Approved the integrated ESG framework</li> <li>Approved the strategic performance management dashboard</li> </ul>	<ul style="list-style-type: none"> <li>Approved dividend distribution to shareholders</li> <li>Approved the group interim financial results, IFRS announcement and interim dividend declaration</li> <li>Approved financial assistance to subsidiaries as contemplated in sections 44 and 45 of the Companies Act</li> </ul>	<ul style="list-style-type: none"> <li>Approved the group consolidated budget, the coal consolidated budget and the energy budget for financial year 2025 and noted the 2026 forecast</li> <li>Approved the integrated report material matters</li> <li>Oversaw the development of cascading strategic KPIs to ensure holistic monitoring and execution of Exxaro's strategy</li> <li>Approved the revised supply chain management sustainability policy</li> </ul>	
<b>People and performance</b>	<ul style="list-style-type: none"> <li>Noted the EEA2 and EEA4 remuneration report submissions and that most targets set were achieved</li> </ul>		<ul style="list-style-type: none"> <li>Noted the coal negotiating landscape as it moved from a single to a multi-union context</li> </ul>	<ul style="list-style-type: none"> <li>Considered that the energy industry will need to invest in future-ready skills development</li> <li>Considered the two-pot retirement savings framework that took effect in September 2024 and the effect on the contribution structure</li> <li>Noted the wage gap statement of intent, approved by the remuneration committee</li> </ul>	
<b>Appointments</b>	<ul style="list-style-type: none"> <li>Appointed independent non-executive director, Nosipho Molope</li> </ul>	<ul style="list-style-type: none"> <li>Appointed Michelle Nana as group company secretary</li> </ul>			



# Governance and leadership

Exxaro's corporate governance is underpinned by principles that guide the board in meeting its responsibilities to the company, the group and its stakeholders. These principles enable the company to achieve the King IV governance outcomes and fulfil its purpose to power better lives in Africa and beyond through its own ethical and effective leadership.

## Focus areas at a glance

### [Board key matters and areas of focus](#)

Page 113 and 114

We provide insight into the board's key discussions and strategic focus areas during board meetings, including risk management, digital innovation, succession planning and the execution of Exxaro's Sustainable Growth and Impact strategy.

### [ESG governance structure](#)

Page 115 to 117

This section details Exxaro's ESG governance framework, including board and committee oversight, management responsibilities, and the integration of sustainability into decision-making processes.

### [Adopting good governance principles](#)

Page 118 to 125

In line with King IV's recommendation to apply and explain how Exxaro practises good governance, our corporate governance reporting is structured under the four desired King IV governance outcomes. We demonstrate our alignment with these 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 transitioning into a low-carbon world.

### [Our board of directors and executive leadership](#)

Page 126 to 136

Exxaro's board is the focal point and custodian of good corporate governance for the group and assumes ultimate accountability and responsibility for the group's performance and affairs. As such, we showcase the composition, skills and diversity of Exxaro's board and executive leadership, highlighting their roles in driving the company's strategic direction and governance effectiveness.



## Board key matters in focus

### Strategic direction, risk and performance

As sustained value creation requires responsiveness to significant social and environmental challenges, we annually assess our strategy and formally present it to the board for approval.

After a two-day strategy session, the board reaffirmed the Sustainable Growth and Impact strategy while monitoring its progress and execution. The inclusion of energy transition minerals into the growth pipeline was noted. The ESG framework remains the lens through which the Sustainable Growth and Impact strategy is viewed.

#### [How ESG is integrated into our strategy](#) (page 7)

The strategy development and review process follows a risk and opportunity assessment, including emerging risks and material sustainability issues.

#### Our risks and opportunities ([integrated report](#), page 28)

The top five risks for 2024 and key events we anticipate may impact our ability to achieve our strategic imperatives for 2025 include:

#### 2024/2025 top risks

Unavailability of rail capacity

Fatal risk incidents

Cybersecurity attack impacting business

Country risk

Customer concentration risk

Geopolitical risk and competition risk are emerging risks that were identified for investigation by the executive risk committee to assess their potential impact on the strategy.

Our strategic performance management dashboard enables visibility of strategy execution and facilitates strategic conversations at the right time within a tiered group governance structure.

#### Our strategy ([integrated report](#), page 54)

### Coal mine dust class action

As reported previously, a coal mine dust class action litigation was launched against Exxaro on 23 November 2023. The action relates to mineworkers who contracted coal mine dust lung disease in the form of pneumoconiosis caused by exposure to coal mine dust at various Exxaro mines, as well as dependants of those mineworkers who have died and whose deaths were probably attributable to coal mine dust disease.

Exxaro has duly served and filed our answering affidavit. The Deputy Judge President assigned the dates for the certification hearing, which will take place from 25 November 2025 to 5 December 2025.

Exxaro takes our health and safety obligations seriously. Our management team continues to work on addressing risks and ensuring preventive measures are properly implemented to address the potential of any novice occupational health diseases at our operations.

Preventive measures include:

- Occupational hygiene programmes
- Implementation of leading practices developed through the Mining Industry Occupational Safety and Health Dust Learning Hub
- Medical surveillance programmes
- Policies and standard operating procedures to define controls to prevent and mitigate exposure to health hazards in the workplace

## Board key matters in focus *continued*

### Managing rail risk

In response to Exxaro's top risks for the past few years and the possible impact on our sustainable growth, the board logistics committee was established early in 2023 to report to the board on:

- The development of long-term solutions for logistics access to international markets
- The identification of medium-term solutions and alternatives and related matters

The logistics committee is monitoring the reform taking place in South Africa, with government assuming more responsibility for rail reform, as evidenced by the gazetting of the Rail Network Statement at the end of 2024. It also considered a prefeasibility study focusing on alternative solutions to increase rail infrastructure capacity.

### Climate change response

We believe our greatest opportunity is to help steer South Africa towards a sustainable future by focusing on low-carbon minerals and energy with the goal to be carbon neutral by 2050.

The board goes beyond compliance and responds to climate change through its commitment to mitigating the impact of climate change with our robust Sustainable Growth and Impact strategy. In addition, a peer review of Exxaro's decarbonisation roadmap has commenced to ensure its credibility and subsequent implementation. Included in the review process is the climate transition action plan.

Our board ensures effective oversight of climate-related impacts, risks and opportunities through the SERC and RBR committee.

In October 2024, the board held a governance session where it considered climate interactions as well as water challenges and trends.

[Climate change mitigation, adaptation and resilience](#) (page 35)

[Climate Change Response strategy report](#) (investor tab under integrated reports 2020)

### Adapting to a changing context

The first five months of 2024 started with several interesting local and global dynamics. The pace of change in the industry has elevated and could present opportunities for Exxaro to further entrench our Sustainable Growth and Impact strategy. The burning platform on our coal business has remained, with the world moving towards a low-carbon economy, and energy security remaining the key focus globally. Further, with almost 50% of the world going through elections during the year, the board considered the social issues and geopolitics that could have a significant impact on our industry and society.

The board's strategy session was themed "positioning Exxaro to win" and included the following expert-led topics:

- Commodities outlook – supply and demand dynamics, price forecasts, and trends on all commodities including energy transition minerals
- M&A landscape and insights – scenarios for the growth phase, providing a view on acquisitions in the last decade, and considering China and Middle East competition for assets
- Energy landscape – the global current energy landscape, market trends

### Divestment of non-core assets and investments

#### FerroAlloys

Exxaro has made significant progress in disposing of our entire shareholding in Exxaro FerroAlloys Proprietary Limited, with the sale and purchase agreement expected to be concluded in the 2025 financial year.

#### Innovation

Innovation and digitalisation are integral to Exxaro's culture, driving business resilience and empowering our people to thrive. The board approved a refreshed innovation strategy, aligning with advancements in the digital and technological landscape.

With the evolution of AI, we aim to go beyond visualisation to prescriptive analytics through advanced solutions such as digital twins, further strengthening our data-driven decision-making capabilities. By leveraging data science and AI, we enhance

automation based on pre-programmed actions while advancing our automation journey.

The integrated Mineral Resource Management lever, powered by AI, will enable us to drive Resource intelligence. Predictive maintenance will help the organisation evolve towards smart assets that not only anticipate potential failures but also recommend the most effective corrective actions improving efficiencies.

The refreshed iNNOVAXION will be deployed safely and responsibly, supported by our robust governance and risk management structures and policies. This will unlock untapped value and support our Sustainable Growth and Impact objectives.

Technology-driven innovation and sustainability ([integrated report](#), page 112)

### Governance roadshow 2024

We held our annual governance roadshow for domestic equity shareholders from 30 September to 2 October 2024. A series of meetings was held with shareholders representing 69.43% of Exxaro's total domestic shareholding.

The roadshow's purpose is to create positive engagement with our investor community and outline Exxaro's positioning on long-term value creation, leveraging ESG for business resilience and sustainability. The key objectives were to:

- Provide shareholders with a response to concerns or questions raised in previous engagements
- Provide an opportunity for in-person engagement with board members
- Confirm the board's trust in Exxaro's governance practices and support for management
- Obtain insights into how shareholders perceive Exxaro's strategy, capital allocation, remuneration and other management practices

Key issues included performance conditions in the Exxaro incentive scheme, remuneration-related ESG measures and the deferred bonus plan (DBP), which was a shareholder concern in previous years. Given the feedback received from shareholders in recent years, Exxaro undertook a detailed review of the incentive schemes.

The progress with Exxaro's vertical and horizontal wage gap was discussed along with the potential impact of the recently promulgated legislative disclosure requirements. The company is confident that work in this regard is well advanced and will consider commencing with disclosure pertaining to the wage gap.

### Changes to the board and management

In terms of paragraph 3.59(b) of the JSE Listings Requirements shareholders were informed on 6 February 2025 of Dr Nombasa Tsengwa's resignation. The board thanked Dr Tsengwa for her years of service and wishes her all the best in her future endeavours.

Following an expedited and targeted selection process, the board appointed Ben Magara as the incoming CEO, effective 1 April 2025. Ben stepped down as an independent non-executive director and succeeds acting CEO, Riaan Koppeschaar, who continues his role as FD. Together with an experienced management team, the board is confident that the company will stabilise and be led by focusing on meeting customer demand and driving safe, disciplined and efficient production, while creating value for stakeholders.

### Board diversity and independence

In terms of King IV and our directors' nomination and appointment policy, we annually review the structure, size and composition (including the skills, knowledge and experience) of the board and board committees. The following directorship changes occurred:

Directors	Date
Nosipho Molope	Appointed 3 January 2024
Likhapha Mbatha	Retired 23 May 2024
Dr Nombasa Tsengwa	Resigned 5 February 2025
Ben Magara	Appointed CEO, 1 April 2025

[Board composition](#) (page 128)



## ESG governance that supports our sustainability drive

By leveraging ESG for business resilience and sustainability, we position Exxaro for long-term value creation

In terms of the King IV guidance paper on Responsibilities of Governing Bodies in Responding to Climate Change, while accountability remains with the board, the responsibility for managing and monitoring risk and impact should be delegated to management with defined indicators and targets to measure and assess performance.

ESG governance at its essence encapsulates the policies, practices and procedures adopted by the company to manage and enhance our ESG performance. Exxaro works to integrate and embed ESG into the organisation beyond mere compliance, through a tiered governance structure and lens through which to view the Sustainable Growth and Impact strategy.



[Embedding ESG in our business](#) (page 9)

### Board ESG direction and oversight

The board sets the ultimate direction for sustainability considerations, including committee and individual responsibilities for overseeing sustainability-related impacts, risks and opportunities by ensuring these are reflected in board and committee terms of reference, annual work plans and other relevant policies and processes, which are reviewed annually.

The board is comfortable that all ESG matters are distributed among the relevant board committees, as set out in the illustration below:

	Audit	Investment	Logistics	Nomination	Remuneration	RBR	SERC
<b>ENVIRONMENTAL</b>							
Climate change		x				x	x
GHG emissions						x	x
Decarbonisation						x	x
Energy, water and waste						x	x
Pollution						x	x
Environmental compliance						x	x
Biodiversity and land use						x	x
Resource scarcity		x				x	x
<b>SOCIAL</b>							
CSI						x	x
Training and education							x
Diversity and equal opportunity					x	x	x
Non-discrimination					x	x	x
Human rights						x	x
Health and safety						x	x
Privacy and security	x					x	x
Labour relations					x	x	x
Local community impact		x				x	x
<b>GOVERNANCE</b>							
Board diversity and structure				x			x
Board performance				x			
Ethical culture	x			x			x
Executive pay					x		
Anti-bribery and anti-corruption	x					x	x
Audit and assurance	x					x	x
Stakeholder engagement	x		x	x	x	x	x
Procurement practice	x		x			x	x
Risk management	x	x	x			x	
Regulatory compliance	x			x	x	x	x
Internal policies	x	x		x	x	x	x
Information technology governance	x					x	
Tax transparency	x					x	x

### Building resilience by decarbonising today for a sustainable tomorrow

Our management ESG steering committee supports the executive team in ensuring the integration of decarbonisation and other critical ESG factors. In addition to Exxaro's ESG commitments and climate change position statement, the ESG steering committee is responsible for developing and reviewing an ESG framework policy for board approval.

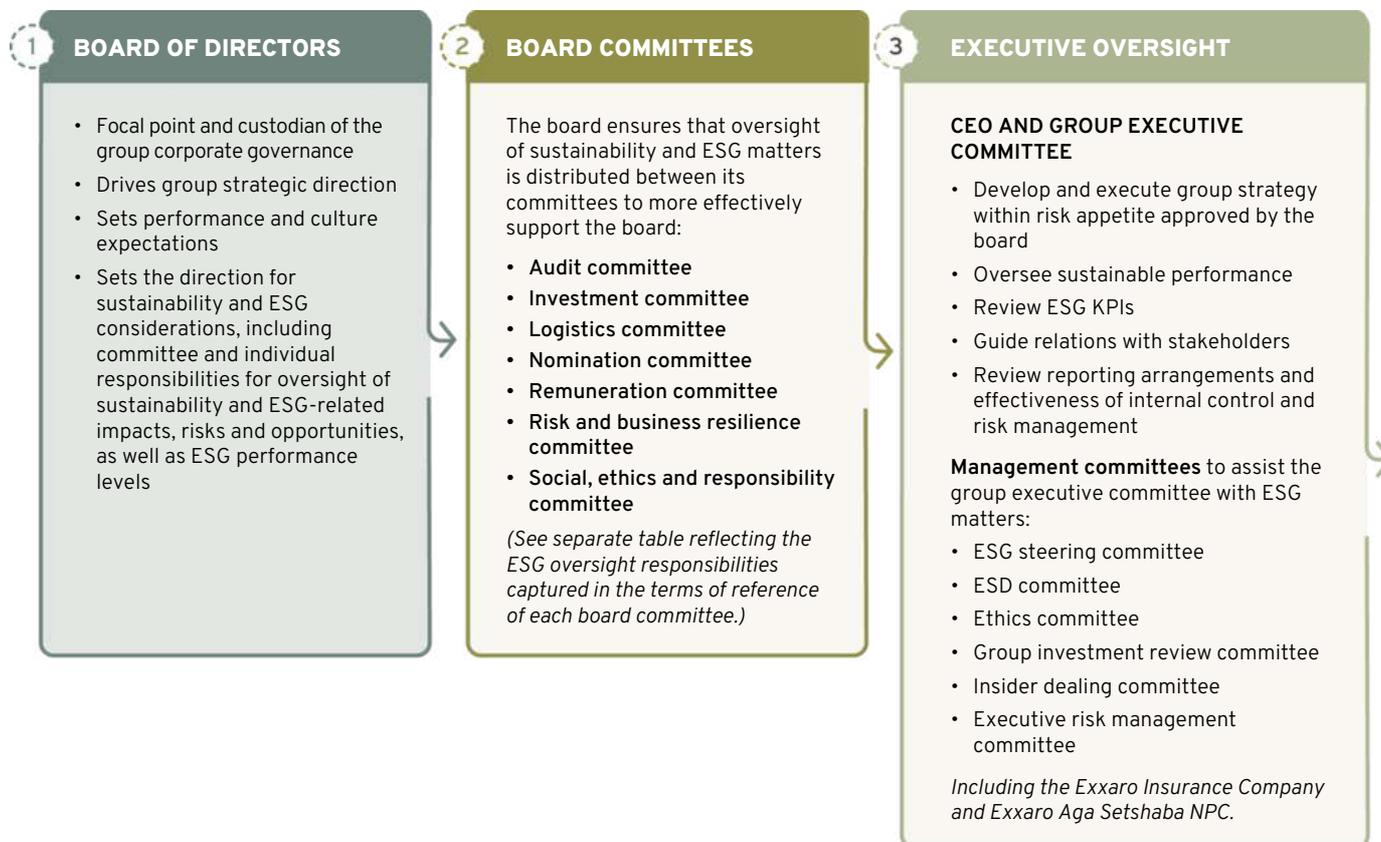
Other policies supporting our ESG focus are referenced throughout this report. All reports submitted to our board, its committees and executive committee require management to reflect on strategy and financial implications, and provide directors with a risk analysis of major risks applicable to the matter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



Our tiered ESG governance structure reflecting management roles and responsibilities is illustrated on the next page.

## Exxaro's ESG governance structure beyond compliance

### Board oversight





## 4 MANAGEMENT'S ESG ROLES AND RESPONSIBILITIES

Executive and leadership	Senior management	ESG responsibilities
CEO	Chief strategy officer; chief investor relations and liaison officer; head: internal audit	<ul style="list-style-type: none"> <li>• Provide a central strategy compass and roadmap towards Exxaro's future</li> <li>• Coordinate strategy execution throughout the business</li> <li>• Enable the adoption of leading practices across the organisation</li> <li>• Build and maintain long-term trust relationships with stakeholders</li> <li>• Internal audit: provide assurance, offer valuable insights, promote operational efficiency and enhance governance</li> </ul>
FD	Group finance manager; group manager: strategic finance and treasury; group manager: taxation	<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>• Minerals pre-investment committee manages minerals M&amp;A</li> </ul>
Chief coal operations officer	General manager: Grootegeluk complex; general manager: Mpumalanga; chief financial officer: coal; general manager: marketing and logistics; general manager: technical support and optimisation	<p>Embed sustainable mining practices into our way of working by:</p> <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>• Caring for our employees, contractors and the communities we operate in</li> <li>• Maintaining world-class health and safety standards while striving for zero harm</li> </ul>
Managing director: energy	Head: distribution and generation; CEO: Cennergi	<ul style="list-style-type: none"> <li>• Engage in energy operations and investments to create sustainable impact and contribute to decarbonisation</li> </ul>
Chief growth officer	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> </ul>
Chief people and performance officer	Manager: performance and culture; group manager: organisation design and remuneration; group manager: 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>
Chief technology officer	Group manager: supply chain management; group manager: mineral asset management; group manager: information management; group manager: projects; group manager: technology; group manager: technology investment review	<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>
Chief strategic resilience and governance officer	Group manager: risk; manager: governance and reporting; manager: legal and compliance; ethics officer	<ul style="list-style-type: none"> <li>• Enable strategic resilience</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>
Chief sustainable impact officer	Group manager: integrated environment; group manager: social impact; group manager: security; manager: safety and health; manager: mine closure and Ferroland; manager: 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, reducing value chain emissions, strategic partnerships and collaboration</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>• Utilise Exxaro's land to create a social impact</li> </ul>
Group company secretary		<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> </ul>

# Ethical culture

**Statement of strategic ethical intent: Exxaro aspires to build an ethical culture based on our values. To do this, we are committed to operating ethically by living the Exxaro values with dignity, transparency, consistency, fairness and respect in all that we do.**

## Exxaro's ethical commitment

Recognising that our reputation is one of our most important assets, we are committed to achieving the highest ethical standards. We recognise our obligations to our stakeholders to conduct business ethically, particularly with shareholders, customers, employees, business partners, competitors, authorities, the environment and the wider community.

Maintaining the trust and confidence of our stakeholders is the responsibility of every Exxaro employee. Because we are committed to doing the right thing, even when no one is watching, our employees are expected to be able to distinguish between right and wrong and commit to what is right. By emphasising our ethical commitment, we continue to grow as a business.

## OECD recommendations on ethical behaviour

Following ENSafrica's ISO 37001 readiness assessment in 2018, we introduced due diligence processes for suppliers, customers, employees and business partners.

## Governance of ethics

Our board is committed to lead ethically and establish an ethical culture. Flowing from this commitment, the board adopted several codes, policies and practices outlining the group's ethics and values to which employees and suppliers are required to adhere.

The board monitors the group's ethical culture through its reporting structures, including two board committees (SERC and audit committee), the management ethics committee, the internal audit function, head of internal audit, and our ethics officer.

The management ethics committee was established to ensure that high ethical standards are maintained in Exxaro's business conduct. The committee is responsible for evaluating all instances of fraud, extortion, bribery, corruption, possible conflicts of interest, violations of the code of ethics or any other ethics-related matters. It 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.

Guided by our ethics strategy and management plan, the ethics officer is responsible for embedding an ethical culture and ensuring that integrity is maintained within the group.

## Ethics management strategy

Building organisational ethics is a journey. Our board assumes responsibility for ensuring that organisational ethics is managed effectively and governs the group's ethics to support the establishment of an ethical culture. In line with this responsibility, the board adopted a statement of strategic ethical intent, an ethics strategy and management plan, which is being implemented.

## Code of ethics

Our code of ethics confirms that Exxaro's ethical principles promote values such as trust, acceptable behaviour and fairness. Our values provide general guidelines for interactions with each other and our stakeholders and reflect what is important to us and how we conduct ourselves.

Exxaro's fundamental values, as itemised below, are propounded in the code of ethics as a guide to acceptable and responsible behaviour:

- 1 Empowered to grow and contribute
- 2 Teamwork
- 3 Committed to excellence
- 4 Honest responsibility

## Ethics training and awareness

In 2024, we emphasised the importance of ethics in our organisation. For us, this means consistently doing the right thing, even when no one is watching. This guiding principle of integrity permeates everything we do, ensuring that every decision, action and interaction is grounded in fairness, respect and accountability.

To promote an ethical culture, we adopted the theme "mining with morals", and our employees participated in training and awareness sessions that addressed the following topics:

- Workplace integrity
- Conflicts of interest
- Exchange of gifts and benefits
- Duty of speaking up
- Benefits of an ethical organisation

We encourage our employees to speak up and report unethical behaviour without fear of retaliation. Exxaro expressed our commitment to fighting fraud, corruption, theft and unethical behaviour and acting without fear or favour.

By purposefully building ethical guidelines within our business, we are keeping our employees' and stakeholders' best interests in mind while maintaining a positive influence on those we impact through our processes.

## Fraud and ethics hotline

A comprehensive evaluation of the fraud hotline in 2020 identified areas needing improvement, such as the composition of the management ethics committee, a process for tabling forensic reports, monitoring BU investigations, and updating escalation protocols. All the recommendations were addressed and re-audited to the satisfaction of the internal auditor.

As part of this, Exxaro is committed to an independent review of the hotline every three years. The next audit is in 2025.

We encourage employees and stakeholders to report suspected fraud, corruption or human rights violations to our fraud and ethics hotline. The hotline is independently managed with guiding escalation protocols in place.

Due to the importance of retaining the integrity of the hotline, we protect the interests of the disclosing parties as far as reasonably 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 code of conduct

Our board charter and code of conduct (board charter) regulate the parameters within which the board operates and ensure that good corporate governance principles are applied in all dealings in respect and on behalf of the company and group.

The board charter and nomination and appointment policy require board members to be individuals of calibre, integrity and credibility, with the necessary skills and experience.

The nomination committee ensures continuity of directorships and undertakes succession planning on behalf of the board. The nomination committee is also responsible for conducting independent background checks on all proposed candidates prior to recommending appointment to the board.

A review of the board charter is scheduled for the first half of 2025.

## Family code of conduct

In early 2024, our executive management pledged themselves to ensure ethical leadership in the organisation. Our executive team shared its expectation of employee behaviours, emphasising that everyone should live up to our values, culture, standards and expectations. Employees are encouraged to speak out without fear of reprisal on issues of discrimination, harassment and poor leadership.

We developed a family code of conduct that includes 10 principles to clearly outline acceptable behaviour (encouraged in Exxaro) and unacceptable behaviour we will not tolerate.

## Honesty boxes

Exxaro uses honesty boxes throughout the organisation as a communication channel for employees to share concerns and innovative ideas. The honesty boxes are primarily intended for employees to raise matters of concern that have not been resolved through the existing conflict resolution mechanisms. Formal feedback is provided to individuals who request it, and when concerns are raised anonymously, site-specific communication channels are used to give feedback.

## Avoiding conflicts of interest

In terms of the Companies Act and King IV, directors and prescribed officers have specific duties to disclose actual direct and indirect conflicts of personal financial interests as well as the perception of a conflict, including that of their related parties.

Our directors, prescribed officers and employees (and their related parties) are obliged to actively avoid any conflicts with Exxaro's best interests.

Annual general declarations of outside interests are required from directors and prescribed officers in accordance with section 75(4) of the Companies Act. The conflict of interest policy also requires annual declarations from directors, prescribed officers and all group employees.

In addition to our annual declarations, management of conflicts of interest are further addressed through the following:

- An agenda item dealing with the declaration of interests appears at the beginning of each board, board committee, executive and management committee meeting
- All board and committee packs contain a summary of the Exxaro conflict of interest policy disclosure requirements, prohibitions, and the definition of related persons
- All meeting attendees are also required to formally declare that neither they, nor their related parties, have any personal financial interest in any matter on the agenda
- Any director or attendee who declares a conflict of interest or a personal financial interest is recused from the meeting for the duration of the relevant matter being considered
- The above mentioned declarations are recorded in meeting minutes
- A director or prescribed officer must also indicate their personal financial interest in a matter to be decided through written resolution by informing the group company secretary

We implemented an electronic platform to facilitate annual reporting, workflow approvals and an auditable communication trail for disclosures by directors and employees, including a gifts and benefits register, director trade clearances and policy management.



[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 ethics

The Exxaro supplier code of conduct assists employees in selecting suppliers who operate in a manner consistent with our values and relevant standards. The code also communicates our mandatory selection standards to prospective suppliers and promotes a commitment to ethical conduct, including respecting human rights, among our suppliers. An updated and revised code will be submitted for approval in 2025.



[Supplier code of conduct](#) (supplier tab)

As part of the supply chain pre-qualification 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.

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.

## Supplier conduct

To improve the broader operating environment and culture to combat corruption, 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 terms are considered material to the relevant agreement.



[Driving supply chain sustainability](#) (page 103)

We developed guidelines to provide a framework for action where suppliers and service providers are mentioned adversely in the media or where it comes to Exxaro's attention that the supplier is under investigation or involved in any dealings (actual or alleged) that could put Exxaro into disrepute. Should a supplier whose services are critical to us be charged, we would issue a holding statement and continue with the existing contract, but not enter into any new contract.

## Political contributions

Exxaro agrees that a clear policy on political funding provides for certainty and consistency and reduces the suspicion that companies are funding parties for their own interest. It is acknowledged that the primary purpose of political donations is to strengthen and consolidate democracy by ensuring that political parties can function effectively within a multi-party democracy.

The board requested that donations be directed to the Independent Electoral Commission in support of democratic stability. Accordingly, Exxaro made a contribution to the Multi-Party Democracy Fund in May 2024 in the amount of R25 million to be disbursed to represented parties.

## Anti-bribery and anti-corruption

The board has expressed a zero tolerance stance towards 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, which includes detection and response to fraud and corruption. The RBR and audit committees oversee risks, including controls and fraud risks. In addition, the SERC receives quarterly reports on forensic investigation statistics and progress on initiatives under the fraud prevention and anti-bribery and corruption programme.



[Social, ethics and responsibility committee report](#) (page 156)

## Monetary loss from unethical behaviour

The board is satisfied that the group has not suffered any monetary loss as a result of 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.



[Upholding and respecting human rights](#) (page 105)

# Performance and value creation

## Strategic direction

King IV articulates the responsibilities of the board, which is to steer an organisation strategically in line with its core purpose and values by approving and monitoring an informed short, medium and long-term strategy 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. It enables sustainable value creation through the approval of a capital allocation model and budget, setting and monitoring performance and culture expectations as well as a group governance framework.

The board supports King IV strategy-setting principles through an iterative process. Before executive management's strategy presentation to the board, iterative strategy workshops – which follow a bottom-up process – and board governance sessions ensure input is 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 was submitted for a peer review to ensure its credibility and subsequent implementation.

During the year, the board reviewed and was satisfied with the key macro-economic indicators and assumptions used to compile the 2025 budget.



[Our decarbonisation roadmap](#) (page 32)

## Performance monitoring

As part of holistic 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, group and energy executive committees, in line with our tiered governance approach.

We use a strategic performance monitoring dashboard to report on the achievement of these KPIs.

For more on our performance see:



[Performance against our strategy](#) ([integrated report](#), page 59)



[Delivering meaningful and positive impact](#) (page 11)

## Performance targets to support our climate change response

To strengthen GHG mitigation and business resilience efforts, we included water intensity and energy intensity targets in the group-wide GIS in 2022.

Total carbon emissions and energy intensity are also included as part of Exxaro's strategic performance monitoring dashboard.

Reducing absolute emissions is essential to our commitment to carbon neutrality by 2050, and tracking scope 1 and 2 emissions allows us to measure our progress in minimising our carbon footprint. Lower energy intensity indicates greater efficiency, supporting our decarbonisation targets and reducing our operations' environmental impact.

Implementation of these two KPIs since 2023 is a progression of our Climate Change Response strategy, our goal to be carbon neutral by 2050 and further alignment with the TCFD recommendations.



[Responding to TCFD reporting requirements](#) ([databook](#))

## 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 practices and regulatory requirements.

Exxaro is fully committed to building organisational resilience and, by maintaining a strong business resilience programme and aligning it with our ERM programme, we are protecting the interests of our stakeholders, and ensuring that we can continue to deliver on our commitments, regardless of the challenges we may face.

We continuously review and update our business resilience framework to ensure it remains aligned with best practice and governance standards. The company regularly evaluates the effectiveness of its business resilience programme, making improvements when required.

## Strategy-aligned internal reporting

Internal reporting to the board requires management to detail the outcomes of proposed recommendations to the board in respect of:

- Strategy implications
- Financial implications
- Risk and compliance analysis
- ESG implications

## 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 therefore ensures that reports issued by the company enable stakeholders to make informed assessments of the group's performance as well as its short, medium and long-term prospects.

## Assurance



Refer to the [assurance report](#) (page 185) for details on assurance of key sustainability information.

## Creating value for our stakeholders



For more on how Exxaro created value for our stakeholders, including government, employees, communities, investors and customers, refer to [stakeholder-inclusive approach](#) (page 16).



# Adequate and effective control

## Group governance framework

A robust governance framework enables the execution of governance responsibilities at all levels of the organisation.

The Exxaro group governance framework provides an overview of our governance principles, structures, policies and practices and the integration of the minerals and energy strategies and budgets. It guides monitoring and oversight of business affairs to achieve accountability at all levels, clarifying reporting roles, limits on authority, guides sound decision making as well as informs group-wide policies to support achievement of the Sustainable Growth and Impact strategy and ethical culture. It is an entrenched governance principle within Exxaro that group-wide policies require board approval, as captured in the delegation of authority framework.

The group governance framework sets out the following:

- Statutory and regulatory framework of corporate governance
- Various group governance structures and role players
- Guiding principles that underpin effective corporate governance and describe the role of the board regarding reserved matters, delegations, policies and frameworks that apply across the group
- The roles of:
  - Shareholders and stakeholders, as well as shareholder reserved matters
  - The board, board committees and reserved matters
  - Executive management and the executive committees
  - Independent control functions and structures within the group
  - The holding company, subsidiaries and other entities

The group governance framework enables Exxaro's core businesses to thrive in an increasingly dynamic market and industry sector, and to continue to support the execution of the approved strategy.

The group governance framework was reviewed and, following recommendation by the nomination committee, an update was approved by the board in 2023.

## 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. It defines commitments and transactions that may include capital amounts approved by individuals on our behalf. The final approval of commitments and transactions outlined in the policy must always be made by parties with designated authority.

In November 2024, following recommendation by the RBR committee, the board approved the revised Exxaro delegation of authority framework. A structured and inclusive review highlighted several key areas to promote collaboration, enhance clarity, improve efficiency in business execution, and strengthen the governance framework.

Four main principles were considered throughout the process:

- Alignment with the Companies Act and King IV governance principles
- Alignment with the Exxaro strategy
- Consideration of the growth of the business
- Alignment of monetary requirements with industry demands

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 requirements 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. The board charter sets out the required protocols for requests of this nature.



## Adequate and effective control continued

### Board committees

Exxaro’s corporate governance structure supports its ability to create value in the short, medium and long term. Through this structure, the board exercises effective control and builds and protects the organisation’s reputation and legitimacy. Good corporate governance is the responsibility of our board, executive management, senior management and all our 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 also enhance the objectivity of the board’s judgement. As such, 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’s functions, which remain the responsibility of the executive directors, prescribed officers and other senior management.

### Chairpersons

The chairpersons of the board committees meet regularly to consult and collaborate on areas of shared responsibility, activity and interest across the different committees.

### Terms of reference

The board committees’ terms of reference, key focus areas and annual work plans were reviewed in the first quarter of 2025, properly sequenced to follow the approval of the delegation of authority.

### Board confirmation

The board confirms that it is satisfied that the board committees executed their roles and responsibilities. In this regard, it confirms that the audit committee has executed the responsibilities set out in paragraph 3.84(g) of the JSE Listings Requirements.

#### Audit committee

*Appointed by shareholders*

To fulfil the statutory functions as set out in section 94 of the Companies Act and assist the board in providing independent oversight of the quality and integrity of, among others, the company’s financial statements

#### Investment committee

*Appointed by the board*

To monitor and report to the board on material acquisition, merger and investment or disposal opportunities and related ongoing material transactions in the scope of the energy and minerals businesses

#### Logistics committee

*Appointed by the board*

To develop long-term solutions for logistics to access international markets for coal and minerals and identify medium-term solutions and alternatives to mitigate rail capacity risk

#### Nomination committee

*Appointed by the board*

To assist the board with director recruitment in fulfilment of the nomination process, oversee the board’s effectiveness evaluation process, and evaluate and determine the adequacy and efficiency of the group governance structure and practices

#### Remuneration committee

*Appointed by the board*

To ensure the group remunerates fairly, responsibly and transparently and to ensure compliance with the JSE Listings Requirements and related reporting obligations

#### RBR committee

*Appointed by the board*

To ensure that risk management enhances the company’s ability to achieve its strategic objectives and annually assure the business’s resilience in a changing environment to enable it to deliver its objectives, survive and prosper

#### SERC

*Appointed by shareholders*

To advise the board on the fulfilment of the statutory duties as set out in regulation 43 of the Companies Act, oversee significant impacts of the company on the economy, environment, society and broader public interest, and to ensure negative impacts are mitigated effectively



[Board committee reports](#) (from page 137)



## Subsidiary companies

The board, on behalf of the company, recognises the statutory and fiduciary duties of directors of subsidiary companies. Directors are obligated to always act in the best interest of the subsidiary company, regardless of their nomination to the board of the subsidiary company (in its capacity as holding company). If a conflict arises between a director's duties in a subsidiary company and the interests of the company, as holding company, the director's duties in the subsidiary company prevail.

The group governance framework seeks to mitigate possible tension between the holding company and its subsidiary boards. The subsidiary directors must adhere to the framework and adopted group policies. This does not absolve the directors of subsidiary boards from exercising their fiduciary duties. If directors breach their fiduciary duties, they may be held liable under section 77 of the Companies Act. This responsibility is clearly highlighted for all our subsidiary directors.



[Ownership structure](#) (page 2)

## 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 consist of:

- 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 the oversight functions and ensuring an effective internal control environment within the group.

## Robust integrated ERM

Our ERM process is robust and ensures that we identify, assess, manage and mitigate risks across the organisation. The ERM framework is designed to support strategic decision making, safeguard assets and enhance our ability to achieve long-term objectives while creating value for our stakeholders.

We are dedicated to cultivating a culture of risk awareness across all levels of the organisation. We have integrated ERM into our daily operations, ensuring that risk management is embedded in every aspect of the business (top-down, bottom-up approach). The ERM process involves identifying existing and emerging risks, evaluating their potential impact on the organisation, and implementing effective control measures to mitigate them to acceptable levels.

Our ERM framework is aligned with globally recognised best practices, including the ISO 31000 standard on risk management and the Committee of Sponsoring Organizations of the Treadway Commission framework. These principles guide our approach to managing risk in a way that ensures consistency, transparency and accountability across all levels of the organisation.

Through the combined assurance model, we bring together the efforts of internal audit, risk management, compliance teams and external auditors to assess and verify the effectiveness of our risk mitigation strategies. This collaborative approach ensures that we avoid duplication, optimise resources and provide a comprehensive view of how well we are managing risk.

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 ensure it accurately reflects Exxaro's current risk exposures and outlines 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 to the RBR committee and the board on a quarterly basis.

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 effectiveness of its ERM framework, making improvements where necessary.

Our integrated ERM approach aims to mitigate risks and identify opportunities for growth and innovation. This drives sustainable growth and long-term value for our shareholders, employees, customers and other stakeholders.



Our risks and opportunities ([integrated report](#), page 28)

## Technology and information management

The board governs technology and information management in a way that supports the organisation in setting and achieving its strategic objectives.

The board mandated the RBR committee to oversee information management strategy governance, integration of the improvement programme's overall direction, context and objective, and ensure alignment with the enterprise business strategy, governance and risk management.

In addition to the oversight of the RBR committee, the audit committee is responsible to ensure adequate information management governance.

Our foundational policies support these structures by guiding behaviour, expectations and operations. These include the acceptable use of ICT policy, security policy, operations policy, project management policy, asset management policy and the information and communications technology service continuity policy. Together, these form a cohesive governance structure that promotes transparency, efficiency and innovation in our information technology domain.

## Information management risks

Information management risks and mitigation measures are monitored continuously, including assessment of emerging risks, and reported to the RBR committee quarterly.

These are our top information management risks over the past two years:

	2023	2024
1	Cybersecurity: data theft	Cybersecurity: data theft
2	Cyber threat: malware	Cyber threat: disruption of operations
3	Cyber threat: disruption of operations	Cyber: Unauthorised privileged access

Cybersecurity remains our top risk but is expected to gradually decline as mitigation measures take effect. However, advancements in technology, including AI, cloud computing, and unpatched legacy systems, continue to heighten this risk. Additionally, the upcoming enterprise resource planning transformation, driven by the end of maintenance support, presents an emerging challenge. We actively monitor risk treatment plans to ensure their adequacy.

## Information management disaster recovery

To ensure our disaster recovery programme is robust and resilient, we strategically aligned it with the ISO 27031 guidelines by embedding the plan-do-check-act cycle, a systematic series of steps for continuous improvement of our disaster recovery capabilities.

## Adequate and effective control continued

### Beyond compliance culture

The group is committed to:

- 1 Maintaining high standards of integrity, professionalism and ethical behaviour in its relationships
- 2 Complying with the letter and spirit of the law and regulations governing its conduct by ensuring the organisation acts with due skill and diligence
- 3 Conducting its business in adherence to statutory, supervisory and regulatory requirements

While we drive 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 compliance policy approved by the board, which supports ethical and responsible corporate citizenship and seeks to create sustainable value for all stakeholders by striving for operational efficiency, growth and regulatory compliance with applicable laws. Our policy is being revised and will be submitted for approval in 2025.

The board is responsible for ensuring that the group and our employees comply with all applicable laws and regulations, and it considers non-compliance with legal and regulatory requirements a key risk. Accordingly, the board delegated the 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 chief strategic resilience and governance officer is responsible for providing a compliance and regulatory compass to the group by promoting a culture of compliance and regular review of the regulatory environment.

### Optimised combined assurance

Exxaro applies a combined assurance model to optimise assurance by management, as well as internal and external service providers, while fostering a strong ethical climate and mechanisms that ensure compliance. Using our board-approved ERM framework, management identifies key risks we face and implements the necessary internal controls with comparable information for trend analysis where possible.

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 a combined assurance model to achieve the following objectives:

- 1 Enabling an effective internal control environment
- 2 Ensuring 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, which is based on the five lines of assurance, is in place through the effective functioning of 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 focus areas align with the group's strategic risk profile with input from assurance providers. The plan considers the level of assurance from assurance providers in providing the audit committee and board with confidence regarding the effective functioning of the internal control environment. Execution of the assurance plan ensures that the audit committee receives the assurance required in assessing the effectiveness of the risk management function and effective functioning of the control environment.

### Overdue and repeat findings

Exxaro uses an issue tracking management system to capture and track the status of all internal audit and other assurance provider 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 PwC under the management control of Exxaro's head of internal audit. The responsibilities of the internal audit function are detailed in an internal audit charter approved by the audit committee, which is reviewed and approved annually. The internal audit charter informs the role and scope of work of the internal audit function.

 [Audit committee report](#) (page 138)

### 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 23 May 2024 by way of a separate resolution of shareholders in terms of the JSE Listings Requirements paragraph 3.84(g))
- Under the management of Exxaro's head of internal audit, PwC and its service delivery partner, Ngubane & Co, 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. We confirmed 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 2024. This conclusion was reached principally through a process of management self-assessment (including formal confirmation by executive management), reports from internal audit, independent external audit and other assurance providers.

 [Combined assurance for effective governance report \(integrated report, page 94\)](#)



# 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 2024. The certificate will be submitted to the JSE following board consideration in early 2025.

## 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. The board 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 will review the company's insider dealing policy in early 2025 to ensure it complies with the JSE Listings Requirements, Financial Markets Act and Companies Act and is aligned to the company's code of ethics. The policy applies to all directors, prescribed officers, employees and consultants.

The insider dealing committee provides guidance and clarity to employees and directors on insider trading or price-sensitive information as well as prohibited or closed periods.

We provide ongoing online training on the MyNexxt platform to directors, prescribed officers, employees and consultants to ensure in-depth understanding of the policy, regulatory environment and controls in place.



[SENS announcements](#)

The board is satisfied with the controls in place to ensure regulatory compliance.

## Sponsors

The company's lead equity sponsor 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 for 2024.

## Stakeholder inclusivity

Exxaro's board has a stakeholder-inclusive approach that responds to principle 16 of King IV regarding stakeholder inclusivity and responsiveness. It aims to balance the needs, interests and expectations of material stakeholders in the organisation's best interest over time to protect and build trust in the organisation and its reputation and legitimacy in the eyes of our stakeholders.

As recommended by King IV, Exxaro's disclosure regarding stakeholder relationship management reflects our management approach, key focus areas and stakeholder management activities.



[Stakeholder-inclusive approach](#) (page 16)

## Responsible corporate citizenship

The board ensures Exxaro's strategy and conduct reflect its purpose of powering better lives in Africa and beyond, and to be a responsible corporate citizen in giving effect to its purpose.

As Exxaro is an integral part of society, 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 its own 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 the committee's focused activities. The roles and responsibilities of the SERC include overseeing the impact of the consequences of the group's activities and outputs on its status as a responsible corporate citizen in:

- The economy: economic transformation as well as fraud and corruption prevention, detection and mitigation
- Society: public health and safety, consumer protection, community development and protection of human rights

## Commitments

Fundamental to Exxaro's purpose of powering better lives 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 in its sphere of influence, where the company has the power to effect investment and development.



[Upholding and respecting human rights](#) (page 105)

Exxaro remains committed to supporting the 10 principles of the UNGC. The UNGC principles are embedded in our Sustainable Growth and Impact strategy, values, operations and stakeholder engagements in alignment with our efforts to apply the principles. 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](#) (investors tab under integrated reports 2021)

An internal due diligence analysis was conducted to close the gaps and improve Exxaro's human rights practices. The SERC noted how human rights had evolved over time and highlighted the need to consider exposure to air pollution, water pollution, and relocation of people as elements that fall within human rights for reporting purposes.

## Health and safety

The importance of safety in the workplace receives focused attention at each board, board committee and executive committee meeting. This is achieved through a standing safety moment item on all agendas, to allow 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 HPs and LTIs. The SERC monitored occupational health and noted the processes which may detect potential deterioration of certain organs and assist in reversing some diseases.



[Prioritising safety](#) (page 67) and [promoting health and wellness](#) (page 70)



## Our board of directors

The board offers 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:

### Board nominees for the upcoming 24th 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.

Furthermore, Zwelibanzi Mntambo, non-executive director, indicated that he will retire at the 24th AGM.

As per our board charter and director nomination and appointment policy, the nomination committee reviewed the composition, gender and racial balance of the board and evaluated the independence (where applicable), performance and contribution of the directors listed below, as well as their individual knowledge, skills and experience.

The board will propose the following directors for re-election to shareholders at the upcoming AGM:

	Re-election	Appointed
1	Geraldine Fraser-Moleketi Independent non-executive director and lead independent director	18 May 2018
2	Isaac Malevu Non-executive director	22 June 2021
3	Billy Mawasha Independent non-executive director	7 February 2022

Independent non-executive director and chairman

Executive directors

Independent non-executive directors

Independent non-executive directors continued

Non-executive directors



### 1. Mvuleni Geoffrey Qhena (59)

Board chairman and independent non-executive director

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), BAccSc (Hons), BCompt (Unisa)

Other listed boards: Investec Bank Limited, Telkom SA Limited



### 5. Karin Ireton (69)

Independent non-executive director

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 listed boards: None



### 2. Ben Magara\* (57)

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 listed boards: WEIR Group plc

### 6. Billy Mawasha (46)

Independent non-executive director and chairperson of the investment committee from 1 April 2025

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 listed boards: Impala Platinum Holdings Limited and Metair Investments Limited



### 3. Riaan Koppeschaar (54)

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 listed boards: None

### 7. Nondumiso Medupe (54)

Independent non-executive director

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 listed boards: Alexander Forbes Limited, City Lodge Hotels Limited and MetAir Limited



### 4. Geraldine Fraser-Moleketi (64)

Lead independent non-executive director

Director since 18 May 2018

MPA (University of Pretoria) (cum laude), 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 listed boards: Standard Bank Group Limited, The Standard Bank of South Africa Limited and Tiger Brands Limited



### 8. Dr Phumla Mnganga (56)

Independent non-executive director

Director since 7 February 2022

PhD (entrepreneurship/entrepreneurial studies) (Wits Business School), MBL (business management) (Unisa), BEEd (University of KwaZulu-Natal), BA (University of KwaZulu-Natal)

Other listed boards: Adcorp Holdings Limited, Altron Holdings Limited



### 9. Nosipho Molope (60)

Independent non-executive director

Appointed 3 January 2024

BSc (medical sciences) (Wits), BCompt (Hons) (Unisa), CA(SA) SAICA

Other listed boards: Alexander Forbes Group Holdings Limited, EOH Holdings Limited, Burstone Group Limited, MTN Group Limited



### 13. Mandlesilo Msimang (48)

Non-executive director

Director since 15 March 2021

MSc (utilities regulation) (London School of Economics), BA (Cornell University)

Other listed boards: Telkom



### 10. Chanda Nxumalo (42)

Independent non-executive director

Director since 1 February 2021

University of Oxford, MEng (economics and management)

Other listed boards: None



### 14. Zwelibanzi Mntambo (67)

Non-executive director

Director since 28 November 2006

BJuris (North-West University), LLB (North-West University), LLM (Yale University)

Other listed boards: None



### 11. Peet Snyders (64)

Independent non-executive director

Director since 1 July 2016

BEng (mining) (University of Pretoria), PGDip in Marketing Management (Unisa), MCom (business management) (University of Johannesburg), Mine Manager's Certificate of Competency (coal and metalliferous) (Government Competency Exams)

Other listed boards: None



### Chairperson

Audit committee

Board

Investment committee

Logistics committee

Nomination committee

RBR committee

Remuneration committee

SERC

### 12. Isaac Malevu (51)

Non-executive director

Director since 22 June 2021

BCom (Wits), Postgraduate Diploma in Accounting (University of KwaZulu-Natal), CA(SA), SAICA member, Senior Executive Programme (London Business School)

Other listed boards: None



### Member

Audit committee

Investment committee

Logistics committee

Nomination committee

RBR committee

Remuneration committee

SERC

\* Ben Magara was appointed CEO post-year end, effective 1 April 2025. FD, Riaan Koppeschaar, subsequently stepped down as acting CEO.

## Our board of directors continued

### Board composition

Deliberate policy parameters are required to ensure a suitable board composition and appropriate balance of power between directors to enable the board to operate effectively and in the company's interests. Diverse capabilities and perspectives of board members are important for making robust decisions.

 [Director nomination and appointment guidance note](#) (our business tab under governance)

The board is committed to striving towards the appropriate size, balance of power, independence, diversity, skills, knowledge and experience to discharge its governance role and responsibilities objectively and effectively without compromising the common purpose, involvement, participation and sense of responsibility necessary to meet the company's strategic objectives. The board size was reduced from 18 in 2021 to 15 in 2024 with the retirement of non-executive director, Likhapha Mbatha. This will be monitored continuously to ensure a majority of independent non-executive directors.

The nomination committee must ensure continuity and undertake succession planning on behalf of the board to ensure all new directors are individuals of calibre, integrity and credibility, with the necessary skills and experience.

### Changes to the board

- Nosipho Molope was appointed as an independent non-executive director to the company and member of the audit committee and SERC effective 3 January 2024. Nosipho's appointment was approved by shareholders at the 2024 AGM
- Likhapha Mbatha, non-executive director, retired by rotation at the 2024 AGM
- Dr Nombasa Tsengwa, CEO and executive director, resigned on 5 February 2025
- Ben Magara was appointed CEO with effect from 1 April 2025 and is no longer categorised as an independent non-executive director

### Independence

The principles of good governance, King IV and the JSE Listings Requirements recommend holistic independence assessments with a substance-over-form approach in accordance with certain criteria. Annual assessments are therefore based on King IV requirements and section 94(4) of the Companies Act.

Our board assessments are conducted annually to confirm that members exercise objective judgement. The assessments also confirm 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.

During 2024, 67% of board members were classified as independent non-executive directors. In the first quarter of 2025, a more detailed process was conducted to examine this independence. Directors were 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 guide 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.

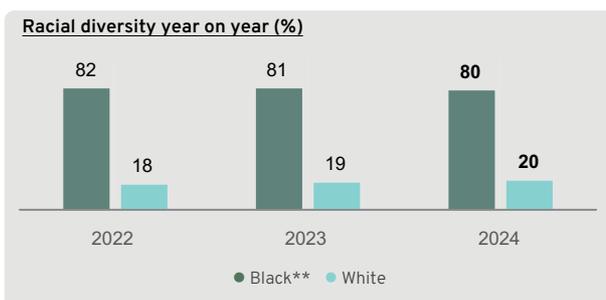
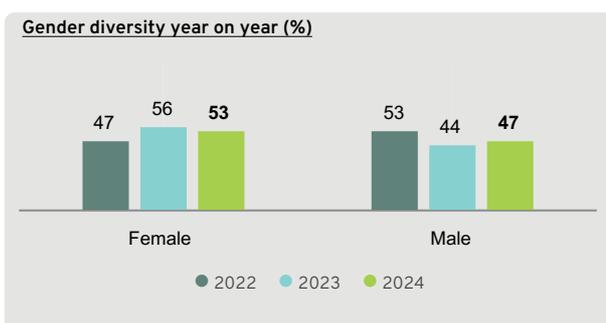
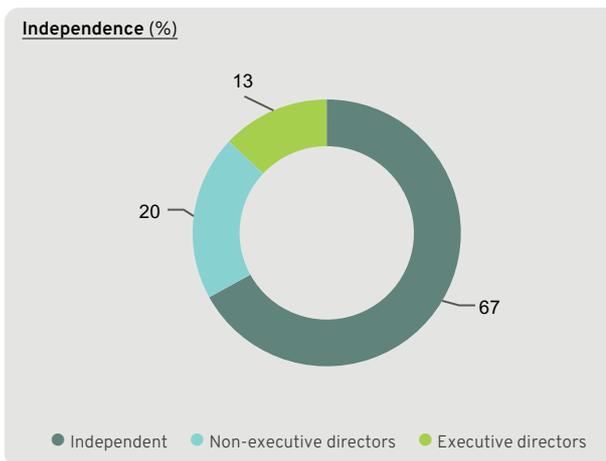
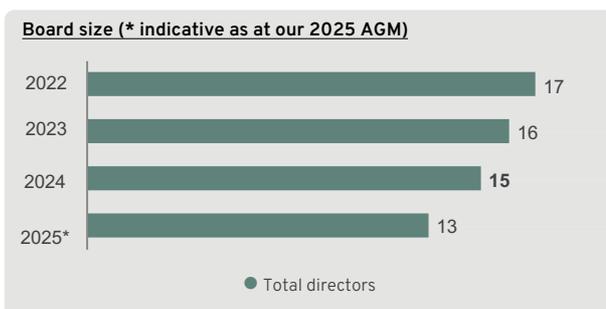
Our chairperson also chairs Telkom's board and is a director of Investec. As Investec is a subsidiary of a listed entity, this is considered to be in line with the nomination committee recommendation.

The board consisted of 10 independent non-executive directors, three non-executive directors and two executive directors as at 31 December 2024.

### Broader diversity

In keeping with good corporate governance, 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. This is in line with King IV recommendations and the JSE Listings Requirements.

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 2024:



\*\*Black refers to African, coloured and Indian.



### Director tenure

Succession planning for non-executive directors is typically iterative and part of an ongoing planning and discussion programme conducted by the nomination committee. Succession planning is based on our broader diversity policy. The approach to diversity is holistic, with a view to inclusion and supporting the group's strategic focus areas.

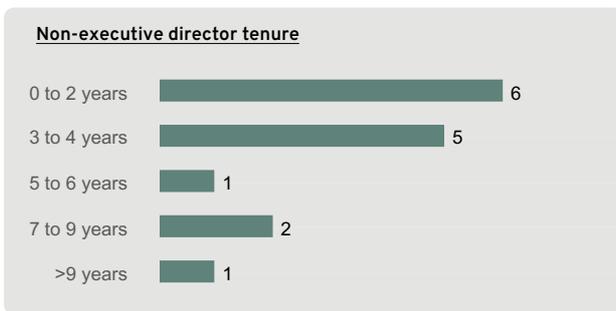
To ensure continuity of experience and knowledge, the company has a staggered approach to re-election of directors in terms of the MoI. Directors are selected for retirement by rotation in terms of the MoI and, following assessment by the nomination committee, may be presented to shareholders for re-election at the AGM.

Non-executive director, Zwelibanzi Mntambo, has a board tenure of over nine years. Although shareholders confirmed his reappointment at the 2024 AGM, he has indicated that he will retire at the upcoming AGM.



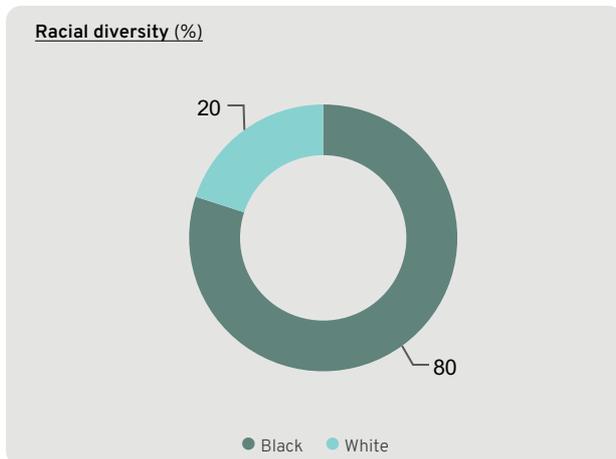
Details about rotation, retirement and election of directors can be found in the [notice of AGM](#) and [page 126](#).

Our director tenure as at 31 December 2024 is illustrated below:



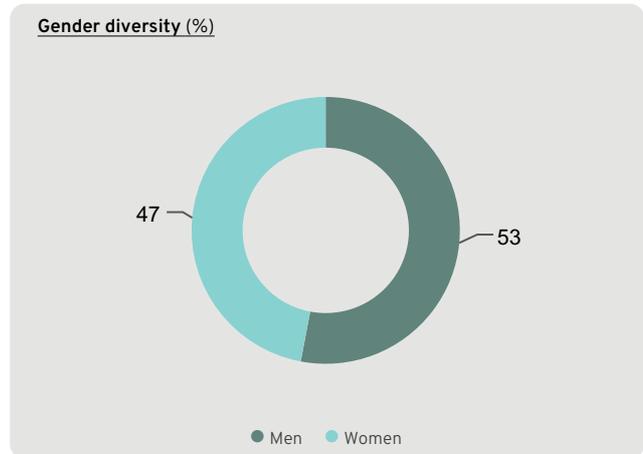
### Racial diversity

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 2024, the board achieved a total of 80% black representation.



### Gender diversity

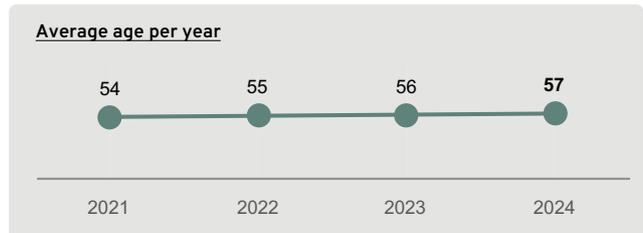
The board achieved its set target of 40% black female representation as at 31 December 2024, with 47% black female representation and overall female representation of 63%.



### Age diversity

The retirement age is 63 years for executive directors and 70 years for non-executive directors.

Our average board member age in 2024 was 57 years against a board age diversity target of 55 years.



### Age diversity: number of directors (15)



## Our board of directors continued

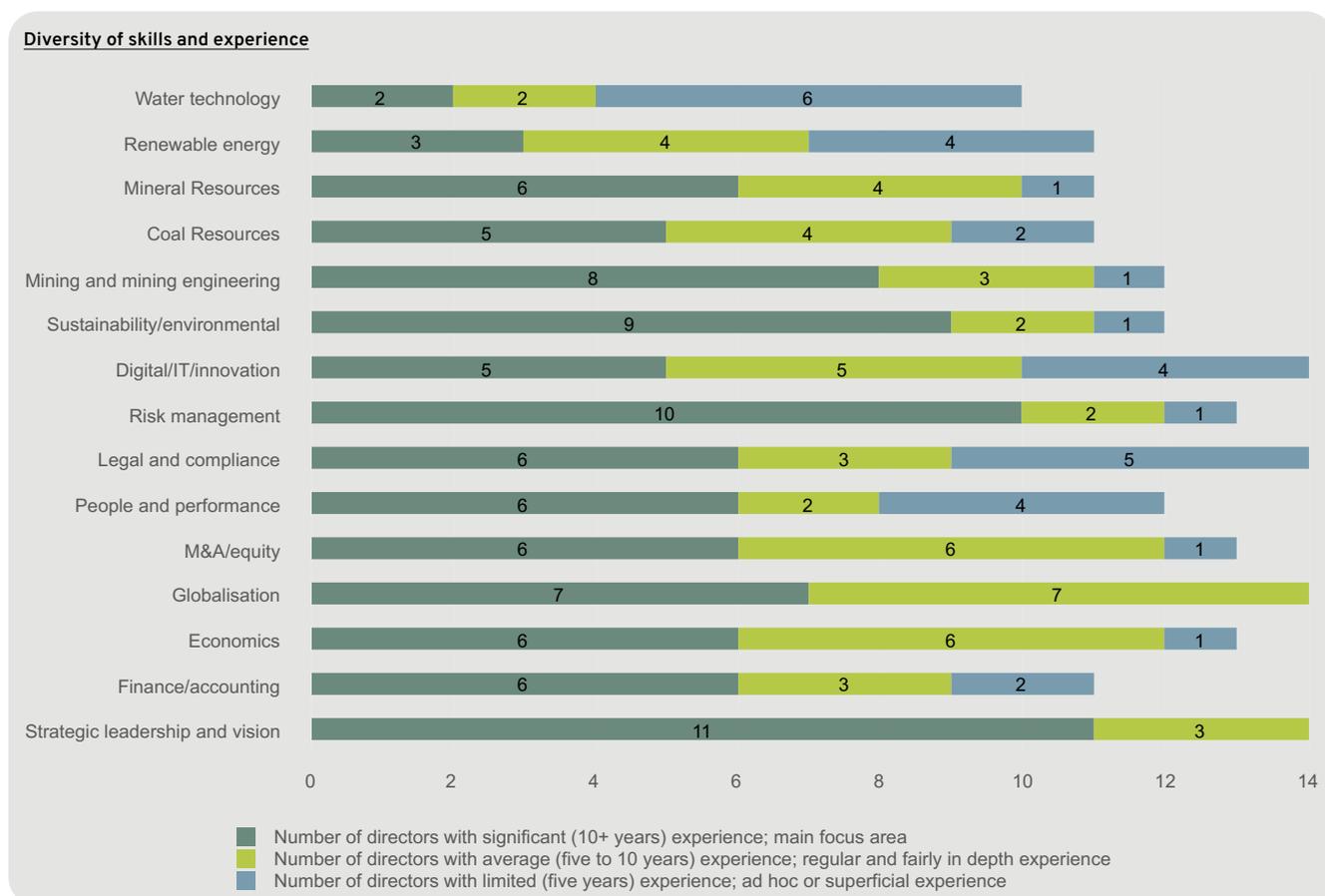
### Director competence and diversity in skills and experience

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.

Following the skills set review in 2024, Exxaro considers the following leadership and management experience, and technical expertise when evaluating and appointing directors:

### Diversity of skills and experience

In the third quarter of 2024, we re-evaluated and clearly defined the leadership and management experience and technical experience skills that will bolster the achievement of our strategy. Some new skills, including water technology, were added and will be developed over time. The matrix below indicates that our board of directors has a depth of skills, and at least two directors have significant experience in each field. There are sufficient skills in all the board's key stewardship areas.





## Board leadership

Our board is led by an independent non-executive chairman, Mvuleni Geoffrey Qhena, in compliance with paragraph 3.84 of the JSE Listings Requirements and King IV recommended practices.

Geraldine Fraser-Moleketi continues to serve on the board as lead independent non-executive director.

The role of the chairperson is separate and distinct from that of our CEO. 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 rules of conduct set out in the board charter</li> <li>• Represents the board to shareholders and other stakeholders relating to the performance of the company</li> <li>• Ensures the integrity and effectiveness of the governance processes of the board</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>• In collaboration with the group company secretary, ensures 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 any matter that presents cause for major concern</li> <li>• Acts as facilitator at board meetings to ensure appropriate discussions take place and result in logical outcomes and that no board member dominates the discussions</li> <li>• Plays a crucial role in ensuring the board has effective leadership and its composition is adequate to enable it to effectively fulfil its functions</li> <li>• Provides necessary direction for an ethical and effective board and forms the link between the board, the 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, policy and operational planning as the chief link between management and the board while monitoring and managing the company's day-to-day operational requirements and administration</li> <li>• Develops and recommends business plans, policies and objectives for board consideration, accounting for business, economic and political trends that may affect the operations of the company</li> <li>• Manages and ensures the submission of timeous and 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>• Does not cause or permit practices, activities or decisions by or in the group that 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 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 where contact through normal channels has failed to resolve concerns or where such contact is inappropriate</li> <li>• Strengthens independence of the board if the chairperson is not an independent non-executive director</li> <li>• Chairs discussions and decision making by the board 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 when 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 dedicated strategy session over two days and two governance sessions during the year. Attendance is calculated against the number of meetings a 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	2/2
Dr Nombasa Tsengwa	CEO and executive director	5/5	0/0
Riaan Koppeschaar	FD and executive director	5/5	0/0
Geraldine Fraser-Moleketi	Lead independent non-executive director	5/5	1/2
Karin Ireton	Independent non-executive director	5/5	1/2
Ben Magara	Independent non-executive director	5/5	2/2
Isaac Malevu	Non-executive director	5/5	2/2
Billy Mawasha	Independent non-executive director	5/5	2/2
Nondumiso Medupe	Independent non-executive director	5/5	2/2
Dr Phumla Mnganga	Independent non-executive director	5/5	2/2
Zwelibanzi Mntambo	Non-executive director	4/5	1/2
Mandlesilo Msimang	Non-executive director	5/5	2/2
Chanda Nxumalo	Independent non-executive director	5/5	2/2
Peet Snyders	Independent non-executive director	5/5	2/2
Likhapha Mbatha*	Non-executive director	1/1	1/1

\* Likhapha Mbatha retired at the 2024 AGM.

#### Evaluation

In terms of our board charter, an internal evaluation of the board's 2024 performance was undertaken in January 2025.

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 its MoI 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 continue to have conviction in Exxaro's Sustainable Growth and Impact strategy. For the year ahead, we will focus on meeting customer demand, driving safe, disciplined and efficient production, while creating value for stakeholders.



**Ben Magara (57)**  
CEO

### Key

- Executive director
- Cennergi executive committee
- Executive committee



**Riaan Koppeschaar (54)**  
FD



**Kgabi Masia (49)**  
Chief coal operations  
officer



**Leon Groenewald (58)**  
Managing director: energy



**Mongezi Vetu (61)**  
Chief sustainable impact  
officer



**Johan Meyer (56)**  
Chief technology officer



**Joseph Rock (55)**  
Chief people and  
performance officer



**Richard Lilleike (52)**  
Chief growth officer



**Tshoko Ratsheko (59)**  
Acting chief strategic  
resilience and governance  
officer



**Michelle Nana (56)**  
Group company secretary

## Executive leadership continued

### Ben Magara (57)

CEO

Appointed 1 April 2025



See full CV in the [13 March 2025 SENS announcement](#)

### Riaan Koppeschaar (54)

FD

Appointed 1 July 2016



See full CV on our [website](#)

### Kgabi Masia (49)

Chief coal operations officer

Appointed 1 March 2022

*BTech (extractive metallurgical) (University of Johannesburg), Advanced Management Programme (INSEAD)*

#### Skills and experience

In 2004, Kgabi was appointed process and metallurgical manager before progressing to general manager, processing and later to head of integrated operations within BHP Energy Coal. In 2015, he was appointed vice-president: operations and later moved to vice-president: commercial for coal, manganese and aluminium at South32 Africa Region. From 2018 until 2021, Kgabi served as president: South African energy coal. He formerly served on the Minerals Council as chair of its coal leadership forum.

### Leon Groenewald (58)

Managing director: 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.

### Richard Lilleike (52)

Chief growth officer

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 on a global basis. Subsequently, Richard joined Standard Chartered Bank as a mining investment banker, eventually leading the southern Africa mergers and acquisitions 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.

### Johan Meyer (55)

Chief technology officer

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), was BU manager of Zincor and Exxaro corporate office. His current role focuses on delivering coal growth projects of approximately R20 billion and developing integrated resource and reserve LoM plans and supporting implementation of the minerals strategy. He is passionate about leading people and powering better lives.

### Tsheko Ratsheko (59)

Acting chief strategic resilience and governance officer

Appointed 25 September 2024

*Three LLM degrees, including Extractive Industries Law in Africa (University of Pretoria, 2019), Certificate in Advance Corporate Law and Securities Law (2009)*

#### Skills and experience

Tsheko is a lawyer by profession. He was a member of the Johannesburg Bar between 2009 and 2012. Before joining Exxaro, he held senior positions in the public sector, including being a law lecturer at the Justice College (Department of Justice), and deputy registrar of intellectual property. He left public service in 2006 in the position of the chief director and head of the environment inspectorate (the Green Scorpions) at the Gauteng Department of Agriculture, Conservation and Environment to join Kumba Resources Limited (later Exxaro Resources Limited).

### Joseph Rock (55)

Chief people and performance officer

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' business experience spanning the consulting, public and private sectors. He has spent the past 15 years holding various roles across the human capital value chain, most recently as the former group head of people experience and chief operating officer for people and culture for 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 the chair of the remuneration committee.

### Mongezi Vetu (61)

Chief sustainable impact officer

Appointed 1 April 2015

*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.

### Michelle Nana (56)

Group company secretary (ex officio)

Appointed 1 May 2024

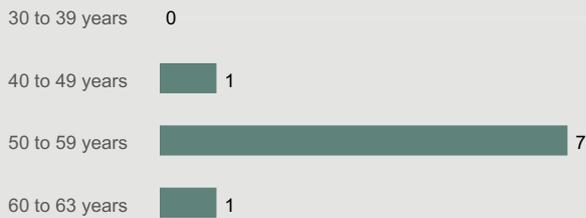
*LLB, Fellow of the South African Institute of Chartered Secretaries and Administrators*

#### Skills and experience

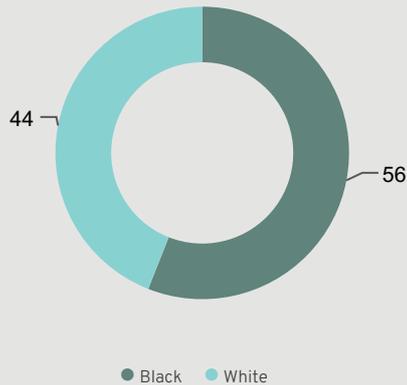
Michelle has over 30 years of company secretarial experience over multiple geographies on the continent and offshore. She is a fellow of the South African Institute of Chartered Secretaries and Administrators, certified director (IoDSA) and law graduate.



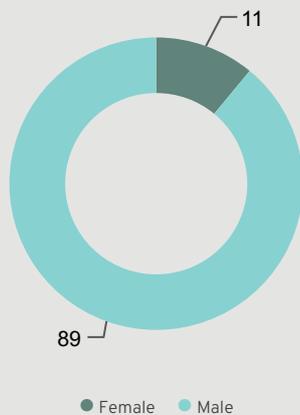
#### Executive age diversity (an average age of 55)\*



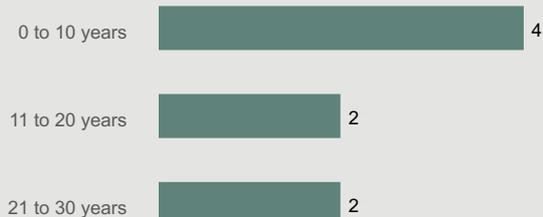
#### Executive race diversity (%)



#### 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 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.

**Cennergi executive committee:** assists the CEO in managing Exxaro's energy 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 steering committee:** to integrate and embed ESG in our strategy and everything we do.
- 2. ESD committee:** to integrate, implement and embed ESD.
- 3. Management ethics committee:** to ensure a robust ethics management process and assist in the elimination of corruption, including fraud, extortion and bribery.
- 4. Group investment review committee:** to oversee management review processes for major investments and divestments.
- 5. Insider dealing committee:** to provide guidance and clarity to employees and directors on insider trading or price-sensitive information and prohibited or closed periods.
- 6. Executive risk management committee:** to ensure a robust risk management process is followed.

## Executive leadership continued

### Group executive committee performance

The group executive committee held five quarterly and nine special meetings in 2024:

Designation	Attendance at quarterly meetings	Attendance at special meetings
CEO and chairperson, including acting	5/5	8/9
FD	5/5	9/9
Chief growth officer	5/5	9/9
Chief coal operations officer, including acting	4/5	9/9
Chief people and performance officer	4/5	9/9
Chief strategic resilience and governance officer, including acting	5/5	8/9
Chief sustainable impact officer	5/5	9/9
Chief technology officer	4/5	9/9
Group company secretary (ex officio) from 1 May 2024	4/4	6/6

### Cennergi executive committee performance

The Cennergi executive committee held four quarterly and four special meetings in 2024:

Designation	Attendance at quarterly meetings	Attendance at special meetings
CEO and chairperson	3/4	4/4
FD	4/4	4/4
Managing director: Cennergi	4/4	4/4

### Strategic performance management dashboard

A strategic performance management dashboard is applied to enable visibility of strategy execution and facilitate strategic conversations at the right time within our tiered group governance structure.

For more on our performance see:



Performance against our strategy ([integrated report](#), page 59)



[Delivering meaningful and positive impact](#) (page 11)

### Group company secretary

Michelle Nana was appointed group company secretary effective 1 May 2024.

The board recognises the important role the group company secretary plays in establishing effective processes and systems to ensure good corporate governance is entrenched in Exxaro. The group company secretary's role and responsibilities are to:

- Guide the directors collectively and individually in their duties, responsibilities and powers
- Make directors aware of any law relevant to the company
- Report any failure on the part of the company or a director to comply with the Ml or Companies Act
- Ensure board procedures are followed and reviewed regularly
- Ensure compliance with applicable rules and regulations for conducting the affairs of the board
- Facilitate a programme for the induction and ongoing development of directors
- Maintain statutory records in accordance with legal requirements
- Guide the board on the proper discharge of its responsibilities in the best interests of the company
- Provide professional and independent guidance on corporate governance matters to assist the board in exercising ethical and effective leadership
- Keep abreast and inform the board of current and new developments regarding corporate governance practice
- Fulfil all other functions assigned to the position by the Companies Act and by any other legislation
- Ensure proper compilation and timely circulation of board papers
- Obtain appropriate responses and feedback on specific agenda items and matters arising from earlier meetings in board deliberations
- Ensure that the proceedings of the board, board committees and shareholder meetings are properly recorded and minutes of meetings are circulated to the directors timeously
- Assist the nomination committee in evaluating the performance of the board, its committees and individual directors

The board evaluated the group company secretary in compliance with paragraph 3.84(h) 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

Exxaro's board committees play a vital role in enhancing governance efficiency and oversight, ensuring that key areas receive focused expertise and strategic direction. By delegating specific responsibilities through formal terms of reference, the board strengthens decision making, enhances objectivity and upholds the principles of ethical and effective leadership.

This section provides insight into 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 138

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 142

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 minerals and energy growth pipelines, assessed due diligence outcomes and monitored strategic acquisitions and divestments.

#### [Logistics committee report](#)

Page 144

This report describes the committee's role in mitigating rail and infrastructure challenges that impact coal and mineral 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 146

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 149

This overview provides insight into how the committee ensures fair, transparent and responsible remuneration practices. It details key initiatives, including wage gap monitoring, enhancements to incentive schemes and the alignment of executive remuneration with shareholder expectations and evolving regulatory requirements.

#### [RBR committee report](#)

Page 152

We describe the committee's role in strengthening Exxaro's risk management framework, focusing on strategic, operational, financial and regulatory risks. This report explains how the committee enhanced business continuity planning, assessed crisis management protocols and integrated risk governance into decision-making processes.

#### [SERC report](#)

Page 156

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 overseeing the development of Exxaro's 2050 decarbonisation roadmap.



# Audit committee report

Dear shareholders,

I am pleased to present the audit committee report for the year ended 31 December 2024. This report reflects the committee’s independent role with accountability to the board and shareholders.



**Nondumiso Medupe**  
Audit committee chairperson

## Committee overview

### Composition

Committee members are elected at the AGM by shareholders on recommendation from the board, through the nomination committee.

The board ensures a balance of skills and experience, with a focus on financial literacy, to enable the committee to discharge its function. All committee members are independent non-executive directors.

On recommendation from the board, shareholders at the 2024 AGM approved the appointment of Nosipho Molohe as independent non-executive director and audit committee member.

In 2024, the committee maintained its minimum membership of four independent non-executive directors.

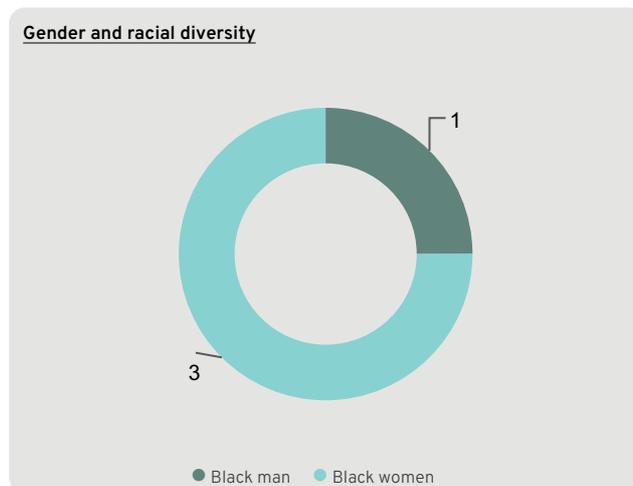
The board is satisfied that the committee members have the necessary academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

 Refer to [board of directors](#) (page 126) for members’ qualifications and experience.

Non-executive director Isaac Malevu is a standing invitee to the committee. Other meeting attendees include the CEO, FD, head of internal audit, group finance manager, chief finance officer: coal, chief strategic resilience and governance officer, chief technology officer 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.



## Meetings

As determined by its terms of reference, the committee held four scheduled meetings and one special meeting in 2024.

Members	Designation	Attendance at quarterly meetings	Attendance at special meetings
Nondumiso Medupe	Independent non-executive director and audit committee chairperson	4/4	1/1
Billy Mawasha	Independent non-executive director	4/4	1/1
Chanda Nxumalo	Independent non-executive director	3/4	1/1
Nosipho Molohe	Independent non-executive director	4/4	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.



## Role and purpose

The audit committee is an independent statutory committee with members appointed annually by Exxaro's shareholders in compliance with section 94 of the Companies Act and the principles of good governance. In terms of the Companies Act, this committee has an independent role and is accountable to the board and the company's shareholders.

The committee does not assume the functions of management, 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 the JSE Listings Requirements and King IV.

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 reporting suite
- The external auditor's qualification and independence
- The external audit function's scope and effectiveness
- The scope and effectiveness of the overall combined/integrated assurance process

- The efficacy of internal controls and the internal audit function
- Assessing the adequacy of the company's insurance arrangements regarding the nature of its business and insurable risks
- The integrity and efficacy of the risk management process relating specifically to internal controls and financial reporting risks through assurance of system controls and policies in place

## Terms of reference

The committee's terms of reference are reviewed annually. The review took place in the first quarter of 2025 and the revised terms of reference were subsequently approved by the board. The review ensured the terms of reference remain aligned to relevant legislation, regulations and King IV.

## Performance evaluation

There is no regulatory requirement to conduct an annual external independent performance assessment. However, King IV recommends regular performance evaluations for all board committees and, as such, it is a governance practice at Exxaro to conduct independent assessments every third year.

An internal evaluation of the committee's performance and effectiveness was conducted in January 2025. The evaluation aims to identify and record areas needing strengthening or refinement while considering internal and external dynamics and factors that may positively or negatively impact the committee's ability to enhance its performance and effectiveness.

## 2024 in review

### Key highlights

- Provided training for the committee on accounting developments relating to climate change disclosure
- Noted the performance and assurance opinion on the sustainability KPIs and recommended that the board agree on the approach to scope 3 reporting to align it with the decarbonisation plan
- Exxaro injected R290 million in Exxaro Insurance Company Limited, reinforcing our insurance retention strategy

### Material themes



## Committee statements

### FD and finance function

The committee considered and reviewed an internal assessment of Riaan Koppeschaar's expertise and experience as the FD and is satisfied that he has the appropriate experience and expertise to execute his responsibilities, including while acting as CEO from 4 December 2024. 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.

The committee considered the criteria for the selection of multi-fund managers 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. Furthermore, it reviewed and approved the trading statements 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 the going concern assessment and further recommended the approval of dividends to the board.

## Tax compliance status

The reports to the committee include reporting on all tax matters, including 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 and the new and revised IFRS Accounting Standards and pronouncements, and their impact on the group. In addition, the committee considered the 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.

## Audit committee report continued

The group and company annual financial statements for the year ended 31 December 2024 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 2024 comply with the relevant provisions of the Companies Act, IFRS Accounting Standards, interpretations issued by the IFRS Interpretations Committee, 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 2024 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 in order for management to confirm that no additional reporting issues need to be brought to the attention of the committee. This process verifies that internal controls are being followed in line with policies and governance requirements, it identifies any gaps or weaknesses in internal control processes, and it holds the BUs responsible for maintaining and reporting on their control environment.

During the year, the committee, with input and reports from the independent internal and external auditors, as well as an ERM benchmarking exercise, reviewed the system of internal financial reporting procedures. This 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 2024. Informed by these reviews, the committee confirmed that no material findings came to the committee's attention to indicate the ineffectiveness of internal financial reporting controls during 2024.

### Independent external auditor

KPMG was the independent external auditor for 2024, with its delivery partner, AM PhakaMalele. Their reappointment was approved by shareholders as presented by a separate resolution at the AGM on 23 May 2024, in terms of paragraph 3.84 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 has 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 3.84(g)(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 3.84(g)(iii) and 3.87, and in terms of their mandate required by paragraph 3.86 of the JSE Listings Requirements.

The committee recommends KPMG with its delivery partner, AM PhakaMalele, for reappointment for the ensuing year ending 31 December 2025 at the upcoming AGM on 15 May 2025 by way of a separate resolution by shareholders in terms of paragraph 3.84(g)(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:

	2024 Rm	2023 Rm
Statutory audit fees	31	30
Non-audit service fees	3	3
<b>Total</b>	<b>34</b>	<b>33</b>

The policy for engagement of the external auditor to supply assurance and other services was reviewed in 2024. 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 auditors 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 2024.

### Transformation

For 2024 and 2023, KPMG partnered 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 that the services provided by the function add value to the organisation.

The internal audit function is partially outsourced to PwC under the management control of Exxaro's head of internal audit. PwC partnered with a level 1 B-BBEE company, Ngubane & Co, 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 systems of internal controls as well as the internal control environment within the group. It provides an independent and objective consulting service designed to add value, maintain assurance, and improve Exxaro's operations.

The committee holds management accountable to ensure corrective measures are in place to address 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. Additionally, internal audit 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 3.84(K) which affirms that the internal control environment can be relied on in compiling the annual financial statements.

The committee considered the status of the execution of the annual internal audit plan and the results of completed audits. The committee is pleased with the overall performance of the internal audit function and the services provided.

### Internal audit charter

The internal audit charter was reviewed and presented to the committee for approval on 6 March 2025. Exxaro internal audit decided to be an early adopter of the new Institute of Internal Audit model charter which is aligned to the new Global Internal Audit Standards.

The model charter was utilised as the base document where the bespoke Exxaro requirements were added:

- The purpose of the internal audit function was expanded
- Provides for the process to be followed for changes to the mandate and charter
- A section for audit committee oversight was added
- Enhanced role and responsibilities of the head of internal audit to include additional information on ethics and professionalism



## Forensic report

The committee noted the status of:

- The forensic investigations
- Progress with initiatives under the SERC
- The 2024 fraud prevention, anti-bribery and anti-corruption programme
- The proactive assurance training being 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 of assurance, including external assurance, internal audit, management oversight and regulatory inspections. In 2024, the combined assurance model was updated to include the 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 governing body 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, and internal and external audit plans. Risk acceptance, level 1 finding disclosure process and risk extension requests are adopted as protocols.

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 combined assurance framework is a platform to coordinate Exxaro's assurance functions. The combined assurance framework coordinates assurance coverage for Exxaro's risk exposure 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. Furthermore, a benchmarking exercise will be conducted to align

the roles and responsibilities of different assurers to avoid duplication.

## 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 as well as the impact of cyber risk on information technology performance to support strategy execution.

The recent organisational effectiveness process necessitated a review of the current information management operating model, and the committee noted the information management strategy, governance, internal and external audit findings, portfolio and enterprise architecture, risk management and enterprise resource planning journey.

In the year, the committee oversaw the implementation of key security projects including the implementation of the privileged access management tool and multi-factor authentication for privileged users.

Several management governance forums enhance decision making, oversight and strategic direction. Foundational policies support these structures by guiding behaviour, expectations and operations.

## Insurance coverage

As it is increasingly challenging for companies with a large carbon footprint to obtain insurance coverage at competitive terms, 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 the 2024 audit, investment strategy, performance of investments, insurance renewal programme, and associated costs and exclusions during the period under review. In addition, the committee reviewed Exxaro's strategy regarding insurance coverage and self-insurance.

### Future focus



#### Key focus areas 2024/2025

Monitor the progress and implementation of the strategy concerning the deployment of new post-modern enterprise resource planning solutions to ensure acceptable cost, risk and alignment with the Exxaro strategy

Evaluate whether the company has incorporated digitalisation and utilisation of advanced technologies, eg AI

Review Exxaro's future strategy regarding insurance cover and self-insurance, considering global resistance to thermal coal and insurance markets

Monitor the impact of cybersecurity risks in the finance and internal control environment

Monitor talent challenges in the finance and internal audit functions as a result of the global war for talent

## 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 3.84(g) in particular) and King IV.

On behalf of the audit committee

**Nondumiso Medupe**

Audit committee chairperson

15 April 2025

# Investment committee report

Dear shareholders,

I am pleased to present the investment committee report for the year ended 31 December 2024. The report provides an overview of how we work to responsibly further 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. The board ensures that there is a balanced blend of skills and experience, so that the committee can discharge its function.

In 2024, the committee consisted of four independent non-executive directors and two non-executive directors. The board is satisfied that the committee members have the necessary experience.

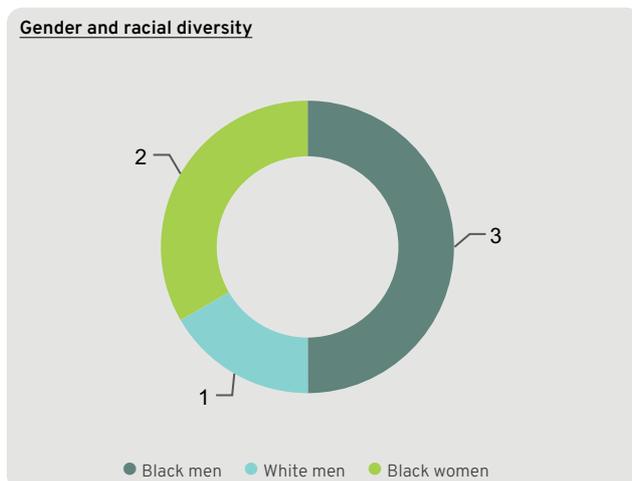
There were neither retirees nor additional members to the investment committee in 2024, ensuring continuity in furthering the strategic objectives.

Since Ben Magara was appointed CEO, he has stepped down as chairperson of the committee. The board appointed Billy Mawasha as committee chairperson, effective 1 April 2025.

Exxaro, being cognisant of the significance of delivering on the growth aspect of the Sustainable Growth and Impact strategy, appointed a chief growth officer at the end of 2023, enhancing Exxaro’s minerals growth endeavours.

The CEO, FD, managing director: energy, and chief growth officer 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 126) for members’ qualifications and experience.



## Meetings

The committee held four scheduled quarterly meetings and three special meetings in 2024:

Members	Designation	Attendance at scheduled meetings	Attendance at special meetings
Ben Magara	Independent non-executive director and committee chairperson	4/4	3/3
Isaac Malevu	Non-executive director	4/4	2/3
Billy Mawasha	Independent non-executive director	4/4	2/3*
Mandlesilo Msimang	Non-executive director	3/4	3/3
Chanda Nxumalo	Independent non-executive director	3/4	3/3
Peet Snyders	Independent non-executive director	4/4	3/3

\* Meeting missed due to miscommunication resulting from differing time zones.



## Role and purpose

This committee plays a key role in the execution of the Exxaro 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 minerals Sustainable Growth and Impact strategy, including portfolio management of these businesses and post-investment reviews

Importantly, the committee reviews the strategic fit, risk profiles and outcomes of financial, technical, and legal due diligence for major investments. The committee ensures adherence to all Exxaro's governance processes, and oversees that potential investments meet the approved hurdle rates, set from time to time, before Exxaro commits any funds. The committee considered various energy and minerals opportunities throughout 2024. These opportunities were considered using robust investment criteria that protect our stakeholders' interests in Exxaro and in that regard did not conclude any transaction that Exxaro believed met its requirements. The board is committed to protecting Exxaro's value and will not approve the pursuit of projects outside the approved investment criteria.

Investment opportunities are first presented at the investment committee, where a detailed review is conducted in line with the investment criteria approved by the board. After the review, the committee may recommend the investment opportunity to the board for final approval.

## 2024 in review

### Key highlights

- Monitored the minerals and energy growth pipelines and recommended investment decisions for board approval
- Reviewed the energy investment criteria to ensure alignment with the approved strategy and prevailing market conditions
- Monitored progress in the implementation of the LSP
- Considered, guided and recommended participation in proposed acquisitions to fit the long-term minerals and energy strategy
- Noted outcomes of due diligence processes and monitored progress regarding various proposed transactions in line with executing the Exxaro strategy

### Material themes



## Other key matters in review

- Considered the commodity price updates and long-term view regarding energy transition minerals
- Considered and guided management on the Exxaro Moranbah South carve out sale which was successfully concluded

### Future focus



### Key focus areas 2024/2025

- Monitor divestments and acquisitions
- Review and recommend minerals investment guidelines for approval
- Monitor portfolio management of investments and post-investment reviews
- Guide and recommend participation in proposed acquisitions that fit our long-term minerals and energy strategy

## Confirmation

The committee, in carrying out its duties, has due regard of 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

15 April 2025

## Terms of reference

The committee's terms of reference are reviewed annually. The next review will be in the second quarter of 2025 and will be submitted to the board for approval. The review will ensure the terms of reference remain aligned to relevant legislation, regulations and King IV.

## 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

As there is no regulatory requirement to conduct an annual external independent performance assessment, King IV recommends regular performance evaluations for all board committees. It is a governance practice at Exxaro to conduct such independent assessments every third year.

An internal evaluation of the performance and effectiveness of the committee during 2024 was conducted in January 2025 in accordance with King IV recommendations. The evaluation aimed to identify and record areas needing strengthening or refinement while considering internal and external dynamics as well as factors that may positively or negatively impact the committee's performance and effectiveness. The assessment concluded that the committee functions effectively.

# Logistics committee report

Dear shareholders,

I am pleased to present the logistics committee report for the year ended 31 December 2024. The committee was established in early 2023 to address rail logistic challenges and support Exxaro’s continued sustainable growth.



**Zwelibanzi Mntambo**  
Logistics committee chairperson

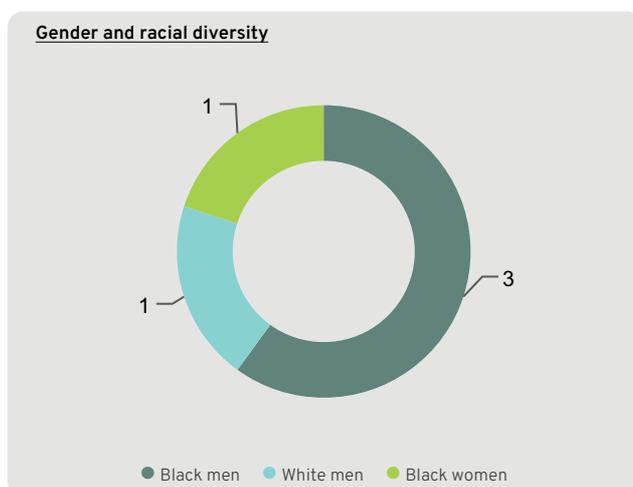
## Committee overview

### 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 the committee members have the necessary experience. In 2024, the committee comprised four independent non-executive directors and one non-executive director.

From 1 April 2025, Ben Magara will no longer be a member of the committee. However, as CEO, he will have a standing invitation to committee meetings.

 Refer to [board of directors](#) (page 126) for members’ qualifications and experience.



## Meetings

The committee held three scheduled meetings in 2024.

It was agreed that the frequency of the meetings should be 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	Non-executive director and logistics committee chairperson	3/3
Ben Magara	Independent non-executive director	2/3
Dr Phumla Mnganga	Independent non-executive director	2/3
Mvuleni Geoffrey Qhena	Independent non-executive director	3/3
Peet Snyders	Independent non-executive director	3/3

## Role and purpose

Early in 2023, the board established an ad hoc board committee to address the threat of rail unavailability to Exxaro’s strategy. The logistics committee was subsequently confirmed as a permanent committee of the board.

The role of the logistics committee is to monitor and report on developing long-term solutions for logistic access to international markets, and identify medium-term solutions and alternatives.

The committee operates independently and makes recommendations to the board, monitors on behalf of the board and reports to the board on mainly:

- Developing long-term solutions for logistics to access international markets for coal and minerals
- Identifying medium-term logistics solutions and alternatives to mitigate Transnet Freight Rail issues to increase volumes



## Terms of reference

The committee's terms of reference are reviewed annually. The review took place in the first quarter of 2025 and the revised terms of reference were subsequently approved by the board. The review ensured the terms of reference remain aligned to relevant legislation, regulations and King IV.

## Performance evaluation

While there is no regulatory requirement to conduct an annual external independent performance assessment, King IV recommends regular performance evaluations for all board committees. Independent assessments are conducted every third year in line with Exxaro's governance practices.

## 2024 in review

### Key highlights

- Exxaro's logistics strategy focuses on exploring areas such as governance and regulation, third-party operations, port allocation and infrastructure upgrade possibilities in the challenging logistical environment
- Pleasingly, reform is ongoing in South Africa, with the government assuming more responsibility for rail reform
- We conducted a prefeasibility study focusing on alternative solutions to increase rail infrastructure capacity
- Parliament approved the National Freight Logistics Roadmap at the end of 2023, which was released to the public at the beginning of 2024. The Rail Network Statement was gazetted at the end of 2024

### Material themes



### Future focus



### Key focus areas 2024/2025

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

## Confirmation

The committee, in carrying out its duties, has due regard of 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

**Zwelibanzi Mntambo**

Logistics committee chairperson

15 April 2025

# Nomination committee report

## Dear shareholders,

The committee carried out its responsibility to review the board’s composition and independence during the year. The committee also oversaw the implementation plan from the annual board evaluation process and engaged with shareholders. These activities enable the group’s desired governance outcomes and purpose, and create long-term value.



**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.

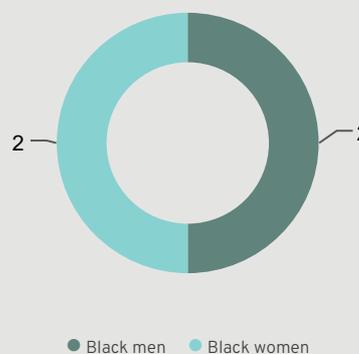
The board ensures committee members have a suitably balanced blend of skills and experience to enable the committee to discharge its functions.

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.

There were no changes to committee membership in 2024, ensuring continuity in furthering the strategic objectives.

Refer to [board of directors](#) (page 126) for members’ qualifications and experience.

### Gender and racial diversity



## Meetings

The committee met formally three times during the year. The committee’s attendance of 100% indicates high levels of engagement and commitment by its members.

Members	Designation	Attendance at quarterly meetings
Mvuleni Geoffrey Qhena	Independent non-executive director and nomination committee chairperson	3/3
Geraldine Fraser-Moleketi	Lead independent non-executive director	3/3
Dr Phumla Mnganga	Independent non-executive director	3/3
Zwelibanzi Mntambo	Non-executive director	3/3

## 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 includes 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

In January 2024, the Institute of Directors South Africa published the results of a survey of issues that South African boards need to consider. Topics relevant to the nomination committee are board performance, board composition and redefining the role of the board and management. This governance trends report informed

the 2024 focus areas for the committee and the topics for board governance sessions.

## Terms of reference

The committee’s terms of reference were reviewed in 2024 to enhance its broader role as a governance committee. The amendments were subsequently approved by the board. The terms of reference remain aligned with legislation, regulations and King IV.

## Performance evaluation

While there is no regulatory requirement to conduct an annual external independent performance assessment, King IV recommends regular performance evaluations for all board committees. It is a governance practice at Exxaro to conduct such independent assessments every third year.

At the end of 2024, we conducted an internal evaluation of the committee’s performance and effectiveness in accordance with King IV recommendations. The evaluation aimed to identify and record areas needing strengthening or refinement while considering internal and external dynamics as well as factors that may positively or negatively impact the committee’s ability to enhance its performance and effectiveness in these areas. The assessment concluded that the committee functions effectively.



## 2024 in review

### Key highlights

- Reduced the board size, while achieving and exceeding most board diversity and inclusion targets and building our board skill and experience
- In managing and addressing succession planning, the committee considered and recommended composition enhancements for board committees to the board for approval
- Allocated the recommendations from shareholders on various matters to the respective board committees for consideration
- Reviewed, adopted, and monitored the implementation of the 2023 board and board committee evaluation action report
- Reviewed the size, structure, diversity, and independence of the board, as well as the continuous development plan for directors

### Material themes



### 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.

In respect of our 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 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 2023)	Actual as at 31 December 2024	Status as at 31 December 2024
Size: Minimum of four and maximum of 20 members	16	15	Within target range
Race: 60% black	81%	80%	Achieved
Gender: 40% black women	50%	47%	Achieved
Age: Average of 55 years	56 years	57 years	Ongoing
Tenure: Average tenure of seven years (two years mentoring a successor), excluding executive	Four years	Four years	Ongoing
Appropriate diversity mix based on prevailing strategic objectives	The board directs its attention to the principles of a balanced governing body authority by directing strategic decision making around broader diversity at board level. The range in gender, race, age, field of knowledge, skills and experience, and tenure make for well-informed and thoughtful consideration of all board matters.		

Note: the table includes executive directors and excludes Likhapha Mbatha, who retired at the 2024 AGM.

### Board size and composition

The number of board members should promote accountability, independence, and healthy, constructive debate in line with the company's Mol and regulatory framework. In terms of the company's Mol, one-third of all non-executive directors is 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 recommendation for re-election and election to shareholders at the AGM. The committee conducts this by assessing an individual's performance, meeting attendance, age and diversity targets, and tenure. This arises from the need to introduce members with new expertise and perspectives while retaining valuable knowledge, skills and experience, and maintaining continuity. The committee considers whether a director is fit and proper to continue as a director, including an assessment of independence in terms of King IV.

The committee is cognisant of the board composition and size as this is integrated within the board continuity mandate.

We achieved our reduction target of the board size from 18 to 16 since 2021 (actual 15). We will continue to responsibly monitor the board's size to ensure it has the right mix of skills, knowledge, and experience to execute Exxaro's strategy.



Changes to [the board](#) (page 127) will be presented to shareholders at our 2025 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.

The board director appointment process is formal and transparent, in line with the nomination and appointment policy which was reviewed and approved in 2024. The Exxaro website contains a summarised guideline of this process.



[Nomination of directors](#) (our business tab under governance)

## Nomination committee report *continued*

### 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 two annual board governance sessions to provide directors with focused inputs from regulatory, strategic, and economic perspectives. The committee ensured that continuous development was included in the agendas of both the board and committees throughout the year. This included both specialist presentations and deep dives by management. The directors attended two board governance sessions and engaged with subject matter experts on ESG reporting and assurance, the Companies Amendment Bill, the M&A landscape and insights, as well as water challenges and trends.

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.

The board induction for new directors 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 typically 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 to board and board committee composition. The committee’s terms of reference and mandate are reviewed annually.

The committee monitors the executive leadership succession planning. Succession planning is a well-entrenched process that supports the building of our senior leadership and executive pipeline. The committee recognises that improvement in this regard is required.

### Governance roadshow 2024

The committee considered recommendations flowing from the 2024 annual board governance roadshow. The purpose of the roadshow is to proactively engage with our investor community to outline Exxaro’s positioning on long-term value creation, and leverage ESG for business resilience and sustainability.

Key concerns raised that require further board consideration in 2025 will be monitored by the committee.

 [Board key matters in focus](#) (page 113)

### Board performance

The implementation of outcomes flowing from the performance and effectiveness evaluation of the board, its committees and specific individuals conducted towards the end of 2023 were monitored by the committee. This was aimed at achieving the desired governance outcomes and the group’s purpose. The committee approved an internal board evaluation to survey the opinions of the individual board members on the effectiveness and performance of the board as a whole.

#### Future focus



#### Key focus areas 2024/2025

- 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 2024 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

15 April 2025



# Remuneration committee report

Dear shareholders,

I am pleased to present the remuneration committee report for the year ended 31 December 2024. The committee recognises the value of Exxaro's people in powering possibility, and strives to balance stakeholder interests with our commitment to fair and reasonable pay.



**Dr Phumla Mnganga**  
Remuneration committee chairperson

## Committee overview

### Composition

The committee benefits from cross-membership with the nomination committee, allowing it to fulfil remuneration matters and board governance and nomination matters. The committee's terms of reference require the committee to comprise at least three non-executive directors, the majority being independent and the board chairperson being an ex officio member.

The board ensures committee members have a suitably balanced blend of skills and experience to enable the committee to discharge its functions, on recommendation from the nomination committee.

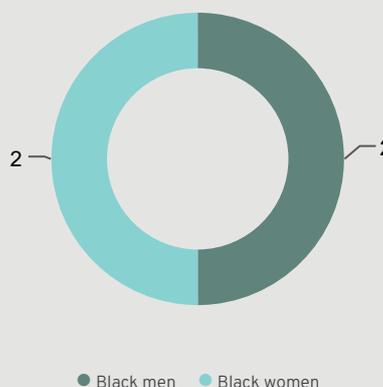
The committee comprises a majority of independent non-executive directors. There were neither retirees nor additional members to the remuneration committee in 2024, ensuring continuity in furthering the strategic objectives.

The CEO, FD and chief people and performance officer attend meetings as standing invitees to make submissions and provide information required by the committee.



Refer to [board of directors](#) (page 126) for members' qualifications and experience, and more information in the [remuneration report](#) (page 160).

### Gender and racial diversity



## Meetings

The committee met formally six times during 2024 at four quarterly meetings and two special meetings. The following table details members' attendance at meetings held during 2024:

Members	Designation	Attendance at quarterly meetings	Attendance at special meetings
Dr Phumla Mnganga	Independent non-executive director and remuneration committee chairperson	4/4	2/2
Geraldine Fraser-Moleketi	Lead independent non-executive director	4/4	2/2
Zwelibanzi Mntambo	Non-executive director	3/4	1/2
Mvuleni Geoffrey Qhena	Independent non-executive director	4/4	2/2

## Role and purpose

This committee's role and responsibility is to ensure the group remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. The committee ensures the continuous development, review and implementation of remuneration governance-related documents, including compliance with JSE Listings Requirements and reporting obligations.

The committee is accountable to the board for executing its independent and objective oversight. The committee does not assume the functions of management, which remain the responsibility of executives, prescribed officers and other members

of senior management. The committee is not accountable for functions performed by other board committees.

Where board committee focus areas overlap with this committee's focus areas, committees collaborate to execute the board's broader effectiveness objective. For example, the committee plays a role in support of the DEI strategy execution, as it applies to fair pay or application of mechanisms to achieve and exceed employment equity.

## Annual work plan

The committee's annual work plan was reviewed in 2024 and amendments were approved by the board. These amendments assisted the committee in fulfilling its duties in a structured and measured manner.

## Remuneration committee report continued

### Terms of reference

The committee's terms of reference are reviewed annually. The review took place in the first quarter of 2025 and the revised terms of reference were subsequently approved by the board. The review ensured the terms of reference remain aligned to relevant legislation, regulations and King IV.

### Performance evaluation

Although there is no legislative or regulatory requirement to conduct an annual external independent performance assessment, King IV recommends regular performance evaluations for all board committees. Independent assessments are conducted every third year in line with Exxaro's governance practices. An internal assessment was conducted in January 2025.

The committee fulfilled its mandate during 2024, and it remains an effectively functioning and contributing arm of the board.

### 2024 in review

#### Key highlights

- The work on the wage gap continued as part of Exxaro's broader DEI strategy. The wage gap roadmap will be updated in 2025 to reflect Exxaro's progress on the wage gap journey as well as its ongoing commitment to narrowing the wage gap
- The committee considered feedback received from shareholders regarding Exxaro's incentive schemes, and other concerns linked to the remuneration-related ESG measures. The committee has undertaken a detailed review of Exxaro's incentive schemes (short and long term) and approved that management further investigate potential proposed changes
- Pending changes to the Companies Act (promulgation of Companies Amendment Bills 1 and 2), Exxaro has been addressing the new remuneration requirements proactively by aligning its remuneration policies and reporting per the new obligations, preparing for pay gap disclosure, binding votes on remuneration, and being mindful of the potential implications for non-executive directors on the remuneration committee
- Subsequent to the approval of the Cennergi STI and LTI scheme provisions, Exxaro committed to successfully embed the schemes with the respective participants. The new structures were communicated to Cennergi Holdings and Cennergi Proprietary Limited and the schemes were successfully embedded

#### Material themes

- We conducted a benchmarking review on the remuneration report, which included a gap analysis and a focus on streamlining and enhancing disclosure 
- The implementation of the minimum shareholder requirements continued to enable the interests of executives to be more aligned with those of shareholders
- We reviewed our recognition policy and programme to ensure alignment with Exxaro's evolving needs, with the aim of continuing to foster a culture of appreciation and engagement. The revised policy will be approved by the committee in 2025
- Comprehensive overviews of retirement funds, wellness programmes, group insurance funds and medical schemes were provided, with a comprehensive benefits benchmark. The committee approved gap cover and funeral cover as additional benefits to qualifying employees. This also forms part of the organisation's efforts to reduce the wage gap 
- The ongoing monitoring and corrective actions on horizontal wage gaps form part of the social aspect of ESG. These efforts ensure compliance with employment equity legislation around equal pay for work of equal value

This committee is responsible for good governance in respect of remuneration matters. Flowing from the 2024 key focus areas, the following is reported:

### AGM

With the promulgation of the Companies Amendment Bills 1 and 2 on the proposed amendments of the Companies Act, in March 2024 (only partially effective by 27 December 2024), the remuneration committee had been aware of the pending changes required for some time. In many cases the company already complies with the proposed changes, but where this is not the case, the legislative changes will be applied as required.

As part of the board's ongoing commitment to foster strong corporate governance and maintain transparent engagement with our shareholders, the chairpersons of the board, the remuneration committee, and the RBR committee conducted a governance roadshow to address shareholder concerns in October 2024.

#### Outcomes of two non-binding advisory votes at the AGM on 23 May 2024

	For	Against
Non-binding advisory vote number 1: Approval of the Exxaro remuneration policy	93.34%	6.66%
Non-binding advisory vote number 2: Endorsement of the implementation of the Exxaro remuneration policy	93.30%	6.70%

In terms of the JSE Listings Requirements paragraph 3.84(j), 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. Exxaro is pleased to report that the non-binding advisory vote number 2, "Endorsement and implementation of the remuneration policy" increased by 10.79% from the previous year.



Although engagement was not necessary, the board remains committed to meaningful engagements with stakeholders regardless of the outcome of the non-binding advisory vote.

### Major employee incentive scheme revamp underway

Key concerns raised by shareholders and other stakeholders were addressed. Where applicable, we investigated the proposed changes. One concern was the performance conditions in the STI and LTI schemes. Exxaro performed detailed reviews on the following employee incentive schemes:

- Exxaro Coal LOS scheme
- Exxaro long-term incentive plan (LTIP)
- Exxaro DBP
- Cennergi value appreciation rights plan (VARP)
- Cennergi bonus matching plan (BMP)
- Employee ownership plan/GreenShare (ESOP)

For each scheme, recommendations were made on how to better align market practices, consider different design options, and optimise the schemes for the benefit of both employer and employee. The remuneration committee gave its approval for and mandated management to further investigate the proposed changes and recommendations, and to propose a roadmap for their implementation.

### Implementation of the two-pot retirement system

The National Assembly approved the two-pot retirement system for implementation on 1 September 2024. The intention is to promote the preservation of retirement fund investments until members retire, while allowing them access to some of their accumulated savings during their working years.

The Exxaro retirement fund administrators have been aware of these pending legislative changes for many years and have advised that their processes and systems were ready for implementation long before the effective date. It was important for Exxaro to be collaboratively involved with the relevant funds in communicating and educating employees on the two-pot system to ensure that the changes were properly understood. Employees were advised that the savings pot withdrawal facility is intended for emergencies only and that it should be wisely considered before making withdrawals since the member would be borrowing from their future self which could negatively affect their retirement funding.

### Employee benefits update

As part of the annual workplan of the committee, the remuneration committee was provided with an overview of the retirement funds, wellness programmes, group insurance funds, and medical aid

schemes in comparison with a comprehensive benefits industry benchmark. On recommendation of the group executive committee, gap cover was approved for inclusion as an additional benefit. This benefit is fully funded by the employer for employees outside of the management and specialist category. Funeral cover was also approved to be offered to those employees who did not currently qualify for this benefit as part of their pension fund benefits. Again, this benefit is fully funded for employees outside the management and specialist category.

During 2024, Exxaro participated in an extensive and comprehensive benefits survey. This survey was conducted to benchmark the organisation's employee benefits against industry standards, enabling the committee to assess how our offerings compare with those of other organisations. Ninety-eight companies participated in the survey, with 17% being from the mining industry.

Through this process, we gained valuable insights into the competitiveness of our benefits offerings, which helped us identify areas where we are excelling and where there are opportunities for enhancement. Generally, the survey showed that Exxaro's benefits were in line with or better than the market. There were, however, a few benefits where we were slightly below the market, and we are reviewing these to ensure that our employee value proposition remains strong, supports talent retention and continues to attract top talent.

### Review of recognition policy and programme

Recognition remains integral to Exxaro's total reward offering and our recognition events once again united teams at a functional and group level to celebrate our people's exceptional contributions and achievements. While recognition is important and was working well, a policy and programme review is underway to ensure alignment with the evolving needs of Exxaro, with the aim of continuing to foster a culture of appreciation and engagement. The outcome of the policy and framework review and recommended changes will be presented in 2025.

### Review of non-executive director fees framework and approach

A thorough review of non-executive director fees was undertaken against a chosen comparator group. The remuneration committee extensively deliberated an updated fee structure. The updated structure reflects the scope and complexity of the roles, while maintaining alignment with the shareholder interests. The final recommendations will be presented to shareholders for approval at the 2025 AGM.

#### Future focus



#### Key focus areas 2024/2025

Continue on our wage gap journey as part of our DEI strategy by tracking our pay ratios and implementing appropriate interventions to close the wage gap, as required

Implement the incentive scheme changes arising from the reviews undertaken, in line with the associated roadmap and taking account of stakeholder feedback

Implement the minimum shareholding requirement (MSR) to ensure the interests of executives are more aligned with those of shareholders

Update the wage gap roadmap to reflect our ongoing commitment to narrowing the wage gap and continuous monitoring and corrective actions of horizontal wage gaps as part of ESG

Approve the revised recognition policy and programme

Ongoing consideration and deliberation of shareholder feedback

Review benefits and allowances, and implement proposed changes arising from the reviews undertaken

### Confirmation

The committee acknowledges that remuneration continues to be managed within the context of Exxaro's remuneration principles, policy and other guidelines, which enable sound governance and fair and responsible pay. The committee is satisfied that everything that they had committed themselves to for 2024 has either been successfully completed or is on track.

Dr Phumla Mnganga  
Remuneration committee chairperson

15 April 2025

# Risk and business resilience committee report

Dear shareholders,

I am pleased to present the RBR committee report for the year ended 31 December 2024. The committee focused on enhancing Exxaro’s ability to achieve its strategy, reputation as a good corporate citizen, and resilience to adapt appropriately in a changing environment.



**Peet Snyders**  
RBR committee chairperson

## Committee overview

### Composition

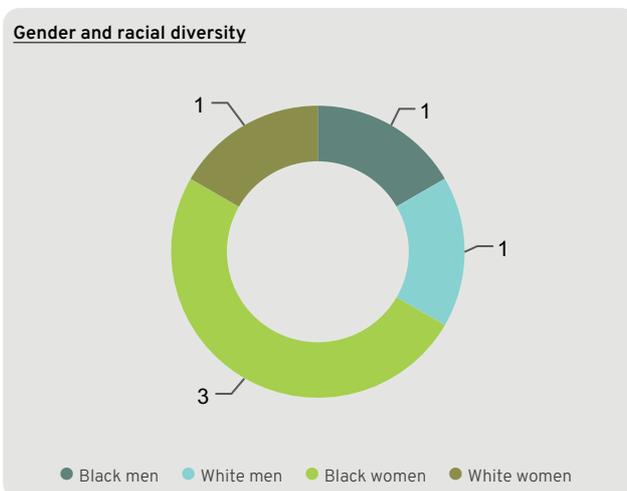
During the period under review, the committee consistently had six members, the majority of whom are independent non-executive directors.

The board is satisfied that the committee members have a suitably balanced blend of skills and experience to enable the RBR committee to discharge its mandated functions.

There were neither retirees nor additional members to the committee in 2024, ensuring continuity in furthering the strategic objectives. Following Ben Magara’s appointment as CEO on 1 April 2025, he will step down as a committee member but has a standing invitation to all meetings.

Standing invitees to committee meetings include the CEO, FD, chief strategic resilience and governance officer, 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 126) for members’ qualifications and experience.



## 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 2024.

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	4/4
Nondumiso Medupe	Independent non-executive director	3/4
Mandlesilo Msimang	Non-executive director	4/4
Chanda Nxumalo	Independent non-executive director	4/4



## 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 policy and plan for risk management that will enhance the group's ability to achieve its strategic objectives and to ensure 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 and is designed to identify potential events that may affect the organisation, manage risks to within its 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 the decision-making and implementation processes related to managing risks.

The committee is responsible for reviewing the ERM process, including key risks facing Exxaro and the responses to address these risks. It maintains a particular focus 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)
- Operational risks
- Regulatory compliance risks

## Business resilience

Business resilience is the ability of an organisation to adapt to a changing environment to enable it to deliver 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 annually. The review took place in the first quarter of 2025 and the revised terms of reference were subsequently approved by the board. The review ensured the terms of reference remain aligned to relevant legislation, regulations and King IV.

### Performance evaluation

There is no regulatory requirement to conduct an annual external independent performance assessment. However, King IV recommends regular performance evaluations for all board committees and, as such, we conduct independent assessments every third year in line with Exxaro's governance practices.

An internal evaluation of the committee's performance and effectiveness was conducted in January 2025. The evaluation aimed to identify and record areas needing strengthening or refinement while considering internal and external dynamics and factors that may positively or negatively impact the committee's ability to enhance its performance and effectiveness in these areas. The assessment concluded that the committee functions effectively.

## 2024 in review

### Key highlights

- The Exxaro delegation of authority framework was reviewed to promote efficiency in business execution and collaboration
- On 1 October 2024, the Sindane family was successfully relocated with due sensitivity while ensuring adequate measures were in place at the mine to eliminate the risk associated with the location of the homestead. Exxaro committed to transferring donated properties to the Phumulani Communal Property Association
- Exxaro held a safety leadership day in October 2024. The event aimed to achieve our ultimate safety goal of zero harm by proactively managing safety risks through strict and consistent implementation of Exxaro's five safety focus areas
- The business continuity plan highlighted the measures that would be implemented in 2024 to increase Exxaro's business continuity maturity and address internal audit recommendations
- Exxaro won the top listed entity category at the Chartered Governance Institute of South Africa for the 2023 integrated report and was recognised by Coal Safe for exceptional safety performance

### Material themes



### Enterprise risk management

The committee tested the robustness of Exxaro’s risk process and its effectiveness in identifying and assessing risks that would affect the company’s ability to achieve its strategic objectives. Following the board strategy review in June 2024, the risk register was reassessed 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’s strategic risk profile was included.

The committee is satisfied that the company’s strategic risk profile is robust and reflects relevant risks that apply to Exxaro’s industry peers. The committee is also satisfied that the Exxaro strategic risk profile reflects the group’s material risks.

Our risks and opportunities ([integrated report](#), page 28)

The committee reviewed and recommended to the board the group ERM framework. The purpose of the review was to:

- 1 Ensure alignment with the current business objectives and 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 serve as 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

An external maturity/benchmark assessment was conducted to assess the ability of the strategic resilience and governance department to provide effective risk and compliance management. The committee reviewed the results of the assessment and proposed action plan to deliver on the strategic resilience and governance strategy for effective risk and compliance management. A roadmap was created to attain a level four risk and compliance maturity by December 2025.

#### Management of environmental impacts

The committee considers Exxaro’s sustainable impact targets and the KPI assessment report.

In 2024, an external service provider was appointed to conduct a water security risk assessment to understand the likelihood of Exxaro’s operations, the environment and communities suffering due to physical climate change risks to their water management systems, ecosystems, and livelihoods. The project of commissioning the water treatment plant at Durnacol commenced at the end of October 2024.

A senior biodiversity specialist was appointed as part of the operational effectiveness process. This specialist reports to the sustainable impact department in the integrated environmental management function. The role’s purpose is to provide strategic and technical support regarding the management and improvement of biodiversity for current and future operations.

The four inactive sites with the highest safety and environmental risks were prioritised, and a budget was allocated in 2024 to address these risks.

### Other licence to operate compliance matters

During the year, Exxaro’s Mafube mining complex was granted a renewed WUL which authorised the mine residue stockpile. The Matla mine WUL was issued by December 2024.

On 22 May 2024, Exxaro received the amended WUL for the Mokolo Crocodile Water Augmentation Project. This licence ensures that Grooteegeluk’s usage is aligned with the water services agreement between Exxaro, the DWS, and the Trans Caledon Tunnel Authority. The licence assists to ensure that Exxaro has adequate long-term water allocation and security.

The committee also discussed the rehabilitation strategy.

### 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 (2016) and SANS (10320):2020 edition codes for the 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 in-depth reports to the committee on information management strategy, operational excellence, information management governance, the information management portfolio and enterprise architecture, information management risk management, and the enterprise resources planning journey.

Exxaro adopted the National Institute of Standards and Technology cybersecurity framework to guide its approach to cybersecurity risk to systems, people, assets, data, and capabilities. This framework is supported by the ISO 27001 standard, which was embraced to outline 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.

Intellectual capital ([integrated report](#), page 110)

### Business resilience and business strategy compliance

The ESG policy, developed by the ESG PMO, was reviewed by management as instructed by the executive committee and finalised during the fourth quarter of 2024.

The committee was briefed on the draft decarbonisation roadmap, which is undergoing an external peer review to ensure credibility, the feasibility of assumptions, gap analysis, risk management, and the correct application of decarbonisation roadmap development principles.

The committee was satisfied with an update on the implementation and enforcement of the insider dealing policy, which was recommended to the board.

The committee oversaw the directors’ and officers’ liability programme and reviewed the insurance renewal programme during the year. This included stress testing for worst case scenario by the International Mining Industry Underwriters.

The committee recommended the 2024 integrated report matters to the board for approval. The materiality review research process identified 24 material matters grouped into seven overarching themes. The identified material matters were consistent with the risk register.

The class action legal strategy was presented and discussed at the board meeting in November 2024.



## Other key matters in review

### Strategic security

The committee receives reports detailing the crime landscape, causative factors, and impact on the company and the country.

### Safety

Exxaro's safety improvement initiatives monitored by and reported to the committee included the following:

The sustainability summit held on 15 April 2024 aimed to bring together stakeholders to demonstrate Exxaro's commitment to our employees' 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 an initiative to empower 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.

### Future focus



### Key focus areas 2025

Monitor the class action served on Exxaro in November 2023 and its impacts on the group as a responsible corporate citizen, as well as ensuring occupational disease preventive measures are well implemented

Oversee the implementation of the water management plan at all Exxaro mines, including closed mines, and review any mitigating plans such as the groundwater analysis model to address the impact of climate change 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)

Ensure a strategic review of Exxaro's mineral asset portfolio

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 to ensure incorporation of technology and information risks to enable strategy delivery and ensure business resilience

### 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

15 April 2025

# Social, ethics and responsibility committee report

Dear shareholders,

I am pleased to present the SERC report for the year ended 31 December 2024. 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 from the board.

The committee is chaired by the lead independent non-executive director, enhancing the importance and relevance of the shareholder-entrusted, social, ethical and corporate responsibilities.

The following changes were made to the committee:

- Nosipho Molope was appointed as member on 3 January 2024
- Likhapha Mbatha, non-executive director and committee member, retired at the AGM held on 23 May 2024
- Effective 1 February 2025, the CEO and FD are no longer members of the SERC but retain standing invitations



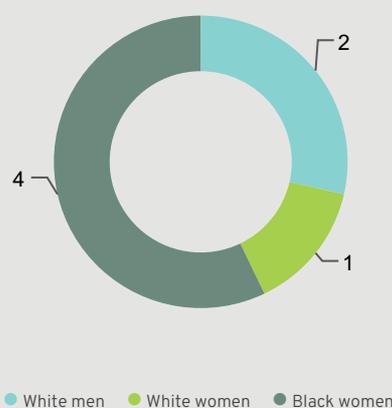
Refer to [board of directors](#) (page 126) for members’ qualifications and experience.

The committee comprised a majority of independent non-executive directors in 2024, as per King IV recommendations, which facilitated the application of independent judgement on committee deliberations and decisions.

As per the standard committee terms, the chairperson of the board and all board members are welcome to attend all meetings as observers.

The chief people and performance officer and chief sustainable impact officer are standing invitees to meetings. Other individuals with specific skills and expertise are also invited to report and assist members in their deliberations, including the chief strategic resilience and governance officer, managing director: energy and head: internal audit. The group company secretary attends each meeting and is the committee secretary.

### Gender and racial diversity as at 31 December 2024



## Meetings

Four committee meetings were held in 2024. 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
Likhapha Mbatha	Non-executive director	1/1*
Dr Phumla Mnganga	Independent non-executive director	4/4
Nosipho Molope	Independent non-executive director	4/4
Peet Snyders	Independent non-executive director	4/4
Dr Nombasa Tsengwa	Executive director and CEO	4/4**
Riaan Koppeschaar	Executive director and FD	4/4**

\* Likhapha Mbatha retired at the 2024 AGM.

\*\* Effective 1 February 2025, executive directors are not members of the SERC but hold standing invitations.



## Role and purpose

The committee mandate derives 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 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. It ensures compliance with Exxaro's statutory duties and oversees that the core purpose and values, strategy and conduct are aligned with the group's responsible corporate citizenship.

The committee oversees the company's ethics regarding 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 its shared sustainability goals and has oversight of 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 oversight by board committees](#) (page 115)

## Terms of reference

The committee's terms of reference are reviewed annually. The review took place in the first quarter of 2025 and revised terms of reference were subsequently approved by the board. The review ensured the terms of reference remain aligned to relevant legislation, regulations and King IV.

## Performance evaluation

Although there is no regulatory requirement to conduct an annual committee performance evaluation, Exxaro evaluates committee performance every third year, in line with King IV's recommendation regarding regular performance evaluations for board committees.

At the beginning of 2025, we conducted an internal evaluation of the committee's performance and effectiveness in accordance with King IV recommendations. The evaluation aimed to identify and record areas needing strengthening or refinement while considering internal and external dynamics and factors that may positively or negatively impact the committee's ability to enhance its performance and effectiveness in these areas. The assessment concluded that the committee functions effectively.

## 2024 in review

### Key highlights

- Monitored the coal mine dust class action litigation launched 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 on Exxaro's impact on air and water quality, and relocation of people
- Oversaw progress against Exxaro's employment equity targets with a focus on Exxaro's key considerations on proposed EEA amendments
- Oversaw the prioritisation of improving safety performance through the development of a safety improvement plan to maintain responsible corporate citizenship. Exxaro's continued posture towards safety contributed to Exxaro being recognised in 2024 for being fatality-free in 2023

### Material themes



The committee has a statutory and board mandate to oversee the company's impact on the public interest and its ethical performance, to assist in sustainably creating value, considering the economy, society and natural environment, and to entrench responsible corporate citizenship within the group.

Social impact, which is part of Exxaro's strategy, seeks to address material social and compliance matters, which require an integrated and long-term perspective, leveraging resources and collaboration. Exxaro's Social Impact strategy aims to provide a proactive response to step up Exxaro's community engagement and development efforts in line with Exxaro's purpose.

## Governance of ESG beyond compliance

### The SERC oversaw ESG governance.

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 minerals 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 such as FTSE Russell ensure that Exxaro continues to improve its disclosure and implementation of ESG-related initiatives. An ESG PMO was established and capacitated to further ensure success and optimal operation.

## Environmental

**The board is invested in 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)

The committee was informed of the Durnacol underground water decant incident and its impact. Exxaro conducted reviews of the completeness of current procedures in place to address the mines in closure and similar incidents. Subsequently, Exxaro rolled out enhanced groundwater management procedures at relevant operations.

## Social, ethics and responsibility committee report continued

Exxaro manages biodiversity as part of our environmental strategy, which is under review. 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 and mitigation measures are reported to and monitored by the SERC. The committee monitored the development of the 2050 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.

 [Environmental incidents](#) (page 27)

### Social

**The SERC oversaw the integration of the Exxaro 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 the sustainable impact function to ensure successful performance.

### Human rights

**The SERC monitored Exxaro's human rights practices and the need to consider new elements, such as air and water pollution and relocation of people.**

Exxaro attended an engagement with the Human Rights Commission in Limpopo and the Limpopo mining sector regarding concerns about practices that were possibly in violation of human rights. Exxaro made a presentation on its work within the areas it operates, highlighting its economic development strategy as part of the Social Impact strategy.

Human rights have evolved over time and this necessitated that Exxaro consider exposure to air pollution, water pollution and relocation of people as elements that fall within human rights for reporting purposes.

### Health and safety

**The SERC oversaw the prioritisation of improving safety performance by approving a safety improvement plan to maintain responsible corporate citizenship. We received recognition for being fatality-free in 2023 and 2024 due to our continued focus on safety.**

The committee was informed of the development of a safety improvement plan, which included reviewing the five key safety focus areas and strategy in 2024. 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 of the coal mine dust class action certification process, and noted that Exxaro served and filed an answering affidavit in the coal lung disease class action on 6 December 2024.

 [Prioritising safety](#) (page 67) outlines our approach and performance, and page 113 includes more information about the [class action](#).

### DEI strategy

**The SERC continued to oversee the implementation of the DEI strategy in support of the overarching Exxaro 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.

 [Maintaining sound employee relations](#) (page 74)

Exxaro launched an employee engagement and culture survey early in 2023 as part of the DEI journey. The survey included employee engagement, leadership, DEI and culture. The survey results were independently managed and indicated employee sentiments which will set the baseline for tracking progress, including the Exxaro strategic dashboard.

Following the survey, the results per BU and function were unpacked and bespoke action plans were developed, aligned with the specific results for that business area. The committee is monitoring the execution against these action plans to ensure that continuous progress is made in addressing the key matters highlighted by the survey as needing attention.

The committee is pleased with the progress made to date, but this will remain a priority area for 2025. The employee engagement and culture survey will be run again during 2025.

 [Culture and engagement survey](#) (page 77)

### 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
- Emphasising that an inclusive culture is crucial for the success of our DEI strategy. To support this, we started capability-building workshops to equip leaders with the skills needed to promote an inclusive culture, including creating psychologically safe spaces
- Increasing women's representation in management and specialist roles. We made noticeable progress, with representation at 38% (2023: 36%) 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 SERC recommended the approval of a revised human rights policy towards the end of 2022, which continues to be implemented.

The policy confirms the group's commitment to promoting human rights as set out in the ILO's declaration on fundamental principles and rights at work.

**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.

 [Stakeholder-inclusive approach](#) (page 16)

**The committee reviewed the ongoing anti-bribery and anti-corruption programme implementation, including rolling out the conflicts of interest programme and ensuring 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 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 118.

## Future focus



### Key focus areas 2024/2025

Monitor the coal mine dust class action litigation launched against Exxaro in November 2023 to ensure our conduct aligns with being a responsible corporate citizen

Monitor the implementation of mitigation measures as reflected in Exxaro's decarbonisation roadmap to support Exxaro's strategy to be carbon neutral by 2050 and build resilience to the impacts of climate change

Monitor and review ongoing anti-bribery and anti-corruption programme implementation, ensuring an ethical culture and respect for human rights, including the whistleblowing mechanisms for effectiveness

Oversee the implementation of the DEI strategy, including the ESD programme, in support of the overall Exxaro strategy as a key business value driver

Oversee sustainability-related disclosures in line with IFRS Sustainability Disclosure Standards

Oversee the implementation of employment equity plans

Oversee the refresh of Exxaro's culture transformation journey and continue embedding the action plans from the 2023 culture and engagement survey

## 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

15 April 2025

# Remuneration report

In an ever-evolving business landscape, Exxaro remains steadfast in its commitment to foster a performance-driven culture that aligns with our strategic priorities and stakeholder expectations.

The remuneration committee’s role is pivotal to ensure that our reward practices attract, engage and retain talent and drive sustainable value creation for our shareholders and broader stakeholders.

**We unpack our approach and performance in this report through the following lenses:**

<p><a href="#">Remuneration at a glance</a> Page 161 and 162</p>	<p>This section describes our approach to remuneration and some of our remuneration policy principles.</p>
<p><b>1</b> <a href="#">Section 1: Message from the remuneration committee chairperson</a> Page 163 to 167</p>	<p>Dr Phumla Mnganga’s message outlines key focus areas and shareholder engagement for the year under review.</p>
<p><b>2</b> <a href="#">Section 2: Remuneration policy</a> Page 168 to 176</p>	<p>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.</p>
<p><b>3</b> <a href="#">Section 3: Implementation report</a> Page 177 to 184</p>	<p>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.</p>



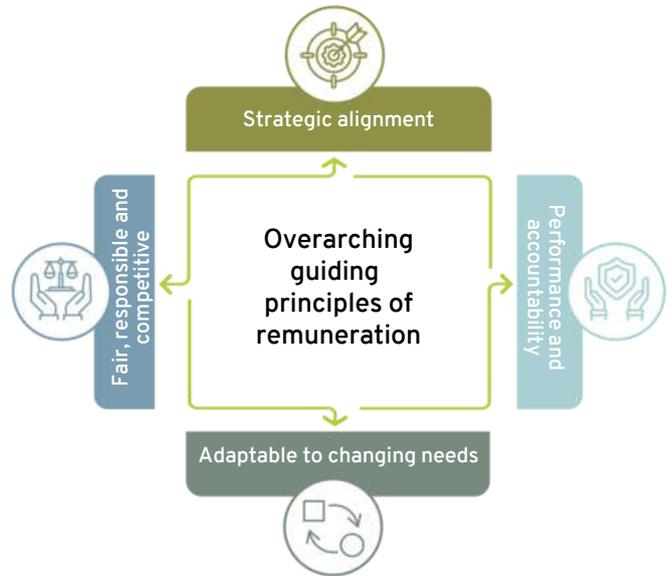


# Remuneration at a glance

## 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.

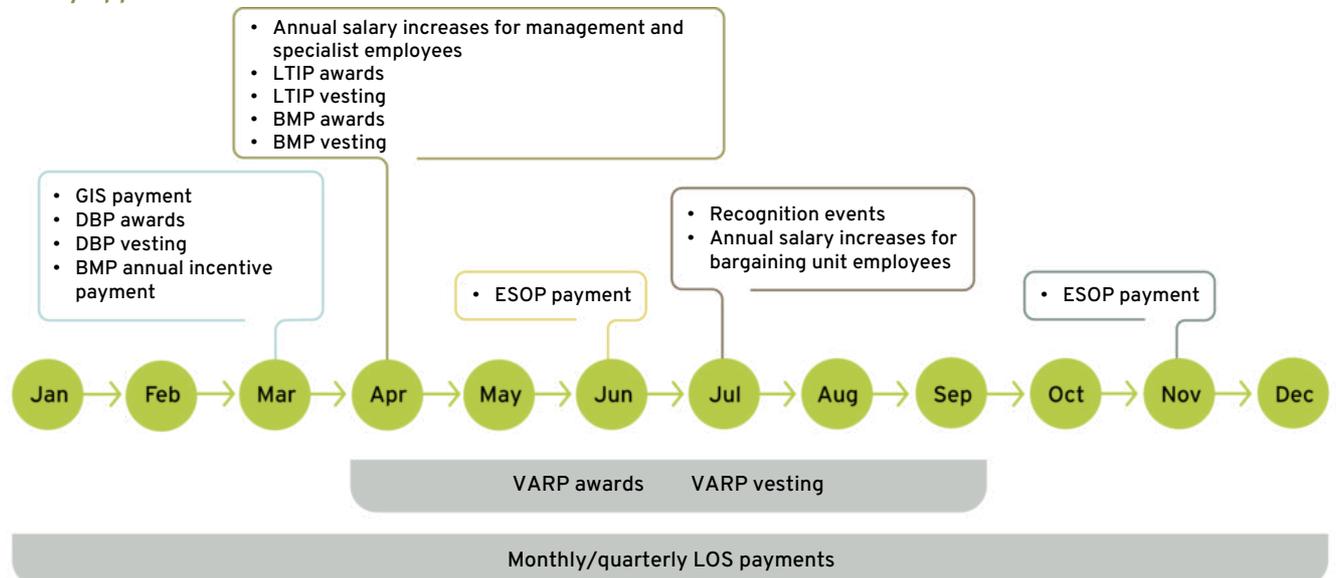
### Remuneration principles



### Remuneration framework

Element	Purpose	Who benefits	How it is applied
Guaranteed pay	Ensures market competitiveness and fairness and facilitates the attraction and retention of talent	All employees	Benchmarked against peers using a lead-lag approach
Benefits	Provide for future security, protection and wellness	All employees	Include retirement planning, risk benefits, medical aid and wellness programmes, etc
STI	Supports annual performance objectives delivery	All employees	Based on business (financial and ESG) targets and individual performance
LTI	Supports the longer-term delivery of the group's key strategic objectives and ensures the alignment of management and shareholder interests	Middle management and above employees	<u>Exxaro LTI</u> Based on business performance (ROCE, TSR and ESG) over a three-year period <u>Cennergi LTI</u> Based on business performance conditions
ESOP	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
Recognition	Celebrates exceptional contributions, fosters a culture of appreciation and honours loyalty	All employees	Formal recognition events and long-service awards

### Policy application



## Remuneration at a glance continued

### Policy changes

We made further changes to our remuneration policy in 2024. The committee approved the following policy changes with effect from January 2025:

<p>The inclusion of notice periods applicable at various levels</p>	<p><b>Purpose:</b> To formally record existing notice periods, which ensure adequate time for business continuity</p>
<p>The treatment of LTI schemes for employees promoted from DL to DM level</p>	<p><b>Purpose:</b> To ensure a seamless transition between incentive schemes, while maintaining alignment with Exxaro's reward framework</p>
<p>Remuneration committee discretion</p>	<p><b>Purpose:</b> To formally record existing remuneration committee discretion in line with King IV principle 14, practice 26</p>

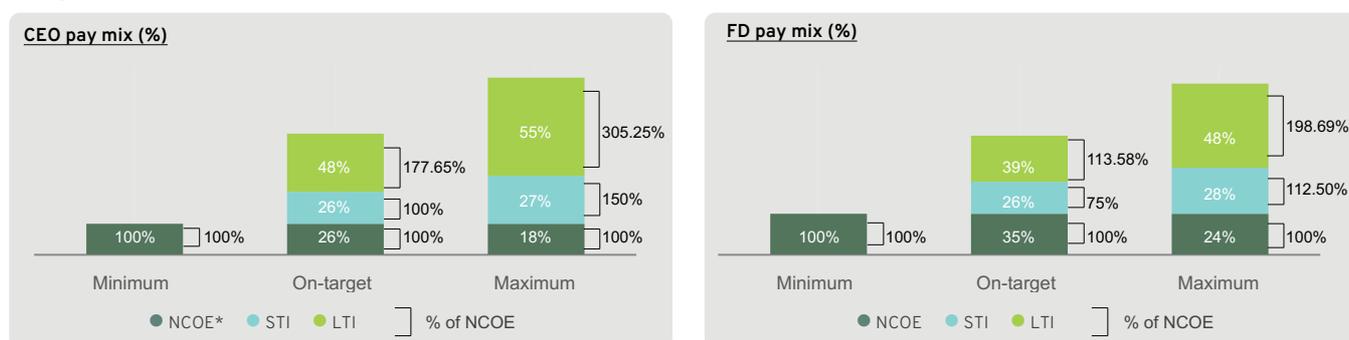
### Shareholder feedback on the remuneration report

Votes in favour of the remuneration report:

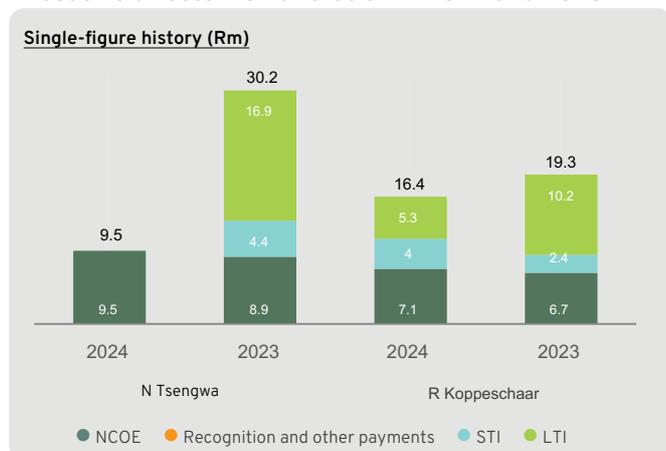
Remuneration policy	→ 93.34%
Implementation report	→ 93.30%
Non-executive director fees	→ 96.89%

### Pay outcomes

#### Range and composition of total remuneration scenarios for CEO and FD



### Executive director remuneration in 2024 and 2023



### Incentive scheme outcomes



In terms of the STI: GIS outcome, our 2024 financial performance improved on the group EBITDA targets compared to 2023, despite underachieving on the cash cost per tonne and saleable tonnes targets in 2024 compared to 2023.

In terms of the LTI: LTIP, we maintained our high achievement of vesting targets on the ROCE and ESG performance conditions compared to 2023. However, we were not able to achieve the full vesting target on the TSR performance condition compared to 2023.



# Section 1: Message from the remuneration committee chairperson

## Dear stakeholders

The South African mining industry faced a challenging operating environment in 2024, marked by fluctuating commodity prices, geopolitical tensions, inflation, and shifting demand for transition minerals. Operational risks were heightened by logistical inefficiencies and increased regulatory requirements.

Despite these headwinds, demand for energy transition minerals essential to renewable technologies continues to grow. This affirms the strategic importance of our diversification into these minerals to future-proof our business and support the global energy transition.

Coal revenue rose by 6%, but this was offset by inflationary pressures, higher distribution costs, and increased operational expenses, mainly due to greater overburden volumes. Our energy solutions business remained stable, with 80% operational EBITDA margins, though equity-accounted investments declined by 47%, largely due to lower iron ore prices and volumes from SIOC.

This report includes our remuneration policy, applicable to our employees and non-executive directors. It describes how the company implemented the policy and discloses payments made to non-executive directors, executive directors and prescribed officers during the year. We aim to ensure that our reward strategies are equitable and aligned with the principles of good governance, as outlined in King IV and other applicable guidelines.

At Exxaro, we acknowledge that fair pay is an ongoing journey, and we are dedicated to continuously evaluating and improving our approach to remuneration. We understand that competitive, transparent and equitable pay practices are fundamental in attracting, retaining and motivating top talent. Accordingly, we regularly review our pay structures to ensure they are aligned with both market standards and the evolving needs of our diverse workforce. Our commitment to fair pay extends beyond compliance, as we work to foster a culture where our reward practices are experienced as both fair and motivating across all levels of the organisation.

A key aspect of this commitment is ensuring that there is alignment between executive pay and the earnings of employees across the company. By assessing the ratio between executive remuneration and average employee earnings, we strive to create a sustainable and transparent framework that reinforces our values of fairness and equity. We recognise the importance of maintaining a fair and responsible reward system that reflects the contributions of all employees, and this approach helps underscore our ongoing commitment to responsible remuneration practices.

In line with our commitment to fair and responsible pay, we regularly assess pay equity and income disparity across different levels of the organisation. Our latest analysis reflects a positive trend, showing year-on-year improvement and alignment with market benchmarks.



On behalf of the board, I am pleased to present **Exxaro's FY24 remuneration report**.

Dr Phumla Mnganga – Remuneration committee chairperson

Our horizontal wage gap analysis, which examines employees within the same job family, job grade, performance band and tenure in role, also indicates progress. Notably, our gender pay gap and race-based pay disparities have narrowed, reinforcing our ongoing efforts to drive equitable pay practices.

These improvements reflect our dedication to ensuring fairness, fostering inclusion and maintaining competitive and responsible remuneration structures.

We remain confident that our remuneration practices support our Sustainable Growth and Impact strategy.

### Remuneration committee governance



Please see our [remuneration committee report](#) on page 149.

## Remuneration report: section 1 continued

### Shareholder engagement

At our AGM in May 2024, shareholders strongly supported our remuneration policy and implementation report.

The board and committee prioritise shareholder engagement, and we take the engagement and feedback from shareholders seriously. We continuously pursue enhancements to our remuneration framework and consider shareholder input.

Remuneration policy (%)			Implementation report (%)		
2019	95.37	4.63	2019	95.53	4.47
2020	94.66	5.34	2020	93.15	6.85
2021	94.00	6.00	2021	94.00	6.00
2022	93.55	6.45	2022	82.51	17.49
2023	93.34	6.66	2023	93.30	6.70

During the 2024 governance roadshow, investors raised discussion points regarding governance, strategy and ESG.

Shareholder concern	Our response
Challenges experienced with the integration of Cennergi's LTIs and STIs with Exxaro	<p>While the design of the Cennergi incentive schemes is different to our standard Exxaro schemes, we have made concerted efforts to ensure alignment with the overall organisation's remuneration philosophy and principles. As part of the work undertaken to embed the Cennergi schemes, we conducted comprehensive consultations with affected employees to clearly explain the rationale for the design of the Cennergi incentives and our attempts to take account of the unique attributes/circumstances of the energy business.</p> <p>We have made good progress in integrating the Cennergi incentive schemes. However, our LTI review highlighted that there are potential enhancements that can be made to the Cennergi schemes to further improve the robustness and fairness of the schemes for both participants and Exxaro.</p>
The FTSE Russell Index as an ESG measure on our LTIP	<p>We acknowledge shareholder feedback on our ESG performance measure of the LTIP. As part of a comprehensive review of our LTI schemes in 2024, we concluded that certain changes were necessary to ensure ongoing alignment with shareholder expectations and business priorities. We have identified specific alternative LTIP ESG measures linked to our decarbonisation roadmap, and while the redesign of all our LTI schemes is underway, we revised the weightings as follows:</p> <ul style="list-style-type: none"> <li>• ROCE increased from 33.33% to 40%</li> <li>• TSR increased from 33.33% to 40%</li> <li>• ESG decreased from 33.34% to 20% (based on the FTSE Russell Index)</li> </ul> <p>This is an interim measure for 2025 and will be removed from 2026 onwards. We look forward to engaging with our shareholders on the proposed forward-looking ESG measures during our 2025 roadshow.</p>
Progress on the horizontal and vertical wage gap	<p>Following the promulgation of the Companies Amendment Act, which outlines clear disclosure requirements, we assess and report on key remuneration trends in alignment with section 30B of the Act.</p> <p>Our approach to pay equity remains guided by Exxaro's wage gap statement of intent, ensuring that we actively monitor and address disparities in remuneration. This includes ongoing efforts to narrow pay gaps across employee groups and uphold fair and responsible pay practices that support sustainable workforce equity.</p> <p>These efforts reflect our broader commitment to transparency, fairness and continuous improvement in remuneration governance. The remuneration committee has once again decided to delay wage gap disclosure until mandated by legislation.</p>
The growth team incentives and any application of clawback	<p>The growth team, led by the chief growth officer, is a dedicated group responsible for driving M&amp;A activity linked to Exxaro's growth strategy. This team plays a critical role in identifying and capitalising on opportunities for diversification and sustainability across our portfolio. Their work aligns with Exxaro's strategic objectives to expand into minerals and renewable energy while delivering long-term value for stakeholders. The team's performance is measured against defined KPIs linked to strategic growth initiatives, ensuring alignment with shareholder interests and broader organisational goals.</p> <p>The chief growth officer and the growth team participate in the group-wide STI scheme (the GIS). Therefore they are not part of a separate or bespoke incentive scheme. The GIS rewards both company and individual performance. For employees, including the growth team, 20% of the GIS payment is based on individual performance, with the remaining 80% linked to financial and ESG performance conditions. The growth team's KPIs are detailed in their performance contracts and are structured to drive measurable outcomes in areas such as M&amp;A, portfolio diversification and stakeholder engagement.</p> <p>Our malus and clawback provisions allow Exxaro to address any detrimental activities should they occur in particular circumstances. Clawback will be applicable for a period of up to 36 (thirty-six) months from the vesting date of an award made in terms of the LTI schemes or after payment of the GIS. We plan to review our malus and clawback policy in 2025.</p>



## Shareholder concern

## Our response

**Accountability in the event of an acquisition subsequently regarded as unsuccessful**

Exxaro's approach to acquisitions includes the following key considerations:

**1. Decision-making accountability**

While the growth team conducts the scouting, due diligence and groundwork for potential acquisitions, they are not solely responsible for an acquisition outcome. Exxaro has a rigorous governance framework and the ultimate decision regarding M&A activity rests with the board.

**2. Factors influencing acquisition outcomes**

The success of an acquisition depends on multiple factors, such as:

- Integration effectiveness (operational alignment, cultural fit and value realisation)
- External influences (market shifts, regulatory changes, commodity pricing or unforeseen risks)
- Execution by other teams (post-acquisition management and operational teams)

These factors may fall outside the direct scope of the growth team's responsibilities, further underscoring the need for balanced accountability.

**3. Proposed enhancements to KPIs**

To ensure clear accountability and drive cross-functional success, we intend to incorporate integration and acquisition-related KPIs into executive performance contracts post-acquisition. For example:

- Integration KPIs: measure progress in achieving synergy targets, stakeholder satisfaction and operational alignment
- Acquisition effectiveness KPIs: track the realisation of strategic objectives and financial returns against the acquisition's original business case

These measures hold the appropriate leaders accountable for the post-acquisition phase and ensure incentives are tied to the long-term success of the acquisition.

**4. Balanced approach to the growth team's accountability**

The growth team's performance KPIs remain focused on delivering executable opportunities that align with Exxaro's strategic criteria. They are assessed on the quality and viability of opportunities presented, their ability to manage stakeholder relationships, and the robustness of due diligence processes. This ensures they are held accountable for their contributions, without being unfairly penalised for outcomes beyond their control.

Exxaro's governance structures and performance management frameworks are designed to promote accountability at every stage of the acquisition process, from opportunity identification to integration and value realisation. By incorporating appropriate post-acquisition measures in executive performance contracts as discussed above, we further ensure alignment between strategic objectives, shareholder interests and individual accountability.

## Changes in executive leadership

This section provides an overview of key employment-related changes affecting the group's executive directors and prescribed officers during the reporting period. It covers 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
- Riaan Koppeschaar served as acting CEO until 31 March 2025
- Kgabi Masia was placed on precautionary suspension pending the outcome of an ongoing investigation, with his contractual terms and conditions remaining in effect during this period, in accordance with company policies and labour laws
- Mervin Govender is currently acting as the chief coal operations officer
- Andiswa Ndoni tendered her resignation and left the organisation on 30 November 2024
- Tsheko Ratsheko is acting in the role of chief strategic resilience and governance officer
- Michelle Nana joined the company as the group company secretary on 1 May 2024

## 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

### 2024 key focus areas

#### Continued our wage gap journey

We continued our work to address the wage gap in line with our roadmap shared last year. We are tracking our wage gap and fair pay, and implementing changes where required. We commissioned a bespoke survey within the mining industry to gain insights into benefits and financial wellness initiatives offered within the industry. The survey results indicate that Exxaro matches the most common market practice or leads the market. Going forward, we will consider actions and interventions for worker remuneration and reward that enhance financial wellness, while remaining economically sustainable (including the consideration of foundation benefits).

The wage gap analysis for the 2024 financial year assessed Exxaro's vertical and horizontal pay gaps. The analysis found that Exxaro's wage gap ratios have improved from 2023 and compare favourably with industry benchmarks. No material instances of unfair pay discrimination were identified.

We will update our wage gap roadmap by setting specific wage gap targets, baselining an Exxaro living wage and ensuring ongoing progress towards fair and sustainable remuneration practices.

#### Reviewed Exxaro's LTI schemes

Over recent years, shareholders have raised concerns about Exxaro's incentive schemes. In response, we reviewed our LTI schemes to ensure alignment with our strategy and industry benchmarks.

The review included all LTIs, namely:

- Exxaro LTIP
- Exxaro DBP
- Cennergi VARP
- Cennergi BMP
- ESOP, known as GreenShare

The review showed that while Exxaro has a higher weighting for pay at risk at senior levels, the overall remuneration mix of STI and LTI is appropriate. The structure of our LTIP is somewhat aligned to the market, and we will look at how this can be enhanced in 2025. The DBP has been in place for many years and is due to be revised. We intend to replace it in 2026.

The review of our MSR policy highlighted that, while the policy aligns with best practice, there are opportunities to enhance it based on a redesign of the DBP. Similarly, there are opportunities to enhance our malus and clawback policies, which will be done in 2025.

While Cennergi's VARP and BMP was recently implemented, the review showed that this scheme can be enhanced.

The current GreenShare scheme does not lead to capital vesting, and this is not favoured by our trade unions. An alternative design option that will optimise B-BBEE compliance and help with employee engagement at lower levels will be looked into.

#### Embedded and operationalised Cennergi's STI and LTI schemes

We successfully embedded the schemes with the participants in Cennergi Holdings and Cennergi Proprietary Limited. This included innovative individualised playbooks on the BMP and VARP, which served as detailed guides to enable participants to fully understand the mechanics, milestones and benefits that drive desired behaviours.

### Reviewed benefits and allowances

Reviewing our benefits and allowances helps to identify further opportunities to enhance our reward offering and ensure benefits remain fit for purpose and competitive. Employee benefits are integral to our remuneration offering and our employee value proposition. During the period under review, we participated in a comprehensive benefits survey to benchmark our employee benefits against industry standards.

Through this process, we gained valuable insights into the competitiveness of our benefits package, which will help us identify areas where we are excelling and opportunities for enhancement. This analysis is critical in ensuring that our employee value proposition remains strong, supports talent retention and continues to attract top talent.

#### Reviewed the non-executive directors' remuneration framework

We reviewed the market benchmarks for non-executive director fees, which included the following:

- Determination of an appropriate chosen peer group
- Analysis of the positioning of current Exxaro non-executive director fees against the chosen peer group
- Proposal of differentiated increases based on positioning relative to the peer group analysis

A size-based analysis was performed using Exxaro's market capitalisation. This was ranked relative to the companies within the chosen peer group to assess our position within that group. Exxaro's size, complexity, and geographical spread indicate that the market positioning should be at the median of the chosen peer group.

We tested larger and smaller peer groups to analyse the sensitivity of results to the number of peers and found that the following 12 peer group companies were appropriate:



Benchmarking against the chosen peer group was done on the basis of equivalent annual retainer-only fees for board (chairperson, lead independent director and member) fees as well as chairperson and member fees for each committee. The board chairperson benchmarking was done on an all-inclusive basis. The Exxaro fees used in the benchmark were those approved at the AGM in 2024.

The benchmarking results highlighted that the board chairperson all-inclusive fee and the audit committee chairperson fees appear well aligned to the chosen peer group. However, the chairperson fees for all other committees appear high relative to the peer group. Also, the market premium for the audit committee chairperson relative to other committee chairpersons is low. As such, a larger increase will be applied to the audit committee chairperson over the next two years, while the fees for the chairpersons of the RBR, remuneration, SERC and investment committees will be kept flat for 2025 and reviewed annually going forward.

The lead independent director fee and the board member fees appear well aligned to the peer group. The member fees for the audit committee, remuneration committee and SERC also appear well aligned. Average increases aligned to annual increases for management and specialist category employees are proposed for these roles going forward.



No comparable committees were identified in the peer groups to draw any conclusions regarding the market comparability of the logistics committee chairperson or member fees.

The nomination committee was previously part of a combined remuneration and nomination committee and has subsequently been split out. Our analysis indicates that the fees for the nomination committee are materially misaligned with the market, being at around one-fifth of market benchmarks. We are proposing normalising the fees over a four-year period so that they align to the market.

All companies in the peer group pay for board and committee meetings held beyond the standard or prescribed number of meetings. In line with market practice, we decided to implement per meeting fees for non-standard board and committee meetings. In order to qualify for payment, these meetings will need to be substantive enough in both nature and length and be approved in advance by the board chairperson. Fees of R40 000 for the chairperson and R25 000 for members per meeting (both board and committee meetings) are proposed.

It is intended that any fees paid for any additional meetings will be disclosed separately from the standard fee payments.

### Reviewed the recognition policy and programme

Recognition continues to be integral to Exxaro's total reward offering and our recognition events once again brought teams together at both functional and group level to celebrate the exceptional contributions made and achievements realised. While recognition is working well, the policy and programme review were done to ensure that recognition aligns with the evolving needs of Exxaro, with the aim of continuing to foster a culture of appreciation and engagement.

### Two-pot retirement system

In line with regulatory changes, we successfully implemented the two-pot retirement system across all our retirement funds. Since its implementation on 1 September 2024, the relevant pension funds have processed 2 975 withdrawals from Exxaro employees. Exxaro remains committed to supporting employees' financial wellbeing through innovative and compliant retirement solutions. We will continue to engage with employees and reiterate the fact that these withdrawals are intended for emergencies.

## 2024 wage negotiations

Despite a challenging negotiating context, Exxaro concluded three-year wage agreements with five employers across the group where unions have bargaining rights. All the agreements were concluded without industrial action and within the approved wage mandate.

## 2025 focus areas



Our 2025 focus areas will be to:

- Revise LTIP ESG measures
- Redesign LTI schemes
- Review our MSR policy
- Review the malus and clawback policy
- Continue addressing the wage gap
- Review STI performance measures

## Independent remuneration advisers

Exxaro continues to seek independent and professional advice on remuneration matters from consultants regarded by the committee as fully independent. During 2024, advisers included Vasdex Associates, Remchannel, Bowmans, 21st Century and Kornferry.

## Conclusion

Through these efforts, we continue to ensure that our remuneration framework supports Exxaro's vision of powering a clean world while delivering sustainable returns to our shareholders.

I wish to express my gratitude for the ongoing support and insights from the remuneration committee members, executive leadership and the remuneration team.

**Dr Phumla Mnganga**

Remuneration committee chairperson

15 April 2025

## 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.

The policy is rooted in robust governance practices and reflects our dedication to ethical business conduct. It integrates ESG priorities to drive sustainable impact. By balancing guaranteed pay, benefits, variable pay and recognition, the policy ensures that individual contributions directly support Exxaro's Sustainable Growth and Impact strategy, advancing diversity and inclusion, and achieving operational excellence.

### Remuneration strategy and philosophy

#### Overarching guiding principles on remuneration



#### Total reward

We recognise that people's value is more than monetary reward. Our approach 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 Evergreen Awards, acknowledging individual and team efforts 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 enabled by deep connections, which enables a sense of belonging that helps our people thrive
- Support for our people's professional and personal growth through personalised, meaningful experiences and career mobility within and beyond Exxaro
- A great workplace where the day-to-day 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 annually review our fair pay principles and their application.

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 2024 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 on our fair pay for performance journey.

### Future commitments

#### Our initiatives for 2025 include:

- Setting meaningful and realistic wage gap targets by analysing our wage gap metrics and setting short, medium and long-term targets
- Introducing medical aid as a condition of employment for employees in the bargaining units at Coastal Coal Proprietary Limited and Ferroland Grondtrust Proprietary Limited, as an employer-funded benefit
- Implementing funeral cover and gap cover for employees who do not currently qualify for these benefits:
  - As a voluntary benefit for management and specialist employees, at the employees' expense
  - As a mandatory benefit for employees in the bargaining unit and non-management and specialist employees, at the employer's cost

#### 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 report: section 2 continued

### Remuneration elements

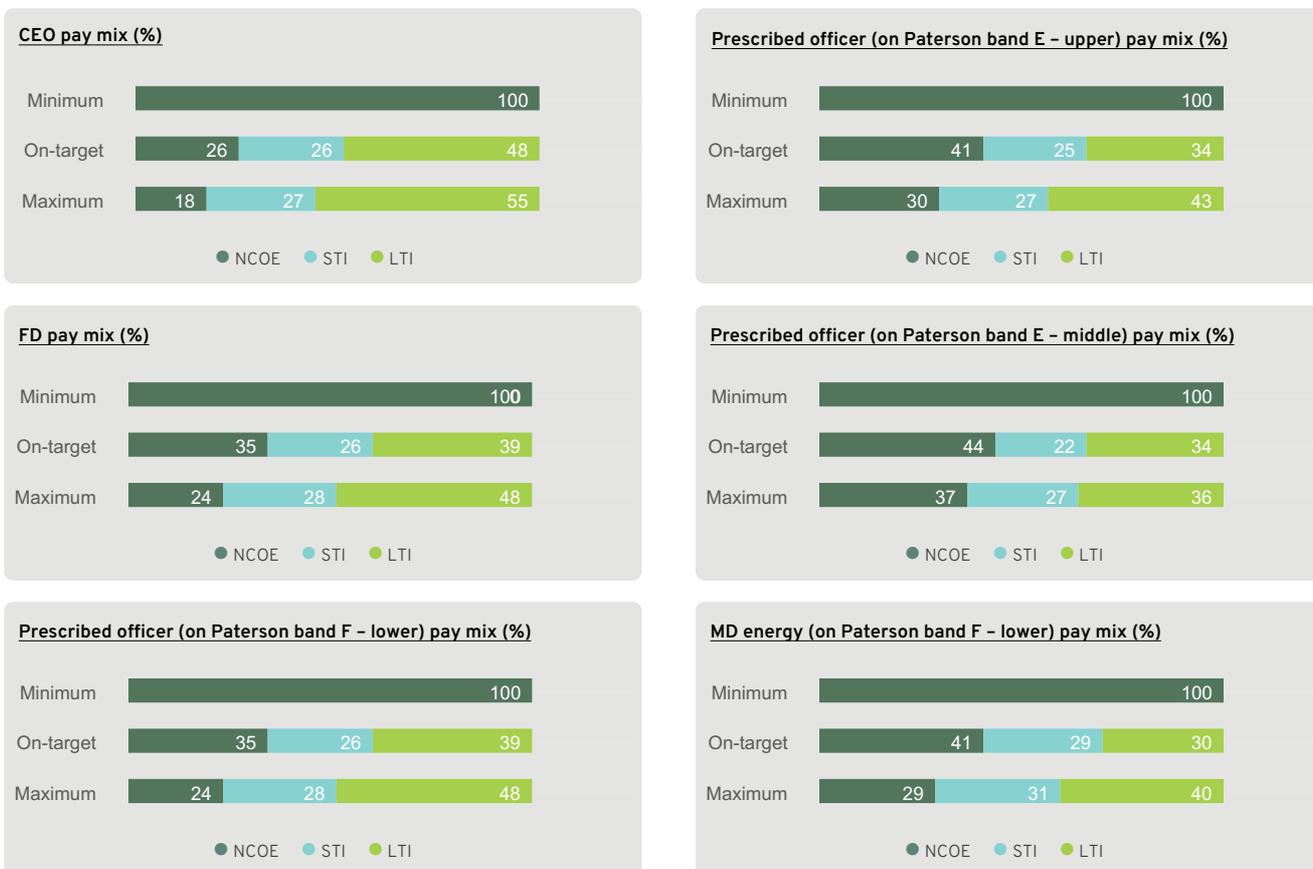
Remuneration element	Objective	Eligibility	Application
Total guaranteed pay includes all guaranteed items, such as basic salary, medical aid, pension fund and guaranteed allowances	To attract and retain the right mix of talent with market-related pay, reflecting the size, scope and complexity of individual 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>
Employee benefits and allowances	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> </ul>
STIs	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 can defer a portion of their STI to participate in the DBP</li> <li>The LOS 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>Payment time frame typically one year or less, except where a portion of variable remuneration may be deferred to a later period</li> </ul>
LTI	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 two components, the LTIP and DBP. The LTI scheme:</p> <ul style="list-style-type: none"> <li>Makes annual awards</li> <li>Vesting is over 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 two components:</p> <ul style="list-style-type: none"> <li>Matching incentive, known as the BMP – following 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 in order to give participants exposure to Exxaro shares and is linked to the principle of group alignment</li> <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>
ESOP	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
Recognition	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 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, finance director 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. 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 (EAP)

As part of our wellness offering, the EAP offers wide-ranging support, including legal, financial and substance abuse assistance, among others.

## Remuneration report: section 2 continued

### 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 LOS for other permanent employees, which are specific production schemes relevant to employees' positions.

#### GIS salient features

<b>Participants</b>	<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>
<b>Scheme metrics and frequency of payment</b>	<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>
<b>Apportionment</b>	<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>
<b>Maximum achievable</b>	150% of targeted STI quantum
<b>Gatekeepers</b>	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
<b>Business scorecard</b>	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	

#### 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

<b>Participants</b>	<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>
<b>Scheme metrics and frequency of payment</b>	<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>
<b>Apportionment</b>	<ul style="list-style-type: none"> <li>Varies by level</li> </ul>
<b>Maximum achievable</b>	<ul style="list-style-type: none"> <li>150% of targeted STI quantum</li> </ul>
<b>Business scorecard</b>	<ul style="list-style-type: none"> <li>Detailed below</li> </ul>



## BMP business scorecard goals and weight

KPIs	Weight (%)
Strategic growth and financial performance	50
Business transformation operational excellence	15
Leading people change and social impact	15
Health, safety and environment	7.5
Cost management and internal control	12.5
<b>Scorecard total</b>	<b>100</b>

### Exxaro LTI scheme

Our LTI schemes comprise the LTIP and DBP, 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 and the DBP. We introduced the ESOP (GreenShare) in July 2020, which applies to employees not participating in the LTI scheme.

#### LTIP

The remuneration committee makes LTIP awards, subject to performance conditions and a three-year vesting period.

The face value of allocations depends on the employee's NCOE and a grade-specific percentage. The committee evaluates the achievement of performance conditions biannually. The awards vest after three years.

We undertook a review of our LTIP last year. Results indicated that specific and appropriate ESG measures are preferable, rather than using an index, such as the FTSE Russell Index. The construction of the revised metric(s) will be done in 2025 with a view to potentially implement the revised metric(s) as part of the 2026 awards. In the meantime, the FTSE Russell Index as the ESG performance condition measure is retained but its weighting is reduced while the financial metrics are increased.

#### ROCE condition (40%)

The ROCE calculation is based on net operating profit plus income from non-equity-accounted investments plus income from equity-accounted investments as a percentage of average capital employed.

A sliding scale, based on a percentage ROCE achievement, applies as follows:

- 17% ROCE achievement = 50% vesting (threshold)
- 19% ROCE achievement = 90% vesting (target)
- 22% ROCE achievement = 100% vesting (stretch)

ROCE is calculated as the average of the three years' results constituting the performance period.

#### LTIP performance vesting conditions

Performance conditions	Weight (%)	Vesting of awards (after year three)
ROCE	40	17% ROCE achievement = 50% vesting (threshold)
		19% ROCE achievement = 90% vesting (target)
		22% ROCE achievement = 100% vesting (stretched)
TSR - RESI 10 peer group	28	Median TSR peer group position = 50% vesting
		Top three TSR peer group position = 100% vesting
TSR - energy peer group and Thungela	12	Equal to average TSR = 50% vesting
		Equal or above average TSR times 125% = 100% vesting
ESG as per FTSE Russell ESG Index	20	Below 50 percentile ranking = 0% vesting
		50 percentile ranking = 50% vesting
		50 to 75 percentile ranking = sliding scale between 50% and 100%
		Above 75 percentile ranking = 100% vesting

## TSR condition (40%)

Exxaro's TSR is compared to performance against the TSR peer group. The peer group components and weighting of each are as follows:

TSR peer group entities	Weighting (%)
RESI 10	70
Energy peer group	15
Thungela	15
<b>Total</b>	<b>100</b>

Exxaro's TSR, for the purposes of this plan, is defined as the compound annual growth rate on a portfolio of Exxaro's ordinary shares purchased on 31 December preceding the grant, holding the shares and reinvesting the dividends received from the portfolio in Exxaro shares until the end of the performance period and selling the portfolio on that day.

The compound annual growth rate is further calculated in the same way for each of the six months before the award date, to ensure that the TSR is not unduly skewed for fluctuations at the start or end date of the measurement period.

The final computed growth rate (smoothed TSR) is the average of six three-year periods commencing six months before the award date and ending on the final date of the three-year performance period.

A 70% portion of the TSR depends on Exxaro's smoothed TSR performance compared to the RESI 10 peer group and for the remaining 30%, Exxaro's smoothed TSR performance is compared to an average TSR calculated between the energy peer group and Thungela.

#### ESG condition (20%)

The ESG targets are measured as per the FTSE Russell ESG Index, which provides benchmarking of international resource peer companies based on the performance of their ESG practices. A vesting sliding scale applies for an annual ESG rating between the median percentile ranking of 50 (50% vesting) and the upper quartile percentile ranking of 75 (100% vesting). Below 50 percentile ranking results in 0% vesting. The average performance over the three-year period is calculated and measured.

The table below summarises the performance vesting conditions applicable to the awards that will be granted in 2025.

## Remuneration report: section 2 continued

### DBP

The DBP encourages share ownership at executive management and senior management levels while reinforcing retention.

Participants can elect to voluntarily use a portion (50% or 90%) of their post-tax STI payments to acquire Exxaro shares at the prevailing market price.

Participants are entitled to all rights attached to the pledged shares purchased with their post-tax STI portion, including dividends. If the pledged shares are held for the three-year pledged period and participants remain in service for this period, Exxaro provides a matching award on a one-for-one basis.

No performance vesting conditions apply to the matching award.

### 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 two schemes: the matching incentive component of the BMP and the VARP.

#### 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.

#### 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.

$$\begin{array}{c}
 \text{The settlement value of the VARP award is calculated as:} \\
 \text{VARP award value} \quad \times \quad \text{performance outcome} \quad \times \quad \text{VARP value multiple at exercise date} \\
 \\
 \text{The value multiple is calculated as:} \\
 \text{The equity value of the company on the VARP exercise date} \\
 \div \\
 \text{The equity value of the company on the VARP award date}
 \end{array}$$

### VARP milestones

The 2025 milestones are made up as follows:

- 50% of the tranche vests if the LSP is at least equivalent to a P90 scenario in relation to the months post commercial operation
- 50% of the tranche vests if the financial close is achieved on a new build project of 30MW or a new merger and acquisition project of 50MW

From 2026, the 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

### MSR

In line with global best practice and shareholder expectations, we adopted an MSR policy in 2021. The policy aims to encourage all executive directors and prescribed officers to acquire and hold company shares and to reinforce alignment between executive and shareholder interests. Executive directors and prescribed officers are expected to build and maintain a company shareholding in direct proportion to their NCOE to align their interests with those of shareholders.

The target minimum shareholding may be satisfied as follows:

- The pre-tax deferral of a percentage of potential unvested LTIP award for the holding period
- The pre-tax deferral of matching shares received through participation in the DBP held in escrow until the determination date
- The option to purchase MSR shares with a percentage of pre-tax annual STI payments
- Personal investment shares, not subject to the holding period, acquired with post-tax income or through a variable pay scheme operated by the company

The following conditions apply:

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	



## Malus and clawback

### Overview

Malus\* and clawback\*\* remain essential features of our remuneration policy. These processes allow for risk adjustment of awards already made and, in the case of clawback, awards already vested or paid out.

### Rationale for implementation

- Misbehaviour or material error by a participating employee
- An employee's actions resulting in reputational damage to the business
- The business suffering a material downturn in financial performance or material failure in risk management
- Awards being based on material misstatements of financial results or information arising that would have caused benefits to lapse or the board or remuneration committee to exercise discretion differently if the information was disclosed at the time
- The business suffering a material financial loss because of actions or circumstances attributable directly to an employee or that could have been avoided by reasonable actions of an employee
- The board or remuneration committee, in their discretion, deeming it necessary to apply malus or clawback

### Applicability

The GIS and share-based awards, including the LTIP and DBP, are subject to malus and clawback provisions, enabling the remuneration committee to reduce the vesting level or recover amounts already paid if necessary. Clawback will be applicable for up to 36 months from the vesting date of an award made in terms of the LTIP scheme and DBP scheme or after payment of the STI.

There were no events of malus or clawback during the 2024 remuneration period.

\* The ability to reduce, including to zero, an award not yet accrued or vested to an individual.

\*\* The ability to recover or seek repayment of awards already paid or vested to the individual.

## 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 are paid in line with the schemes' rules.

### 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.

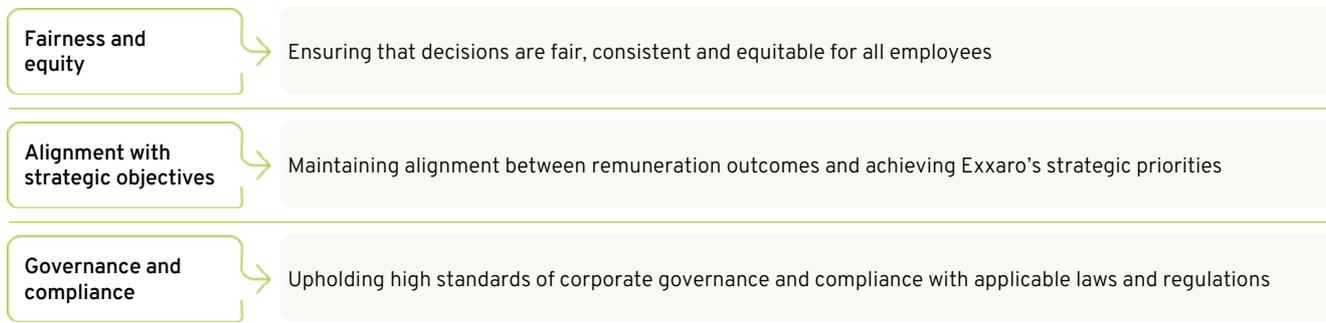
The committee also ensures that with these awards, it applies performance conditions and malus and clawback provisions.

## Remuneration report: section 2 continued

### 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:



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

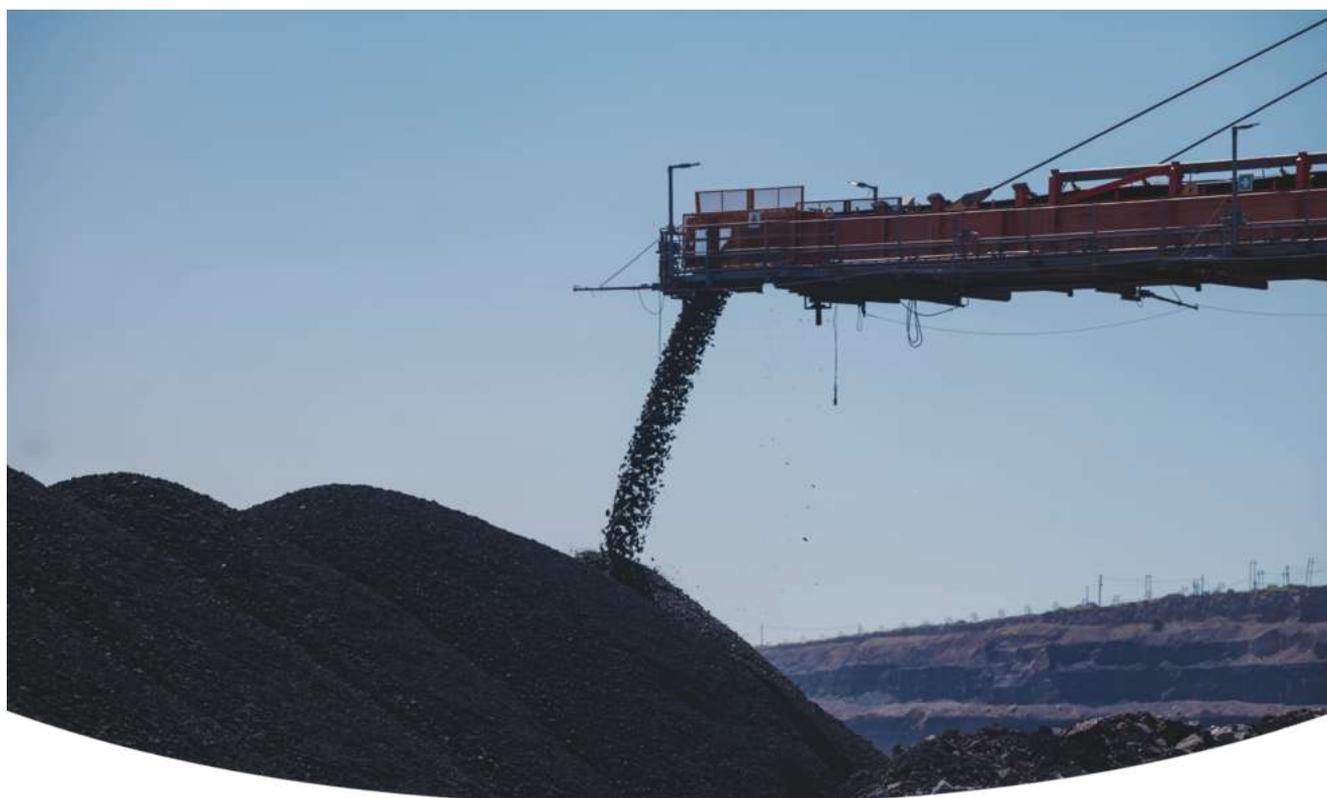
All the committee's discretionary decisions will be transparently documented and disclosed, where appropriate, to relevant stakeholders to ensure accountability and trust.

### 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 2024. It details STI and LTI payments and vesting outcomes, with single-figure remuneration.

The approved increase for the FD is 7% and average increases for executive level and employees below are 6%. The effective date will be 1 April 2025. Implementation complied with the remuneration policy.

### Performance contract and rating of the CEO in 2024

Following the resignation of the CEO, her performance contract was excluded from this report as it is no longer applicable. With the CEO transition, the board and remuneration committee remain focused on ensuring a smooth changeover and continued alignment of the CEO's performance contract with Exxaro's Sustainable Growth and Impact strategy.

### Performance contract and rating of the finance director in 2024

Individual key objectives	KPIs	Rating
Strategic growth and financial performance	Support to the growth and energy team to build sustainable core businesses in minerals and energy aligned with investment criteria as well as support for board-approved disposals (corporate finance support for financial modelling, affordability analysis, financial impact, deal structuring, financial due diligence inclusive of funding model/capital raise) taking account of value accretion versus affordability in context of risk exposure.	
	Achieve ROCE target of 20%.	
	Ensure sufficient funding is available to grow the new energy and minerals business(es) aligned to the Exxaro capital allocation framework.	
	Maintain Exxaro's S&P Global ratings.	
Business transformation and operational excellence	Deliver group consolidated financial statements, budgets and forecasting aligned with required timelines, regulations and standards.	
	Ensure project plan is in place for unwind and/or replacement BEE structure.	
	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.	
Leading people change	Achieve employment equity and gender representation targets across all Exxaro group employers in core and in management levels aligned to the approved employment equity plan and mechanisms as per DEI metrics and plan.	
Safety and business sustainability	Consolidate social spend vehicles under the Exxaro Aga Setshaba Trust. Spend on the trust and ESD programme is aligned to ensure at least a level 3 dtic rating.	
Cost management and prudence	Departmental budget spend.	
	Identify areas of cost reduction and other cost savings across the Exxaro group.	
	No overdue and or repeat level 1 and 2 audit findings in area of responsibility.	
Performance rating		3.33/5

## Remuneration report: section 3 continued

### 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 2024

Broad goals	Broad weight	Measurement (KPI)	KPI weight	0%	100%	150%	Actual	Outcome	
				Threshold	Target	Stretch			
Financial + operational + strategic	75%	EBITDA	50%	90%	104.9%	115.2%	102.20%	82%	
		Cash cost per tonne	15%	115%	100%	95%	112.60%	16%	
		Saleable tonnes	10%	90%	100%	102%	90.40%	4%	
ESG	Safety	25%	LTIFR and zero fatalities	10%	0.050	0.050	0.025	0.061	0%
	Climate change		Water intensity	7.5%	0.215	0.180	0.125	0.142	135%
			Energy intensity	7.5%	33.137	32.329	30.713	27.688	150%
		100%		100%				65.08%	

### STI payments for executive directors and prescribed officers in 2024

Executive directors and prescribed officers	NCOE (R)	Business performance score (80%)	Individual performance/ (20%) rating factor (%)	STI target (%)	Total actual STI (R)
Dr N Tsengwa <sup>1</sup>	9 547 386			100	
PA Koppeschaar <sup>2</sup>	7 123 788	65.08	115	75	4 010 572
S Govender <sup>3</sup>	3 499 371	65.08	115	50	1 313 392
L Groenewald <sup>4</sup>	5 607 514	115		70	4 514 049
RE Lilleike	4 838 830	65.08	115	75	2 724 180
PK Masia <sup>5</sup>	5 702 361			75	
JG Meyer	5 119 638	65.08	115	60	2 305 816
MH Nana <sup>6</sup>	2 233 336	65.08	150	50	916 388
AT Ndoni <sup>7</sup>	3 398 885			60	
TT Ratsheko <sup>3</sup>	2 768 085	65.08	100	50	997 402
JA Rock	4 610 592	65.08	115	60	2 076 548
M Vetri	4 723 314	65.08	100	60	2 042 298
<b>Total prescribed officers' remuneration</b>	<b>59 173 100</b>				<b>20 900 645</b>

<sup>1</sup> Resigned on 5 February 2025; STI forfeited due to resignation.

<sup>2</sup> Acting CEO (until 31 March 2025) and FD.

<sup>3</sup> Acting allowance not included in NCOE for STI purposes.

<sup>4</sup> Participant in BMP; 80% company, 20% Individual - weighted scorecard performance outcome.

<sup>5</sup> Precautionary suspension; STI withheld due to suspension.

<sup>6</sup> Appointed on 1 May 2024.

<sup>7</sup> Resigned on 30 November 2024; STI forfeited due to resignation.

### Awards under the LTIP scheme

The table below discloses the outcomes of the 2022 and 2021 conditional LTIP awards that vest in April 2025 and vested in April 2024.

Of the awards made in April 2022, 78.34% vest in April 2025. A summary of the vesting percentages by vesting condition is below.

Performance vesting conditions outcome	Weight (%)	2024 (%)	2023 (%)
ROCE	33.33	100	100.00
TSR	33.33	35	100.00
ESG	33.34	100	96.00
<b>Overall vesting</b>		<b>78.34</b>	98.67



	For 2024	For 2023
<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.	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 35% based on a result of 15.18% for Exxaro.</p> <p>JSE Capped Resources 10 Index (RESI 10) component:</p> <ul style="list-style-type: none"> <li>Exxaro was placed fifth (first: Harmony (45.32%); second: Goldfields (26.50%), third: AngloGold (20.32%); fourth: Glencore (18.48%); sixth: BHP Billiton (12.84%); seventh: Anglo (2.63%); eighth: Sasol (-18.90%); ninth: Implats (-20.73%); 10th: Anglo Platinum (-20.80%); and 11th: Sibanye Stillwater (-27.48%))</li> <li>Therefore, 50% achieved for this component</li> </ul> <p>Energy peer group and Thungela component:</p> <ul style="list-style-type: none"> <li>Energy peer group: Exxaro was first (second: Brookfield (0.56%); third: Acciona (-2.02%); and fourth: Atlantica (-6.38%)) Thungela: Exxaro was placed second (first: Thungela 51.01%)</li> </ul> <p>This amounts to an average TSR of 24.2% and 0% achievement for the energy peer group and Thungela component.</p>	<p>TSR achievement was 100% based on a result of 32.5%, which positioned Exxaro second compared to the RESI 10 (first: Glencore (48.9%); third: Sasol (28.0%); fourth: BHP Billiton (24.8%); fifth: Goldfields (18.2%); sixth: Anglo (13.4%); seventh: AngloPlats (-1.9%); eighth: AngloGold (-3.9%); ninth: Implats (-4.2%); 10th: Northern Platinum (-6%); and 11th: Sibanye Stillwater (-10.5%)).</p>
<b>Governance</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 2024 portion of the awards.	The governance component of ESG, as per the FTSE Russell ESG Index, met the lower target, which resulted in a 96% achievement for the 2023 portion of the awards.

### 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 2024.

	Opening balance 1 Jan 2024 (Number)	Awarded during the year (Number)	Award date	Vesting date	Shares vested during the year (Number)	Shares forfeited <sup>1</sup> (Number)	Sale price/ market price (R)	Pre-tax gain (R)	Value at year end <sup>2</sup> (R)	MSR election (Number)	Closing balance 31 Dec 2024 (Number)
<b>Executive directors</b>											
Dr N Tsengwa <sup>3</sup>	80 115		01/04/2021	01/04/2024	79 047	1 068	168.78	13 341 553			
	14 224		01/04/2022	01/04/2025		14 224					
	78 093		01/04/2022	01/04/2025		78 093					
	112 157		01/04/2023	01/04/2026		112 157					
		132 640	01/04/2024	01/04/2027		132 640					
	284 589	132 640			79 047	338 182		13 341 553			
PA Koppeschaar <sup>4</sup>	49 954		01/04/2021	01/04/2024	49 288	666	168.78	8 318 829			
	41 816		01/04/2022	01/04/2025					6 604 837		41 816
	51 829		01/04/2023	01/04/2026					8 186 391		51 829
		61 258	01/04/2024	01/04/2027					9 675 701		61 258
	143 599	61 258			49 288	666		8 318 829	24 466 929		154 903
<b>Prescribed officers</b>											
S Govender <sup>5</sup>	12 947		01/04/2021	01/04/2024	12 775	172	168.78	2 156 165			
	10 838		01/04/2022	01/04/2025					1 711 862		10 838
	13 531		01/04/2023	01/04/2026					2 137 221		13 531
		15 993	01/04/2024	01/04/2027					2 526 094		15 993
	37 316	15 993			12 775	172		2 156 165	6 375 177		40 362
L Groenewald	19 175		01/04/2021	01/04/2024	18 920	255	168.78	3 193 318			
	16 832		01/04/2022	01/04/2025					2 658 614		16 832
	36 007				18 920	255		3 193 318	2 658 614		16 832
RE Lilleike	38 223		01/10/2023	01/10/2026					6 037 323		38 223
		41 604	01/04/2024	01/04/2027					6 571 352		41 604
	38 223	41 604							12 608 675		79 827

## Remuneration report: section 3 continued

	Opening balance 1 Jan 2024 (Number)	Awarded during the year (Number)	Award date	Vesting date	Shares vested during the year (Number)	Shares forfeited <sup>1</sup> (Number)	Sale price/ market price (R)	Pre-tax gain (R)	Value at year end <sup>2</sup> (R)	MSR election (Number)	Closing balance 31 Dec 2024 (Number)
PK Masia <sup>6</sup>	34 170		01/04/2022	01/04/2025					5 397 152		34 170
	34 170		01/04/2022	01/04/2025					5 397 152		34 170
	42 264		01/04/2023	01/04/2026					6 675 599		42 264
		49 954	01/04/2024	01/04/2027					7 890 234		49 954
	110 604	49 954							25 360 137		160 558
JG Meyer	25 214		01/04/2021	01/04/2024	24 878	336	168.78	4 198 909			
	21 107		01/04/2022	01/04/2025					3 333 851		21 107
	26 308		01/04/2023	01/04/2026					4 155 349		26 308
		31 094	01/04/2024	01/04/2027					4 911 297		31 094
	72 629	31 094			24 878	336		4 198 909	12 400 497		78 509
MH Nana <sup>7</sup>		12 417	01/05/2024	01/05/2027					1 961 265		12 417
		12 417							1 961 265		12 417
AT Ndoni <sup>8</sup>	12 165		01/11/2021	01/11/2024	12 003	162	167.09	2 005 581			
	9 296		01/04/2022	01/04/2025		9 296					
	11 499		01/04/2023	01/04/2026		11 499					
	8 481		01/09/2023	01/09/2026		8 481					
		22 551	01/04/2024	01/04/2027		22 551					
	41 441	22 551			12 003	51 989		2 005 581			
TT Ratsheko <sup>5</sup>	10 254		01/04/2021	01/04/2024	10 118	136	168.78	1 707 716			
	8 583		01/04/2022	01/04/2025					1 355 685		8 583
	10 708		01/04/2023	01/04/2026					1 691 329		10 708
		12 649	01/04/2024	01/04/2027					1 997 910		12 649
	29 545	12 649			10 118	136		1 707 716	5 044 924		31 940
JA Rock	24 928		16/10/2023	16/10/2026					3 937 378		24 928
		27 591	01/04/2024	01/04/2027					4 357 998		27 591
	24 928	27 591							8 295 376		52 519
M Vetu	23 442		01/04/2021	01/04/2024	23 130	312	168.78	3 903 881			
	19 623		01/04/2022	01/04/2025					3 099 453		19 623
	24 271		01/04/2023	01/04/2026					3 833 604		24 271
		28 687	01/04/2024	01/04/2027					4 531 112		28 687
	67 336	28 687			23 130	312		3 903 881	11 464 169		72 581

<sup>1</sup> Shares forfeited due to performance conditions not being fully met and/or shares forfeited due to resignation in the year.

<sup>2</sup> Based on a share price of R157.95 which prevailed on 31 December 2024 and assumes 100% vesting.

<sup>3</sup> Resigned on 5 February 2025. Although shares were unvested at 31 December 2024, we reviewed the current status at the time of publication and have reflected it as forfeited.

<sup>4</sup> Acting CEO (until 31 March 2025) and FD.

<sup>5</sup> Acting.

<sup>6</sup> Precautionary suspension: LTIP due to vest in 2025 is currently suspended.

<sup>7</sup> Appointed on 1 May 2024.

<sup>8</sup> Resigned on 30 November 2024. Due to being on the insider register, shares (awarded 1 November 2021) became exercisable on 1 December 2024.

### VARP details for Leon Groenewald in 2024

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 managing director: energy's VARP will vest in 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	Fair value of award at year end <sup>1</sup> (R)
Prescribed officer (L Groenewald)	Tranche 1	6 354 115	01/04/2026	01/04/2030	10 371 141
	Tranche 2	6 354 115	01/04/2027	01/04/2031	14 547 912

<sup>1</sup> The fair value at year end is determined as award value x likelihood of milestone being met x value multiple at year end (assumed 100% vesting).



## Table of invested awards: BMP

The table below illustrates the rights held by the participant. BMP details for Leon Groenewald in 2024:

	Opening balance 1 Jan 2024 (Number)	Awarded during the year (Number)	Award date	Vesting date	Shares vested during the year (Number)	Shares forfeited (Number)	Sale price/ market price (R)	Pre-tax gain (R)	Value at year end <sup>1</sup> (R)	Closing balance 31 Dec 2024 (Number)
Prescribed officer (L Groenewald)		1 149	01/04/2024	01/04/2025					181 485	1 149
		1 149	01/04/2024	01/04/2026					181 485	1 149
		2 298							362 970	2 298

<sup>1</sup> Based on the prevailing share price of R157.95 on 31 December 2024.

## Table of invested 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 2024:

	Opening balance 1 Jan 2024 (Number)	Awarded during the year (Number)	Award date	Vesting date	Shares vested during the year (Number)	Shares forfeited <sup>1</sup> (Number)	Sale price/ market price (R)	Pre-tax gain (R)	Value at year end <sup>2</sup> (R)	MSR election (Number)	Closing balance 31 Dec 2024 (Number)
<b>Executive directors</b>											
Dr N Tsengwa <sup>3</sup>	589		19/03/2021	19/03/2024	589		171.54	101 037			
	2 770		31/03/2021	31/03/2024	2 770		168.78	467 521			
		6 401	31/03/2024	31/03/2027		6 401					
	3 359	6 401			3 359	6 401		568 558			
PA Koppeschaar <sup>4,7</sup>	750		21/09/2021	21/09/2024					118 463		750
	1 024		04/03/2022	04/03/2025					161 741		1 024
		6 249	31/03/2024	31/03/2027					987 030		6 249
	1 774	6 249							1 267 234		8 023
<b>Prescribed officers</b>											
S Govender <sup>5</sup>	179		19/03/2021	19/03/2024	179		171.54	30 706			
	202		31/08/2021	31/08/2024	202		160.12	32 344			
	735		31/03/2022	31/03/2025					116 093		735
	1 116				381			63 050	116 093		735
L Groenewald	200		19/03/2021	19/03/2024	200		171.54	34 308			
	1 275		31/03/2021	31/03/2024	1 275		168.78	215 195			
	409		21/09/2021	21/09/2024	409		157.20	64 295			
	1 004		04/03/2022	04/03/2025					158 582		1 004
	1 845		31/03/2022	31/03/2025					291 418		1 845
	4 733				1 884			313 798	450 000		2 849
PK Masia <sup>6</sup>		5 098	31/03/2024	31/03/2027					805 229		5 098
		5 098							805 229		5 098
JG Meyer <sup>7</sup>	301		21/09/2021	21/09/2024					47 543		301
	301								47 543		301
AT Ndoni <sup>8</sup>	96		04/03/2022	04/03/2025		96					
	1 676		31/03/2023	31/03/2026		1 676					
		1 170	31/03/2024	31/03/2027		1 170					
	1 772	1 170				2 942					
TT Ratsheko <sup>5</sup>	144		19/03/2021	19/03/2024	144		171.54	24 702			
	820		31/03/2021	31/03/2024	820		168.78	138 400			
	161		31/08/2021	31/08/2024	161		160.12	25 779			
	391		04/03/2022	04/03/2025					61 758		391
	583		31/03/2022	31/03/2025					92 085		583
	2 099				1 125			188 881	153 843		974
M Vetri <sup>7</sup>	449		19/03/2021	19/03/2024	449		171.54	77 021			
	3 180		31/03/2021	31/03/2024	3 180		168.78	536 720			
	278		21/09/2021	21/09/2024					43 910		278
	7 230		31/03/2023	31/03/2026					1 141 979		7 230
		3 316	31/03/2024	31/03/2027					523 762		3 316
	11 137	3 316			3 629			613 741	1 709 651		10 824

<sup>1</sup> Matching shares forfeited due to termination of services.

<sup>2</sup> Based on the prevailing share price of R157.95 on 31 December 2024.

<sup>3</sup> Resigned on 5 February 2025. Although shares were unvested at 31 December 2024, we reviewed the current status at the time of publication and have reflected it as forfeited.

<sup>4</sup> Acting CEO (until 31 March 2025) and FD.

<sup>5</sup> Acting.

<sup>6</sup> Precautionary suspension.

<sup>7</sup> Will be allowed to exercise the September 2024 tranche once removed from the insider register.

<sup>8</sup> Resigned on 30 November 2024.

## Remuneration report: section 3 continued

### DBP income for executive directors and prescribed officers

Executive directors and prescribed officers	DBP shares held as a percentage of NCOE at 31 December 2024	DBP shares held at 31 December 2024		DBP shares pledged in 2021 – matched and vested in 2024	
	(%)	(R)	(Number)	(R)	(Number)
Dr N Tsengwa <sup>1</sup>				568 558	3 359
PA Koppeschaar <sup>2,7</sup>	18	1 267 234	8 023		
S Govender <sup>3</sup>	3	116 093	735	63 050	381
L Groenewald	8	450 000	2 849	313 798	1 884
RE Lilleike					
PK Masia <sup>4</sup>	14	805 229	5 098		
JG Meyer <sup>7</sup>	1	47 543	301		
MH Nana <sup>5</sup>					
AT Ndoni <sup>6</sup>					
TT Ratsheko <sup>3</sup>	5	153 843	974	188 881	1 125
JA Rock					
M Vetit <sup>7</sup>	36	1 709 651	10 824	613 741	3 629

<sup>1</sup> Resigned on 5 February 2025. Although shares were unvested at 31 December 2024, we have reflected the current position at the time of publication and indicate the shares as forfeited.

<sup>2</sup> Acting CEO (until 31 March 2025) and FD.

<sup>3</sup> Acting.

<sup>4</sup> Precautionary suspension.

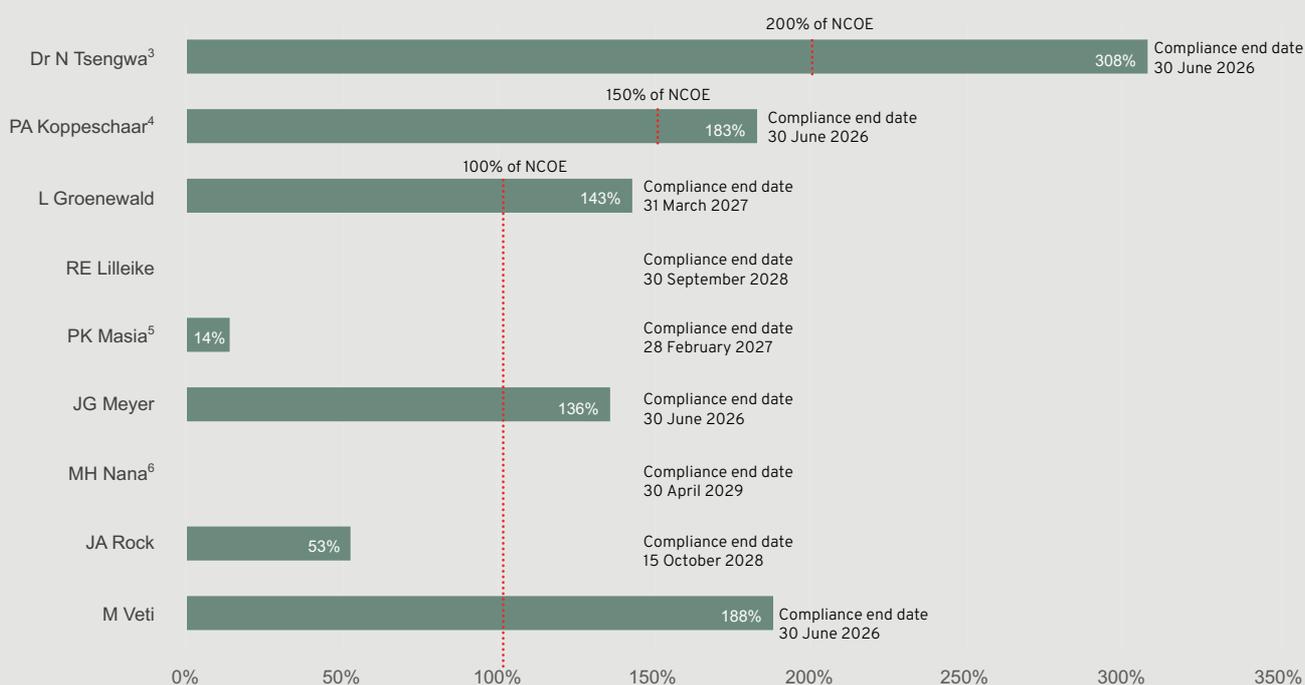
<sup>5</sup> Appointed on 1 May 2024.

<sup>6</sup> Resigned on 30 November 2024.

<sup>7</sup> Shares that vested in September 2024 but not yet exercised – as the participant is included on the insider register – are part of the calculations in DBP shares held at 31 December 2024 columns.

### MSR

#### Achievement against MSR target for executive directors and prescribed officers as at 31 December 2024<sup>1,2</sup>



<sup>1</sup> Based on a volume weighted average share price of R157.95 that prevailed on 31 December 2024.

<sup>2</sup> MSR shares held on a pre-tax basis in an MSR account until the determination date.

<sup>3</sup> Resigned on 5 February 2025.

<sup>4</sup> Acting CEO (until 31 March 2025) and FD.

<sup>5</sup> Precautionary suspension.

<sup>6</sup> Appointed on 1 May 2024 (for the purposes of the MSR calculation, the NCOE was annualised).



## 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. The 2024 LTIP granted on 1 April 2022 will vest on 1 April 2025 due to 2024 performance conditions. As the portion of the DBP voluntary deferral is included under the STIs, proceeds from the matched portion of the DBPs are reflected under LTIs.

### Single-figure remuneration as per King IV for 2024 and 2023

	Year	NCOE <sup>1</sup> (R)	Recognition and other payments <sup>1</sup> (R)	STIs (R)	LTIs (R)	Total remuneration (R)
<b>Executive directors</b>						
Dr N Tsengwa <sup>2</sup>	2024	9 547 386	20 139			9 567 525
	2023	8 890 630	63 460	4 359 964	16 850 885	30 164 939
PA Koppeschaar <sup>3</sup>	2024	7 123 788	4 260	4 010 572	5 335 970	16 474 590
	2023	6 702 393	2 760	2 364 604	10 232 100	19 301 857
<b>Prescribed officers</b>						
S Govender <sup>4</sup>	2024	3 524 329	82 060	1 313 392	1 457 166	6 376 947
	2023					
L Groenewald <sup>5</sup>	2024	5 659 748	4 260	4 514 049	3 125 453	13 303 510
	2023	5 070 915	2 760	3 203 299	4 641 575	12 918 549
RE Lilleike <sup>6</sup>	2024	4 838 830		2 724 180		7 563 010
	2023	1 156 038	1 200 000			2 356 038
PK Masia <sup>7</sup>	2024	5 702 361	4 260			5 706 621
	2023	5 468 238	2 314	1 929 194		7 399 746
JG Meyer	2024	5 119 638	4 260	2 305 816	2 611 739	10 041 453
	2023	4 810 353	2 760	1 357 674	5 148 735	11 319 522
MH Nana <sup>8</sup>	2024	2 233 336	2 420 000	916 388		5 569 724
	2023					
AT Ndoni <sup>9</sup>	2024	3 398 885	4 002 702			7 401 587
	2023	3 093 366	725 050	797 073	2 454 415	7 069 904
TT Ratsheko <sup>10</sup>	2024	2 816 339	4 260	997 402	1 215 887	5 033 888
	2023					
JA Rock <sup>11</sup>	2024	4 610 592	1 383 179	2 076 548		8 070 319
	2023	939 059	2 766 357			3 705 416
M Vetu	2024	4 723 314	4 260	2 042 298	2 428 111	9 197 983
	2023	4 446 111	63 460	1 254 870	5 528 571	11 293 012

<sup>1</sup> See table below for details on NCOE and recognition and other payments.

<sup>2</sup> Resigned on 5 February 2025. Although shares were unvested at 31 December 2024, at the time of publication, STIs and LTIs are forfeited.

<sup>3</sup> Acting CEO (until 31 March 2025) and FD.

<sup>4</sup> Appointed as acting chief coal operations officer on 15 November 2024. Remuneration information relates to the full year.

<sup>5</sup> 2024 LTIs comprises of LTIP 2022 award: R2 082 758, DBP 2022 matching shares: R450 000 and BMP 2024 matching incentive: R592 695. Remuneration information relates to the full year for 2023. 2023 LTIs comprises of LTIP 2021 award: R3 868 756, DBP 2021 matching shares: R385 240 and BMP 2023 matching incentive: R387 579.

<sup>6</sup> Appointed as chief growth officer on 1 October 2023.

<sup>7</sup> Precautionary suspension; The LTIP that would vest in 2025 is currently suspended and not reflecting under LTIs.

<sup>8</sup> Appointed as group company secretary on 1 May 2024.

<sup>9</sup> Resigned on 30 November 2024.

<sup>10</sup> Appointed as acting chief strategic resilience and governance officer on 25 September 2024. Remuneration information relates to the full year.

<sup>11</sup> Appointed as chief people and performance officer on 16 October 2023.

All incentive schemes are performance related and approved by the board of directors.

The STIs include the voluntary individual deferral for 2024.

The LTIP reflects 78.34% of the April 2022 award that will vest on 1 April 2025, based on the prevailing share price of R157.95 on 31 December 2024.

## Remuneration report: section 3 continued

For 2024 <sup>1</sup>		For 2023 <sup>1</sup>
<b>NCOE</b>	NCOE includes leave days purchased as well as travel and acting allowances	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 R1 500 for fatality-free	R2 760/R2 314 for LTIFR is based on the functional area
<b>Mutual separation and notice pay</b>	For AT Ndoni mutual separation included R1 884 174 and notice pay of R942 087	
<b>Long-service awards</b>	Long-service award included for S Govender: R77 800	Long-service awards are included for Dr N Tsengwa: R60 700 and M Vetu: R60 700
<b>Leave encashment</b>	Leave encashment amounts are included for Dr N Tsengwa of R15 879 and AT Ndoni of R209 127	
<b>Sign-on bonuses</b>	Sign-on bonus included for MH Nana: R2 420 000	Sign-on bonuses are included for RE Lilleike: R1 200 000 and JA Rock: R2 766 357
<b>Retention allowance</b>	Retention allowance included for: <ul style="list-style-type: none"> <li>AT Ndoni: R963 054; had to be in service on 31 October 2024 to qualify for payment</li> <li>JA Rock: R1 383 179; had to be in service on 30 September 2024 to qualify for payment</li> </ul>	Retention allowance is included for AT Ndoni: R722 290; had to be in service on 31 October 2023 to qualify for payment

### Non-executive directors' remuneration

	2024				2023			
	Fees for services (R)	Benefits and allowances <sup>1</sup> (R)	Fees for services rendered to subsidiaries <sup>2</sup> (R)	Total (R)	Fees for services (R)	Benefits and allowances <sup>1</sup> (R)	Fees for services rendered to subsidiaries <sup>2</sup> (R)	Total (R)
<b>Non-executive directors</b>								
GJ Fraser-Moleketi	1 495 520			1 495 520	1 423 075			1 423 075
KM Ireton	891 534			891 534	800 011			800 011
B Magara	1 100 503			1 100 503	897 586			897 586
B Mawasha	917 671			917 671	885 625			885 625
IN Malevu	707 165			707 165	685 337			685 337
L Mbatha <sup>3</sup>	282 759		123 785	406 544	681 040		70 068	751 108
N Medupi <sup>4</sup>	1 147 289			1 147 289	829 565			829 565
Dr P Mnganga	1 121 908			1 121 908	1 001 950			1 001 950
VZ Mntambo	768 756		218 535	987 291	684 262			684 262
N Molope <sup>5</sup>	913 632			913 632				
MLB Msimang	895 573			895 573	851 536			851 536
CJ Nxumalo	1 106 079			1 106 079	1 072 369			1 072 369
	2 397 450			2 397 450	2 301 119			2 301 119
MG Qhena (chairman)								
PCCH Snyders	1 311 845			1 311 845	1 238 558	8 541		1 247 099
<b>Total non-executive directors' remuneration</b>	<b>15 057 684</b>		<b>342 320</b>	<b>15 400 004</b>	<b>13 352 033</b>	<b>8 541</b>	<b>70 068</b>	<b>13 430 642</b>

<sup>1</sup> Travel reimbursements for visiting various company operations during the year.

<sup>2</sup> Directors' fees paid by Eyesizwe RF Proprietary Limited.

<sup>3</sup> Retired on 23 May 2024.

<sup>4</sup> Appointed on 3 January 2023.

<sup>5</sup> Appointed on 3 January 2024.



# 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 2024 (the Report). This engagement was conducted by a multidisciplinary team including health, safety, social, environmental and assurance specialists with relevant experience in 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's reporting criteria that accompanies the sustainability information and set out in "Appendix A: Criteria" (the accompanying Exxaro reporting criteria).

Category	Selected KPIs	Unit	ESG report page no.	Scope of coverage
<b>Safety</b>	Fatalities	Number	12; 64; 68	Exxaro Group
<b>Safety</b>	Lost-time injuries (LTIs)	Number	12; 68	Exxaro Group
<b>Safety</b>	Lost-time injury frequency rate (LTIFR)	Rate	12; 19; 64; 68	Exxaro Group
<b>Occupational health</b>	The occupational health incident frequency rate (OHIFR)	Rate	12; 64; 72	Exxaro Group
<b>Occupational health</b>	Occupational health diseases	Number	12; 72	Exxaro Group
<b>Social</b>	Talent bench for band E	Percentage	84	Exxaro Group
<b>Social</b>	Talent bench for band D	Percentage	84	Exxaro Group
<b>Social</b>	Skills provision (percentage of appointment of employees within)	Percentage	12	Exxaro Group
<b>Social</b>	Scarcity skills retention (percentage turnover)	Percentage	12	Exxaro Group
<b>Environmental management</b>	Scope 1 Emissions	ktCO <sub>2</sub> e	40	Exxaro Group
<b>Environmental management</b>	Scope 2 Emissions	ktCO <sub>2</sub> e	40	Exxaro Group
<b>Environmental management</b>	Total Carbon intensity	tCO <sub>2</sub> e/total kilotonnes mined (kTTM)	40	Exxaro Group
<b>Water</b>	Water intensity	Water withdrawn/RoM tonnes	11; 59	Exxaro Group
<b>Environmental compliance</b>	Reportable environmental incidents (level 2 and 3)	Number	11	Exxaro Group
<b>Stoppage</b>	Stoppage directives (includes section 54 in terms of MHSA)	Number	11	Exxaro Group
<b>Stoppage</b>	Stoppage directives (includes directives in terms of NWA, NEMA and MPRDA)	Number	11	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

Carbon 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 and the reasonableness of estimates made 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 2024 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. Our report includes the provision of reasonable assurance on Scope 1 carbon footprint and Scope 2 carbon footprint. We were previously not required to provide assurance on these selected KPIs, but rather reasonable assurance on Scope 1 carbon intensity and Scope 2 carbon intensity.

## 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

Registered Auditor

Per Safeera Loonat  
Chartered Accountant (SA)  
Registered Auditor  
Director

15 April 2025

KPMG Crescent  
85 Empire Road, Parktown  
Johannesburg  
2193

# Appendix A: Criteria

## KPI Definitions

KPI/Subject Matter	Level of assurance	Definition/criteria
Fatalities	Reasonable	A fatality is an occurrence where an employee/contractor/visitor dies as a result of an injury sustained.
Number of lost-time injuries (employees and contractors)	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>
Lost-time injury frequency rate (LTIFR) (employees and contractors)	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>
Occupational health incident rate	Reasonable	<p>An occurrence of a medically diagnosed occupational disease by the Occupational Medical Practitioner, which is reported to MBOD, DMR and/or RMA during the reporting period. However, no immediate decision for compensation is made until pending further investigations results by these external stakeholders.</p> <p>The occupational health incident rate is calculated as follows:</p> <ul style="list-style-type: none"> <li>Occupational health incident rate: (Number of reported occupational diseases X 200 000)/ Total man-hours worked</li> <li>Total man-hours worked include hours for employees, contractors, and visitors.</li> </ul>
Occupational health diseases	Reasonable	<p>An accepted case is an approved case for compensation by the MBOD/RMA. An approved certificate is sent to the Occupational Medical Practitioner. These Occupational Diseases are:</p> <ul style="list-style-type: none"> <li>Accepted cases of Occupational tuberculosis;</li> <li>Accepted cases of Chronic Obstructive Airway Disease;</li> <li>Accepted cases of Pneumoconiosis;</li> <li>Accepted cases of Noise Induced Hearing Loss;</li> <li>Accepted cases of Silicosis.</li> </ul>



KPI/Subject Matter	Level of assurance	Definition/criteria
Carbon intensity (ktCO <sub>2</sub> e/TTM)	Reasonable	$\frac{\text{Total emissions from scope 1 and scope 2}}{\text{Total tonnes mined}}$ in (ktCO <sub>2</sub> e per kt)
Carbon footprint – scope 1	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.
Carbon footprint – scope 2	Reasonable	Total emissions from the consumption of purchased electricity converted to ktCO <sub>2</sub> .
Number of level 2 and 3 environmental incidents	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>

## Appendix A: Criteria continued

KPI/Subject Matter	Level of assurance	Definition/criteria
Number of level 2 and 3 environmental incidents continued	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>
Water intensity – RoM (tonnes)	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> $\text{Water intensity} = \frac{\text{water withdrawals (m}^3\text{)}}{\text{RoM (tonnes)}}$
Skills provision (% of appointment from within)	Reasonable	<p><b>New definition:</b>            External is: All new engagements and re-engagements</p> <p>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>
Scarcity skills retention (% turnover)	Reasonable	Turnover %: Last 12 months' separations (excluding retrenchment and divesting)/an average of the last 12 months' manpower.
Talent bench – % of clusters (DL to DU) that have at least two EE candidates in the 3A/3B/2A category	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>
Talent bench – % of clusters (EL and above) that have at least two EE candidates in the 3A/3B/2A category	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>
Number of stoppage directives (includes section 54 in terms of MHA)	Reasonable	<p><b>Stoppage (directive) instruction</b>            A stoppage instruction is an instruction issued by an inspector from the Department of Mineral Resources and Energy 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>
Number of stoppage directives (includes directives in terms of NWA, NEMA and MPRDA)	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

AECFT	Amakhala Emoyeni Community Fund Trust
AMCU	Association of Mineworkers and Construction Union
B-BBEE	Broad-based black economic empowerment
BCEA	Basic Conditions of Employment Act, 1997 ( 75 of 1997)
BMP	Bonus matching plan
BU	Business unit
CDP	Carbon Disclosure Project
CMRR	Consolidated Mineral Resources and Mineral Reserves
COP	Conference of the Parties
DBP	Deferred bonus plan
DEE	Department of Electricity and Energy
DEI	Diversity, equity and inclusion
DEL	Department of Employment and Labour
DFFE	Department of Forestry, Fisheries and the Environment
DMRE	Department of Mineral Resources and Energy
DoE	Department of Education
DoH	Department of Health
dtic	Department of Trade, Industry and Competition
DWS	Department of Water and Sanitation
EAP	Employee assistance programme
EBITDA	Earnings before interest, taxation, depreciation and amortisation
ECD	Early childhood development
ECF	Exxaro Chairman's Fund
EEA	Employment Equity Act, 1998 (55 of 1998)
EME	Exempt micro-enterprise
ERM	Enterprise risk management
ESD	Enterprise and supplier development
ESOP	Employee share ownership plan
EWP	Employee wellness programme
EWT	Endangered Wildlife Trust
FAWU	Food and Allied Workers Union
GBV	Gender-based violence
GBVF	Gender-based violence and femicide
GHG	Greenhouse gas
GIS	Group incentive scheme
GRI	Global Reporting Initiative
HDP	Historically disadvantaged person/people
HPIs	High-potential incidents
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
ISSB	International Sustainability Standards Board
King IV	King IV Report on Corporate Governance™ for South Africa, 2016
kTTM	Kilotonnes mined
LoM	Life of mine
LOS	Line of sight
LSP	Lephalale solar project
LTI*	Lost-time injury
LTI*	Long-term incentive

\* The abbreviation is context specific.

## Glossary continued

LTIFR	Lost-time injury frequency rate
LTIP	Long-term incentive plan
M&A	Mergers and acquisitions
MHSA	Mine Health and Safety Act, 1996 (Act 29 of 1996)
Mining Charter III	Broad-based Socio-economic Empowerment Charter for the Mining and Minerals Industry 2018
Moi	Memorandum of incorporation
MPRDA	Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002)
MQA	Mining Qualifications Authority
MSP	Minerals succession programme
MSR	Minimum shareholding requirement
NCOE	Notional cost of employment
NEMA	National Environmental Management Act, 1998 (Act 107 of 1998)
NIHL	Noise-induced hearing loss
NPAT	Net profit after tax
NUM	National Union of Mineworkers
NUMSA	National Union of Metalworkers South Africa
NWA	National Water Act, 1998 (Act 36 of 1998)
OECD	Organisation for Economic Co-operation and Development
OHIFR	Occupational health incident frequency rate
OHSA	Occupational Health and Safety Act, 1993 (Act 85 of 1993)
PEMS	Productivity and energy management services
PIT	Professional in training
PM	Particulate matter
PMO	Portfolio management office
PV	Photovoltaic
QSE	Qualifying small enterprise
RA	Reasonable assurance
RBR	Risk and business resilience
REIPPPP	Renewable Energy Independent Power Producer Procurement Programme
ROCE	Return on capital employed
RoM	Run of mine
SAMREC Code	South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 edition
Sedfa	Small Enterprise Development and Finance Agency
SERC	Social, ethics and responsibility committee
SIOC	Sishen Iron Ore Company Proprietary Limited
SLP	Social and labour plan
SPV	Special purpose vehicle
STI	Short-term incentive
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
TSR	Total shareholder return
TWFT	Tsitsikamma Community Windfarm Trust
UNGC	United Nations Global Compact
VARP	Value appreciation rights plan
VFL	Visible felt leadership
WUL	Water use licence

# Administration

## Group company secretary and registered office

### Michelle Nana

Exxaro Resources Limited  
The conneXXion  
263B West Avenue  
Die Hoewes, Centurion, 0157  
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South Africa  
Telephone: +27 12 307 5000

## Lead equity sponsor and debt sponsor

Absa Bank Limited (acting through its corporate and investment bank division)  
Absa Sandton North  
15 Alice Lane  
Sandton  
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Telephone: +27 11 895 6000

## Joint equity sponsor

Tamela Holdings Proprietary Limited  
First Floor  
Golden Oak House  
Ballyoaks Office Park  
35 Ballyclare Drive  
Bryanston  
2021  
Telephone: +27 11 783 5027/4907

## Company registration number

2000/011076/06  
JSE share code: EXX  
ISIN code: ZAE000084992  
ADR code: EXXAY  
Bond issuer code: EXXI

## Independent external auditor

For the financial year ended 31 December 2024  
KPMG Inc  
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Parktown  
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2123  
Telephone: +27 11 647 7111

## Commercial banker

Absa Bank Limited

## Corporate legal adviser

Inlexso Proprietary Limited  
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## Transfer secretaries

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