

MINING
INDABA
2024

**Positive
Disruption
Powers
Possibility**



eXXaro
POWERING POSSIBILITY

At Exxaro, we believe that rethinking not only what we mine, but how we mine enables us to use our resources and empower our people to create a future of sustainable possibility across our continent and beyond. We are leveraging our strong history in mining and deep-rooted skills and capabilities to make an impact as we participate in the energy transition.

This is the positive disruption that will enable us to build a bold new future for our mining operations and renewable energy business across Africa and beyond.



Purpose

Powering better lives in Africa and beyond



Vision

Resources powering a clean world



Values

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



Sustainable Growth and Impact strategy

1. Make our minerals and energy business thrive
2. Empower people to create impact
3. Become a catalyst for economic growth and environmental stewardship
4. Be carbon neutral by 2050
5. Transition at speed and scale



Strategic outcomes

1. Business level and growth
2. Decarbonisation
3. Health and safety
4. Environmental stewardship
5. Diversity, equity and inclusion
6. Social impact

Purpose drives our strategic outlook



Prioritising sustainable value for people and our planet

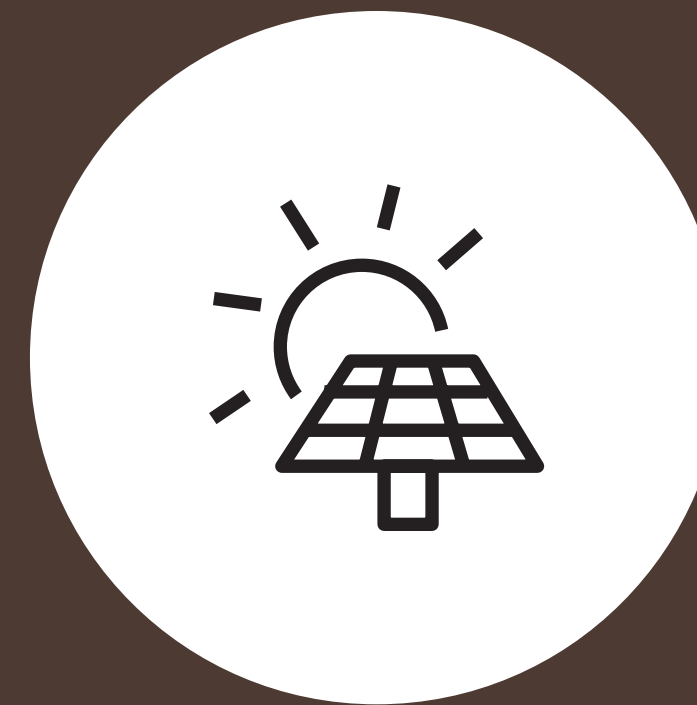
Our Sustainable, Growth and Impact (SG&I) strategy directs us towards achieving our vision; to provide resources (energy, commodities, capital and people) that power a clean world. To realise this vision and achieve our desired strategic outcomes, we continue to prioritise innovative and integrated thinking across our organisation.

By carefully considering the relationships between the resources we use and those we affect, we can positively impact the communities we serve and the environment we steward to produce lasting value for one and all.



Balancing our operating model, financial performance, natural and human resources

Mining responsibly.



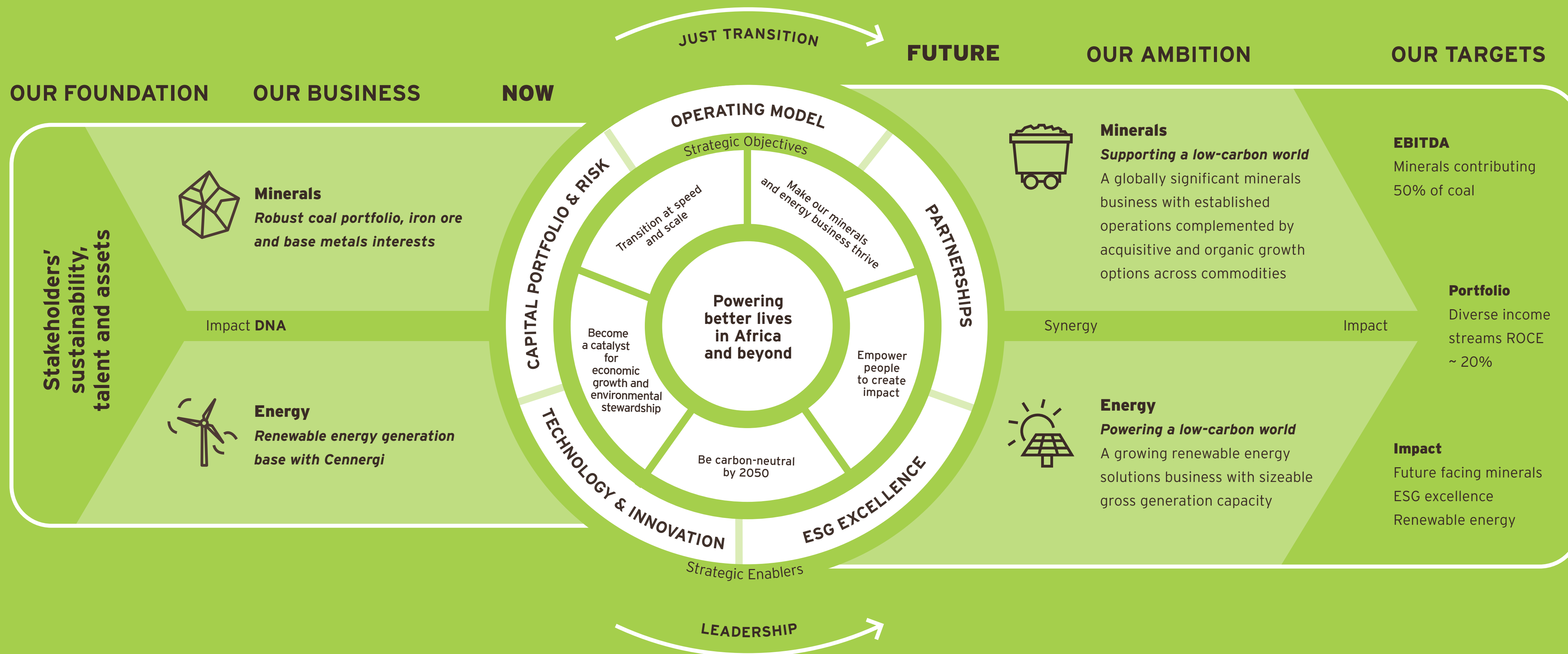
Generating renewable energy (products and services).

Future focused strategy.



Delivering sustainable impact and responsible practices.

Our north star - to harness, harmonise and harvest resources to power a cleaner world



An Exxaro powering disruption



Living out our SG&I objectives

As an organisation committed to powering possibility to better lives in Africa and beyond, we are transforming Exxaro in an integrated and systematic way; recognising the important role that coal plays in our economy today whilst building a minerals and renewable energy business that will thrive in a low-carbon world tomorrow. Our SG&I objectives drive and inspire this transformation - from investments to policies and practices - influencing every aspect of our organisation, so that we can have a positive impact and create sustainable value for all people and our planet.



SG&I OBJECTIVE ONE



Making our minerals and energy business thrive

The infinite potential of positive disruption

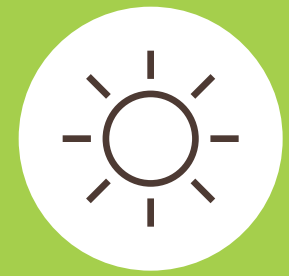
We are focused on transitioning our business towards a low-carbon future. Rethinking not only how we mine, but what we mine. This transition is measured, prioritising its urgency whilst still focusing on creating positive impact. Through innovation, forward thinking and our organisational agility, culture and values; we are navigating this transition to ensure that we continue to deliver the power our country needs whilst creating lasting value for our people, communities, continent and planet.



Powering the future we need

Our exceptional coal business will fuel our future growth and as such, we will continue to optimise our operations to ensure maximum value creation.

We prioritise safety, cost optimisation and business improvement across our existing minerals and energy business. Growing our business and contributing towards South Africa's economic development needs by creating job opportunities and executing on our growth and diversification strategy.



Wired for today

- Coal currently accounts for 85% of South Africa's electricity generation. It is, and will continue to be, our country's primary source of energy for many years to come.
- Our Early Value Strategy (EVS) and market to resource optimisation will continue to drive enhanced price realisation to protect our bottom line. The diverse product and market portfolio we have enables our market agility and best in class price performance.
- The resilience of our business has contributed towards a strong balance sheet, enabling us to actively pursue opportunities to diversify.
- We are prudent in how we allocate capital; enabling maximum value creation for all.



Rewired for tomorrow

- We are leveraging our strengths and competencies as a coal miner rather than diversifying away from them.
- We are transitioning into a resilient future-facing minerals and renewable energy business.
- We are diversifying into minerals which will play a critical role in supporting the energy transition, namely: copper, bauxite and manganese.
- We are accelerating our expansion into renewable energy, aiming to grow the business, to 1.6GW (net) by 2030.
- We are investing in innovation, digitalisation and technology, building our business resilience.

An Exxaro snapshot

General Financial Performance

R18.9 billion

Revenue

R6.3 billion

Cash generated by operations

R7.7 billion

EBITDA

R11.43/share

Interim cash dividend

R24.43/share

Headline earnings

* Interim Results August 2023.

Sustainable Operations

LTIFR of 0.08

Coal Operational Performance

20.4 Mt

Production volumes

19.9 Mt

Sales volumes

SIOC

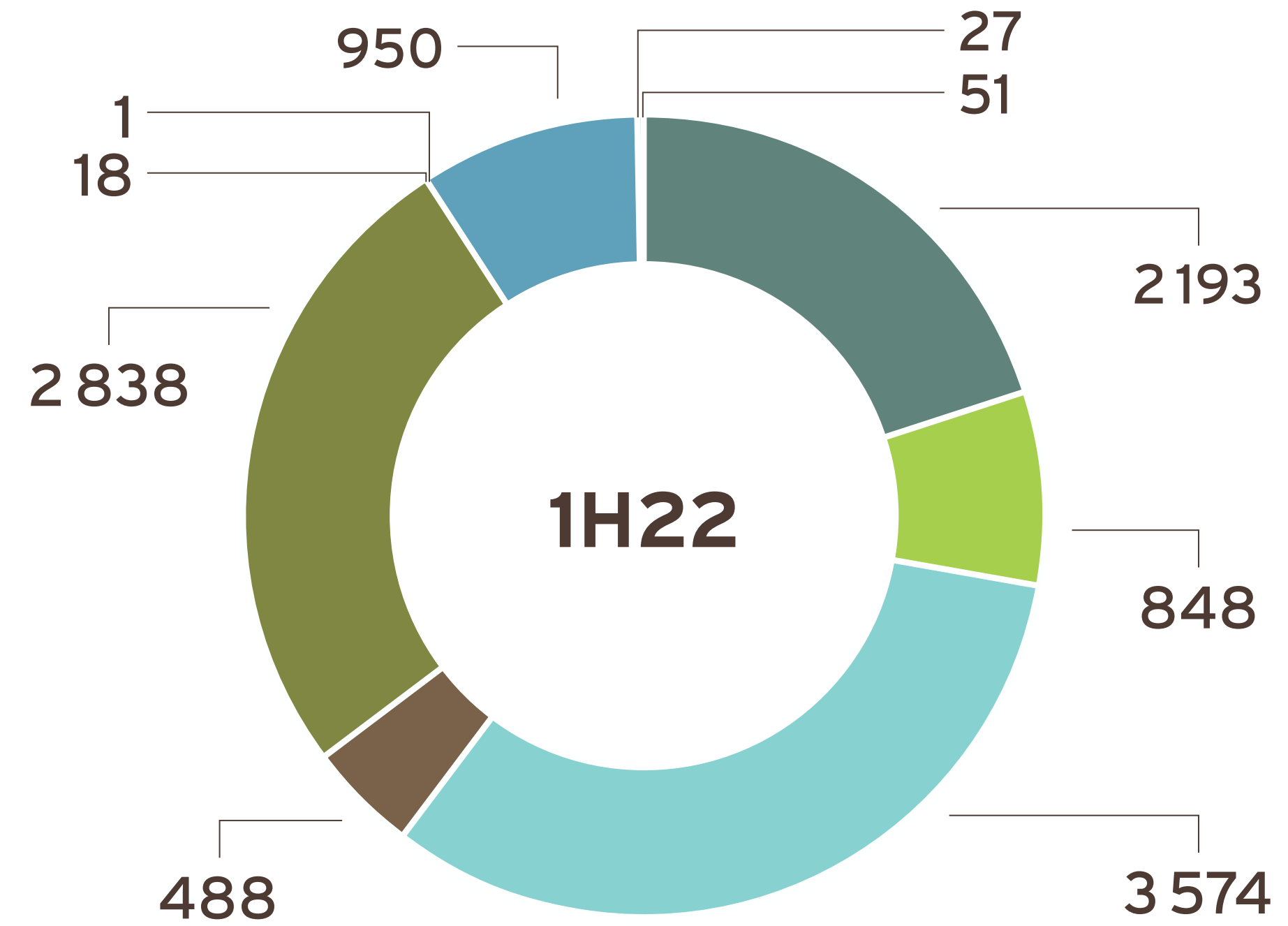
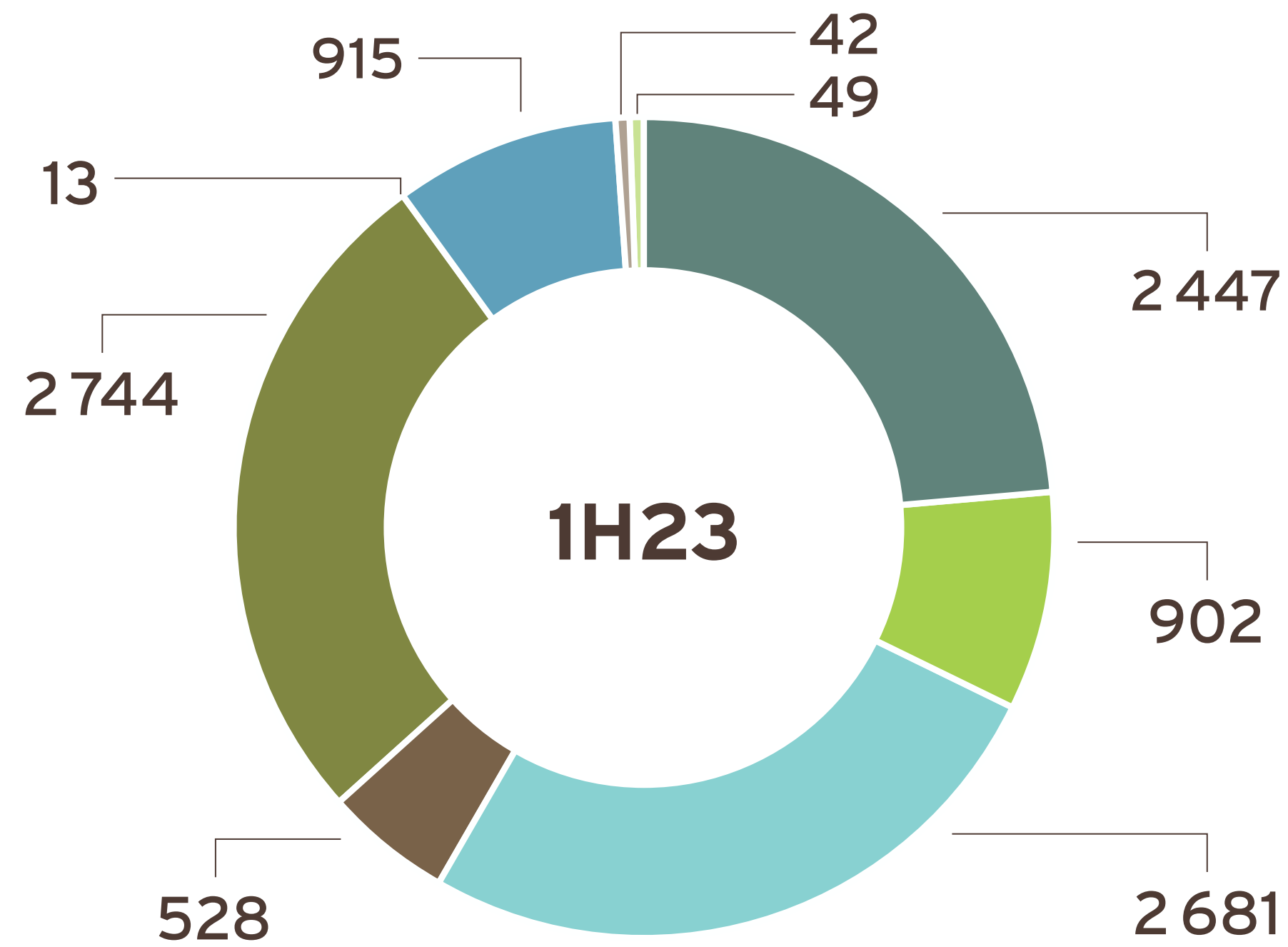
R2.6 billion

Post tax equity
accounted income

R2 billion

Exxaro's shares of interim
dividend declared

Value distribution (Rm)



- Salaries, wages and benefits
- Cost of financing
- Distributions to NCI share option holders
- Community investments and volunteerism
- Employees' tax
- Cash dividend paid
- Dividend paid to NCI of Tsitsikamma SPV
- GreenShare employee scheme
- Payments to government: taxation contribution
- Dividend paid to NCI BEE Parties

* Interim Results August 2023.

SG&I OBJECTIVE TWO

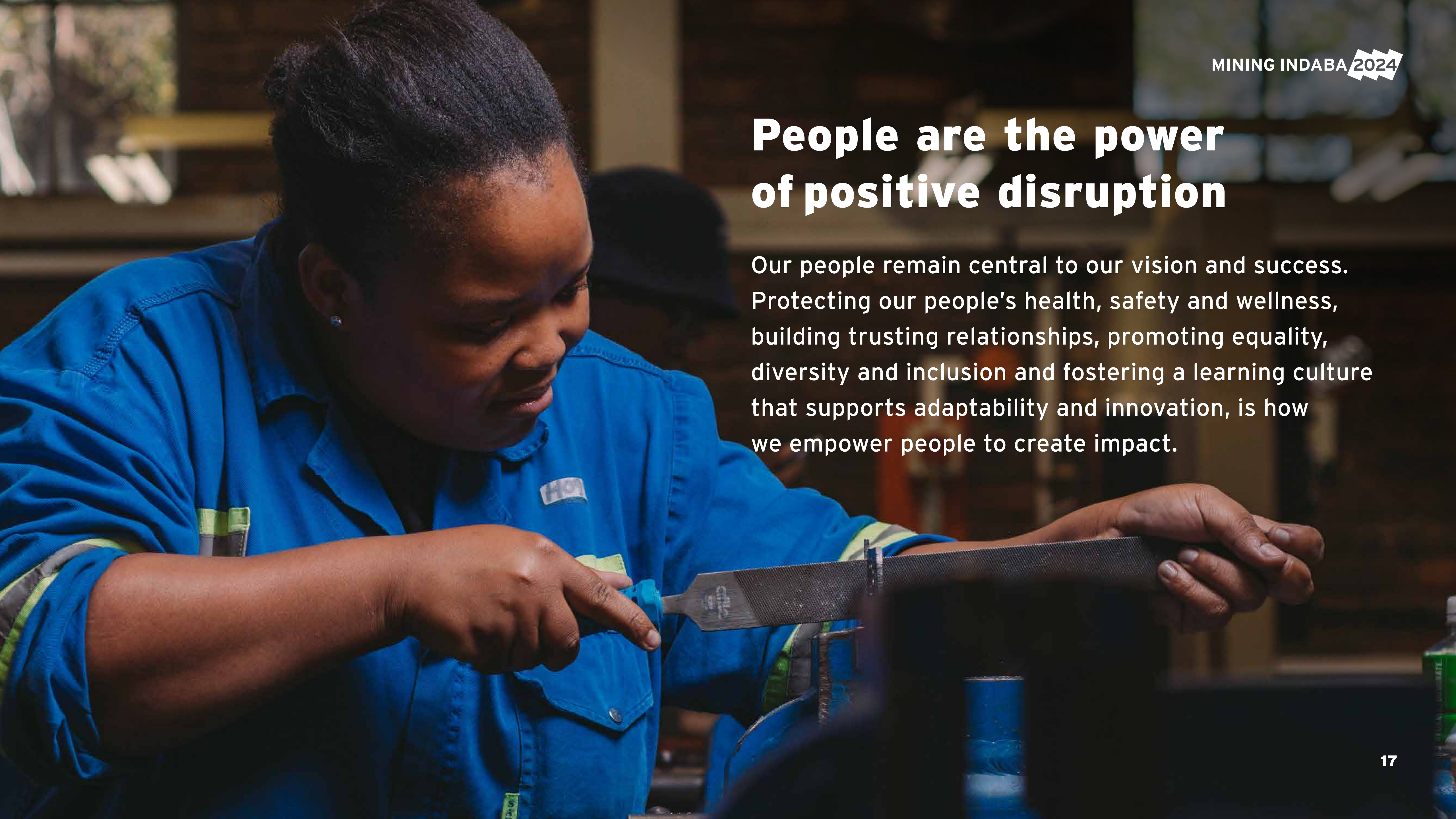


Empower people to create impact



People are the power of positive disruption

Our people remain central to our vision and success. Protecting our people's health, safety and wellness, building trusting relationships, promoting equality, diversity and inclusion and fostering a learning culture that supports adaptability and innovation, is how we empower people to create impact.



People strategy

People at the heart

We differentiate ourselves by continuously evolving, creating impact through new ways of work and pursuing new opportunities.



Develop capabilities and grow talent

We evolve by demonstrating excellence, sharpening skills, pushing limits and realising our true potential.

Seamless employee experience

We collaborate with our employees to create compelling human-centred experiences throughout the employee lifecycle.



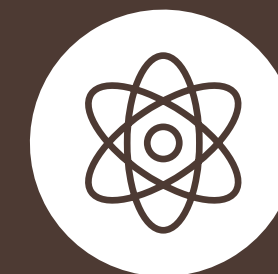
Lead with trust, adaptability and an outward mindset through the Exxaro Leadership Way

We empower our employees to truly live our values and foster a culture of trust without fear.



Enable human resources through digital

We leverage internal and external partnerships to continuously optimise our human resources services to better serve our people.



Future-fit organisation

We look at current and future trends, and continuously pivot our organisation with speed to remain relevant and take our people along on the journey, considering:

- Diversity, equity and inclusion
- Operational model
- Performance achievement
- Culture & values
- Partnerships



Zero Harm

Safety remains our number one priority and we are committed to achieving zero harm. To ensure the safety of our people, we empower them with training and best practice tools.

We are all leaders in safety. Our leadership is collectively accountable for safety demonstrated through:

- Daily safety reminders at operational levels, along with regular safety messages across a variety of platforms.
- Hosting annual BU Safety Indabas across our organisation.
- Hosting an annual Leadership Safety Day and Sustainability Summit.
- Providing ongoing safety and risk management training.



Human Rights

We are advocates for human rights. We respect the rights of all our people.

Read more on our human right's policy here:

[**ESG Human Rights-Policy**](#)



Human Capital Development

Our shared purpose drives us to materialise our SG&I strategy. We focus on labour relations and workforce development, continuously investing in our employees' growth, advancement, and wellbeing. Our culture, capability, active talent management and Diversity Equity & Inclusion (DE&I) Strategy, drive our operational excellence.



Community Development

We are catalysts for economic development, focusing on the communities in which we operate. Investing in community development through our Social and Labour Plans (SLPs) and Enterprise and Supplier Development (ESD) programmes.

Read more on our Environment, Social and Governance (ESG) journey and case studies here:

[**ESG: Exxaro's Commitment to Sustainability**](#)

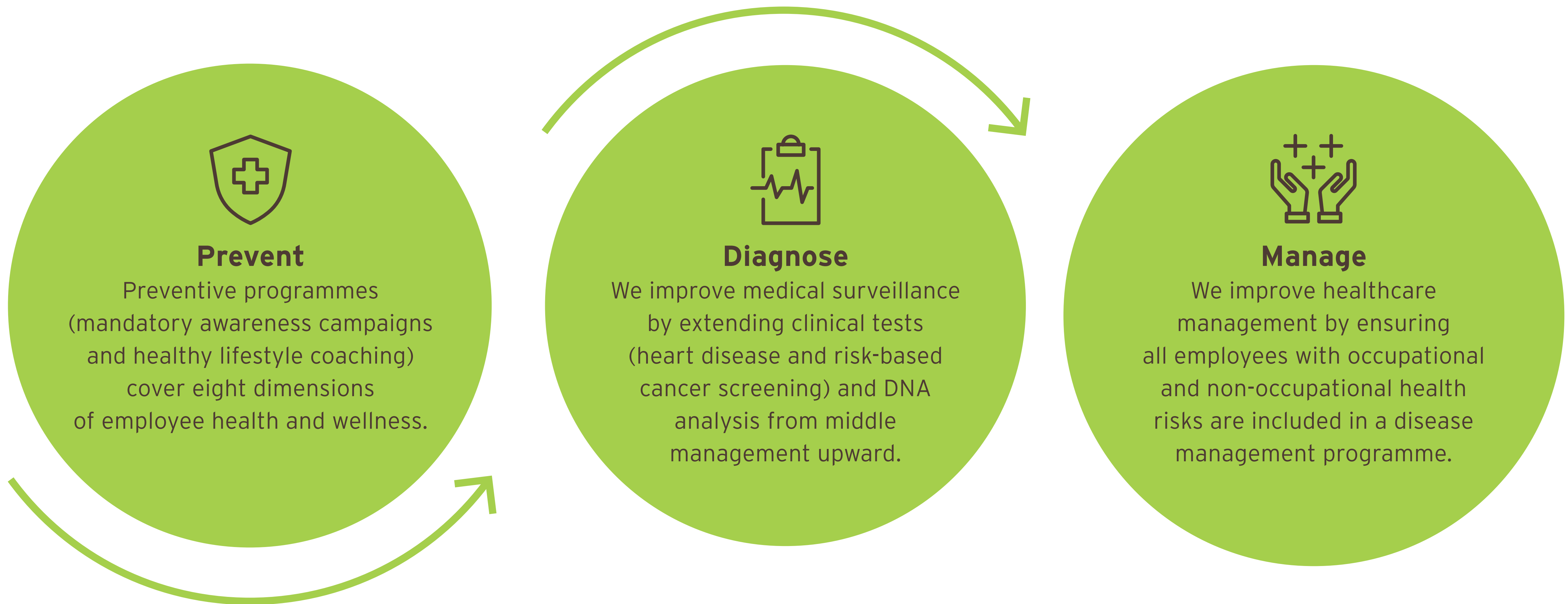
[**ESG Case Studies**](#)

Wellness from the inside out

We prioritise the holistic wellbeing of our people and communities through our integrated health and wellness strategy. Our Employee Wellness Programme (EWP) is communicated on multiple internal platforms alongside inspirational SMS messages, helplines and regular mental health masterclasses.



Integrated health and wellness strategy



Our workforce in numbers

*as at 31 December 2023

20 716

total number of people employed
across our organisation

6 813

permanent employees

13 868

contractors

35

fixed term employees

19

permanent employees:
Cennergi

12

full time employees:
Cennergi holdings

Diversity, equity and inclusion the building blocks of change

Diversity, equity and inclusion remain central to our vision, culture, values and progress. We remain focused on growing our internal capabilities and reskilling our workforce to support our transition to new commodities. Not only does our DE&I Strategy actively address inequalities (like salary inequities across the group) but it is critical to empowering a workforce that is able to create impact both at Exxaro and within the communities in which we operate.

SG&I OBJECTIVE THREE



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



Giving people new purpose is how we realise ours

Our purpose is to better lives in Africa and beyond. To realise this, we aim to positively impact our ecosystem during and after our operations, growing community projects and sustainable, thriving businesses that will continue far beyond our partnerships. Our robust, industry leading ESG strategy sees us powering sustainable possibilities for the communities we partner with, whilst responsibly managing and stewarding our environmental resources.

We aim to preserve the environment; empower people to create impact; and commit to being an inclusive, sustainable, and productive mining and energy business. From how we mine to what we mine, we steward our natural assets and social capital to uplift our communities.

An award-winning strategy

Our ESG approach

Our goal is to facilitate independent economic wellbeing, social progress, and dignified livelihoods. As such, our ESG strategy outlines very clear targets, actions and focus areas. The strategy embraces a multidimensional and scalable approach to empower our host communities, providing skills, employment, and entrepreneurial opportunities. This strategy prioritises lasting, positive change for our people and the environment.

Whilst the preservation and rehabilitation of the environment in which we operate remain key focus areas. From partnerships with the Endangered Wildlife Trust, bringing about a monitoring programme to enhance our biodiversity management process, to active emission reduction, we consider how we will close and rehabilitate a mine, long before we put a stake in the ground.

We are committed to continuing our ESG journey in 2024 and beyond, with a focus on the following areas:



Reducing greenhouse gas emissions and transitioning to a low-carbon future.



Investing in our people and communities.



Stewarding our natural assets.



Promoting good governance.

Our key ESG achievements in 2023



We were recognised as a **2023 Top Employer**, an award we've received for the 4th time.

[Previously in 2014, 2021 and 2022]



Exxaro was included in the **2023 Bloomberg Gender Equity Index**, testament to our commitment to making gender equality and inclusion a business priority.



Our **2023 FTSE Russell ratings (at 3.9/5) show continuous improvement.** For Environment we received 4.0, Social 3.3 and Governance 4.5 from June 2023.



Exxaro claimed **second place at the 2023 ESG Investing Awards**, with best in the Social Responsibility category.



Exxaro received the **Diversity, Equity and Inclusion in the Workplace of the Year award.**

Having also been recognised as **one of the Top 5 Best-Managed Diversified Mining companies for 2023** by the Top Empowerment Awards and Top 500 publication.

Committed to the United Nations Sustainable Development Goals

We participate in the National Business Initiative in South Africa to align the 17 SDGs with our country's National Development Plan. Through our strategy, we will continue to support the National Development Plan and the most material SDGs. Employing leading practices to leave a lasting net positive impact.

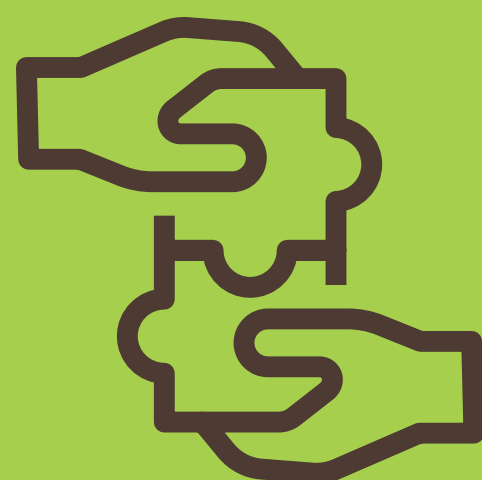


Stakeholder value creation

Our track record, innovation and robust SG&I strategy means we continue to present an outstanding investment opportunity, operating as an important part of Africa's stability and development.

Strategic partnerships

Through strategic partnerships with key stakeholders, we are collaborating on the research and development of decarbonisation technologies that will contribute to the just transition through social impact initiatives.



Investing in people and creating jobs

We continue investing in our people and communities, creating hundreds of new jobs every year.

Industry leader in ESG delivery

Exxaro was ranked #1 for ESG performance on the FTSE Russell index. Conducting our business activities in ways that create success for our business, our people, our communities and our continent. From how we mine to what we mine, we steward our natural assets and social capital to uplift our communities.

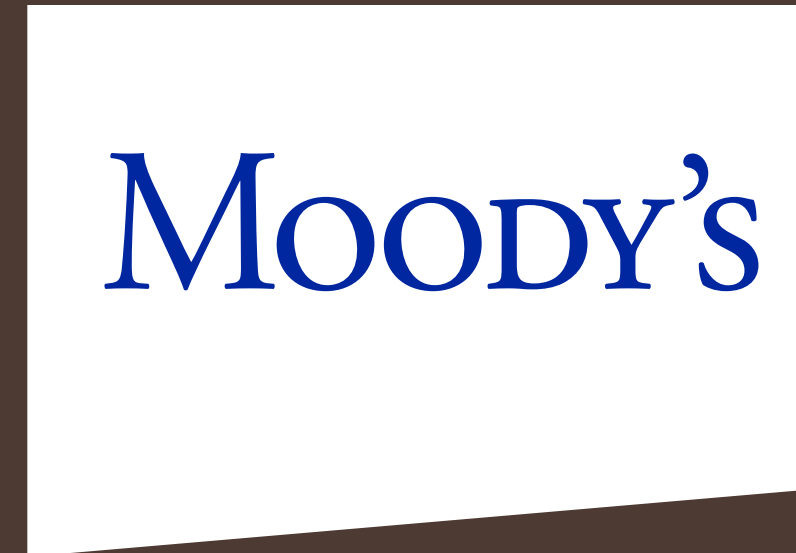
Inspiring positive disruption across our industry



Exxaro was ranked **15th** at the **2023 Sunday Times Top 100 Companies Awards**.



Exxaro was **ranked 7th** in this year's **top 10** for the **Ernst & Young Excellence in Integrated Reporting Awards**.



Exxaro has been awarded a **60/100 overall Environmental, Social and Governance (ESG) score** by **Moody's**, up 15 points from our 2020 and 2021 scores. **With Governance at 72/100.**



Exxaro received an improved historical **AA ESG rating on the global Morgan Stanley Capital International (MSCI) ESG index**, strongly underpinned by our leading carbon and governance initiatives.



Exxaro was recognised with a **Silver Sponsor Award** at the **5th annual SA Investment Conference**, recognising our commitment to working with government to raise R20 billion over SAIC's 5-year period.



Exxaro has been ranked in the **top 100 of Africa's Fastest Growing Companies in 2023** by the Financial Times and Statista in Fintech, Renewable Energy, Healthcare, Commodities and Agriculture sectors.



Exxaro's Integrated Report was the **overall winner in Southern Africa at the 2023 CGISA Integrated Reporting Awards**, providing clearer perspective of our business performance.



Pogiso Glen Mthimunye, our Digital Chain Value Lead, was selected a **finalist in the TransUnion Rising Star award under the Mining and Minerals Category.**



Grootegeluk received an award for the **Most Improved Dust milestones** and for **15 094 Fatality Free Production Shifts.**

Leeuwpan received accolades for **Lost Time Injury Frequency Rates** and for **30 200 Fatality Free Production Shifts.**

Matla Mine received recognition for achieving **28 000 Fatality Free Production Shifts.**



Dr Nombasa Tsengwa received the **2023 Trailblazing Women in Mining Award** from the **South African Women in Mining Association**.



Dr Nombasa Tsengwa was awarded the **Gender Icon award** at the **2023 Standard Bank Top Women awards**.

SG&I OBJECTIVE FOUR



Be carbon neutral by 2050



Decarbonisation goes beyond policy, it's all about people

Across our organisation we have implemented active systems, innovation practices, KPIs, targets and processes that contribute towards our decarbonisation goals. These, together with targeted edu-awareness initiatives, will ensure that our people and stakeholders are empowered and equipped to drive and materialise our decarbonisation targets.



Our roadmap to becoming carbon neutral

✔ Complete ➤ Progress

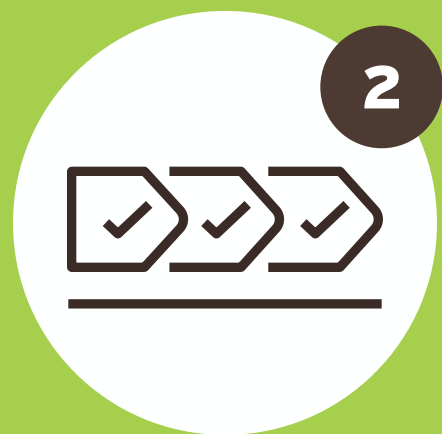


We are actively pursuing the reduction of scope 1 and 2 emissions by 40% by 2026, addressing:



1 Operations optimisation

- Measuring, monitoring and reporting data and performance.
- Supporting research and development.



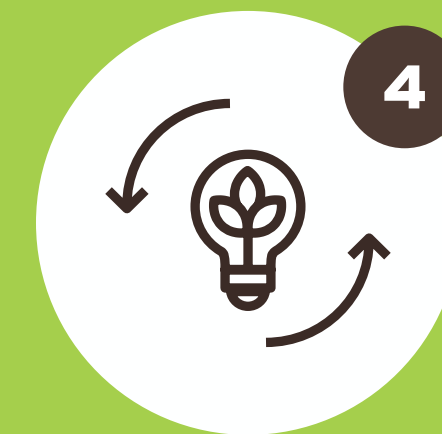
2 Value chain partners

- Prioritising adaptation, education, awareness and resilience of our operations and host communities.



3 Stakeholder engagement and inclusion

- Incentivising employee performance through our STI scheme.
- Creating awareness during regular employee and stakeholder engagements.



4 Active energy management

- Innovative and efficient energy management is integrated into our operations, reducing direct (scope 1 and 2) GHG emissions across our BUs and value chain.

Scope 1



Feasibility on green energy potential at operations



Energy and water efficiency programme (linked to performance incentives)



Compliance focus: pollution prevention plans for operations

Scope 2



Solar PV at Tshikondeni



Solar PV at Grootegeluk



Renewable energy consumption in all our operations

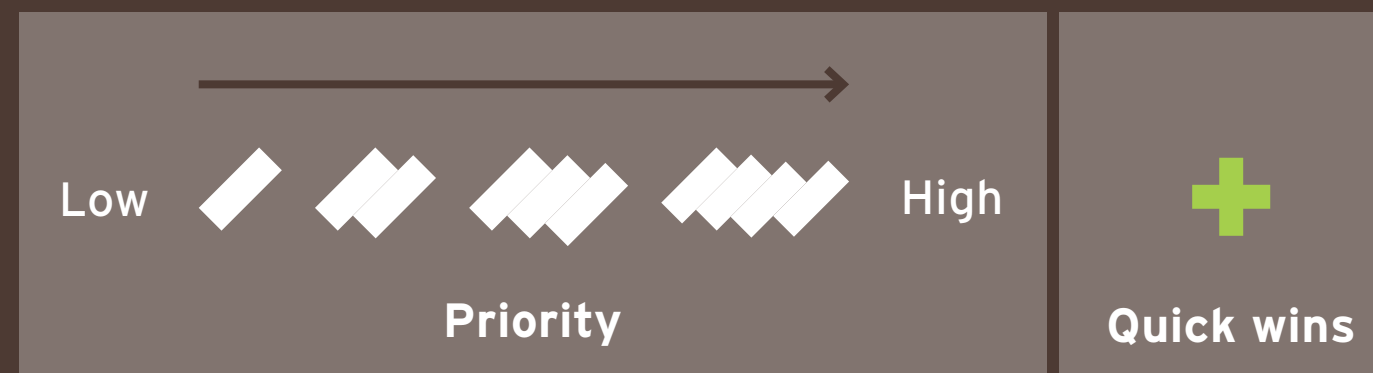
Scope 3



We are engaging strategically and taking targeted measures with our key suppliers with the view of partnering and collaborating on value chain emissions reduction.

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

We are supporting industry and government efforts of developing low carbon technologies such as carbon capture and storage, which are critical for the removal of carbon emissions.



Carbon credits



Community waste management/SLP



Load management projects



Rehabilitation opportunities

Enablers



Exxaro decarbonisation training and employee participation



Decarbonisation and communication plan



Leadership-driven process

We actively manage our energy consumption and increase our operational efficiencies, whilst stewarding our natural resources to become carbon neutral by 2050. These efforts include:



Biodiversity

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

- Approved environmental impact assessment authorisations
- Management procedure
- Impact assessments
- Management plans
- Ecological offset impact procedure (includes terrestrial and aquatic/wetland ecosystems)
- Monitoring and reporting
- Ecology efficiency reports
- Land management strategy
- Land management procedure
- Operational land management plan
- Land disposal strategy



Water security management

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

- WUL
- Management standards and procedures
- Risk assessment
- Water-saving targets and performance reporting
- Monitoring and reporting
- Technological water treatment options
- Integrated water management plans
- Audits



Energy management

Our energy and carbon management programme drives efficiencies that support a just transition to a low-carbon economy.

- Measurement, data and reporting
- Energy intensity improvement projects
- Becoming carbon neutral by 2050
- Climate change adaptation and mitigation
- Green supply chain
- Energy and carbon management guidelines for capital projects



Climate change resilience

We are building our climate resilience by enhancing the adaptive capacity of Exxaro and communities and capitalising on strategic opportunities presented by the transition to a lower-carbon economy.

- Carbon measurements, data and reporting
- Carbon emissions reduction projects
- Becoming carbon neutral by 2050
- Climate change adaptation and mitigation
- Green supply chain
- Climate considerations for capital projects



Environmental liabilities and rehabilitation

Our mine plans consider land management, closure and concurrent rehabilitation with financial provision to ensure we honour our commitments.

- Approved environmental management programme with closure objectives
- Mine closure and concurrent rehabilitation procedures
- Integrated concurrent and closure plan
- Environmental risk amendments
- Rehabilitation monitoring and KPI reporting
- Closure project management



Waste management

Our cradle-to-cradle approach minimises waste production through recycling and reuse within a circular economy.

- Approved waste management licence
- Waste stream assessment
- Prevention, reuse, recycling and energy recovery
- Management procedure (including classification)
- Handling, transportation and disposal procedure
- Monitoring and reporting

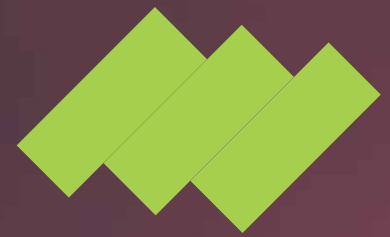


Air quality

We manage and mitigate the negative impacts of air pollution, including dust and particulate matter, emanating from our mining activities.


- Approved air quality authorisation (atmospheric emission licence)
- Management procedure and plans
- Assessment, monitoring and reporting
- Emissions inventories

SG&I OBJECTIVE FIVE



Transition at speed and scale

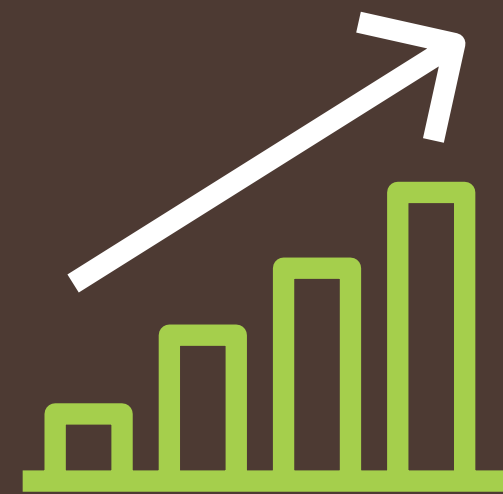




A sustainable, resilient future facing business powered by today

We have formulated a robust investment criteria to guide our growth decisions as we execute on our Sustainable Growth and Impact Strategy. Our diversification into minerals will be driven through mergers and acquisitions, whilst the growth of our energy business will be led through both mergers and acquisitions as well as organic progress. This allows us to deliver on our vision to build a resilient portfolio beyond coal whilst contributing to the global energy transition and future economic development, creating sustainable value for all our stakeholders.

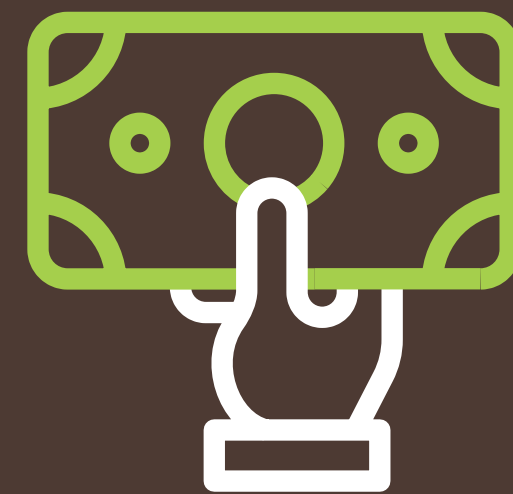
Our investment criteria



1. Size and longevity

HERE FOR THE LONG-HAUL

- Life of mine >10 years (greenfield expansions only considered if linked to operating asset.)
- Contribute >20% of Exxaro total volume.



2. Cost and profitability

KEY EARNINGS CONTRIBUTOR

- Returns = WACC x 1.5 times for proven ability to invest effectively.
- Cash generative and earnings accretive so that investments contribute >30% of Exxaro coal EBITDA by year 5.



3. Technical fit

CLOSE TO THE CORE

- Focus on open pit, similar to underground mining and strengths of coal and bulk commodities as it is aligned with Exxaro's core strengths, and technical capabilities are transferable.



4. Ownership

PHASED-IN COMPETENCY BUILD

- Outright ownership: When strong technical fit is present to ensure Exxaro can capture value.
- De-risked ownership: Partnership, JV or earn-in so that Exxaro's other capabilities are complemented by technical ability.



5. Lifecycle

DE-RISKED AND HIGH VALUE

- Focus on operating assets with opportunistic view on brownfield assets.
- Greenfield assets only when associated with operating or brownfield assets to minimise risk.



6. Geographic fit

BALANCED RISK AND EASE OF DOING BUSINESS

- Convenience and profitability considered.
 - Closely aligned time zones.
 - Favourable tax regimes and investment incentives.
 - Active labour market.
 - Sufficient infrastructure.
 - Security of tenure.

Positive disruption, our collective power



Our people and our business resilience are key to powering sustainable possibilities from the inside out. Safe production, delivering financial results, effective capital allocation, compliance excellence, entrenching innovation and capitalising on digitalisation are key drivers that ensure Exxaro can become the impactful organisation it is at the spearhead of sustainable, positive change.

As a collective, our true success lies in the strength of our cohesive culture and values. These inspire our behaviours, innovations and collaboration, making us agile and resilient. But above all our underlying business, ethical and governance principles fuel our vision to provide resources that power a clean world, whilst fulfilling our purpose - to better the lives in Africa and beyond.



We conduct our business activities in a way that creates success for Exxaro and society. From how we mine to what we mine, we are stewarding our natural assets and social capital to uplift our communities because we know that there is a better place to be tomorrow than where we are today.

DR NOMBASA TSENGWA



MINING
INDABA

2024

**Connect with us to continue the conversation
and let's power positive disruption across
our continent.**

The conneXXion +27 12 307 5000
263B, West Avenue www.exxaro.com
Die Hoewes
Centurion
0163



exxaro

POWERING POSSIBILITY