



Exxaro Resources Ltd

# 2025 CDP Corporate Questionnaire 2025

Word version

**Important: this export excludes unanswered questions**

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

[Read full terms of disclosure](#)

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## C1. Introduction

### (1.1) In which language are you submitting your response?

Select from:

English

### (1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

ZAR

### (1.3) Provide an overview and introduction to your organization.

#### (1.3.2) Organization type

Select from:

Publicly traded organization

#### (1.3.3) Description of organization

*Exxaro Resources Limited (Exxaro, the company or the group) is a South African diversified resources company with a robust coal business and acquisitive growth prospects in energy transition minerals, energy business and private rail infrastructure. Since 2006, Exxaro gained a reputation for being the largest black-empowered diversified mining company. The group is listed on the JSE Limited (JSE) Top 40 Index and is among the top 30 in the FTSE/JSE Socially Responsible Investment Index. Exxaro is more than a mining business and strongly believes in making a positive impact in the world, as indicated by Exxaro's Purpose, 'Powering Better Lives in Africa and Beyond' and by Exxaro's vision, 'To Produce Resources that Power a Clean World'. Exxaro endorses the United Nations Sustainable Development Goals (UN SDGs) and participates in efforts by the National Business Initiative (NBI) of ensuring the 17 SDGs align with the country's National Development Plan (NDP) and Exxaro's Sustainable Growth and Impact (SG&I) Strategy. Exxaro's asset portfolio comprises interests primarily in thermal coal (where we are among the top three South African coal producers), a growing energy solutions business (Cennergi) and equity-accounted investments in ferrous (FerroAlloys), iron ore, and zinc among other base metals. Exxaro also has business interests in Europe (comprising a marketing and logistics office in Switzerland) and Australia (comprising a joint operation with Anglo Coal Grosvenor Proprietary Limited, the Moranbah South project). In support of global decarbonisation and the just transition objectives, we published our Climate Change Position Statement in 2020, which details our strategic objective to be carbon neutral by 2050. To deliver this, the company developed a Climate Change Response Strategy which is aligned with the Task Force on Climate-related Disclosures (TCFD) recommendations and our efforts to build portfolio resilience in line with the company's SG&I Strategy. In addition, we took a strategic decision to support the TCFD recommendations*

and align our reporting and business processes accordingly. Renewable Energy -Exxaro contributes renewable energy (wind) to the national energy supply through Cennergi Proprietary Limited (Cennergi) located in Eastern Cape. Our energy business comprises 229MW of operational wind generation assets (Amakhala Emoyeni (134MW) and Tsitsikamma Community wind farm (95MW)) and the 68MW solar project under construction. We acquired Tata Power 50% interest effective 1 April 2020, for 100% ownership. Our renewable energy generation in 2023 was 727 GWh (2022: 671 GWh). Operating Coal Assets- Our coal operations are in Mpumalanga and Limpopo regions. In 2023, Exxaro produced a total of 42.5 million tonnes (Mt) of coal (2022: 43.1 Mt). • Grootegeeluk: Open pit mine - Exxaro's largest open cast operation produces thermal and metallurgical coal • Belfast: Open pit mine- operation which produces thermal export coal • Matla: Underground mine - Produces power station coal for the state-owned utility, • Leeuwpan: Open pit mine producing thermal coal to both the domestic and export markets. Non-Operating Assets- (Underground Mines in Closure) Tshikondeni, Hlobane, Durnacol are all in the mine closure process, supported with a strong rehabilitation and land management strategy aligned to support climate change mitigation and adaptation. Base Metals- Exxaro will continue to evaluate its options to dispose of its 26% shareholding in Black Mountain Mining following the suspension of the sale process in December 2020. Exxaro has recently entered into binding agreements to acquire shares and claims in manganese assets held by Ntsimbintle Holdings and OM Holdings.

[Fixed row]

**(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.**

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	12/29/2024	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

**(1.4.1) What is your organization’s annual revenue for the reporting period?**

40700000000

**(1.5) Provide details on your reporting boundary.**

	<p>Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?</p>
	<p>Select from:  <input checked="" type="checkbox"/> Yes</p>

[Fixed row]

**(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

**ISIN code - bond**

**(1.6.1) Does your organization use this unique identifier?**

Select from:

No

**ISIN code - equity**

**(1.6.1) Does your organization use this unique identifier?**

Select from:

No

**CUSIP number**

**(1.6.1) Does your organization use this unique identifier?**

Select from:

No

**Ticker symbol**

**(1.6.1) Does your organization use this unique identifier?**

Select from:

Yes

**(1.6.2) Provide your unique identifier**

JSE: EXX

**SEDOL code**

**(1.6.1) Does your organization use this unique identifier?**

Select from:

No

**LEI number**

**(1.6.1) Does your organization use this unique identifier?**

Select from:

No

**D-U-N-S number**

**(1.6.1) Does your organization use this unique identifier?**

Select from:

No

**Other unique identifier**

**(1.6.1) Does your organization use this unique identifier?**

Select from:

No

[Add row]

### (1.7) Select the countries/areas in which you operate.

Select all that apply

South Africa

### (1.13) In which part of the coal value chain does your organization operate?

Coal value chain

Surface coal mining

Underground coal mining

Other divisions

Other minerals mining

### (1.18) Provide details on the mining projects covered by this disclosure, by specifying your project(s) type, location and mining method(s) used.

#### Row 1

#### (1.18.1) Mining project ID

Select from:

Project 5

#### (1.18.2) Name

Mafube

#### (1.18.3) Share (%)

**(1.18.4) Country/Area**

Select from:

South Africa

**(1.18.5) Latitude**

25.8011

**(1.18.6) Longitude**

29.74237

**(1.18.7) Project stage**

Select from:

Production

**(1.18.8) Mining method**

Select from:

Open-cut

**(1.18.9) Raw material(s)**

Select all that apply

Thermal coal

**(1.18.10) Year extraction started/is planned to start**

2004

**(1.18.11) Year of closure**

**(1.18.12) Description of project**

*Mafube Colliery is an open-pit coal mine in Mpumalanga and is operated through our 50:50 joint venture with Thungela Resources.*

**Row 2****(1.18.1) Mining project ID**

Select from:

Project 1

**(1.18.2) Name**

*Grootegeluk*

**(1.18.3) Share (%)**

*100*

**(1.18.4) Country/Area**

Select from:

South Africa

**(1.18.5) Latitude**

*-23.657418*

**(1.18.6) Longitude**

*27.564354*

**(1.18.7) Project stage**

Select from:

Production

### (1.18.8) Mining method

Select from:

Open-cut

### (1.18.9) Raw material(s)

Select all that apply

Thermal coal

Metallurgical coal

### (1.18.10) Year extraction started/is planned to start

1982.0

### (1.18.11) Year of closure

2059.0

### (1.18.12) Description of project

*Grootegeluk is an open cast coal mine and is our largest coal mine situated in Limpopo province producing over 45 million tonnes per annum. It is acknowledged as Exxaros flagship mine and one of the safest and efficient mining operations in the world and runs the world's largest coal beneficiation complex.*

## Row 3

### (1.18.1) Mining project ID

Select from:

Project 2

### (1.18.2) Name

Leeuwpán

### (1.18.3) Share (%)

100

### (1.18.4) Country/Area

Select from:

South Africa

### (1.18.5) Latitude

-26.185018

### (1.18.6) Longitude

28.72693

### (1.18.7) Project stage

Select from:

Production

### (1.18.8) Mining method

Select from:

Open-cut

### (1.18.9) Raw material(s)

Select all that apply

Thermal coal

### (1.18.10) Year extraction started/is planned to start

1992.0

**(1.18.11) Year of closure**

2029.0

**(1.18.12) Description of project**

*Leeuwan is an open pit mine that produces metallurgical and power station coal. It is located in Mpumalanga province.*

**Row 4**

**(1.18.1) Mining project ID**

Select from:

Project 3

**(1.18.2) Name**

*Matla*

**(1.18.3) Share (%)**

100

**(1.18.4) Country/Area**

Select from:

South Africa

**(1.18.5) Latitude**

-26.245388

**(1.18.6) Longitude**

### (1.18.7) Project stage

Select from:

Production

### (1.18.8) Mining method

Select from:

Underground

### (1.18.9) Raw material(s)

Select all that apply

Thermal coal

### (1.18.10) Year extraction started/is planned to start

1978.0

### (1.18.11) Year of closure

2041.0

### (1.18.12) Description of project

*Matla is an Eskom-tied underground coal mine located in Kriel. The mine produces thermal coal. The main mining method is short wall and pillar extraction. The mine has limited beneficiation processes.*

## Row 5

### (1.18.1) Mining project ID

Select from:

Project 4

### (1.18.2) Name

*Belfast*

### (1.18.3) Share (%)

*100*

### (1.18.4) Country/Area

*Select from:*

South Africa

### (1.18.5) Latitude

*-25.812*

### (1.18.6) Longitude

*29.96742*

### (1.18.7) Project stage

*Select from:*

Production

### (1.18.8) Mining method

*Select from:*

Open-cut

### (1.18.9) Raw material(s)

*Select all that apply*

- Thermal coal

### (1.18.10) Year extraction started/is planned to start

2019.0

### (1.18.11) Year of closure

2036.0

### (1.18.12) Description of project

*Belfast is open-pit coal mine located in the Mpumalanga Province which produces thermal coal for export. The mine is Exxaro's first mine to fully embrace 4IR technologies such as the digital twin. The mine has a 17-year lifespan for the first phase operation. Belfast Coal is expected to contribute ZAR39 billion to local GDP over its life of mine.*

*[Add row]*

## (1.24) Has your organization mapped its value chain?

### (1.24.1) Value chain mapped

*Select from:*

- Yes, we have mapped or are currently in the process of mapping our value chain

### (1.24.2) Value chain stages covered in mapping

*Select all that apply*

- Upstream value chain
- Downstream value chain

### (1.24.3) Highest supplier tier mapped

*Select from:*

- Tier 1 suppliers

#### (1.24.4) Highest supplier tier known but not mapped

Select from:

- Tier 2 suppliers

#### (1.24.7) Description of mapping process and coverage

*Exxaro has mapped its upstream and downstream value chain, which includes its suppliers, customers, and the broader communities affected by our operations. This mapping process is a fundamental part of the company's environmental, social, and governance (ESG) strategies.*

*[Fixed row]*

#### (1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

##### (1.24.1.1) Plastics mapping

Select from:

- Yes, we have mapped or are currently in the process of mapping plastics in our value chain

##### (1.24.1.2) Value chain stages covered in mapping

Select all that apply

- End-of-life management

##### (1.24.1.4) End-of-life management pathways mapped

Select all that apply

- Recycling

*[Fixed row]*

## C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

### Short-term

#### (2.1.1) From (years)

0

#### (2.1.3) To (years)

2

#### (2.1.4) How this time horizon is linked to strategic and/or financial planning

*Due to the ever-changing environment that we operate in, Exxaro categorizes the short-term as timeframes between 0-24 months. This is aligned to the Exxaro Strategy and Business Planning process and operating model to be agile. The Risk and Business Resilience Committee, on behalf of the Board, is responsible for regularly monitoring risks that will have a catastrophic impact on the group if they materialise. Catastrophic risks, together with their treatments/controls, are considered critical in the ever-changing environment in which we operate. These are continually monitored and reviewed quarterly and yearly in line with the annual work plan of the various governance structures and as per the Enterprise Risk Management Framework and combined assurance approach. The Board and Executive Committee monitor risk and KPI's quarterly to ensure all risks and key metrics are within Exxaro's risk appetite to ultimately ensure the achievement of our strategy. The Strategic Performance Dashboard KPIs and their thresholds are reviewed by the Board and Executive Committee at least annually (aligned to the Strategy process). Operational risk register and initiatives are aligned to operational excellence like water, energy, air quality which are categorized as short-term.*

### Medium-term

#### (2.1.1) From (years)

2

#### (2.1.3) To (years)

### (2.1.4) How this time horizon is linked to strategic and/or financial planning

*These timeframes are aligned to the Exxaro Strategy Review Cycle which occurs every 2 years. The RBR Committee, on behalf of the Board, is responsible for regularly monitoring risks that will have a catastrophic impact on the group if they materialise. Catastrophic risks, together with their treatments/controls, are considered critical in the ever-changing environment in which we operate. These are continually monitored and reviewed in line with the annual work plan of the various governance structures and enterprise risk management frameworks and combined assurance approaches. The Board also uses strategic, tactical, and operational risks facing Exxaro as input during the annual strategy session where identified risks are used to test the robustness of the strategy and also assist in guiding the conversation in setting the strategy and risk appetite. Digital initiatives aligned to supporting the climate change agenda through the Fourth Industrial Revolution (4IR) technologies feature in the medium term.*

### Long-term

#### (2.1.1) From (years)

5

#### (2.1.2) Is your long-term time horizon open ended?

Select from:

No

#### (2.1.3) To (years)

10

### (2.1.4) How this time horizon is linked to strategic and/or financial planning

*The timeframes are aligned to the Sustainable Growth and Impact Strategy process, which is deemed as a long-term strategy, with a timeframe greater than 5 years. High capital financial investments are categorized in the long term. Long term goals are achieved using a series of short- and medium-term goals as stepping stones along the way to the endpoint.*

*[Fixed row]*

**(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?**

	Process in place	Dependencies and/or impacts evaluated in this process	Biodiversity impacts evaluated before the mining project development stage
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both dependencies and impacts	Select from: <input checked="" type="checkbox"/> Yes, in all cases

[Fixed row]

**(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?**

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

**(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.**

**Row 1**

**(2.2.2.1) Environmental issue**

*Select all that apply*

- Climate change

### **(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue**

*Select all that apply*

- Risks
- Opportunities

### **(2.2.2.3) Value chain stages covered**

*Select all that apply*

- Direct operations
- Upstream value chain
- Downstream value chain

### **(2.2.2.4) Coverage**

*Select from:*

- Partial

### **(2.2.2.5) Supplier tiers covered**

*Select all that apply*

- Tier 1 suppliers

### **(2.2.2.7) Type of assessment**

*Select from:*

- Qualitative and quantitative

### **(2.2.2.8) Frequency of assessment**

Select from:

- More than once a year

### (2.2.2.9) Time horizons covered

Select all that apply

- Short-term
- Medium-term
- Long-term

### (2.2.2.10) Integration of risk management process

Select from:

- Integrated into multi-disciplinary organization-wide risk management process

### (2.2.2.11) Location-specificity used

Select all that apply

- Site-specific

### (2.2.2.12) Tools and methods used

Enterprise Risk Management

- Enterprise Risk Management

### (2.2.2.13) Risk types and criteria considered

Acute physical

- Drought
- Wildfires
- Heat waves
- Heavy precipitation (rain, hail, snow/ice)
- Flood (coastal, fluvial, pluvial, ground water)
- Storm (including blizzards, dust, and sandstorms)

#### Chronic physical

- Changing precipitation patterns and types (rain, hail, snow/ice)
- Changing temperature (air, freshwater, marine water)
- Increased severity of extreme weather events

#### Policy

- Carbon pricing mechanisms
- Changes to international law and bilateral agreements
- Changes to national legislation

#### Market

- Changing customer behavior
- Uncertainty in the market signals

#### Reputation

- Impact on human health
- Increased partner and stakeholder concern and partner and stakeholder negative feedback
- Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)
- Stigmatization of sector

#### Technology

- Transition to lower emissions technology and products

#### Liability

- Exposure to litigation
- Non-compliance with regulations

### **(2.2.2.14) Partners and stakeholders considered**

*Select all that apply*

- Customers

Employees

Suppliers

### (2.2.2.15) Has this process changed since the previous reporting year?

Select from:

No

### (2.2.2.16) Further details of process

*In Exxaro, the risk identification and management process use the enterprise risk management (ERM) framework (COSO and ISO 31000). ERM involves the systematic application of management policies and procedures to the activities of communicating, consulting, context, identifying, analyzing, evaluating, treating, monitoring, reviewing, the likelihood of occurrence and impacts, and mitigating risk. The Board and respective management layers consider business risks when setting strategies, and monitor controls continuously at strategic, tactical, and operational levels. For example, an increase in unexpected rainfall results in overflowing of the open-pit mines and wet coal, and adaptive changes, and controls to operational emergency readiness are required. Wet coal is a risk to our end customer. The ERM methodology is, therefore, applied across all functional areas and considers all-hazards/root causes/drivers as well as all potential impacts aligned to the 6 capitals model (financial, operational, stakeholder, legal/ compliance, safety, health, and environment- including climate change) that the risk event may trigger. Through the office of the Chief Risk Officer, risk owners are in place across all layers for every risk and are accountable for ensuring the appropriate risk strategy is implemented. Control/Treatment owners are appointed for every control/treatment and report to risk owners on the testing and maintenance of controls and implementation of action plans. Controls/Treatments are reviewed on an annual basis but tested more frequently. Determining materiality involves three steps: consultation- internal and external (eg: policy like Carbon Tax), analysis and approval. We also follow the 3 lines of defense model as part of the Combined Assurance Process for each risk. Risk Champions at each functional and asset level acting as the custodian of the group-wide ERM processes and standards, including the Hazard and Risk Identification (HIRA) standard. The operational risk process occurs monthly to ensure all risks are captured. This ensures the drive toward a uniform risk culture, with one set of principles being utilized, based on the ERM Framework. All risks, including climate change-related risks and coal market-related risks, are linked to strategic objectives at every level and root causes/drivers and potential impacts are assigned to every risk. For every risk, a risk owner is assigned and takes overall accountability for the risk and that treatment plans are implemented against the planned project timelines, whilst the treatment owners take accountability for the various action steps that need to be taken in the control and treatment environments. This process identified coal dust hazard and hence we actioned the growing of vegetation on topsoil stockpiles for dust suppression, the output resulted in reducing coal dust to 197mg/m<sup>2</sup>/day eliminating the need for traditional diesel vehicles spraying suppressants, thereby supporting the outcome of reducing GHG emissions, while the vegetation acts as a carbon sink. The Risk and Business Resilience Committee reviews the overall risk profile of Exxaro annually, approves it for publication to stakeholders in the annual integrated report, and ensures its alignment with the group strategy. Risk Champions also coordinate the assessment and assignment of risks that may impact strategic objectives. Business unit risk registers are reported to the Executive Committee for prioritisation.*

## Row 2

### (2.2.2.1) Environmental issue

Select all that apply

- Water

### (2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- Impacts
- Risks
- Opportunities

### (2.2.2.3) Value chain stages covered

Select all that apply

- Direct operations

### (2.2.2.4) Coverage

Select from:

- Full

### (2.2.2.7) Type of assessment

Select from:

- Qualitative and quantitative

### (2.2.2.8) Frequency of assessment

Select from:

- More than once a year

### (2.2.2.9) Time horizons covered

Select all that apply

- Short-term
- Medium-term
- Long-term

#### (2.2.2.10) Integration of risk management process

*Select from:*

- Integrated into multi-disciplinary organization-wide risk management process

#### (2.2.2.11) Location-specificity used

*Select all that apply*

- Site-specific

#### (2.2.2.12) Tools and methods used

Commercially/publicly available tools

- UNEP Vital Water Graphics
- WRI Aqueduct

Enterprise Risk Management

- Enterprise Risk Management
- Risk models

International methodologies and standards

- Environmental Impact Assessment

Other

- External consultants
- Internal company methods
- Source Water Vulnerability Assessment

#### (2.2.2.13) Risk types and criteria considered

Acute physical

- Drought
- Wildfires
- Subsidence
- Pollution incident
- Cyclones, hurricanes, typhoons

Chronic physical

- Groundwater depletion
- Declining water quality
- Rationing of municipal water supply
- Acid rock drainage and metal leaching
- Water quality at a basin/catchment level

Policy

- Changes to national legislation
- Increased difficulty in obtaining operations permits

- Rupture of tailings dams and toxic spills
- Heavy precipitation (rain, hail, snow/ice)
- Flood (coastal, fluvial, pluvial, ground water)

- Increased severity of extreme weather events
- Water availability at a basin/catchment level
- Changing temperature (air, freshwater, marine water)
- Changing precipitation patterns and types (rain, hail, snow/ice)
- Increased levels of environmental pollutants in freshwater bodies

### (2.2.2.14) Partners and stakeholders considered

*Select all that apply*

- Customers
- Employees
- Investors
- Regulators
- Local communities
- Other water users at the basin/catchment level

### (2.2.2.15) Has this process changed since the previous reporting year?

*Select from:*

- No

## (2.2.2.16) Further details of process

*The Exxaro risk-management process (adopted in November 2011) is a strategic enabler embedded in all our processes, functions and systems. Risk management, together with crisis management, is a board objective, which is ingrained in the Exxaro corporate culture. The Board and respective management layers consider business risks when setting strategies, and monitor controls continuously at strategic, tactical and operational levels. Exxaro has a mature risk management culture and the process is ingrained in the Exxaro corporate culture. Risk management is performed at each layer with a different scope or context in mind. Each of the respective layers informs the next in other words a top down, bottom up approach. Risk assessments are conducted on a quarterly basis at both the group level and the BU level and reported to the relevant risk structures (e.g. Exco and Sustainability, Risk and compliance Committee). The Exxaro risk management framework also caters for the identification and realisation of opportunities. We believe that, for Exxaro to remain sustainable in the near future, it is important to adapt to change, and to identify and pursue possible opportunities that ultimately create value. Besides the corporate management, an environmental assessment is performed at the BU level by external consultants to identify water risks in processes and tasks, as part of the updating of the Integrated Water and Waste Management plans (National Tool & Standard)*

### Row 3

## (2.2.2.1) Environmental issue

*Select all that apply*

Biodiversity

## (2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

*Select all that apply*

Impacts

Risks

Opportunities

## (2.2.2.3) Value chain stages covered

*Select all that apply*

Direct operations

## (2.2.2.4) Coverage

Select from:

- Partial

### (2.2.2.6) Mining projects covered

Select all that apply

- All disclosed mining projects

### (2.2.2.7) Type of assessment

Select from:

- Qualitative and quantitative

### (2.2.2.8) Frequency of assessment

Select from:

- More than once a year

### (2.2.2.9) Time horizons covered

Select all that apply

- Short-term
- Medium-term
- Long-term

### (2.2.2.10) Integration of risk management process

Select from:

- Integrated into multi-disciplinary organization-wide risk management process

### (2.2.2.11) Location-specificity used

Select all that apply

- Site-specific

## (2.2.2.12) Tools and methods used

### International methodologies and standards

- Environmental Impact Assessment
- ISO 14001 Environmental Management Standard

### Databases

- Nation-specific databases, tools, or standards
- Regional government databases

### Other

- Desk-based research
- External consultants
- Internal company methods

## (2.2.2.13) Risk types and criteria considered

### Acute physical

- Subsidence
- Wildfires

### Chronic physical

- Soil erosion
- Soil degradation
- Declining ecosystem services
- Increased ecosystem vulnerability
- Threatened species in or near mining operation

### Policy

- Changes to international law and bilateral agreements
- Changes to national legislation
- Protected area designation

- Operations in or adjacent to areas important for biodiversity
- Increased levels of environmental pollutants in freshwater bodies
- Reserves located in or adjacent to areas important for biodiversity

#### (2.2.2.14) Partners and stakeholders considered

Select all that apply

- Employees
- Investors
- Local communities
- NGOs

#### (2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- No

#### (2.2.2.16) Further details of process

*Biodiversity risks and opportunities at all Exxaro's operations are assessed at baseline stage during the process of obtaining an mining permit or environmental authorization. This is done through the Environmental Impact Assessment process and as part of this, ecological studies that include, wetland assessments, terrestrial assessments, soil assessments and aquatic biomonitoring are undertaken. subsequent to these studies, biodiversity monitoring is implemented at all Exxaro's operations. Furthermore, additional studies are conducted as and when new activities are required and applied for within the MRA.*

[Add row]

### **(2.2.3) Provide mining-specific details of your organization's process for identifying, assessing, and managing biodiversity impacts.**

#### **Row 1**

#### (2.2.3.1) Mining project ID

Select from:

- Project 1

#### (2.2.3.2) Extent of assessment

Select from:

- Full-scale environmental and social impact assessment

### (2.2.3.3) Impacts considered

Select all that apply

- Direct impacts
- Indirect impacts
- Cumulative impacts

### (2.2.3.4) Scope defined by

Select all that apply

- Governmental agency requirements
- Company own standards and/or policies

### (2.2.3.5) Aspects considered

Select all that apply

- Natural habitats

### (2.2.3.6) Baseline biodiversity data available

Select from:

- Yes

### (2.2.3.7) Environmental Impact Statement publicly available

Select from:

- Yes

### (2.2.3.8) Please explain

*As part of the Environmental Impact Assessment (EIA) process, Impacts on biodiversity as a result of mining operations is identified. Exxaro appoints external consultants and biodiversity specialist to conduct baseline studies prior to any development. consultants and specialist are also appointed during the operational*

phase as and when new mining activities are identified within a high biodiversity area. As part of this process, all sensitivities that are likely to be impacted by the mining activities are identified and mapped in order to influence mining activities to be undertaken away from these areas. The severity/magnitude of impacts on biodiversity is done through the DFFE impact assessment methodology (DEA, 2014). Subsequent to the assessment of impacts, mitigation and management measures are recommended for all identified biodiversity impacts. As part of mitigation measures, monitoring programmes are developed and implemented to monitor, and report impacts on biodiversity and restorative actions are taken.

## Row 2

### (2.2.3.1) Mining project ID

Select from:

- Project 2

### (2.2.3.2) Extent of assessment

Select from:

- Full-scale environmental and social impact assessment

### (2.2.3.3) Impacts considered

Select all that apply

- Direct impacts
- Indirect impacts
- Cumulative impacts

### (2.2.3.4) Scope defined by

Select all that apply

- Governmental agency requirements
- Company own standards and/or policies

### (2.2.3.5) Aspects considered

Select all that apply

- Natural habitats

### (2.2.3.6) Baseline biodiversity data available

Select from:

Yes

### (2.2.3.7) Environmental Impact Statement publicly available

Select from:

Yes

### (2.2.3.8) Please explain

*As part of the Environmental Impact Assessment (EIA) process, Impacts on biodiversity as a result of mining operations is identified. Exxaro appoints external consultants and biodiversity specialist to conduct baseline studies prior to any development. consultants and specialist are also appointed during the operational phase as and when new mining activities are identified within a high biodiversity area. As part of this process, all sensitivities that are likely to be impacted by the mining activities are identified and mapped in order to influence mining activities to be undertaken away from these areas. The severity/magnitude of impacts on biodiversity is done through the DFFE impact assessment methodology (DEA, 2014). Subsequent to the assessment of impacts, mitigation and management measures are recommended for all identified biodiversity impacts. As part of mitigation measures, monitoring programmes are developed and implemented to monitor, and report impacts on biodiversity and restorative actions are taken.*

## Row 3

### (2.2.3.1) Mining project ID

Select from:

Project 3

### (2.2.3.2) Extent of assessment

Select from:

Full-scale environmental and social impact assessment

### (2.2.3.3) Impacts considered

Select all that apply

- Direct impacts
- Indirect impacts
- Cumulative impacts

#### (2.2.3.4) Scope defined by

*Select all that apply*

- Governmental agency requirements
- Company own standards and/or policies

#### (2.2.3.5) Aspects considered

*Select all that apply*

- Natural habitats

#### (2.2.3.6) Baseline biodiversity data available

*Select from:*

- Yes

#### (2.2.3.7) Environmental Impact Statement publicly available

*Select from:*

- Yes

#### (2.2.3.8) Please explain

*As part of the Environmental Impact Assessment (EIA) process, Impacts on biodiversity as a result of mining operations is identified. Exxaro appoints external consultants and biodiversity specialist to conduct baseline studies prior to any development. consultants and specialist are also appointed during the operational phase as and when new mining activities are identified within a high biodiversity area. As part of this process, all sensitivities that are likely to be impacted by the mining activities are identified and mapped in order to influence mining activities to be undertaken away from these areas. The severity/magnitude of impacts on biodiversity is done through the DFFE impact assessment methodology (DEA, 2014). Subsequent to the assessment of impacts, mitigation and management measures are recommended for all identified biodiversity impacts. As part of mitigation measures, monitoring programmes are developed and implemented to monitor, and report impacts on biodiversity and restorative actions are taken.*

## Row 4

### (2.2.3.1) Mining project ID

Select from:

- Project 4

### (2.2.3.2) Extent of assessment

Select from:

- Full-scale environmental and social impact assessment

### (2.2.3.3) Impacts considered

Select all that apply

- Direct impacts
- Indirect impacts
- Cumulative impacts

### (2.2.3.4) Scope defined by

Select all that apply

- Governmental agency requirements
- Company own standards and/or policies

### (2.2.3.5) Aspects considered

Select all that apply

- Natural habitats

### (2.2.3.6) Baseline biodiversity data available

Select from:

- Yes

### (2.2.3.7) Environmental Impact Statement publicly available

Select from:

Yes

### (2.2.3.8) Please explain

*As part of the Environmental Impact Assessment (EIA) process, Impacts on biodiversity as a result of mining operations is identified. Exxaro appoints external consultants and biodiversity specialist to conduct baseline studies prior to any development. consultants and specialist are also appointed during the operational phase as and when new mining activities are identified within a high biodiversity area. As part of this process, all sensitivities that are likely to be impacted by the mining activities are identified and mapped in order to influence mining activities to be undertaken away from these areas. The severity/magnitude of impacts on biodiversity is done through the DFFE impact assessment methodology (DEA, 2014). Subsequent to the assessment of impacts, mitigation and management measures are recommended for all identified biodiversity impacts. As part of mitigation measures, monitoring programmes are developed and implemented to monitor, and report impacts on biodiversity and restorative actions are taken.*

[Add row]

### (2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

	Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed	Description of how interconnections are assessed
	Select from: <input checked="" type="checkbox"/> Yes	<i>Inter connectedness is assessed through EIAs during project initiation and expansion phases.</i>

[Fixed row]

### (2.3) Have you identified priority locations across your value chain?

#### (2.3.1) Identification of priority locations

Select from:

Yes, we have identified priority locations

### (2.3.2) Value chain stages where priority locations have been identified

Select all that apply

- Direct operations

### (2.3.3) Types of priority locations identified

Sensitive locations

- Areas important for biodiversity
- Areas of limited water availability, flooding, and/or poor quality of water
- Areas of importance for ecosystem service provision

### (2.3.4) Description of process to identify priority locations

*South African National Biodiversity maps of freshwater areas, critical and endangered species. Wetland delineation to understand ecosystem services. Flood line delineation to ensure mining and infrastructure outside flood prone areas. Monitoring of upstream and downstream river systems for quality deterioration.*

### (2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

- No, we have a list/geospatial map of priority locations, but we will not be disclosing it  
[Fixed row]

## (2.4) How does your organization define substantive effects on your organization?

### Risks

#### (2.4.1) Type of definition

Select all that apply

- Qualitative
- Quantitative

## (2.4.2) Indicator used to define substantive effect

Select from:

- Direct operating costs

## (2.4.3) Change to indicator

Select from:

- % increase

## (2.4.4) % change to indicator

Select from:

- 1-10

## (2.4.6) Metrics considered in definition

Select all that apply

- Frequency of effect occurring
- Time horizon over which the effect occurs
- Likelihood of effect occurring

## (2.4.7) Application of definition

*A substantive impact is one that could result into the organisation not achieving our strategy, if treatments to mitigate or reduce the risk are not implemented. Our impacts scale is directly aligned to our strategic objectives and to the Board approved risk appetite framework. Physical water risks due to security of water supply, climate change, drought and flooding has the potential to create such change. Without the required quantity and quality of the water source the beneficiation of coal would be severely impacted. In the case of flooding, safety of our employees and the access to the coal resource would be hampered and could lead to unstable conditions to carry on with any mining method. The geographical spread of our Exxaro BU's ultimately mean that risk is unlikely to materialise at all the BU's simultaneously, however this is not the case for other risks such as legislative, shareholder, stakeholder and pricing risks. With labour & community unrest access to the mine could be impacted by a reduced workforce. Some of Exxaro business units contribute up to 50% of total production and the impact from any water related risks would have the potential to cause substantive change in the total business (refer to the impact scale that are linked to our objectives and risk appetite framework).*

## Opportunities

### (2.4.1) Type of definition

Select all that apply

- Qualitative
- Quantitative

### (2.4.2) Indicator used to define substantive effect

Select from:

- Direct operating costs

### (2.4.3) Change to indicator

Select from:

- % decrease

### (2.4.4) % change to indicator

Select from:

- 1-10

### (2.4.6) Metrics considered in definition

Select all that apply

- Frequency of effect occurring
- Time horizon over which the effect occurs
- Likelihood of effect occurring

### (2.4.7) Application of definition

*Any opportunity that will reduce environmental harm, improve efficiency, care for the environment, and safeguard our communities are considered. Nature based solutions along with proven engineering solutions are tailored to provide substantial opportunities for growth and positive impact where we operate.*

[Add row]

## **(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?**

### **(2.5.1) Identification and classification of potential water pollutants**

Select from:

Yes, we identify and classify our potential water pollutants

### **(2.5.2) How potential water pollutants are identified and classified**

*Exxaro conducts geo-chemical assessments on product material, discard material or any other material stockpiled or stored on our sites. The geo-chemical assessment indicates the potential pollutants that could form under certain conditions and the results are incorporated into our groundwater and surface water models to determine pathways of any pollutants to sensitive receptors. Sensitive receptors include all environmental areas and human activity.  
[Fixed row]*

## **(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.**

### **Row 1**

#### **(2.5.1.1) Water pollutant category**

Select from:

Inorganic pollutants

#### **(2.5.1.2) Description of water pollutant and potential impacts**

*The following inorganic pollutants are associated with our coal mines: Sulphates, Calcium, Magnesium, Sodium, Chlorides and metals: Iron, Manganese, Aluminium and Boron under acidic conditions. High salt loads could impact on irrigation and potable treatment plants downstream or to surrounding aquifers.*

#### **(2.5.1.3) Value chain stage**

Select all that apply

- Direct operations

#### (2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
- Beyond compliance with regulatory requirements
- Implementation of integrated solid waste management systems
- Water recycling
- Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

#### (2.5.1.5) Please explain

*Exxaro uses various buffer techniques to prevent pollutants from escaping the facility by using suitable barrier liners (HDPE) for pollution control dams and stockpile areas. We also install cutoff trenches around discard dumps to intercept seepage for re-use/treatment. Process water (reclaimed from dirty water areas) is prioritized for on-site use instead of using fresh water intake. Our monitoring programme allows us to assess any infrastructure leakage or spillage with corrective actions. Every facility has a water and waste management plan that details clean and dirty water separation, water balance simulations and best practices beyond compliance with regulatory requirements.*

[Add row]

### (2.6) By river basin, what number of active and inactive tailings dams are within your control?

#### Row 1

##### (2.6.1) Country/area & River basin

Mozambique

- Limpopo

##### (2.6.2) Number of tailings dams in operation

### (2.6.3) Number of inactive tailings dams

0

### (2.6.4) Comment

*Two tailings disposal facilities at our Grootegeluk operation that consists of an older tailings dam and a new generation cyclic disposal facility that allows for continual recovery from 4 tailings ponds. Both facilities are still in use and are inspected regularly for safety purposes and has been classified with the Department of Water and Sanitation's Dam Safety Regulations.*

*[Add row]*

## (2.6.1) Do you evaluate and classify the tailings dams under your control according to the consequences of their failure to human health and ecosystems?

### (2.6.1.1) Evaluation of the consequences of tailings dam failure

*Select from:*

Yes, we evaluate the consequences of tailings dam failure

### (2.6.1.2) Evaluation/Classification guideline(s)

*Select all that apply*

South Africa (SANS) 10286

### (2.6.1.3) Tailings dams have been classified as 'hazardous' or 'highly hazardous'

*Select from:*

None of our tailings dams have been classified as 'hazardous' or 'highly hazardous' (or equivalent)

### (2.6.1.4) Please explain

*Tailings facilities contain carbonaceous fines material that is not hazardous.*

*[Fixed row]*

**(2.6.3) To manage the potential impacts to human health or water ecosystems associated with the tailings dams in your control, what procedures are in place for all of your dams?**

**Row 1**

**(2.6.3.1) Procedure**

Select from:

Approval

**(2.6.3.2) Detail of the procedure**

Approval

The operating plan and the life of facility plan are approved by the EHS manager

**(2.6.3.3) Please explain**

*Exxaro has a water management standard under our Environmental Policy that outlines water-related risks and mitigation measures applicable to tailings deposit facilities and gives guidance on pollution prevention structures such as cutoff trenches and return water dams, monitoring systems required and storm water controls. The tailings facility is managed through external contractors that specialize in tailings management and report to the EHS manager to oversee the facility life plan and assurance programmes.*

*[Add row]*

### C3. Disclosure of risks and opportunities

**(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?**

#### Climate change

##### **(3.1.1) Environmental risks identified**

*Select from:*

Yes, both in direct operations and upstream/downstream value chain

#### Water

##### **(3.1.1) Environmental risks identified**

*Select from:*

Yes, both in direct operations and upstream/downstream value chain

#### Plastics

##### **(3.1.1) Environmental risks identified**

*Select from:*

No

##### **(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain**

*Select from:*

Environmental risks exist, but none with the potential to have a substantive effect on our organization

### (3.1.3) Please explain

*The organisation does not produce any plastic materials. We do utilise plastic materials within the operations and dispose thereof through third party contractors for safe disposal. Storage of plastic materials are well managed through our waste policies and procedures.*

## Biodiversity

### (3.1.1) Environmental risks identified

Select from:

No

### (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

Not an immediate strategic priority

### (3.1.3) Please explain

*The inclusion of upstream and downstream value chain will be evaluated in the coming years.*

*[Fixed row]*

**(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.**

## Climate change

### (3.1.1.1) Risk identifier

Select from:

Risk1

### (3.1.1.3) Risk types and primary environmental risk driver

Policy

- Changes to national legislation

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

- South Africa

### (3.1.1.9) Organization-specific description of risk

*Regulatory changes will significantly impact our business activities over different time frames. In South Africa, emerging regulatory changes include carbon budgets and sectoral emission targets. These regulations are expected to become stricter to align with the goals of the Paris Agreement, which aims to keep the global average temperature increase well below 2°C above pre-industrial levels and pursue efforts to limit it to 1.5°C. Future climate policies will likely affect the supply and demand for our products. These policies might be categorized as follows: 1. Restrictive Supply Side: Policies that reduce the fossil fuel supply, such as declining quotas, supply taxes, and subsidy reductions. 2. Restrictive Demand Side: Policies that limit the demand for fossil fuels, including carbon budgets and sectoral emission targets. 3. Supportive Supply Side: Policies that promote the supply of fossil fuel alternatives, like renewable energy subsidies and mandates. 4.*

*Supportive Demand Side: Policies that encourage the demand for fossil fuel alternatives, such as subsidies for energy-efficient appliances or favorable government procurement policies. One major risk is the increasing cost of fossil fuel electricity due to restrictive supply-side policies. For instance, in South Africa, the average electricity tariff rose by 12,72% in 2024. To mitigate this, Exxaro plans to reduce its reliance on fossil fuel-generated power by implementing self-generation RE projects*

### (3.1.1.11) Primary financial effect of the risk

Select from:

- Increased direct costs

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

Short-term

### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Likely

### (3.1.1.14) Magnitude

Select from:

Medium-low

### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*Increased costs due to emerging regulations include compliance costs which are a result of the installation of new technologies, operational and maintenance costs to achieve emission reductions. Overall increase in operating/production costs and other factors also impact on product demand and supply. These scenarios in turn impact the finances of a business.*

### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

### (3.1.1.26) Primary response to risk

Compliance, monitoring and targets

Greater compliance with regulatory requirements

### (3.1.1.27) Cost of response to risk

1580000000

### (3.1.1.28) Explanation of cost calculation

*The estimated cost of developing the 68MW solar PV project is between ZAR1.52 billion and ZAR1.58 billion.*

### (3.1.1.29) Description of response

*With careful consideration of the future prospects that the reality of climate change presents to coal-mining companies, Exxaro has sought to re-evaluate its strategic direction. We have done this through a process of robust engagement with a broad spectrum of stakeholders to enable the development of a strategy that will support the global ambition of transitioning to a low-carbon economy while seeking to meet immediate energy needs. Diversification is our carefully chosen course, which we will navigate by maximizing our existing portfolio with considerable knowledge of the coal-mining landscape. We calculated the cost of the response to risk based on the cost of the Lephalale Solar Project which will be implemented at our Grootegeluk operation. The estimated cost of developing the 68MW solar PV project is between ZAR1.52 billion and ZAR1.58 billion. The estimated commercial operation year of the project is 2026. In order for Exxaro to achieve its reinvention objectives on renewable energy and other intended milestones, the organisation will also re-invest appropriately in critical skills. Furthermore, we recognize that unique skill sets are required to lead the business forward in response to climate change and the Fourth Industrial Revolution.*

## Water

### (3.1.1.1) Risk identifier

*Select from:*

Risk1

### (3.1.1.3) Risk types and primary environmental risk driver

Acute physical

Flooding (coastal, fluvial, pluvial, groundwater)

### (3.1.1.4) Value chain stage where the risk occurs

*Select from:*

Direct operations

### (3.1.1.6) Country/area where the risk occurs

*Select all that apply*

- South Africa

### (3.1.1.7) River basin where the risk occurs

Select all that apply

- Incomati
- Limpopo
- Olifants

### (3.1.1.9) Organization-specific description of risk

*Flooding of the open cast pit will hamper mining production and cause a reduction of mine feed to the beneficiation plants negatively impacting on the availability of saleable coal. All facilities can store flood event volumes up to a 1:50 year event. It is expected that these events could increase in frequency with climate change.*

### (3.1.1.11) Primary financial effect of the risk

Select from:

- Decreased revenues due to reduced production capacity

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term

### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- More likely than not

### (3.1.1.14) Magnitude

Select from:

- Medium-low

### **(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*Two to three days of downtime in the mining process to allow response measures to be implemented. These response measures will include pumping and storing of this water on-site for re-use after the flood event.*

### **(3.1.1.17) Are you able to quantify the financial effect of the risk?**

Select from:

Yes

### **(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)**

59000000

### **(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)**

138000000

### **(3.1.1.25) Explanation of financial effect figure**

*Two to three days of downtime in the mining process to allow response measures to be implemented. These response measures will include pumping and storing of this water on-site for re-use after the flood event.*

### **(3.1.1.26) Primary response to risk**

Policies and plans

Develop flood emergency plans

### **(3.1.1.27) Cost of response to risk**

7800000

### **(3.1.1.28) Explanation of cost calculation**

The cost will be to have standby pumps of large capacity in stock and the electrical and piping infrastructure in place. Storage is available through current flooding infrastructure although additional storage can be created in pit areas not actively mined.

### (3.1.1.29) Description of response

Emergency plans will allow evacuation prior to flooding or severe storm events. Standby pumps will allow for quick installation to enable mining to continue within a reasonable time after the event.

## Climate change

### (3.1.1.1) Risk identifier

Select from:

Risk2

### (3.1.1.3) Risk types and primary environmental risk driver

Policy

Carbon pricing mechanisms

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

South Africa

### (3.1.1.9) Organization-specific description of risk

Following the enactment of the Carbon Tax Act No 15 of 2019, as amended, Exxaro has registered each of its emission-generating facilities with the South African Revenue Services (SARS). The tax also applies to fuel through the Carbon Tax Fuel Levy of 11c/litre for petrol and 14c/litre for diesel, which has increased fuel costs and, in turn, operating costs. The Carbon Tax Fuel costs for 2024 are ZAR 14.5 million for diesel and ZAR 6,204 for petrol. We assessed the potential carbon tax

liability for our current business, and this was one of the contributing factors to divesting from ECC operations. Our Group Finance Team ensures that carbon pricing is included in our budget guidance and current and future project evaluations. The group's total carbon tax liability for 2024, including production emissions and the carbon tax fuel levy, is ZAR 17,8 million, with ZAR 3,3 million specifically related to production emissions (up from ZAR 2.8 million in 2023). Our calculations indicate that Exxaro's carbon tax liability will continue to increase, with projected figures of R8 million for 2026, R10 million for 2027, and R13 million by 2030, after considering the revised phase 2 carbon tax allowances and rates. The financial impact is expected to rise as allowances are reduced or removed and as GHG emissions (Scope 2) from purchased electricity become taxed

### (3.1.1.11) Primary financial effect of the risk

Select from:

- Increased direct costs

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term
- Long-term

### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Virtually certain

### (3.1.1.14) Magnitude

Select from:

- Medium-low

### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Exxaro faces significant risks due to the anticipated rise in carbon pricing, which will impact its financial position, performance, and cash flow across short, medium, and long-term time horizons. In the short term (1-2 years), the financial impact may be moderate, with the balance sheet beginning to reflect higher provisions for future carbon tax liabilities. While compliance costs may slightly increase, the major tax-free allowances in place until 2026 will help mitigate immediate financial

strain. However, Exxaro will start preparing for the substantial increases in carbon taxes expected in the medium term. By the medium term (3-5 years), the company's financial position will be more strained as carbon tax liabilities rise to R8 million for 2026 and R10 million, respectively. This increase will likely reduce net income and exert pressure on Exxaro's profitability. The removal of tax-free allowances after 2026 will further exacerbate this impact. Cash flows will also be more affected during this period, as higher funds will need to be allocated to cover increasing carbon taxes and compliance costs. In the long term (beyond 5 years), Exxaro's financial challenges could become even more pronounced, with carbon tax liabilities projected to reach R13 million by 2030. This will likely require significant financial restructuring or strategic shifts to ensure sustainability. To manage the anticipated long-term pressure on cash flow, Exxaro will need to aggressively pursue carbon reduction strategies and invest in cleaner technologies.

### **(3.1.1.17) Are you able to quantify the financial effect of the risk?**

Select from:

Yes

### **(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)**

3300000

### **(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)**

3300000

### **(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)**

8000000

### **(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)**

10000000

### **(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)**

13000000

### **(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)**

13000000

### (3.1.1.25) Explanation of financial effect figure

*Following the enactment of the Carbon Tax Act No 15 of 2019, as amended, Exxaro has registered each of its emission-generating facilities with the South African Revenue Services (SARS). The tax also applies to fuel through the Carbon Tax Fuel Levy of 11c/litre for petrol and 14c/litre for diesel, which has increased fuel costs and, in turn, operating costs. The Carbon Tax Fuel costs for 2024 are ZAR 14,5 million for diesel and ZAR 6,204 for petrol. We assessed the potential carbon tax liability for our current business, and this was one of the contributing factors to divesting from ECC operations. Our Group Finance Team ensures that carbon pricing is included in our budget guidance and current and future project evaluations. The group's total carbon tax liability for 2024, including production emissions and the carbon tax fuel levy, is ZAR 17,8 million, with ZAR 3.3 million specifically related to production emissions (up from ZAR 2.8 million in 2023). Our calculations indicate that Exxaro's carbon tax liability will continue to increase, with projected figures of R8 million for 2026, R10 million for 2027, and R13 million by 2030, after considering the revised phase 2 carbon tax allowances and rates. The financial impact is expected to rise as allowances are reduced or removed and as GHG emissions (Scope 2) from purchased electricity become taxed.*

### (3.1.1.26) Primary response to risk

Infrastructure, technology and spending

Other infrastructure, technology and spending, please specify

### (3.1.1.27) Cost of response to risk

20000000

### (3.1.1.28) Explanation of cost calculation

*A dedicated steering committee, which is a subcommittee of the Board Level Risk and Business Resilience (RBR) Committee, oversees related improvement projects and activities. Grootegeluk has a dedicated Energy Programme that enables operations to focus on managing energy, emissions, and other climate change-related issues. The Steering Committee also tracks the group's emissions profile and monitors the impact of current and proposed projects on carbon emissions and energy consumption. The coal operations have concentrated on reducing energy consumption and initiated projects specifically aimed at increasing diesel use efficiency. Specific energy-intensity improvement targets were set for each operation in 2021, starting from a minimum of 5%, and these targets are integrated into managers' remuneration-linked performance contracts. Additionally, an estimated minimum of ZAR20 million has been invested to digitize and implement energy efficiency projects.*

### (3.1.1.29) Description of response

*The incremental cost of managing carbon pricing impacts is currently absorbed within the existing structure, resulting in no additional costs. However, Exxaro recognises the critical importance of carbon offset projects, transitioning to low-carbon fuels, renewable energy initiatives, implementing green procurement practices, and a group-wide eco-mobility programme in achieving its climate change strategic objectives. These objectives include reducing the group's carbon footprint,*

attaining carbon neutrality by 2050, lowering our carbon tax liability, and ensuring long-term business resilience. We are pleased to report that Exxaro has achieved an alignment of between 90% and 100% with the TCFD recommendations. Additionally, the implementation of mitigation projects for water management and conservation is recognised as capital-intensive, requiring significant investment. This includes upgrading and extending water infrastructure within our business units, maintaining pollution control dams, desilting, conducting research and development on new and alternative technologies, and operational investigations to ensure the resilience of current infrastructure and systems against extreme weather events. Furthermore, Exxaro has invested in various projects aimed at enhancing water management. It is anticipated that through the ongoing TCFD review process, the financial and business resilience implications of water security will be effectively quantified.

## Climate change

### (3.1.1.1) Risk identifier

Select from:

Risk3

### (3.1.1.3) Risk types and primary environmental risk driver

Acute physical

Flooding (coastal, fluvial, pluvial, groundwater)

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

South Africa

### (3.1.1.9) Organization-specific description of risk

Changes in precipitation extremes and the frequency of droughts may worsen water scarcity in our operations, as South Africa is water-stressed. Water is essential for our operations, and any changes in its availability or quality will impact production, efficiency, and cost. Heatwaves, with temperatures exceeding 45°C, also pose significant challenges. Disruptions in precipitation patterns can damage infrastructure, requiring additional measures for stability. Existing assets may be unable to

operate within their original design parameters, and resource scarcity may constrain operations or increase costs. Increased rainfall can lead to flooding, interrupting production, damaging infrastructure, and contaminating clean water sources, potentially breaching operating licenses and deteriorating product quality. Exxaro's operations in the Eastern regions of South Africa, like Leeuwpan and Belfast, are at risk of flooding. Reduced water availability affects mining and processing activities, as dry coal processing and dry power plant cooling are less efficient than their wet counterparts. Water shortages negatively impact land rehabilitation, increase water costs, and ultimately raise operational expenses. The International Council on Mining and Metals (ICMM) and Exxaro's Climate Change Modelling Report (2009) highlight these risks. Additionally, the CSIR's 2017 report suggests that western parts of the region may become wetter, a trend potentially extending to the eastern parts

#### **(3.1.1.11) Primary financial effect of the risk**

Select from:

- Decreased revenues due to reduced production capacity

#### **(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization**

Select all that apply

- Long-term

#### **(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon**

Select from:

- Likely

#### **(3.1.1.14) Magnitude**

Select from:

- High

#### **(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*Flooding and reduced water availability will both negatively impact on production activities in our operations. Generally, water risk has the potential to generate substantive changes in our business revenue and or/ expenditure now or within the next 5 years. In addition, increased costs associated with pre-use and post-water use treatment will negatively impact shareholder value. Operational rehabilitation activities could also be potentially disrupted by flooding events or water scarcity. Exxaro also recognises the potential negative impacts which acute physical risks pose for our post-mine closure investments and our efforts of improving sustainable livelihoods for communities located in these post closure investment areas.*

### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

### (3.1.1.26) Primary response to risk

Infrastructure, technology and spending

Adopt water efficiency, water reuse, recycling and conservation practices

### (3.1.1.27) Cost of response to risk

500000000

### (3.1.1.28) Explanation of cost calculation

*To date, Exxaro has allocated over ZAR500 million for future water management. In addition, Exxaro has committed to partner with the Lephalale Municipality and the Department of Water and Sanitation (DWS) to upgrade the pipeline that feeds water to the area. The first phase of the project has been initiated and includes the refurbishment and conversion of the existing DWS-owned 10km pipeline from the Zeeland water-treatment works to the Matimba Power Station raw water distribution chambers and potable water pipeline. The total budget for this project is ZAR58 million. Our Mpumalanga operations are less vulnerable to water scarcity as they have an overall positive water balance. We aim to set an internal price of water to further drive water conservation at our operations.*

### (3.1.1.29) Description of response

*Water security is the backbone of Exxaro's water strategy which was recently revised to reduce our risk. The fundamental principle of our water management approach is sustainable use of water resources and to become a net positive water contributor to the natural system. We are managing water risk through a Water Management Team under the leadership of the Executive Head Sustainability. The team measures plans and implements water use and storage projects, by investigating possibilities of alternate water sources from Mokolo and Crocodile River Water Augmentation Project (MCWAP-2) for the Grootegeluk mining and processing operations, and through proactive planning and water management in anticipation of flooding and hotter, drier periods in the northern and western areas. Exxaro's policy is to capture, hold and utilise as much precipitation water (including storm water) as possible; and to prevent contamination of clean water storage areas from dirty water storage areas and to recycle as much as possible. In line with this policy, Grootegeluk has completed the extension and upgrading of storm water canals to channel storm water into the mine sump, where it will be captured and used in the processing plants. Another project in line with this policy is the desilting of pollution control dams to ensure sufficient storage capacity in all our mining operations. Grootegeluk further uses its treated sewage for coal processing. Data from institutional bodies are used to determine climate models for water catchment and site water balances. Exxaro participates in the Mine Water Coordinating Body (MWCB) to align our water management plans to National Water Resource Strategy (NWRS2).*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

Risk4

### (3.1.1.3) Risk types and primary environmental risk driver

Market

Changing customer behavior

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

Downstream value chain

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

South Africa

### (3.1.1.9) Organization-specific description of risk

*'Green consumers' avoid buying or using products that are responsible for damaging the environment. Electricity from renewable resources is a product that can be categorized as green, therefore, its market share can be expected to grow. The risk to Exxaro is low demand for coal due to a decline in the use of electricity generated from coal-fired power plants in a carbon-restricted economy. Public behavior is also having a greater effect on investment decisions and hence Exxaro's value as an investment opportunity could be compromised due to consumer behavior and concern, resulting in reduced investments, profitability, and product demand. However, about 75% of South Africa's Total Primary Energy Supply and 90% of electricity generation come from locally mined coal. The demand for coal for electricity is ultimately governed by South Africa's Integrated Resource Plan (IRP), updated in 2019. Given the situation of the country's long-term energy requirements, Exxaro is one of the significant suppliers of coal to our national power utility and with the purpose of powering better lives in Africa and beyond. To achieve this aim, careful consideration must be given to the critical trade-offs of the immediate and affordable energy needs of the economy, along with the growing and urgent need to reduce carbon emissions to sustain our environmental systems.*

### (3.1.1.11) Primary financial effect of the risk

Select from:

- Decreased revenues due to reduced demand for products and services

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term

### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Very likely

### (3.1.1.14) Magnitude

Select from:

- High

### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The risk to Exxaro is low demand for coal due to a decline in the use of electricity generated from coal-fired power plants in a carbon-restricted economy. Public behaviour is also having a greater effect on investment decisions, and hence Exxaro's value as an investment opportunity could be compromised due to consumer behaviour and concern, resulting in reduced investments, profitability, and product demand.*

### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- Yes

### (3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

40700000000

### (3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

40700000000

### (3.1.1.25) Explanation of financial effect figure

*Increased Nationally Determined Targets and pressure to decarbonise to meet targets will result in a decrease in demand and value of coal. Exxaro's revenue increased from ZAR38.7 billion in 2023 to R40.7 billion in 2024.*

### (3.1.1.26) Primary response to risk

Policies and plans

Develop a climate transition plan

### (3.1.1.27) Cost of response to risk

28000000000

### (3.1.1.28) Explanation of cost calculation

*With careful consideration of the future prospects that the reality of climate change presents to coal-mining companies, Exxaro has sought to re-evaluate its strategic direction. We have done this through a process of robust engagement with a broad spectrum of stakeholders to enable the development of a strategy that will support the global ambition of transitioning to a low-carbon economy while seeking to meet immediate energy needs. Diversification is our carefully chosen course, which we will navigate by maximizing our existing portfolio with considerable knowledge of the coal-mining landscape. The diversification of our portfolio into renewable energy by acquiring 100% of Cennergi, an independent power producer, will support our efforts to transition to low carbon technologies and to achieve our carbon neutrality objective by 2050. For our energy business, Exxaro is targeting an additional 1.6GW (net) capacity by 2030 with total capital deployment of approximately ZAR28 billion*

### (3.1.1.29) Description of response

*Exxaro and Cennergi commissioned the two wind projects in the Eastern Cape in 2016: Amakhala Emoyeni wind farm near Bedford (134MW) and Tsitsikamma Community wind farm on Mfengu community land (95MW). These projects contribute 229MW of renewable energy to the national grid. We will continue to invest in the development of low-carbon energy sources to ensure our comprehensive response to climate change and to ensure that the majority of the population has access to affordable and reliable sources of energy. In line with this outlook, we are seeking to meet immediate and longer-term energy needs through our adaptive coal strategy while exploring more possibilities in renewable energy to support this transition, taking into consideration social and climate risks. In addition, as part of our strategy, we have divested from our ECC operations (four coal mining operations). These operations did not meet our requirements and expectations for resilience in the climate scenarios and our climate change journey. Consequently, a decision was taken by the board to divest from these operations. Globally, we are facing the dual-energy challenge of providing affordable and reliable energy to meet growing demand while managing the risks of climate change. The continuing dependence*

on fossil fuel-generated electricity and fuels for transportation means that greenhouse gas (GHGs) emissions will continue to increase, thereby making it difficult to curb global temperature increases. The Intergovernmental Panel on Climate Change's (IPCC) climate change assessment reports has presented irrefutable evidence that the earth's climate balance has been altered towards warming, with the most significant contributor being increased carbon dioxide concentrations in the atmosphere since the Fourth Industrial Revolution. In light of this, reversing this trend and halting temperature increases to below 2°C will be challenging but not impossible.

## Climate change

### (3.1.1.1) Risk identifier

Select from:

Risk5

### (3.1.1.3) Risk types and primary environmental risk driver

Reputation

Increased partner and stakeholder concern or negative partner and stakeholder feedback

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

South Africa

### (3.1.1.9) Organization-specific description of risk

Reputational risks impact on a business's ability to gain and maintain social license to operate. This is particularly the case if business operations contribute to carbon emissions. Reputational risks can also arise if there is competition for scarce resources such as water with communities, loss of biodiversity, lack of or inadequate mitigation and adaptation measures, disruptions in supply chains, etc. Exxaro has identified climate change as a potential source of reputational risks tied to changing customer or community perceptions of the organisation's contribution to or detractor from the transition to a lower-carbon economy. We are aware that climate change is a material business issue and Exxaro's reputation, legal responsibilities, regulatory obligations, financial reporting, operations and supply chains will

potentially be affected by climate change impacts. Exxaro is cognisant of the negative perception associated with the resource mining sector and with energy-intensive businesses in general. Exxaro has identified the reputational opportunity to be a leader in reducing its carbon emissions and to adapt to a low-carbon future through different initiatives. These initiatives include investigation of alternative businesses which are climate change smart, such as our investments in renewable energy, energy efficiency and battery storage. Exxaro has also experienced shareholder interest in climate resilience and is responding accordingly.

#### **(3.1.1.11) Primary financial effect of the risk**

Select from:

- Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

#### **(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization**

Select all that apply

- Medium-term

#### **(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon**

Select from:

- Very likely

#### **(3.1.1.14) Magnitude**

Select from:

- High

#### **(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*This could result in decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets. The failure of these technologies, driven by factors such as the country's lack of readiness and unfavorable policy environments, led to financial impairments, including a write-off of ZAR504 million. These impairments diminish asset value and reflect poorly on financial performance. Additionally, the lack of success in new technology investments could limit future cash flows by reducing the company's ability to diversify revenue streams in low-carbon sectors. Hence, the risk of unsuccessful technology investments poses a threat to Exxaro's financial health in the medium term.*

#### **(3.1.1.17) Are you able to quantify the financial effect of the risk?**

Select from:

Yes

### (3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

1378000000

### (3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

1378000000

### (3.1.1.25) Explanation of financial effect figure

*Impairment of the ECC operation, amounting to ZAR1 378 million*

### (3.1.1.26) Primary response to risk

Diversification

Develop new products, services and/or markets

### (3.1.1.27) Cost of response to risk

28000000000

### (3.1.1.28) Explanation of cost calculation

*Following an extensive strategy review, we have developed a vision statement that aligns with our purpose: resources powering a clean world. We used this as a filter when we were considering the acquisition of Tata Power's 50% shareholding in Cennergi. As a wholly owned subsidiary of Exxaro, Cennergi will establish and strengthen our position in the renewable energy sector at a time when coal-based electricity generation is considered inappropriate in assuring the nation's energy security. Through Cennergi, Exxaro is targeting an additional 1.6GW (net) capacity by 2030 with total capital deployment of approximately ZAR28 billion. We estimate that one third will be our equity contributions and two thirds project financing. This could potentially provide approximately ZAR3 billion in EBITDA in real terms. We are aiming to achieve equity returns on a portfolio basis of 15%. The investment will contribute to the reduction of our climate change-related market risks.*

### (3.1.1.29) Description of response

*We are also seeking to meet immediate and longer-term energy needs through our adaptive coal strategy while exploring possibilities in renewable energy to support this transition, taking into consideration social and climate risks. Minimizing the potential social risks during this transition remains critical, such as increasing unemployment and poverty that could arise from transitioning our coal-based economy to a lower carbon economy. Consequently, the development of a Just Energy Transition strategy is imperative alongside the urgency to switch our energy systems. To demonstrate our commitment to the low-carbon transition, in 2021, Exxaro divested from our four ECC operations in the Mpumalanga region. The divestment was due to the fact that these operations did not meet our requirements and expectations for resilience in the climate scenarios and the journey to a low/zero carbon environment. Exxaro initiated the Leeuwpan divestment process as part of its ongoing portfolio optimisation strategy to ensure the future resilience of our coal business. Unfortunately, progress on the divestment stalled and the process was stopped in the third quarter of 2022 to ensure stability at the mine. Exxaro will continue to review its coal assets and projects in line with its strategic goals.*

## Climate change

### (3.1.1.1) Risk identifier

Select from:

Risk6

### (3.1.1.3) Risk types and primary environmental risk driver

Technology

Unsuccessful investment in new technologies

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

South Africa

### (3.1.1.9) Organization-specific description of risk

*To divest revenue streams Exxaro invested in start-up technologies that support the transition to a low-carbon economy. Over the years, Exxaro invested in Insect Technology and LightApp, amongst other businesses. LightApp is a software company that develops and deploys an energy management system for industrial*

customers. Insect Technology intended to reduce the volume of land required to grow animal feed, by providing alternative protein sources through insects. The country lack of readiness to accept these technologies lead to significant impairments and factor in financial losses. In addition, a successful transition requires policies that facilitate investments. The need for inclusive, progressive policies and the role of innovation cannot be underestimated when making investment decisions. Innovation is a critical component of low-carbon growth and is influenced by the policy in many ways. Country-specific policies are factored in during decision-making processes on new and low-carbon technology investments by businesses and investors, given that policies can be a barrier to investment. It is, therefore, crucial that policies that influence investment in new low carbon technologies, including renewable energy, are prioritised within South Africa to reduce challenges associated with loss of revenue and investment opportunities associated with policy barriers.

#### **(3.1.1.11) Primary financial effect of the risk**

Select from:

- Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

#### **(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization**

Select all that apply

- Medium-term

#### **(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon**

Select from:

- Very likely

#### **(3.1.1.14) Magnitude**

Select from:

- Medium-high

#### **(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*The risk on Exxaro's financial position, performance, and cash flows could be substantial, primarily due to potential write-offs, asset impairments, or the early retirement of existing assets.*

#### **(3.1.1.17) Are you able to quantify the financial effect of the risk?**

Select from:

Yes

### (3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

504000000

### (3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

504000000

### (3.1.1.25) Explanation of financial effect figure

*In 2020, Exxaro impaired its investments in two low-carbon businesses, the first was the Insect Protein business called Insect Technology which was unable to raise funding for pre-commissioning, research and development as well as operational expenses. The delays in the fund raising had an impact on working capital requirements and the company found itself in severe financial distress. Due to the uncertainty of whether Insect Technology will continue as a going concern, a decision was taken to fully impair the investment. The other business that was impaired was Curapipe, a trenchless water technology business that proved to be unsuccessful in the South African Markets. A decision was taken to impair both these businesses, for an amount of ZAR504 million.*

### (3.1.1.26) Primary response to risk

Infrastructure, technology and spending

Increase investment in R&D

### (3.1.1.27) Cost of response to risk

50000000

### (3.1.1.28) Explanation of cost calculation

*Investment in Research and Development is critical for developing knowledge and strategies. Exxaro believes that long-term business-led research which includes research institutions such as universities will result in fundamental discoveries and innovations in the climate change and low carbon technologies space and other sustainability areas. The relationship between research institutions and corporate organizations merges the discovery-driven culture of these institutions and with the innovation-driven culture of organizations. It is for this reason that over the past decade, Exxaro has invested over ZAR50 million in research and development to enhance the body of knowledge around climate change and business, sustainability, energy efficiency, water, and agriculture.*

### (3.1.1.29) Description of response

*Exxaro sponsors three University Chairs; • Exxaro Chair in Global Change and Sustainability at the University of the Witwatersrand (Wits) assists Exxaro with R&D development in sustainability and alignment with global change adaptation and mitigation trends; • Exxaro Chair in Business and Climate Change at the University of South Africa is responsible for climate governance and negotiations, climate change mitigation and adaptation; • Exxaro Chair in Energy Efficiency at the University of Pretoria is responsible for energy efficiency and assisting Exxaro implement its strategy of diversifying into renewable energy and other clean energy sources. Exxaro has invested in technologies which are well known in the markets, has undertaken research and development and pilot demonstrations to ensure meaningful technological investments. The organisation has also leveraged on collaborations and partnerships with reputable experts and industries that possess critical technical knowledge and skills in key areas that the business desires to venture in. This has been particularly the case in the energy and water technology areas where successful partnerships and collaborations have resulted in meaningful technological advances and implementation in Exxaro's operations.*

## Water

### (3.1.1.1) Risk identifier

Select from:

Risk2

### (3.1.1.3) Risk types and primary environmental risk driver

Acute physical

Drought

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

South Africa

### (3.1.1.7) River basin where the risk occurs

Select all that apply

- Incomati
- Limpopo
- Olifants

### **(3.1.1.9) Organization-specific description of risk**

*Climate change can create a reduction in the availability of water. Water is vital in all our coal facilities to beneficiate the coal to a quality that is acceptable to the clients. Without the capability of beneficiation, the required product cannot be delivered.*

### **(3.1.1.11) Primary financial effect of the risk**

Select from:

- Decreased revenues due to reduced production capacity

### **(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization**

Select all that apply

- Medium-term

### **(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon**

Select from:

- More likely than not

### **(3.1.1.14) Magnitude**

Select from:

- Medium-low

### **(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*Loss in production due to water shortages. Two weeks downtime to allow response measures to be implemented.*

### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

### (3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

405000000

### (3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

1010000000

### (3.1.1.25) Explanation of financial effect figure

*Loss in production due to water shortages. Two weeks downtime to allow response measures to be implemented.*

### (3.1.1.26) Primary response to risk

Infrastructure, technology and spending

Secure alternative water supply

### (3.1.1.27) Cost of response to risk

37300000

### (3.1.1.28) Explanation of cost calculation

*Cost will include additional infrastructure to allow for increased re-cycling and to import water from other mining houses with excess stored water. Additional cost for drilling boreholes in designated areas.*

### (3.1.1.29) Description of response

Groundwater sources in the area will be exploited to bridge the supply gap during droughts. Increased re-cycling will also be initiated. Collaboration with other mining houses that has excess stored water (several mining houses in the Olifants have excess stored water) will be driven to ensure supply and infrastructure constructed to mitigate the risk.

## Water

### (3.1.1.1) Risk identifier

Select from:

Risk3

### (3.1.1.3) Risk types and primary environmental risk driver

Acute physical

Pollution incident

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

South Africa

### (3.1.1.7) River basin where the risk occurs

Select all that apply

Incomati

Limpopo

Olifants

### (3.1.1.9) Organization-specific description of risk

*Non-compliance to the National Water Act could lead to fines and enforcement orders (Directives) when dirty water spills into a clean environment due to structural failures, pipe bursts or spills from dirty water storage facilities. Maintaining our licence to operate is critical and the Department could reject further applications in addition to enforcement orders.*

#### **(3.1.1.11) Primary financial effect of the risk**

*Select from:*

- Fines, penalties or enforcement orders

#### **(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization**

*Select all that apply*

- Short-term

#### **(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon**

*Select from:*

- Likely

#### **(3.1.1.14) Magnitude**

*Select from:*

- Medium

#### **(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*The financial impact will be to clean up the spillage site. The size of the spill will determine the work required, this could include material removal and/or treatment of the water resources.*

#### **(3.1.1.17) Are you able to quantify the financial effect of the risk?**

*Select from:*

- Yes

### (3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

242000

### (3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

6040000

### (3.1.1.25) Explanation of financial effect figure

*The financial impact will be to clean up the spillage site. The size of the spill will determine the work required, this could include material removal and/or treatment of the water resources.*

### (3.1.1.26) Primary response to risk

Infrastructure, technology and spending

Improve pollution abatement and control measures

### (3.1.1.27) Cost of response to risk

1260000

### (3.1.1.28) Explanation of cost calculation

*1. Regular inspections of dams and pipelines 2. Maintenance of pipes and channels 3. Monitoring of dam levels and pipe pressures 4. Annual water balance update*

### (3.1.1.29) Description of response

*Regular inspection & maintenance on the process water pipelines to prevent leaks and structural integrity checks. Pressure probes will allow immediate response and shut off. Regular inspection and maintenance on pollution control facilities (desilting and removing blockages) will prevent loss in volume and bursting. Annual update of the water balance to inspect volume storage capability prior to the wet season.*

## Water

### (3.1.1.1) Risk identifier

Select from:

- Risk4

### (3.1.1.3) Risk types and primary environmental risk driver

Policy

- Statutory water withdrawal limits/changes to water allocation

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

- South Africa

### (3.1.1.7) River basin where the risk occurs

Select all that apply

- Incomati
- Limpopo
- Olifants

### (3.1.1.9) Organization-specific description of risk

*The localised availability of water in the Basin might not be enough to sustain a mining operation and securing a water allocation is critical to ensure the continuation of the business. Although a water allocation has been received, any changes to these limits could have a severe impact on the operation depending on the reduction.*

### (3.1.1.11) Primary financial effect of the risk

Select from:

- Decreased revenues due to reduced production capacity

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

Long-term

### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Unlikely

### (3.1.1.14) Magnitude

Select from:

Medium-high

### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*Loss in production due to water shortages. Two weeks downtime to allow response measures to be implemented.*

### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

### (3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

252000000

### (3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

625000000

### (3.1.1.25) Explanation of financial effect figure

*Loss in production due to water shortages. Two weeks downtime to allow response measures to be implemented.*

### **(3.1.1.26) Primary response to risk**

Infrastructure, technology and spending

Secure alternative water supply

### **(3.1.1.27) Cost of response to risk**

25200000

### **(3.1.1.28) Explanation of cost calculation**

*The cost will be to exploit groundwater sources in the area (drilling of wells, pump installation, electrical feed and piping). Re-cycling of water from the pit could require some primary treatment before re-use. Evaporative barriers will be installed to reduce the evaporative losses from the pit lakes and mine dams.*

### **(3.1.1.29) Description of response**

*Groundwater sources in the area will be exploited to bridge the supply gap during droughts. Increased re-cycling will also be initiated.*

## **Water**

### **(3.1.1.1) Risk identifier**

Select from:

Risk5

### **(3.1.1.3) Risk types and primary environmental risk driver**

Reputation

Increased partner and stakeholder concern or negative partner and stakeholder feedback

### **(3.1.1.4) Value chain stage where the risk occurs**

Select from:

- Direct operations

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

- South Africa

### (3.1.1.7) River basin where the risk occurs

Select all that apply

- Incomati
- Limpopo
- Olifants

### (3.1.1.9) Organization-specific description of risk

*Community protests due to depleted potable water within the community or other social issues could lead to workforce absenteeism. This will cause a disruption to the mining schedule and production of saleable coal.*

### (3.1.1.11) Primary financial effect of the risk

Select from:

- Disruption to workforce management and planning

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term

### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- More likely than not

### (3.1.1.14) Magnitude

Select from:

Medium

### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*Loss in revenue from production stoppages as a result of a reduced workforce or absenteeism due to water shortages and other social issues.*

### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

### (3.1.1.26) Primary response to risk

Engagement

Engage with local communities

### (3.1.1.27) Cost of response to risk

6000000

### (3.1.1.28) Explanation of cost calculation

*1. Supply of potable water to the communities until the issues around interruptions could be resolved. 2. Schedule regular meetings with communities to alleviate social fears of unemployment, damage to the environment and opportunities of business enterprises.*

### (3.1.1.29) Description of response

*Frequent interaction with local communities will be required to better understand social issues before civil unrest. Supply of potable water to the communities until the issues around interruptions could be resolved.*

## Water

### (3.1.1.1) Risk identifier

Select from:

- Risk6

### (3.1.1.3) Risk types and primary environmental risk driver

Acute physical

- Pollution incident

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

- Upstream value chain

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

- South Africa

### (3.1.1.7) River basin where the risk occurs

Select all that apply

- Incomati
- Limpopo
- Olifants

### (3.1.1.9) Organization-specific description of risk

*A few of our suppliers deliver hazardous material to our facilities and also store the material on site under their management and control. Should a spill occur during the phase of transport (on site), delivery or storage it could lead to fines and enforcement orders (Directives) to clean and remediate any spill that may occur.*

### (3.1.1.11) Primary financial effect of the risk

Select from:

- Fines, penalties or enforcement orders

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term

### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- More likely than not

### (3.1.1.14) Magnitude

Select from:

- Medium

### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The impact could be loss of product (diesel, oil or explosives), enforcement orders and potential fines.*

### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- Yes

### (3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

6000000

### (3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

8400000

### (3.1.1.25) Explanation of financial effect figure

*The impact could be loss of product (diesel, oil or explosives), enforcement orders and potential fines.*

### (3.1.1.26) Primary response to risk

Infrastructure, technology and spending

Improve pollution abatement and control measures

### (3.1.1.27) Cost of response to risk

12100000

### (3.1.1.28) Explanation of cost calculation

*1. Groundwater study to determine the risk elements (source, pathway & receptor) 2. Additional safety measures (technological & barriers). 3. Cleanup operation 4. Safe disposal of contaminated soil 5. Monitoring to prove success*

### (3.1.1.29) Description of response

*The technological advances mostly prevent any accidental leaks from occurring during transport, delivery and storage but an unwanted event could occur. The potential for a spill needs to be fully understood in order to minimise any potential impact by technology advances (emergency stop), barriers to the environment (bunded areas), rehabilitation material (clean up kits like sorb) and safe disposal to an accredited hazardous waste disposal site.*

## Water

### (3.1.1.1) Risk identifier

Select from:

Risk7

### (3.1.1.3) Risk types and primary environmental risk driver

Technology

- Transition to water efficient and low water intensity technologies and products

#### (3.1.1.4) Value chain stage where the risk occurs

Select from:

- Downstream value chain

#### (3.1.1.6) Country/area where the risk occurs

Select all that apply

- South Africa

#### (3.1.1.7) River basin where the risk occurs

Select all that apply

- Incomati
- Limpopo
- Olifants

#### (3.1.1.9) Organization-specific description of risk

*Contractors (Mining & Construction) using tools and methods that causes high water intensity, risk depleting the already scarce water resources.*

#### (3.1.1.11) Primary financial effect of the risk

Select from:

- Upfront costs to adopt/deploy new practices and processes

#### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term

### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Likely

### (3.1.1.14) Magnitude

Select from:

Medium

### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*Depletion of the water resources by contractors using high intensity equipment and practices would cause the mine to potentially exceed its allocation of the resource and risk the importation of water from a 3rd party at a higher cost, if available.*

### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

### (3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

530000

### (3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

60300000

### (3.1.1.25) Explanation of financial effect figure

*Depletion of the water resources by contractors using high intensity equipment and practices would cause the mine to potentially exceed its allocation of the resource and risk the importation of water from a 3rd party at a higher cost, if available.*

### (3.1.1.26) Primary response to risk

Infrastructure, technology and spending

Adopt water efficiency, water reuse, recycling and conservation practices

### (3.1.1.27) Cost of response to risk

9700000

### (3.1.1.28) Explanation of cost calculation

*The following activities to improve the water efficiency: 1. Modifying equipment 2. Replacing equipment 3. Changing the code of practice to prevent wastages.*

### (3.1.1.29) Description of response

*Contractors needs to employ low water intensity tools and methods in their operations. This would entail modifying or replacing existing equipment and practices that allows for efficient use of the water resources.*

## Water

### (3.1.1.1) Risk identifier

Select from:

Risk8

### (3.1.1.3) Risk types and primary environmental risk driver

Acute physical

Pollution incident

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

Downstream value chain

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

- South Africa

### (3.1.1.7) River basin where the risk occurs

Select all that apply

- Limpopo
- Olifants

### (3.1.1.9) Organization-specific description of risk

*A few of our clients (Transnet & Eskom) collect, transport or store our product in areas that could cause a pollution incident to the surface and groundwater resources. Pollution incidents could lead to fines and enforcement orders (Directives) to remediate any pollution incident.*

### (3.1.1.11) Primary financial effect of the risk

Select from:

- Fines, penalties or enforcement orders

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term

### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Likely

### (3.1.1.14) Magnitude

Select from:

- Medium

### **(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*The storage of coal by Eskom in close proximity to our operations could cause a deterioration of our surface and groundwater resources. Any spills of coal by Transnet during the loading and transportation on our properties could cause pollution of the surface and groundwater resources. The polluted surface and groundwater resources could impact our utilisation of clean water at our operations (potable water, etc.) and affect communities in the area relying on clean water for WASH purposes.*

### **(3.1.1.17) Are you able to quantify the financial effect of the risk?**

Select from:

Yes

### **(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)**

530000

### **(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)**

4830000

### **(3.1.1.25) Explanation of financial effect figure**

*The storage of coal by Eskom near our operations could cause a deterioration of our surface and groundwater resources. Any spills of coal by Transnet during the loading and transportation on our properties could cause pollution of the surface and groundwater resources. The polluted surface and groundwater resources could impact our utilisation of clean water at our operations (potable water, etc.) and affect communities in the area relying on clean water for WASH purposes.*

### **(3.1.1.26) Primary response to risk**

Infrastructure, technology and spending

Improve pollution abatement and control measures

### **(3.1.1.27) Cost of response to risk**

24200000

### (3.1.1.28) Explanation of cost calculation

*The following activities should assist in preventing pollution: 1. Eskom stockpile areas to be lined and runoff collection in lined facilities 2. Transnet to ensure coal spill are minimised through prevention mechanisms*

### (3.1.1.29) Description of response

*Eskom needs to implement control measures at their stockpile areas by providing suitable barriers (lining) to prevent seepage of polluted water and collect surface runoff to lined storage facilities. Transnet needs to ensure that coal spillages are minimised at loading zones and safeguard the train wagons to prevent spillage of coal.*

## Water

### (3.1.1.1) Risk identifier

Select from:

Risk9

### (3.1.1.3) Risk types and primary environmental risk driver

Policy

Increased difficulty in obtaining operations permits

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

South Africa

### (3.1.1.7) River basin where the risk occurs

Select all that apply

- Incomati
- Limpopo
- Olifants

### **(3.1.1.9) Organization-specific description of risk**

*The purchase of off-site wetlands to compensate for the impacts of mining on the regional wetland systems leads to increased compliance costs.*

### **(3.1.1.11) Primary financial effect of the risk**

Select from:

- Increased compliance costs

### **(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization**

Select all that apply

- Short-term

### **(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon**

Select from:

- Likely

### **(3.1.1.14) Magnitude**

Select from:

- Medium-high

### **(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*Offset wetland areas needs to be purchased leading to increased property acquisitions and land management costs.*

### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

### (3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

12080000

### (3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

61400000

### (3.1.1.25) Explanation of financial effect figure

*Offset wetland areas needs to be purchased leading to increased property acquisitions and land management costs.*

### (3.1.1.26) Primary response to risk

Nature based solutions, restoration and conservation

Implement ecosystem restoration and long-term protection

### (3.1.1.27) Cost of response to risk

6000000

### (3.1.1.28) Explanation of cost calculation

*1. Material needs to be sourced to fill the erosion gullies and additional structures constructed to slow the speed of the water 2. Re-introduction of wetland species 3. Active monitoring would be required to prove the success of the intervention.*

### (3.1.1.29) Description of response

*Offset wetland areas needs to be purchased leading to increased property acquisitions and land management costs.*

[Add row]

**(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.**

### **Climate change**

#### **(3.1.2.1) Financial metric**

*Select from:*

Revenue

#### **(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)**

1000000000

#### **(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue**

*Select from:*

1-10%

#### **(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)**

4070000000

#### **(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue**

*Select from:*

11-20%

#### **(3.1.2.7) Explanation of financial figures**

Revenue for 2024 was 40,7 billion (2023: 38,7 billion). Physical changes to the climate could decrease the revenue due to heat, wind damage, flooding and drought. All our operations are exposed to climate change. Most of these physical costs overlap with our water costs and should not be seen as a duplication.

## Water

### (3.1.2.1) Financial metric

Select from:

Revenue

### (3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

1000000000

### (3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

1-10%

### (3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

3360000000

### (3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

1-10%

### (3.1.2.7) Explanation of financial figures

Our Grootegeluk operation is situated in the Limpopo basin and represent a large portion of Exxaro's total revenue. The UNEP assessment done for the Limpopo basin describes the whole basin to be in a state of physical water scarcity. (2009) Our main allocation of water from the Mokolo dam at our Grootegeluk facility has been allocated with a (1%) risk of shortage in a dry period (Overall 99% assurance of supply). We have two facilities in the Olifants basin: Leeuwpan and Matla. The

Reconciliation Strategy done for the Olifants basin has indicated that the basin has been overallocated with a real shortage downstream. Water quality deterioration in the Olifants basin has also been identified that could cause potable water shortages for our operations and communities around our operations. The Inkomati basin are more in balance from a quantity and quality point of view, however due to the proximity of the operation in the upper reaches of the basin could impact on securing a reliable supply of water during a drought scenario. The quantitative water risk will diminish over time as the water balance becomes more positive where the risk shifts more towards excess water management.

[Add row]

**(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?**

**Row 1**

**(3.2.1) Country/Area & River basin**

South Africa

Limpopo

**(3.2.2) Value chain stages where facilities at risk have been identified in this river basin**

Select all that apply

Direct operations

**(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin**

1

**(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin**

Select from:

1-25%

**(3.2.7) Production value for the metals and mining activities associated with these facilities (currency)**

34000000000

### (3.2.10) % organization's total global revenue that could be affected

Select from:

81-90%

### (3.2.11) Please explain

*Our Grootegeluk operation is situated in the Limpopo basin and represent a large portion of Exxaro's total revenue. The UNEP assessment done for the Limpopo basin describes the whole basin to be in a state of physical water scarcity. (2009) Our main allocation of water from the Mokolo dam at our Grootegeluk facility has been allocated with a (1%) risk of shortage in a dry period (Overall 99% assurance of supply).*

## Row 2

### (3.2.1) Country/Area & River basin

South Africa

Olifants

### (3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

Direct operations

### (3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

2

### (3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

26-50%

### (3.2.7) Production value for the metals and mining activities associated with these facilities (currency)

### (3.2.10) % organization's total global revenue that could be affected

Select from:

11-20%

### (3.2.11) Please explain

*We have two facilities in the Olifants basin: Leeuwpan and Matla. The Reconciliation Strategy done for the Olifants basin has indicated that the basin has been overallocated with a real shortage downstream. Water quality deterioration in the Olifants basin has also been identified that could cause potable water shortages for our operations and communities around our operations.*

## Row 3

### (3.2.1) Country/Area & River basin

South Africa

Inkomati-Usuthu

### (3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

Direct operations

### (3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

### (3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

1-25%

**(3.2.7) Production value for the metals and mining activities associated with these facilities (currency)**

2000000000

**(3.2.10) % organization's total global revenue that could be affected**

Select from:

1-10%

**(3.2.11) Please explain**

*The Inkomati basin are more in balance from a quantity and quality point of view, however due to the proximity of the operation in the upper reaches of the basin could impact on securing a reliable supply of water during a drought scenario. The quantitative water risk will diminish over time as the water balance becomes more positive where the risk shifts more towards excess water management.*

[Add row]

**(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

	Water-related regulatory violations	Comment
	Select from: <input checked="" type="checkbox"/> No	No enforcement orders or penalties received during the reporting year.

[Fixed row]

**(3.4) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for violation of biodiversity-related regulation?**

	Any penalties for violation of biodiversity-related regulation?	Comment
	Select from: <input checked="" type="checkbox"/> No	<i>No penalties received for any biodiversity regulations.</i>

[Fixed row]

**(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Select from:

Yes

**(3.5.1) Select the carbon pricing regulation(s) which impact your operations.**

Select all that apply

South Africa carbon tax

**(3.5.3) Complete the following table for each of the tax systems you are regulated by.**

**South Africa carbon tax**

**(3.5.3.1) Period start date**

05/30/2019

**(3.5.3.2) Period end date**

12/29/2025

**(3.5.3.3) % of total Scope 1 emissions covered by tax**

### **(3.5.3.4) Total cost of tax paid**

3300000

### **(3.5.3.5) Comment**

*Promulgation of South Africa's Carbon Tax Act in 2019 (Act 15 of 2019) contributed to GHG emissions reduction being a business imperative as this could affect our financial and sustainability performance. Governed by the Carbon Tax Act, the current carbon tax rate is ZAR190/tCO<sub>2</sub>e with several tax-free allowances. Exxaro's carbon tax liability for 2024 was ZAR3.3 million for production-related emissions, i.e., fugitive methane emissions associated with the coal seam. [Fixed row]  
[Fixed row]*

### **(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

*A dedicated Board-level Steering Committee oversees related improvement projects and activities and ensures these are aligned with Exxaro's Climate Change Response Strategy. This supports a clear understanding of the risks and opportunities presented by energy and carbon emissions in the broader sense and enables operations to focus on managing energy, carbon emissions and other climate change-related issues. The Steering Committee also tracks the group's emissions profile and captures the impact of current and proposed projects on carbon emissions and energy consumption. Our coal operations account for almost all energy consumption in the group. As part of Exxaro's Energy and Carbon Management Programme (which includes the Group Incentive Scheme (GIS) energy efficiency targets), our coal operations have focused on reducing energy consumption and have implemented projects to specifically increase energy efficiency (diesel and electricity). Specific energy-intensity improvement targets were set for each operation in 2021. These targets formed part of the relevant managers' remuneration-linked performance contracts. Furthermore, absolute emission reductions are expected from these initiatives in future. In addition, digitisation initiatives have been planned for a period of five years at all business units to enhance operational efficiency. These initiatives will also address data collection and visibility on energy consumption, energy efficiency, carbon emissions, tracking of energy and carbon intensities and other critical operational efficiency factors. These initiatives will also assist the organisation to track critical KPIs and ensure compliance to regulations. One such initiative is currently being implemented at Grootegeluk as part of our PEMS project and group-wide Energy Management Programme. The initiative includes the installation of digital flow metres to track diesel consumption and manage energy efficiency. Our Energy Management Programme will ensure the following:-Performance management and reporting;• Energy performance integration with operational KPIs• Real performance analysis through sophisticated data acquisition and handling,• Enabled comparison of performance of separate sites through site-specific baseline model,• Operation and organisation consolidated reporting and management,• Operation and organisation consolidated Energy Management Plans for submission to the Department of Energy,• Centralised Sharepoint for energy management, which was implemented in 2018 and has all the energy related data, including carbon intensities, carbon tax liability, energy efficiency (electricity and diesel) for each of Exxaro's business units. Exxaro is also expressing its views and concerns on climate change and other related policies, through its membership in the Industry Task Team on Climate Change (ITTCC), Minerals Council South Africa, National Business Initiative (NBI) and Business Unity South Africa (BUSA). Direct engagement with policy makers on the carbon tax has provided much-needed clarity and detail on the carbon tax design, implications for industry and the way forward in terms of the transition of the country to a low-carbon economy. This detail has also been used to inform our planning processes, particularly business and financial planning, and supply chain management.*

### **(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?**

	Environmental opportunities identified
Climate change	<i>Select from:</i> <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized
Water	<i>Select from:</i> <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized
Biodiversity	<i>Select from:</i> <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

**(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.**

## Climate change

### (3.6.1.1) Opportunity identifier

*Select from:*

Opp1

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

Other products and services opportunity, please specify :Development and/or expansion of low emission goods and services

### (3.6.1.4) Value chain stage where the opportunity occurs

*Select from:*

- Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- South Africa

### (3.6.1.8) Organization specific description

*Exxaro is seeking opportunities in new markets for diversification purposes by exploring opportunities in the low carbon transition minerals space and positioning itself in the transition to a lower-carbon economy. As part of our Sustainable Growth and Impact strategy, investigating new business opportunities in the energy space is one of the critical areas of focus. Exxaro recognised the opportunity to develop low-emission goods or services by investing in Cennergi, a company which it established with Tata Power in 2012. By then, Cennergi was a 50:50 joint venture between Tata and Exxaro. The purchase of the remaining 50% interest in Cennergi for ZAR1.55 billion highlights our intention to power better lives in Africa and beyond, and we are consolidating our interest in this renewable energy asset at a time in South Africa when we need energy security as we respond to increasingly negative sentiment towards coal-based electricity generation. In addition, this will ensure that Exxaro will have a long term annuity income outside of the coal, mineral sands and ferrous sectors. Exxaro will also reduce future operational costs by lowering its carbon footprint and carbon tax liability through the use of self-generated renewable energy. Exxaro defines future markets as low-carbon transition minerals such as Manganese, Bauxite and Copper and Renewable Energy.*

### (3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased revenues through access to new and emerging markets

### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term

### (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- Very likely (90–100%)

### (3.6.1.12) Magnitude

Select from:

High

### (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*The development of our renewable energy strategy to transition to a lower carbon economy is a critical part of our strategy. Our outlook includes further investments in renewable energy and other climate-smart investments. Following extensive engagements with Key Stakeholders, including our providers of capital, and an assessment of our operating context, a strategic review was undertaken. Furthermore, in the formulation of a new strategy for the company, the Board engaged with executive and Senior Management in several Strategy Sessions throughout the year. The Board, therefore, appreciates that the company's core purpose, its risks and opportunities, strategy, business model, performance, and sustainable development are all inseparable elements of the value creation process. The insight that conditions are changing and that there is a need to become future-fit is used to drive decisions and measure our transition to a lower carbon future. Further key strategic considerations include a Climate Change Response strategy highlighting the need to respond to the growing global and local pressure on moving towards a low carbon economy. The strategy includes an alignment to the Paris Agreement and incorporates the recommendations from the FSB's TCFD, which highlight climate change transitional and physical risks confronting organizations and the related financial impacts of these risks. In addition, in 2021 we divested from our four ECC operations in the Mpumalanga region. The divestment decision was informed by the fact that these operations did not meet our requirements and expectations for resilience in the climate scenarios and the journey to a low/zero carbon environment. Exxaro initiated the Leeuwpans divestment process as part of its ongoing portfolio optimisation strategy to ensure the future resilience of our coal business. Unfortunately, progress on the divestment stalled and the process was stopped in the third quarter of 2022 to ensure stability at the mine. Exxaro will continue to review its coal assets and projects in line with its strategic goals..*

### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

No

### (3.6.1.24) Cost to realize opportunity

28000000000

### (3.6.1.25) Explanation of cost calculation

*Revenue is derived from contracts to the national utility, primarily through the sale of wind energy into the grid. For 2024 total generation output from the two wind farms at 725GWh. For our energy business, Exxaro is targeting an additional 1.6GW (net) capacity by 2030 with total capital deployment of approximately R28 billion. We estimate that one-third will be our equity contributions and two-thirds project financing. This could potentially provide approximately R3 billion in EBITDA in real terms. We are aiming to achieve equity returns on a portfolio basis of 15%. A 68MW solar PV project will be implemented at our Grootegeluk Coal mine, with an estimated carbon reduction of 175,000 tCO<sub>2</sub>e per annum and estimated energy cost savings of ZAR55 million per annum, assuming no escalation in tariffs. This number was based on the following assumptions: 1MW facility will produce 2146 MWh over a year, multiplied by 86, multiplied by a tariff of ZAR 1.10 as per the latest*

bid window (REIPPPP). Our Grootegeluk operation currently purchases electricity at the cost of ZAR 1.42. The operation makes use of 374,547 MWh of energy per year; thus, this calculation was the difference in price between an operation that is grid tiered vs partially grid tied.

### (3.6.1.26) Strategy to realize opportunity

Exxaro has unpacked its Sustainable Growth and Impact Strategy which envisions the business growing into two spheres, renewable energy business and minerals of tomorrow business. As part of this strategy, we investigated new business opportunities in the energy space. For our energy business, Exxaro is targeting an additional 1.6GW (net) capacity by 2030 with total capital deployment of approximately R28 billion. We estimate that one third will be our equity contributions and two-thirds project financing. This could potentially provide approximately R3 billion in EBITDA in real terms. We are aiming to achieve equity returns on a portfolio basis of 15%. We will be implementing a solar PV self-generation 68MWh facility at Lephalale which is estimated to cost ZAR1.52 to ZAR1.58 billion. The facility will lead to reductions of about 27% in our Scope 2 emissions. The estimated commercial operation year of the project is 2025.

## Water

### (3.6.1.1) Opportunity identifier

Select from:

Opp1

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

Reduced water usage and consumption

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

South Africa

### (3.6.1.6) River basin where the opportunity occurs

Select all that apply

- Incomati
- Limpopo
- Olifants

### **(3.6.1.8) Organization specific description**

*An absolute reduction in water use as well as improved water intensity through efficiency gains will save direct water costs and reduce the requirement for on-site water treatment infrastructure. Site specific water intensity targets have been set for all the operational mines to drive water efficiency as part of the 2017 approved Exxaro water management strategy.*

### **(3.6.1.9) Primary financial effect of the opportunity**

Select from:

- Reduced direct costs

### **(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization**

Select all that apply

- Medium-term

### **(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon**

Select from:

- Likely (66–100%)

### **(3.6.1.12) Magnitude**

Select from:

- Medium

### **(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*Various interventions to achieve these targets have been implemented through technological advances. Some of these advances include reduced water consumption during dust suppression by using a dust palliative that increases the effectiveness of the suppression. The provision of adequate storage (direct rainfall capturing on site) and increased re-use of water on our sites also further reduces the demand on the natural resources (groundwater, rivers and dams).*

#### **(3.6.1.15) Are you able to quantify the financial effects of the opportunity?**

Select from:

Yes

#### **(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)**

8800000

#### **(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)**

219500000

#### **(3.6.1.23) Explanation of financial effect figures**

*The financial impact is on the actual cost of water purchases from the resource as well as savings on water treatment infrastructure costs. Many of our facilities situated in the Olifants and Inkomati basins have excess water during the rainfall season and requires treatment prior to release.*

#### **(3.6.1.24) Cost to realize opportunity**

1580000

#### **(3.6.1.25) Explanation of cost calculation**

*The effective clean water ingress prevention, adequate storage and re-use capabilities of the process water on site reduces the overall excess water that should be treated. The modelling of these seasonal variations are done through water balance simulations to ensure adequate storage and utilisation. The actual saving will differ from wet to dry years.*

#### **(3.6.1.26) Strategy to realize opportunity**

*Our annual update of our Water Management Plans with action items for implementation will ensure we keep track of progress and specialist studies to guide best practice solutions.*

## Biodiversity

### (3.6.1.1) Opportunity identifier

Select from:

Opp1

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

Resilience

Contribution to biodiversity knowledge

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

South Africa

### (3.6.1.7) Mining project ID

Select all that apply

All disclosed mining projects

### (3.6.1.8) Organization specific description

*Exxaro through the Manketti Game Farm has partnered with Endangered Wildlife Trust on a Cheetah project where DNA samples are extracted from Cheetah and also tracking collar device placed on these Cheetahs in order to study their behavior in the bushveld. Furthermore, Exxaro moved ten female Rhinos in 2014 to Orapa Mine with the agreement to return ten Rhinos in 2024 of different genetic makeup. Ten Rhinos were moved back to Manketti in September 2024, and they are being kept at Manketti Game Farm.*

### (3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased diversification of financial assets

### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- Long-term

### (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- Very likely (90–100%)

### (3.6.1.12) Magnitude

Select from:

- Medium-high

### (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*Biodiversity projects at Manketti are opportunities to contribute to biodiversity knowledge. These opportunities do not have a financial opportunity to the organization but do contribute to knowledge and collaboration.*

### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

- No

### (3.6.1.24) Cost to realize opportunity

0

### (3.6.1.25) Explanation of cost calculation

*Exxaro provides land and resources to EWT for research purposes. There are no cost to Exxaro for this project.*

### (3.6.1.26) Strategy to realize opportunity

*As part of Exxaro's commitment to conservation, wildlife programmers are run through the Manketti Game Farm. NGO approach Exxaro with projects where we can collaborate.*

## Climate change

### (3.6.1.1) Opportunity identifier

*Select from:*

Opp2

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

Markets

Expansion into new markets

### (3.6.1.4) Value chain stage where the opportunity occurs

*Select from:*

Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

*Select all that apply*

South Africa

### (3.6.1.8) Organization specific description

*Exxaro has identified investment opportunities in farming, minerals, and battery storage. To date, we have allocated ZAR263 million to investigating new climate-smart business opportunities and a further ZAR900 million has been allocated for innovation excellence, future water management, and digitisation initiatives over five years at all business units to enhance operational efficiency, energy efficiency, monitoring, and verification. Exxaro is also aware of global developments which will accelerate climate-smart market growth and the Paris Agreement sends a clear signal of the low-carbon trajectory for future growth and opportunities. These opportunities include growth in the renewable and energy efficiency space. Renewable energy is increasingly the choice for rapidly growing countries seeking to meet their economic growth, energy access, and climate change goals. The International Finance Corporation states that the total investment potential in clean energy in Africa i.e in Côte d'Ivoire, Kenya, Nigeria, and South Africa is nearly US\$783 billion, which is spread across renewable energy generation (US\$123 billion). Renewable energy is not the only climate-related sector primed for growth. Investments in energy efficiency also continue to grow, driven by assertive and comprehensive climate policies. Climate-smart agriculture is also a growing business as companies around the world seek to enhance resilience, food productivity, and their bottom line. It is envisaged that t*

### **(3.6.1.9) Primary financial effect of the opportunity**

Select from:

- Increased revenues through access to new and emerging markets

### **(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization**

Select all that apply

- Medium-term

### **(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon**

Select from:

- Very likely (90–100%)

### **(3.6.1.12) Magnitude**

Select from:

- High

### **(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*On 4 June 2019, Exxaro's Board passed a unanimous resolution to reassess the group's climate-change risks and opportunities in line with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures. On instruction from the Board, an internal multi-functional task team is developing*

a strategy using the TCFD recommendations for guidance. Progress and results will be presented to the market when the review process has been concluded. As part of this process, the financial impacts of climate risk and opportunities for the organisation will be quantified comprehensively.

### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

No

### (3.6.1.24) Cost to realize opportunity

467600000

### (3.6.1.25) Explanation of cost calculation

To date, the cost related to the identification of climate-smart opportunities is ZAR263 million, an investment of ZAR75 million on solar photovoltaic projects (micro-grids) and ZAR10.6 million on energy storage technology, which could also be potentially used to store energy from renewable energy sources such as wind farms and micro-grids that Exxaro has invested in. Exxaro also previously invested ZAR119 million for the investigation of climate-smart opportunities in the energy-water-food nexus through our now defunct Business of Tomorrow Team (BoT), for which the organisation has ceased all new investments in.

### (3.6.1.26) Strategy to realize opportunity

Consumers are gaining greater awareness of the value and need for sustainable energy practices, particularly amid growing public concerns over greenhouse gas emissions and climate change. Exxaro is using the opportunity to adapt to market needs and changing consumer behaviour through its ownership of Cennergi which has commissioned two renewable energy wind farm projects.

## Climate change

### (3.6.1.1) Opportunity identifier

Select from:

Opp3

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

Other resource efficiency opportunity, please specify :Energy efficiency projects and carbon footprint reduction

#### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Direct operations

#### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- South Africa

#### (3.6.1.8) Organization specific description

*The Department of Mineral Resources and Energy (DMRE) and the South African National Energy Development Institute (SANEDI) (the implementing agency) introduced Section 12L Income Tax Allowance on Energy Efficiency Savings. Section 12L provides an allowance for businesses to implement energy efficiency savings. The savings allow for a tax deduction of 95c/KWh (ZAR0.95) saved on energy consumption. The 12L Regulation was promulgated on 9 December 2013 and sets out the process and methodology for determining the quantity of energy efficiency savings and the requirements for claiming the proposed tax allowance. The regulation stipulates that a prerequisite energy savings report has to be compiled by an accredited Measurement and Verification (M&V) Professional, and the savings certified by SANEDI through the issuance of a certificate. In 2024 Exxaro did not apply for a SARS section 12L rebate. We Resource efficiency is also a big part of our green procurement strategy. Exxaro aims to purchase products and services that have a minimal adverse impact on the environment. In 2024, we spent a combined 8.9% on green procurement, with 1.15% spent on resource efficiency procurement, 0.92% on energy efficiency, 0.48% on environmentally preferable procurement and 6.40% on reverse logistics*

#### (3.6.1.9) Primary financial effect of the opportunity

Select from:

- Reduced direct costs

#### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term

#### (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

Virtually certain (99–100%)

### (3.6.1.12) Magnitude

Select from:

Medium

### (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*It is envisaged that the tax rebates from Section 12L will enable the business to re-invest further in low-carbon technologies and energy efficiency and carbon footprint reduction projects, especially given our objective of being carbon neutral by 2050 as stated in our Climate Change Position Statement, which was released in March 2020. The achievement of the objectives of our green procurement strategy will further enhance resource efficiency, the circular economy and climate action.*

### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

### (3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

0

### (3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

0

### (3.6.1.23) Explanation of financial effect figures

*Exxaro did not apply for a SARS section 12L tax rebate in 2024 for the current energy efficiency projects (OCT Reduction:- Autonomous Drilling; Implementation of the GG8 IPCC (In Pit Crusher and conveying) section; Road Improvement; Panto Utilisation Optimisation).*

### (3.6.1.24) Cost to realize opportunity

186900000

### (3.6.1.25) Explanation of cost calculation

*In 2024, we spent a combined 8.9% on green procurement, with 1.15% spent on resource efficiency procurement, 0.92% on energy efficiency, 0,48% on environmentally preferable procurement and 6.40% on reverse logistics. In 2024 Exxaro invested R2.1 billion in socio-economic development through social and labour plan (SLP) projects that include local procurement and infrastructure, skills and small, medium and micro-enterprise (SMME) development. 8.9% \* R2.1 billion= 186900000)*

### (3.6.1.26) Strategy to realize opportunity

*During 2022, we worked with third parties, through our Engineering and Projects team, on mapping and scoping identified Section 12L projects for our operations. These third parties include energy efficiency specialists and Monitoring and Verification Professionals. The projects include the In-Pit Crushing and Conveying Project (IPCC) at our Grootegeluk operation to supply our processing plants (GG8) with run-of-mine (ROM). This has resulted in reduced diesel consumption and a net improvement in energy efficiency. Other projects include the Haul Road Improvement Project, which involves the treatment of haul roads with an emulsion that improves road surface condition (the project Energy Savings Measure- ESM). Implementation of this initiative has various benefits for the mine, such as safer hauling conditions due to improved visibility, extended tyre life, and reduced machinery fatigue. However, the main advantage related to this project is lower fuel usage due to improved condition of haul roads (impacting on rolling resistance and truck motion dynamics that dissipate energy. This results in the haul truck operations being more energy efficient, with reduced emissions for the same material movement and a reduction in the use of equipment such as water trucks for dust suppression. We also worked with our suppliers and customers to ensure resource efficiency, energy efficiency and carbon-neutral goods and services in the value chain. In 2024, Exxaro did not apply for a SARS section 12L rebate. Resource efficiency is also a big part of our green procurement strategy. Exxaro aims to purchase products and services that have a minimal adverse impact on the environment. In 2024, we spent a combined 8.9% on green procurement, with 1.15% spent on resource efficiency procurement, 0.92% on energy efficiency, 0,48% on environmentally preferable procurement and 6.40% on reverse logistics*

## Climate change

### (3.6.1.1) Opportunity identifier

Select from:

Opp4

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

Use of low-carbon energy sources

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- South Africa

### (3.6.1.8) Organization specific description

*A major focus area of strategic consideration has been action against climate change, which is driving the transition from fossil fuels to renewable energy sources that support a lower-carbon economy. Hence, as part of this strategy, we have invested further in Cennergi, solar PV micro-grid projects, a self-generation solar PV project and battery energy storage. We will invest in self-generation projects for the rest of our operations for the purposes of reducing our carbon footprint, meeting our 2050 carbon neutrality objective, energy cost savings, energy reliability and security in our operations.*

### (3.6.1.9) Primary financial effect of the opportunity

Select from:

- Reduced direct costs

### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term

### (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- Likely (66–100%)

### (3.6.1.12) Magnitude

Select from:

- Medium

### (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*It is envisaged that self-generation of renewable energy and implementation of other related low carbon technologies in our operations will result in significant benefits for the business from a sustainability and financial point of view. However, our objective is also to extend the implementation of low carbon technologies for the benefit of communities and ensuring sustainable livelihoods. This is evident in our investments in communities to date, which include an investment of ZAR590 million in the Lephalale housing project, of which ZAR11 million was for solar water geysers, ZAR7,2 million on the Belfast green housing project which included the installation of solar panels and water collection tanks for each of the homes and ZAR22 million on the Tshikondeni micro-grid project.*

### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

### (3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

55000000

### (3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

55000000

### (3.6.1.23) Explanation of financial effect figures

*Based on the savings from the GG solar PV facility, the business would save ZAR55 million per annum assuming no escalation in tariffs. This number was based on the following assumptions: 1MW facility will produce 2146 MWh over a year, multiplied by 86, multiplied by a tariff of ZAR 1.10 as per latest bid window (REIPPPP). Our GG operation currently purchases electricity at the cost of ZAR 1.42. The operation makes use of 374 547 MWh of energy per year, thus this calculation was the difference in price between an operation that is grid tiered vs partially grid tied.*

### (3.6.1.24) Cost to realize opportunity

1560000000

### (3.6.1.25) Explanation of cost calculation

*The 68MW self-generation facility at Lephalale which is estimated to cost is R1.56 billion.*

### (3.6.1.26) Strategy to realize opportunity

*We are seeking to meet immediate and longer-term energy needs through exploring possibilities in renewable energy to support this transition, taking into consideration social and climate risks. We are developing a renewable energy strategy to transition to a lower carbon economy and to invest in renewable energy initiatives inside and outside (value chain emissions) of our operations. We will also incorporate low-carbon fuel technologies and self-generated renewable energy in our operations to reduce our Scope 1 and Scope 2 emissions. This will also support our aspirational target to be carbon neutral by 2050. Exxaro has unpacked its Sustainable Growth and Impact Strategy which envisions the business growing into two spheres, renewable energy business and minerals of tomorrow business. As part of this strategy, we investigated new business opportunities in the energy space, with the first being a 68MW self-generation facility at Lephalale which is estimated to cost between ZAR1.52 to ZAR1.58 billion.*

## Climate change

### (3.6.1.1) Opportunity identifier

Select from:

Opp5

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

Move to more energy/resource efficient buildings

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

South Africa

### (3.6.1.8) Organization specific description

*Exxaro's focus on energy efficiency, carbon footprint reduction and sustainability, culminated in the decision to build a 'green' head office in pursuit of our sustainability targets and employee well-being. Our move to a new corporate centre (The conneXXion) in July 2019 was a great achievement for the organisation. The new head office building located in Centurion, has a 5-star (Green Star South African rating) from the Green Building Council of South Africa and is a recipient of the Well Building Standard, an accolade for premier standard buildings that place people and the environment at the forefront of sustainable design, construction and operations. The building received a Silver Level WELL Core and Shell Certification by the US-based International WELL Building Institute (IWBI). The close collaboration between Growthpoint, Exxaro and the development's entire professional team crafted this innovative, green, aesthetically compelling, high-performance building. The new offices include efficient building systems (air-conditioning, lighting, domestic hot water heating, lifts and escalators) that ensure reduced energy consumption and over 40 energy meters that monitor and manage overall energy consumption. Energy efficient lighting, with an average lighting power density of less than 1.5W/m<sup>2</sup>/100Lux, was installed. In addition, photo voltaic (PV) array, with generation capacity of 300*

### **(3.6.1.9) Primary financial effect of the opportunity**

Select from:

- Reduced direct costs

### **(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization**

Select all that apply

- Short-term

### **(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon**

Select from:

- Virtually certain (99–100%)

### **(3.6.1.12) Magnitude**

Select from:

- Medium-low

### **(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*The new building has resulted in significant carbon footprint reduction from our head office, reduced energy and water consumption, and cost savings for Exxaro and is one of our contributions to ensuring a sustainable Exxaro and future.*

### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

No

### (3.6.1.24) Cost to realize opportunity

0

### (3.6.1.25) Explanation of cost calculation

*This cost is not reflected in the 2024 scope as the investment was made prior.*

### (3.6.1.26) Strategy to realize opportunity

*This cost is not reflected in the 2024 scope as the investment was made prior.*

## Climate change

### (3.6.1.1) Opportunity identifier

Select from:

Opp6

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

Use of low-carbon energy sources

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Direct operations

### **(3.6.1.5) Country/area where the opportunity occurs**

Select all that apply

- South Africa

### **(3.6.1.8) Organization specific description**

*Diesel consumption is one of the significant contributors to our carbon emissions footprint, mainly due to the load and hauling of waste and product, excavation activities, etc. It is estimated that about 70% of diesel consumed in our mining operations is used in elevating waste material to be dumped, and hence our efforts are geared towards low-carbon technologies and innovations that reduce the amount of diesel consumption in our operations. We are working towards the investigation of electric vehicles for use in our mining fleet, given the potential of reducing our carbon footprint further and meeting our objective of being carbon neutral by 2050 as stated in our Climate Change Position Statement.*

### **(3.6.1.9) Primary financial effect of the opportunity**

Select from:

- Reduced direct costs

### **(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization**

Select all that apply

- Medium-term

### **(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon**

Select from:

- Very likely (90–100%)

### **(3.6.1.12) Magnitude**

Select from:

- Medium-high

### **(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*Innovative solutions and initiatives on low carbon emission technologies will contribute significantly to our energy efficiency, carbon footprint and sustainability efforts and our goal of carbon neutrality by 2050.*

### **(3.6.1.15) Are you able to quantify the financial effects of the opportunity?**

Select from:

Yes

### **(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)**

13000000000

### **(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)**

13000000000

### **(3.6.1.23) Explanation of financial effect figures**

*Based on our 2022 expenditure on diesel, it is estimated that the use of low carbon technologies such as electric vehicles (in a phased approach- starting at 30%), will reduce our fuel expenditure by approximately ZAR390 million per annum. Furthermore, savings on the Carbon Tax Fuel Levy based on a reduction in diesel consumption are estimated to be ZAR8, 3 million per annum.*

### **(3.6.1.24) Cost to realize opportunity**

13000000000

### **(3.6.1.25) Explanation of cost calculation**

*Implementation of innovative solutions and low carbon emission technologies.*

### **(3.6.1.26) Strategy to realize opportunity**

*Exxaro has taken a fast follower approach to realizing this opportunity and we will be closely following developments in the electric vehicle mine fleets. In addition, we are currently working with original equipment manufacturers (OEMs) regarding battery electric vehicles and the view is these vehicles will be launched by 2030.*

## **Water**

### (3.6.1.1) Opportunity identifier

Select from:

- Opp2

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

Resilience

- Increased resilience to impacts of climate change

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- South Africa

### (3.6.1.6) River basin where the opportunity occurs

Select all that apply

- Inkomati-Usuthu
- Limpopo
- Olifants

### (3.6.1.8) Organization specific description

*Various water security opportunities have been identified to safeguard our sustainable access to adequate quantities of acceptable quality water for social-economic development; for ensuring protection against water-borne pollution and water-related disasters; and for preserving ecosystems.*

### (3.6.1.9) Primary financial effect of the opportunity

Select from:

- Reduced indirect (operating) costs

### **(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization**

Select all that apply

- Medium-term

### **(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon**

Select from:

- Likely (66–100%)

### **(3.6.1.12) Magnitude**

Select from:

- Medium-high

### **(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*Various studies have been launched to revamp our water strategy at operational level to ensure resilience to climate change impacts and to align to the corporate water strategy of 2017.*

### **(3.6.1.15) Are you able to quantify the financial effects of the opportunity?**

Select from:

- Yes

### **(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)**

5500000

### **(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)**

525000000

### (3.6.1.23) Explanation of financial effect figures

*The disruption due to climate change impacts can be substantial due production stoppages, loss of equipment and clean up measures. Community support has also been added to the calculations.*

### (3.6.1.24) Cost to realize opportunity

50000000

### (3.6.1.25) Explanation of cost calculation

*1. Create strategic storage areas for water by constructing additional dams 2. Evaporative covers to prevent loss of water 3. Treatment and re-use of mine impacted water 4. Water conservation efforts by setting targets and behavioral efforts to combat losses and wastages. 5. Water security study to understand physical risks and opportunities.*

### (3.6.1.26) Strategy to realize opportunity

*Allowing for a more resilient business during climate variability caused by climate change will not only save on the cost of water and prevent production stoppages but will also allow a business to operate sustainably in a climate of peace and stability by ensuring the communities and the ecosystems have sufficient supplies of water into the future.*

## Water

### (3.6.1.1) Opportunity identifier

Select from:

Opp3

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

Reputational capital

Improved ratings by sustainability/ESG indexes

#### **(3.6.1.4) Value chain stage where the opportunity occurs**

Select from:

- Direct operations

#### **(3.6.1.5) Country/area where the opportunity occurs**

Select all that apply

- South Africa

#### **(3.6.1.6) River basin where the opportunity occurs**

Select all that apply

- Inkomati-Usuthu
- Limpopo
- Olifants

#### **(3.6.1.8) Organization specific description**

*Various local and international ESG measures have been adopted by the organisation and reported on an annual basis (FTSE-Russel, etc.). The various opportunities realised through our water management initiatives has allowed for improved ESG scores over time.*

#### **(3.6.1.9) Primary financial effect of the opportunity**

Select from:

- Increased access to capital at lower/more favorable rates

#### **(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization**

Select all that apply

- The opportunity has already had a substantive effect on our organization in the reporting year

#### **(3.6.1.12) Magnitude**

Select from:

Medium-high

### **(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period**

*Our ESG performance level gives comfort the external organisations and individuals to invest in the company through share trading on the JSE stock exchange.*

### **(3.6.1.15) Are you able to quantify the financial effects of the opportunity?**

Select from:

No

### **(3.6.1.24) Cost to realize opportunity**

5000000

### **(3.6.1.25) Explanation of cost calculation**

*The company employs a group of people to manage our ESG and other reporting frameworks to enhance our visibility and ethics when it comes to ESG performance. Investor relations directly benefit from these reporting frameworks to enhance confidence in the company performance with relation to ESG and other metrics.*

### **(3.6.1.26) Strategy to realize opportunity**

*A strategic directive from the Board to adopt these reporting frameworks to enhance investor relations and confidence levels outside the organisation.*

## **Water**

### **(3.6.1.1) Opportunity identifier**

Select from:

Opp4

### **(3.6.1.3) Opportunity type and primary environmental opportunity driver**

Resource efficiency

- Water recovery from sewage treatment

#### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Direct operations

#### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- South Africa

#### (3.6.1.6) River basin where the opportunity occurs

Select all that apply

- Inkomati-Usuthu
- Limpopo
- Olifants

#### (3.6.1.8) Organization specific description

*All our operations have a sewage treatment plant that can treat sewage effluent from the domestic usage. We can either release the treated water back to the basin or reuse within our beneficiation processes. Site specific conditions will dictate our approach in deciding if recycling is the correct path and is normally evaluated by reducing fresh water intake to reuse effluent water. In some instances the release of this water back to the basin is done (less than 25% of our operations)*

#### (3.6.1.9) Primary financial effect of the opportunity

Select from:

- Reduced direct costs

#### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

The opportunity has already had a substantive effect on our organization in the reporting year

### (3.6.1.12) Magnitude

Select from:

Medium-low

### (3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

*The recovery of water from sewage effluent allows for a reduction in importing clean water that comes at a cost to the site.*

### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

No

### (3.6.1.24) Cost to realize opportunity

10000000

### (3.6.1.25) Explanation of cost calculation

*The re-use of sewage effluent has a few cost components and include, disinfection, pumping, distribution, and quality control to prevent any health and safety concerns.*

### (3.6.1.26) Strategy to realize opportunity

*The overall water balance model for the basin and the operations allow for the decision making in re-using or releasing sewage effluent back to the basin.*

## Water

### (3.6.1.1) Opportunity identifier

Select from:

Opp5

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

Use of recycling

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

South Africa

### (3.6.1.6) River basin where the opportunity occurs

Select all that apply

Inkomati-Usuthu

Limpopo

Olifants

### (3.6.1.8) Organization specific description

*The reuse of water multiple times allow for a reduced intake of fresh water and lowers the overall consumption of the site. We have a recycling ratio target of 38% for the organisation. Several reuse opportunities exist from the discard disposal complex return water; seepage infiltration abstraction, dust suppression from process water; and several other initiatives.*

### (3.6.1.9) Primary financial effect of the opportunity

Select from:

Reduced direct costs

### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

The opportunity has already had a substantive effect on our organization in the reporting year

### (3.6.1.12) Magnitude

Select from:

High

### (3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

*The reuse of water from different process water streams allow for an overall reduction in water consumption that relates to a direct cost saving to buy additional fresh water sources. The total recycling ratio (also stated in our annual reports) was 50% in the reporting year.*

### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

No

### (3.6.1.24) Cost to realize opportunity

200000000

### (3.6.1.25) Explanation of cost calculation

*The recycling of process water in any operation is done from the planning phase and also retro-fitted in some instances. There is a substantial cost in designing an operation to use water efficiently, but the benefits for the operation and broader basin resource is substantial. It further strengthens our resilience towards climate change impacts such as droughts and higher evaporation.*

### (3.6.1.26) Strategy to realize opportunity

*The strategy is both driven from a basin constraint in supplying the full amount of water and a cost point of view to import additional fresh water to site. Our strategic model of reduced consumption to allow for better efficiency is a key consideration.*

[Add row]

**(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.**

## **Climate change**

### **(3.6.2.1) Financial metric**

Select from:

Assets

### **(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)**

1560000000

### **(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue**

Select from:

100%

### **(3.6.2.4) Explanation of financial figures**

*The total investment cost for the LSP project R1.56 billion.*

## **Water**

### **(3.6.2.1) Financial metric**

Select from:

Revenue

**(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)**

800000000

**(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue**

Select from:

1-10%

**(3.6.2.4) Explanation of financial figures**

*Adapting to climate change with resilient infrastructure and water management initiatives Exxaro would be able to protect revenue and protecting the environment and host communities. Reducing water consumption will unlock more water in the basin for other development, nature and downstream communities.*  
[Add row]

## C4. Governance

### (4.1) Does your organization have a board of directors or an equivalent governing body?

#### (4.1.1) Board of directors or equivalent governing body

Select from:

Yes

#### (4.1.2) Frequency with which the board or equivalent meets

Select from:

More frequently than quarterly

#### (4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

Executive directors or equivalent

Non-executive directors or equivalent

Independent non-executive directors or equivalent

#### (4.1.4) Board diversity and inclusion policy

Select from:

Yes, but it is not publicly available

#### (4.1.5) Briefly describe what the policy covers

*Exxaro's Board Diversity and Inclusion Policy covers the following key aspects: Diversity of Knowledge and Skills: The policy emphasizes the importance of having a board composed of members with a diverse range of knowledge, skills, and experience to effectively oversee and guide the company's operations. Gender and Race Diversity: The policy commits to promoting gender and racial diversity on the board, ensuring representation that reflects the demographics of the country and aligns with the company's commitment to equality. Age and Nationality: The policy includes considerations of age and nationality to ensure a broad spectrum of perspectives and experiences are represented on the board. Physical Ability: The policy also accounts for physical ability, aiming to be inclusive of individuals with*

different physical capacities. Alignment with Corporate Governance Standards: The policy is aligned with King IV recommendations and the JSE Listings Requirements, ensuring that the company's approach to diversity and inclusion meets the highest standards of corporate governance. The policy underscores Exxaro's commitment to creating a balanced and inclusive board that can drive sustainable value creation for all stakeholders.

**(4.1.6) Attach the policy (optional)**

exxaro\_2024\_intergrated\_report.pdf  
 [Fixed row]

**(4.1.1) Is there board-level oversight of environmental issues within your organization?**

	Board-level oversight of this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

**(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.**

**Climate change**

**(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue**

Select all that apply

- Board chair
- Chief Executive Officer (CEO)
- Chief Sustainability Officer (CSO)
- Board-level committee

#### **(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board**

*Select from:*

- Yes

#### **(4.1.2.3) Policies which outline the positions' accountability for this environmental issue**

*Select all that apply*

- Other policy applicable to the board, please specify :Sustainable Growth and Impact Strategy, Environmental, Social, and Governance (ESG) Policy, Climate Change Response Strategy, Risk Management Policy

#### **(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item**

*Select from:*

- Scheduled agenda item in every board meeting (standing agenda item)

#### **(4.1.2.5) Governance mechanisms into which this environmental issue is integrated**

*Select all that apply*

- Overseeing and guiding scenario analysis
- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets
- Overseeing and guiding public policy engagement
- Overseeing and guiding the development of a business strategy
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

#### **(4.1.2.7) Please explain**

The Board has a high awareness level of issues relating to climate change, SDGs, and other risks. The Risk and Business Resilience (RBR) Committee at Exxaro held five meetings in 2023, consisting of four scheduled quarterly meetings and one special meeting. These meetings give the Board visibility on ESG performance by reviewing significant sustainability incidents and KPIs, ensuring alignment with Exxaro's Sustainable Growth and Impact Strategy. Performance indicators (negative, positive, unchanged, or new) are monitored closely. The Board continues to review the six capitals model to support Exxaro's strategy and ensure action plans and performance indicators are established for each capital. It also oversees technical and operational matters related to sustainability performance to guide budget allocation, ensuring alignment with the company's low-carbon transition goals. Exxaro's Board maintains oversight of the pathways the organization should follow to remain sustainable in a dynamic climate policy environment, especially as the economy transitions to a low-carbon future. The agenda is owned by the Executive Head of Sustainability. In 2023, the Board re-evaluated its strategic direction concerning investment and divestment, confirming its commitment to expanding the renewable energy business and decarbonization efforts, including the acquisition of 100% ownership of Cennergi in 2020 and ongoing exploration of land assets for solar power plants. The Board continues to support its strategic decisions with research and insights obtained through Exxaro-sponsored University Chairs, which conduct research and development on climate change. This awareness allows the Board to strategically address climate change issues from a corporate governance perspective. Key decisions in recent years included the decision to divest its entire interest in Exxaro Coal Central (ECC) and Leeuwan operations, as well as the adoption and implementation of the TCFD Recommendations. Exxaro uses a strategic performance dashboard to measure progress towards achieving its strategic objectives, including climate-related KPIs. This practical tool monitors value creation and assists the Board in understanding the pace and trajectory of the group's execution. The status of the strategic dashboard is reported at each Board and Board Committee meeting throughout the year, helping the Board track the achievement of strategic objectives. Measured indicators across business units also enable the Board to prioritize actions and resources to address significant impacts. Climate management decisions and issues are prioritized, and alignment with other supporting governance committees, such as the Social and Ethics Committee, Audit Committee, and Investment Committee, is maintained. These Committees have decision-making authority to advance the climate agenda. To support these efforts, the Board has appointed a resolute Chief Risk Officer and Chief Audit Officer to implement a ro

## Water

### (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Board chair
- Board-level committee
- Chief Risk Officer (CRO)
- Chief Executive Officer (CEO)
- Chief Technology Officer (CTO)
- Chief Compliance Officer (CCO)
- Chief Sustainability Officer (CSO)

### (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes

### (4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- Board Terms of Reference
- Individual role descriptions

### (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in every board meeting (standing agenda item)

### (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets
- Approving corporate policies and/or commitments
- Monitoring the implementation of the business strategy
- Overseeing reporting, audit, and verification processes
- Monitoring compliance with corporate policies and/or commitments
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

### (4.1.2.7) Please explain

*The Sustainability, Risk and Compliance Committee (SRC), a sub-committee of the Exxaro Board. The SRC committee reports and oversees safety, environmental (Water) and sustainability issues within Exxaro. Water performance is reported to the board on quarterly basis. Water management is an important issue for Exxaro and has become a strategic focus area. Exxaro is committed to achieve a responsible and sustainable water management and to ensure that water is used efficiently. Because of this commitment, water efficiency needs to be considered in each phase of the project lifecycle. All viable water use and supply options are considered when planning major projects and assessing potential expansion of extensions. Corporate water targets have been set to improve water management annually through implementation of water conservation and efficiency initiatives. Exxaro revisited and enhanced the respective terms of reference of its corporate governance structures in 2021, which is in line with King IV recommendations. The Risk and business resilience (RBR) committee oversee the company's implementation of an effective policy and plan for risk management that will enhance the company's ability to achieve its strategic objectives and assure business resilience to absorb and adapt in a changing environment. Exxaro EXCO and Board approved the inclusion of water intensity performance in their bonus structure to enhance water conservation and incentivise employees for water conservation efforts. Site-specific water intensity targets are set and reviewed annually by HR and the Sustainability Departments.*

## Biodiversity

### (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

*Select all that apply*

- Chief Sustainability Officer (CSO)
- Chief Compliance Officer (CCO)
- Board-level committee

### (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

*Select from:*

- Yes

### (4.1.2.3) Policies which outline the positions' accountability for this environmental issue

*Select all that apply*

- Board Terms of Reference
- Individual role descriptions

### (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

*Select from:*

- Sporadic – agenda item as important matters arise

### (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

*Select all that apply*

- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets
- Approving corporate policies and/or commitments
- Monitoring the implementation of the business strategy
- Overseeing reporting, audit, and verification processes

- Overseeing and guiding acquisitions, mergers, and divestitures
- Monitoring supplier compliance with organizational requirements
- Monitoring compliance with corporate policies and/or commitments
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

#### (4.1.2.7) Please explain

*Biodiversity impacts and risk assessments are conducted for any greenfields development and also for the operational sites that can include avoidance, minimising and off set strategies. Company policy on biodiversity targets is currently under review. Biodiversity is monitored through biomonitoring at all sites to identify any risks and opportunities that may arise.*

*[Fixed row]*

### (4.2) Does your organization's board have competency on environmental issues?

#### Climate change

#### (4.2.1) Board-level competency on this environmental issue

Select from:

- Yes

#### (4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- Consulting regularly with an internal, permanent, subject-expert working group
- Engaging regularly with external stakeholders and experts on environmental issues
- Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- Having at least one board member with expertise on this environmental issue

#### (4.2.3) Environmental expertise of the board member

#### Academic

- Undergraduate education (e.g., BSc/BA in environment and sustainability, climate science, environmental science, water resources management, environmental engineering, forestry, etc.), please specify
- Postgraduate education (e.g., MSc/MA/PhD in environment and sustainability, climate science, environmental science, water resources management, forestry, etc.), please specify :PhD in Agronomy.

#### Experience

- Executive-level experience in a role focused on environmental issues
- Management-level experience in a role focused on environmental issues

## Water

### (4.2.1) Board-level competency on this environmental issue

*Select from:*

- Yes

### (4.2.2) Mechanisms to maintain an environmentally competent board

*Select all that apply*

- Consulting regularly with an internal, permanent, subject-expert working group
- Engaging regularly with external stakeholders and experts on environmental issues
- Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- Having at least one board member with expertise on this environmental issue

### (4.2.3) Environmental expertise of the board member

#### Academic

- Undergraduate education (e.g., BSc/BA in environment and sustainability, climate science, environmental science, water resources management, environmental engineering, forestry, etc.), please specify :BSc
- Postgraduate education (e.g., MSc/MA/PhD in environment and sustainability, climate science, environmental science, water resources management, forestry, etc.), please specify :PhD

## Experience

- Executive-level experience in a role focused on environmental issues
- Management-level experience in a role focused on environmental issues
- Experience in the environmental department of a government (national or local)
- Active member of an environmental committee or organization

[Fixed row]

### (4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

#### (4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

##### Climate change

##### (4.3.1.1) Position of individual or committee with responsibility

Committee

- Risk committee

#### (4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

- Measuring progress towards environmental corporate targets

Strategy and financial planning

- Conducting environmental scenario analysis

#### (4.3.1.4) Reporting line

Select from:

- Reports to the board directly

#### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- Quarterly

#### (4.3.1.6) Please explain

*The Risk and Business Resilience Committee, on behalf of the Board, is responsible for regularly monitoring risks that will have an extreme impact on the group if they materialise. Extreme risks, together with their controls, are considered critical in the ever-changing environment in which we operate. These are continually monitored and reviewed in line with the risk appetite framework and combined assurance approach. Exxaro's enterprise risk management provides a framework and process for all types of risk management, regardless of risk or impact type at all levels of the organisation. The Board is also kept abreast of the latest national and international regulatory developments in climate change by the Sustainability, Risk and Compliance Committee via formal reports presented by the legal department to ensure group-wide sustainability and compliance. The Board also uses strategic, tactical, and operational risks facing Exxaro as input during the annual strategy session where identified risks are used to guide the conversation in setting the strategy and risk appetite as well as approve quantification of the strategy in a five-*

year budget period. Performance evaluation- KPIs track the execution of Exxaro's strategy for the Board, Board Committees, group, and energy executive committees. Exxaro uses a strategic performance dashboard that supports reporting on the achievement of these KPIs. The status of the strategic performance dashboard is reported at board meetings throughout the year, focusing on reporting to the board what matters.

## Water

### (4.3.1.1) Position of individual or committee with responsibility

Committee

- Risk committee

### (4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

- Measuring progress towards environmental corporate targets

Strategy and financial planning

- Developing a business strategy which considers environmental issues
- Implementing the business strategy related to environmental issues

### (4.3.1.4) Reporting line

Select from:

- Reports to the board directly

### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- Quarterly

#### (4.3.1.6) Please explain

*The Risk and Business Resilience Committee, on behalf of the Board, is responsible for regularly monitoring risks that will have an extreme impact on the group if they materialise. Extreme risks, together with their controls, are considered critical in the ever-changing environment in which we operate. These are continually monitored and reviewed in line with the risk appetite framework and combined assurance approach. Exxaro's enterprise risk management provides a framework and process for all types of risk management, regardless of risk or impact type at all levels of the organisation.*

### **Biodiversity**

#### (4.3.1.1) Position of individual or committee with responsibility

Committee

- Environmental, Social, Governance committee

#### (4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing engagement in landscapes and/or jurisdictions

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Measuring progress towards environmental science-based targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

## Strategy and financial planning

- Managing annual budgets related to environmental issues
- Managing major capital and/or operational expenditures relating to environmental issues
- Implementing the business strategy related to environmental issues
- Developing a business strategy which considers environmental issues
- Managing environmental reporting, audit, and verification processes
- Managing acquisitions, mergers, and divestitures related to environmental issues

### (4.3.1.4) Reporting line

Select from:

- Reports to the Chief Sustainability Officer (CSO)

### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- Quarterly

### (4.3.1.6) Please explain

*All biodiversity related performance and risks are reported to the ESG technical and reporting committee under the CSO. All strategic biodiversity projects are approved at this level and implemented throughout the organisation.*

## Climate change

### (4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

### (4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

- Setting corporate environmental targets

Strategy and financial planning

- Implementing a climate transition plan
- Managing acquisitions, mergers, and divestitures related to environmental issues

Other

- Providing employee incentives related to environmental performance

#### (4.3.1.4) Reporting line

Select from:

- Other, please specify :CEO reporting line

#### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

#### (4.3.1.6) Please explain

*Our CEO is responsible for the following: • 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. • 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. • Ensure implementation and execution of the company's codes of conduct and ethics policies. In addition, the CEO and the Executive Committee ensure that SERC decisions are implemented to their fullest, responsible for reviewing policies and activities designed to promote compliance culture in the company while ensuring that all compliance is understood in terms of the obligations it creates as well as the rights and protections it affords. In this regard, the Committee reviews legal and regulatory processes, and monitors compliance with laws and regulations, and codes of good practice. Also ensures compliance is monitored and reported by management and reviews and monitors material compliance, breaches, and corrective measures to prevent*

breaches. The Executive Committee has monthly steering committee meetings to monitor and measure performance actively. The Executive Committee was responsible for establishing a task force to focus on climate-related financial disclosures and implement the TCFD recommendations.

## Climate change

### (4.3.1.1) Position of individual or committee with responsibility

Committee

- Sustainability committee

### (4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing public policy engagement related to environmental issues
- Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets

Strategy and financial planning

- Conducting environmental scenario analysis
- Developing a climate transition plan

### (4.3.1.4) Reporting line

Select from:

- Other, please specify :Corporate Sustainability/CSR reporting line

#### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

#### (4.3.1.6) Please explain

*A dedicated steering committee oversees energy management projects and activities and ensures that these are aligned with Exxaro's Climate Change Position statement and Climate Change Response Strategy. This supports a clear understanding of the risks and opportunities presented by energy and carbon emissions in the broader sense, and enables operations to focus on managing energy, emissions, and other climate change-related issues. Reducing our energy consumption and improving our energy efficiency remains a top priority. To this end, we remain focused on lowering Exxaro's carbon footprint and increasing the business's adaptive capacity and resilience. Given the fast-changing legislative environment and the promulgation of the Carbon Tax Act from 1 June 2019, reducing our carbon emissions footprint is a business imperative as it could also affect our financial performance.*

### Water

#### (4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Sustainability Officer (CSO)

#### (4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing public policy engagement related to environmental issues

#### Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

#### Strategy and financial planning

- Developing a business strategy which considers environmental issues
- Managing annual budgets related to environmental issues
- Managing environmental reporting, audit, and verification processes
- Managing priorities related to innovation/low-environmental impact products or services (including R&D)

### (4.3.1.4) Reporting line

Select from:

- Reports to the Chief Executive Officer (CEO)

### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

### (4.3.1.6) Please explain

*The Sustainability Chief is kept abreast of the latest national and international regulatory developments in water management via formal reports to ensure group-wide sustainability and compliance. Performance evaluation- KPIs track the execution of Exxaro's strategy in terms of water management. Exxaro uses a strategic performance dashboard that supports reporting on the achievement of these KPIs. The status of the strategic performance dashboard is reported at commodity OPCO, EXCO and board meetings throughout the year.*

[Add row]

**(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?**

## Climate change

### (4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

### (4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

7.5

### (4.5.3) Please explain

*Exxaro has implemented energy efficiency programmes that are linked to performance incentives. The inclusion of energy intensity in performance in the bonus structure of C-suite employees was introduced in 2022 at 7.5% of the structure.*

## Water

### (4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

### (4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

7.5

### (4.5.3) Please explain

*The inclusion of water intensity performance in the bonus structure of C-suite employees was introduced in 2022 at 7.5% of the structure.*

## Biodiversity

### (4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

- No, and we do not plan to introduce them in the next two years

### (4.5.3) Please explain

*Exxaro will investigate to inclusion of biodiversity targets.*

*[Fixed row]*

## (4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

### Climate change

#### (4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Chief Executive Officer (CEO)

#### (4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary

#### (4.5.1.3) Performance metrics

Targets

- Organization performance against an environmental sustainability index

Policies and commitments

- Increased supplier compliance with environmental requirements

Engagement

- Increased engagement with suppliers on environmental issues

- Increased value chain visibility (traceability, mapping)
- Implementation of employee awareness campaign or training program on environmental issues

#### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

#### (4.5.1.5) Further details of incentives

*The Remuneration Committee launched the group's new Short-Term Incentive (STI -Group Incentive Scheme), effective from 1 January 2022, in line with the agreed implementation date and rules. The STI campaign is driven annually, against the backdrop of the people strategy and alignment of behaviours with business objectives, stakeholder interests and a culture of powering possibility. The GIS rewards the achievement of annual goals, which are aligned to the medium and longer-term business strategy. All participants, including the CEO and the Executive Committee, receive payments that reflect annual achievements. ESG targets (water and energy efficiency) and health and safety were embedded as part of this STI scheme. Exxaro also has a Long-Term Incentive (LTI) Scheme that rewards individual performance, aimed at over and above normal job performance objectives, mostly achieving tactical or strategic objectives such as climate mitigation, adaptation, and business resilience.*

#### (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

*To strengthen GHG mitigation and business resilience efforts, we included targets on water security and efficiency as well as energy efficiency in the group-wide GIS in 2022. The energy efficiency targets relate to diesel and electricity consumption. Diesel accounts for over 95% of our Scope 1 GHG emissions, while coal-based electricity is 100% of our Scope 2 emissions. Implementation of these two KPIs is a progression of our Climate Change Response Strategy, our strategic objective goal to be carbon neutral by 2050 and further alignment with the TCFD recommendations.*

### Water

#### (4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Chief Executive Officer (CEO)

#### (4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary

### (4.5.1.3) Performance metrics

Targets

- Achievement of environmental targets

### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

### (4.5.1.5) Further details of incentives

*The Remuneration Committee launched the group's new Short-Term Incentive (STI -Group Incentive Scheme), effective from 1 January 2022, in line with the agreed implementation date and rules. The STI campaign is driven annually, against the backdrop of the people strategy and alignment of behaviours with business objectives, stakeholder interests and a culture of powering possibility. The GIS rewards the achievement of annual goals, which are aligned to the medium and longer-term business strategy. All participants, including the CEO and the Executive Committee, receive payments that reflect annual achievements. ESG targets (water and energy efficiency) and health and safety were embedded as part of this STI scheme.*

### (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

*To strengthen our water conservation strategy as well as mitigation and business resilience efforts, we included targets on water efficiency.*

## Climate change

### (4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Chief Financial Officer (CFO)

### (4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary

### (4.5.1.3) Performance metrics

Targets

- Organization performance against an environmental sustainability index

Strategy and financial planning

- Board approval of climate transition plan
- Shareholder approval of climate transition plan
- Achievement of climate transition plan

Policies and commitments

- Increased supplier compliance with environmental requirements

Engagement

- Increased engagement with suppliers on environmental issues
- Increased value chain visibility (traceability, mapping)
- Implementation of employee awareness campaign or training program on environmental issues

### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

### (4.5.1.5) Further details of incentives

*The Remuneration Committee launched the group's new Short-Term Incentive (STI -Group Incentive Scheme), effective from 1 January 2022, in line with the agreed implementation date and rules. The STI campaign is driven annually, against the backdrop of the people strategy and alignment of behaviours with business objectives, stakeholder interests and a culture of powering possibility. The GIS rewards the achievement of annual goals, which are aligned to the medium and longer-term business strategy. All participants, including the CEO and the Executive Committee, receive payments that reflect annual achievements. ESG targets*

(water and energy efficiency) and health and safety were embedded as part of this STI scheme. Exxaro also has a Long-Term Incentive (LTI) Scheme that rewards individual performance, aimed at over and above normal job performance objectives, mostly achieving tactical or strategic objectives such as climate mitigation, adaptation, and business resilience.

#### **(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan**

To further strengthen our GHG mitigation and business resilience efforts, we have continued to integrate targets for water security, water efficiency, and energy efficiency into our group-wide GIS in 2023. These energy efficiency targets specifically address diesel and electricity consumption, which remain critical areas for reducing our carbon footprint. Diesel accounts for over 95% of our Scope 1 GHG emissions, while coal-based electricity contributes 100% to our Scope 2 emissions. The ongoing implementation of these KPIs is a key component of our Climate Change Response Strategy, reflecting our strategic objective to achieve carbon neutrality by 2050 and our commitment to aligning with the TCFD recommendations.

### **Climate change**

#### **(4.5.1.1) Position entitled to monetary incentive**

Facility/Unit/Site management

Business unit manager

#### **(4.5.1.2) Incentives**

Select all that apply

Bonus - % of salary

#### **(4.5.1.3) Performance metrics**

Targets

Progress towards environmental targets

Achievement of environmental targets

Emission reduction

Implementation of an emissions reduction initiative

Reduction in emissions intensity

- Reduction in absolute emissions

#### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

#### (4.5.1.5) Further details of incentives

*The Remuneration Committee launched the group's new Short-Term Incentive (STI -Group Incentive Scheme), effective from 1 January 2022, in line with the agreed implementation date and rules. The STI campaign is driven annually, against the backdrop of the people strategy and alignment of behaviours with business objectives, stakeholder interests and a culture of powering possibility. The GIS rewards the achievement of annual goals, which are aligned to the medium and longer-term business strategy. All participants, including the CEO and the Executive Committee, receive payments that reflect annual achievements. ESG targets (water and energy efficiency) and health and safety were embedded as part of this STI scheme. Exxaro also has a Long-Term Incentive (LTI) Scheme that rewards individual performance, aimed at over and above normal job performance objectives, mostly achieving tactical or strategic objectives such as climate mitigation, adaptation, and business resilience*

#### (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

*To further strengthen our GHG mitigation and business resilience efforts, we have continued to integrate targets for water security, water efficiency, and energy efficiency into our group-wide GIS in 2024. These energy efficiency targets specifically address diesel and electricity consumption, which remain critical areas for reducing our carbon footprint. Diesel accounts for over 95% of our Scope 1 GHG emissions, while coal-based electricity contributes 100% to our Scope 2 emissions. The ongoing implementation of these KPIs is a key component of our Climate Change Response Strategy, reflecting our strategic objective to achieve carbon neutrality by 2050 and our commitment to aligning with the TCFD recommendations.*

### Climate change

#### (4.5.1.1) Position entitled to monetary incentive

Senior-mid management

- Environment/Sustainability manager

#### (4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary

### (4.5.1.3) Performance metrics

Targets

- Progress towards environmental targets
- Achievement of environmental targets

Emission reduction

- Implementation of an emissions reduction initiative
- Reduction in emissions intensity
- Reduction in absolute emissions

### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

### (4.5.1.5) Further details of incentives

*The Remuneration Committee launched the group's new STI scheme (Group Incentive Scheme), effective from 1 January 2022, in line with the agreed implementation date and rules. The STI campaign is driven annually, against the backdrop of the people strategy and alignment of behaviours with business objectives, stakeholder interests and a culture of powering possibility. The GIS rewards the achievement of annual goals, which are aligned to the medium and longer-term business strategy. All participants, including the CEO and the Executive Committee, receive payments that reflect annual achievements. ESG targets (water and energy efficiency) and health and safety were embedded as part of this STI scheme. Exxaro also has a Long-Term Incentive (LTI) Scheme that rewards individual performance, aimed at over and above normal job performance objectives, mostly achieving tactical or strategic objectives such as climate mitigation, adaptation, and business resilience.*

### (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

*To further strengthen our GHG mitigation and business resilience efforts, we have continued to integrate targets for water security, water efficiency, and energy efficiency into our group-wide GIS in 2024. These energy efficiency targets specifically address diesel and electricity consumption, which remain critical areas for*

reducing our carbon footprint. Diesel accounts for over 95% of our Scope 1 GHG emissions, while coal-based electricity contributes 100% to our Scope 2 emissions. The ongoing implementation of these KPIs is a key component of our Climate Change Response Strategy, reflecting our strategic objective to achieve carbon neutrality by 2050 and our commitment to aligning with the TCFD recommendations

## Water

### (4.5.1.1) Position entitled to monetary incentive

Board or executive level

Corporate executive team

### (4.5.1.2) Incentives

Select all that apply

Bonus - % of salary

### (4.5.1.3) Performance metrics

Targets

Achievement of environmental targets

### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

### (4.5.1.5) Further details of incentives

*The Remuneration Committee launched the group's new Short-Term Incentive (STI -Group Incentive Scheme), effective from 1 January 2022, in line with the agreed implementation date and rules. The STI campaign is driven annually, against the backdrop of the people strategy and alignment of behaviours with business objectives, stakeholder interests and a culture of powering possibility. The GIS rewards the achievement of annual goals, which are aligned to the medium and longer-term business strategy. All participants, including the CEO and the Executive Committee, receive payments that reflect annual achievements. ESG targets (water and energy efficiency) and health and safety were embedded as part of this STI scheme.*

## (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

*To strengthen our water conservation strategy as well as mitigation and business resilience efforts, we included targets on water efficiency.*

### Water

#### (4.5.1.1) Position entitled to monetary incentive

Facility/Unit/Site management

- Business unit manager

#### (4.5.1.2) Incentives

*Select all that apply*

- Bonus - % of salary

#### (4.5.1.3) Performance metrics

Targets

- Achievement of environmental targets
- Organization performance against an environmental sustainability index

Resource use and efficiency

- Improvements in water efficiency – direct operations

#### (4.5.1.4) Incentive plan the incentives are linked to

*Select from:*

- Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

#### (4.5.1.5) Further details of incentives

The Remuneration Committee launched the group's new Short-Term Incentive (STI -Group Incentive Scheme), effective from 1 January 2022, in line with the agreed implementation date and rules. The STI campaign is driven annually, against the backdrop of the people strategy and alignment of behaviours with business objectives, stakeholder interests and a culture of powering possibility. The GIS rewards the achievement of annual goals, which are aligned to the medium and longer-term business strategy. All participants, including the CEO and the Executive Committee, receive payments that reflect annual achievements. ESG targets (water and energy efficiency) and health and safety were embedded as part of this STI scheme.

#### **(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan**

Site operational control of water recycling efforts, wastages, leak repairs, behavioral attitude and oversight.

### **Water**

#### **(4.5.1.1) Position entitled to monetary incentive**

Senior-mid management

- Environment/Sustainability manager

#### **(4.5.1.2) Incentives**

Select all that apply

- Bonus - % of salary

#### **(4.5.1.3) Performance metrics**

Targets

- Achievement of environmental targets

Resource use and efficiency

- Improvements in water efficiency – direct operations
- Improvements in water accounting, reporting, and third-party verification

Pollution

- Reduction of water pollution incidents

- Increase in discharge treatment compliance and meeting regulatory requirements – direct operations

**(4.5.1.4) Incentive plan the incentives are linked to**

Select from:

- Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

**(4.5.1.5) Further details of incentives**

*The Remuneration Committee launched the group’s new Short-Term Incentive (STI -Group Incentive Scheme), effective from 1 January 2022, in line with the agreed implementation date and rules. The STI campaign is driven annually, against the backdrop of the people strategy and alignment of behaviours with business objectives, stakeholder interests and a culture of powering possibility. The GIS rewards the achievement of annual goals, which are aligned to the medium and longer-term business strategy. All participants, including the CEO and the Executive Committee, receive payments that reflect annual achievements. ESG targets (water and energy efficiency) and health and safety were embedded as part of this STI scheme.*

**(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan**

*Sustainability manager and his team is responsible to monitor and report on water consumption, re-use and pollution incidents. Action plan and progress meetings on target performance, site issues, remediation efforts, storm water control and water balance updates.*

[Add row]

**(4.6) Does your organization have an environmental policy that addresses environmental issues?**

	Does your organization have any environmental policies?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

## (4.6.1) Provide details of your environmental policies.

### Row 1

#### (4.6.1.1) Environmental issues covered

Select all that apply

- Climate change
- Water
- Biodiversity

#### (4.6.1.2) Level of coverage

Select from:

- Organization-wide

#### (4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain
- Downstream value chain

#### (4.6.1.4) Explain the coverage

*Exxaro's ESG policy is a comprehensive framework that guides the company's approach to sustainability, ethical practices, and responsible governance. It focuses on environmental stewardship by setting targets for GHG emission reduction, resource efficiency, and biodiversity promotion. Social responsibility is emphasized through commitments to human rights, labor practices, health and safety, and community development. The policy ensures transparency, accountability, and ethical conduct in governance, with oversight from the Board and relevant committees. Integrated into Exxaro's business strategy, the ESG policy informs decision-making and aligns with global standards like the TCFD and SDGs. It highlights the importance of stakeholder engagement and commits to transparent reporting and continuous improvement, ensuring the company's operations contribute positively to the environment, society, and long-term value creation.*

#### (4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to implementation of nature-based solutions that support landscape restoration and long-term protection of natural ecosystems

Climate-specific commitments

- Commitment to net-zero emissions

**(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals**

Select all that apply

- Yes, in line with the Paris Agreement

**(4.6.1.7) Public availability**

Select from:

- Publicly available

**(4.6.1.8) Attach the policy**

*exx\_2024-esg-report.pdf*

[Add row]

**(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?**

**(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?**

Select from:

- Yes

**(4.10.2) Collaborative framework or initiative**

Select all that apply

- UN Global Compact
- Industry Task Team on Climate Change
- World Business Council for Sustainable Development (WBCSD)
- Towards Sustainable Mining – TSM (Mining Association of Canada)

- International Council on Mining and Metals (ICMM)
- Global Reporting Initiative (GRI) Community Member
- Task Force on Climate-related Financial Disclosures (TCFD)

Other, please specify :**Energy Transitions Commission (ETC)**

### **(4.10.3) Describe your organization's role within each framework or initiative**

*Exxaro is a member or signatory to several environmental collaborative frameworks and initiatives. These include: Task Force on Climate-related Financial Disclosures (TCFD): Exxaro follows the TCFD framework to enhance its climate-related financial disclosures, ensuring transparency in how climate risks and opportunities are managed. United Nations Global Compact (UNGC): As a signatory, Exxaro commits to aligning its strategies and operations with ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption. This emphasizes the company's dedication to responsible business practices and sustainability. International Council on Mining and Metals (ICMM): Exxaro is a member of this council, which focuses on promoting sustainable development in the mining industry. The company adheres to ICMM's principles, including environmental stewardship and responsible resource extraction. World Business Council for Sustainable Development (WBCSD): Exxaro participates in this global platform for businesses committed to sustainability. This enables the company to collaborate with other corporations to accelerate the transition to a sustainable world. Carbon Disclosure Project (CDP): Exxaro submits data to the CDP, focusing on climate change, water security, and responsible environmental management. This demonstrates transparency in reporting and managing environmental impacts. Energy Transitions Commission (ETC): Exxaro is involved in global dialogues through the ETC, which helps to shape energy transition policies and strategies aligned with a low-carbon future. Industry Task Team on Climate Change: Exxaro is a member of ITTCC and is involved in the discussions on global climate change.*

[Fixed row]

### **(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?**

#### **(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment**

Select all that apply

- Yes, we engaged directly with policy makers

#### **(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals**

Select from:

- No, and we do not plan to have one in the next two years

#### (4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

No

#### (4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

*Exxaro actively engage government on public policy and regulations through the stakeholder engagement forums. The purpose of these forums are to influence policy development and to give strategic direction. Government strongly advocates public engagement through all sectors of society. Furthermore, Exxaro is part of the Catchment Management Forum that brings public and private entities to the same table to discuss upcoming policies and fit for use. Exxaro also funds University research groups that could ultimately influence public policy. Exxaro's internal policies are also frequently aligned to public policy*  
[Fixed row]

#### (4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

##### Row 1

#### (4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

*Department of Water and Sanitation (DWS) Water Quality Management Standard DWS 3rd Strategy DWS Regulation 704 DWS Water Intensity guidelines DWS Waste Discharge Charge system Minerals Council of South Africa Engagements*

#### (4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

Water

#### (4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Low-impact production and innovation

Low environmental impact innovation and R&D

Recycling and recyclability

- Water use and efficiency

#### **(4.11.1.4) Geographic coverage of policy, law, or regulation**

*Select from:*

- National

#### **(4.11.1.5) Country/area/region the policy, law, or regulation applies to**

*Select all that apply*

- South Africa

#### **(4.11.1.6) Your organization's position on the policy, law, or regulation**

*Select from:*

- Support with minor exceptions

#### **(4.11.1.7) Details of any exceptions and your organization's proposed alternative approach to the policy, law, or regulation**

*Specific wording and transparency in invoicing*

#### **(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation**

*Select all that apply*

- Ad-hoc meetings
- Discussion in public forums
- Participation in working groups organized by policy makers
- Responding to consultations
- Submitting written proposals/inquiries

#### **(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)**

#### (4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

*The policies are relevant to how we conduct water management and allows the company to adopt early changes or direct the solution towards best practices. It also allows for informed decision making and site-specific issues to be tabled in discussions around a sustainable future.*

#### (4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

#### (4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

Sustainable Development Goal 6 on Clean Water and Sanitation

## Row 2

#### (4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

*Department of Forestry, Fisheries and the Environment (DFFE) and National Treasury on climate legislation, such as the Carbon Tax and Draft Carbon Budget Regulations*

#### (4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

Climate change

#### (4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Financial mechanisms (e.g., taxes, subsidies, etc.)

- Carbon taxes

#### **(4.11.1.4) Geographic coverage of policy, law, or regulation**

*Select from:*

- National

#### **(4.11.1.5) Country/area/region the policy, law, or regulation applies to**

*Select all that apply*

- South Africa

#### **(4.11.1.6) Your organization's position on the policy, law, or regulation**

*Select from:*

- Support with minor exceptions

#### **(4.11.1.7) Details of any exceptions and your organization's proposed alternative approach to the policy, law, or regulation**

*Specific wording in regulations*

#### **(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation**

*Select all that apply*

- Regular meetings
- Ad-hoc meetings
- Participation in working groups organized by policy makers
- Participation in voluntary government programs
- Submitting written proposals/inquiries

#### **(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)**

#### **(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement**

*The policies are relevant to how we manage climate change and allows the company to adopt early changes or direct the solution towards best practices. It also allows for informed decision-making and site-specific issues to be tabled in discussions around a sustainable future.*

#### **(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals**

Select from:

Yes, we have evaluated, and it is aligned

#### **(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation**

Select all that apply

Paris Agreement

[Add row]

#### **(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?**

Select from:

Yes

**(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.**

**Row 1**

##### **(4.12.1.1) Publication**

Select from:

- In mainstream reports, in line with environmental disclosure standards or frameworks

#### (4.12.1.2) Standard or framework the report is in line with

Select all that apply

- GRI
- TCFD

#### (4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change
- Water

#### (4.12.1.4) Status of the publication

Select from:

- Complete

#### (4.12.1.5) Content elements

Select all that apply

- Governance
- Risks & Opportunities
- Strategy
- Emissions figures
- Water accounting figures

#### (4.12.1.6) Page/section reference

Exxaro ESG report- page 14-15

#### (4.12.1.7) Attach the relevant publication

#### (4.12.1.8) Comment

*FTSE Russel score 4/5; Sustainalytics 37.2; S&P Global 50/100; ISS C- ranking; Transition pathway initiative 4/4; MSCI A rating*  
*[Add row]*

## C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

### Climate change

#### (5.1.1) Use of scenario analysis

Select from:

Yes

#### (5.1.2) Frequency of analysis

Select from:

Annually

### Water

#### (5.1.1) Use of scenario analysis

Select from:

Yes

#### (5.1.2) Frequency of analysis

Select from:

Annually

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

### Climate change

### (5.1.1.1) Scenario used

Climate transition scenarios

- IEA SDS

### (5.1.1.3) Approach to scenario

Select from:

- Quantitative

### (5.1.1.4) Scenario coverage

Select from:

- Organization-wide

### (5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Market
- Reputation
- Technology
- Liability

### (5.1.1.6) Temperature alignment of scenario

Select from:

- 1.6°C - 1.9°C

### (5.1.1.7) Reference year

2019

### (5.1.1.8) Timeframes covered

Select all that apply

- 2025
- 2030
- 2040
- 2050

### (5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Climate change (one of five drivers of nature change)

### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*In response to the critical need to mitigate climate change and ensure business resilience, Exxaro developed quantitative climate scenarios using data from sources like the International Energy Agency (IEA). These scenarios assess potential implications for coal operations, focusing on physical risks and necessary responses aligned with domestic and global energy and climate policies. The scenarios are based on key assumptions, including the accuracy of IEA projections, the significant impact of climate change on coal operations, and ongoing stakeholder pressure to reduce carbon emissions and phase out coal. However, uncertainties in future coal demand, policy changes, and physical climate risks introduce complexities in predicting outcomes. The scenarios also face constraints such as coal quality and yield, which limit sustainable production, the risk of stranded high-quality coal reserves, and the need to balance shareholder value with broader environmental responsibilities. A critical element of Exxaro's medium-term coal strategy was assessing coal quality and yield to determine sustainable production volumes and the life of mine (LoM) under different climate scenarios. This assessment formed the basis of the Early Value Strategy shared with stakeholders in 2019, aiming to maximize the coal business's value while minimizing the risk of stranded assets. As a result, the Board, following broader stakeholder consultation, decided in 2019 to divest from some coal operations and reassess climate-change risks and opportunities in line with the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures.*

### (5.1.1.11) Rationale for choice of scenario

*Exxaro's selection of climate scenarios is driven by the need to align with global and domestic climate policies, such as the Paris Agreement's goal of limiting temperature rise to well below 2°C by 2050. The scenarios also aim to evaluate the operational resilience of coal operations under varying conditions, ensuring business continuity. Additionally, they provide strategic flexibility, allowing Exxaro to adapt to the changing energy landscape and capitalize on emerging opportunities, such as renewable energy, while managing its existing coal assets responsibly.*

## Water

### (5.1.1.1) Scenario used

Water scenarios

- WRI Aqueduct

### (5.1.1.3) Approach to scenario

Select from:

- Qualitative and quantitative

### (5.1.1.4) Scenario coverage

Select from:

- Organization-wide

### (5.1.1.5) Risk types considered in scenario

Select all that apply

- Acute physical

### (5.1.1.7) Reference year

2022

### (5.1.1.8) Timeframes covered

Select all that apply

- 2025
- 2030

### (5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Changes to the state of nature

- Speed of change (to state of nature and/or ecosystem services)
- Climate change (one of five drivers of nature change)

#### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*In response to the critical need to mitigate climate change and ensure resilience in the face of the real impacts on our business, we have developed quantitative climate scenarios to assess the potential implications for our coal operations as well as the required response by each operation, considering domestic and global energy and climate response policies, global sentiment towards coal and the potential impact on our coal markets.*

#### (5.1.1.11) Rationale for choice of scenario

*The RCP4.5 is a middle of road scenario that assumes by 2100 we will be carbon neutral. This will allow the company to have a balanced approach in mitigating the impacts over the short to medium term.*

### Climate change

#### (5.1.1.1) Scenario used

Physical climate scenarios

- RCP 8.5

#### (5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

- No SSP used

#### (5.1.1.3) Approach to scenario

Select from:

- Qualitative and quantitative

#### (5.1.1.4) Scenario coverage

Select from:

- Organization-wide

#### (5.1.1.5) Risk types considered in scenario

Select all that apply

- Acute physical
- Chronic physical

#### (5.1.1.6) Temperature alignment of scenario

Select from:

- 1.6°C - 1.9°C

#### (5.1.1.7) Reference year

2019

#### (5.1.1.8) Timeframes covered

Select all that apply

- 2025
- 2030
- 2040
- 2050

#### (5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Climate change (one of five drivers of nature change)

#### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

As part of our Task Force on Climate-related Financial Disclosures (TCFD) analysis, we engaged the University of the Witwatersrand's Global Change Institute to perform a downscaled Global Climate Change model for our operational locations, based on the Coupled Model Inter-comparison Project Phase Five (CMIP5) and the Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC) projections for the period 1960 to 2099, using the Coordinated Downscaling Experiment (CORDEX)-recommended regional climate model under the Representative Concentration Pathway 8.5 (RCP8.5) scenario. This model assumes that RCP8.5 accurately reflects future emissions relevant to our operations, that the Conformal-Cubic Atmospheric Model (CCAM) captures regional climate dynamics effectively, and that bias-correction mitigates systematic errors. However, uncertainties exist regarding the long-term accuracy of RCP8.5, the model's simulation of complex climate dynamics, and potential shifts in global climate policies. The model also faces constraints related to its reliance on historical data and the computational demands of high-resolution simulations.

#### **(5.1.1.11) Rationale for choice of scenario**

The RCP8.5 scenario was selected because it represents a low mitigation, high-emission future, which is critical for assessing the worst-case climate impacts on our operations. This scenario allows us to understand the potential risks associated with extreme climate change, enabling us to develop robust strategies for resilience and adaptation. The use of the conformal-cubic atmospheric model (CCAM) for downscaling provides a more accurate representation of regional climate dynamics, particularly in complex topographies like those around our operational sites. By using an 8 km resolution, the model improves the simulation of convective rainfall and topographic effects, which are crucial for understanding localized climate impacts. This choice of scenario and modeling approach ensures that we are better prepared for the potential severe impacts of climate change, aligning our risk management and operational strategies with the most challenging future climate conditions.

[Add row]

### **(5.1.2) Provide details of the outcomes of your organization's scenario analysis.**

#### **Climate change**

##### **(5.1.2.1) Business processes influenced by your analysis of the reported scenarios**

Select all that apply

- Risk and opportunities identification, assessment and management
- Strategy and financial planning
- Resilience of business model and strategy

##### **(5.1.2.2) Coverage of analysis**

Select from:

- Organization-wide

### (5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

*This quantitative scenario analysis process culminated in the review of the group's strategy, which has been further developed in 2023, considering the latest climate science and the Paris Agreement. The scenario analysis continues to influence how Exxaro mines coal and forms the foundation of our Early Value Strategy, which aims to maximize the value of our coal business while mitigating the risks of stranded high-quality coal reserves in the context of energy security in South Africa and the ongoing low-carbon transition. The scenario analysis has also led to the integration of key strategic elements such as climate adaptation and mitigation. We have set targets to reduce our Scope 1 (direct) and Scope 2 (indirect) emissions by exploring and implementing low-carbon technologies and self-generation of electricity through renewable energy projects. For Scope 3 emissions, we continue to collaborate with our customers and value chain partners to drive the implementation of GHG reduction initiatives. As a result of climate scenario analysis, the Board, after a broader stakeholder consultation process in 2019, decided to divest from certain coal operations. On 20 February 2020, Exxaro announced its intention to divest its entire interest in Exxaro Coal Central (ECC), which included four operations, as these would not meet our resilience requirements in future climate scenarios and the transition to a low/zero carbon environment. This divestment was critical for Exxaro's objective of supporting the low-carbon transition and maintaining a robust, diversified portfolio. The divestment from ECC operations resulted in a 24% reduction in our Scope 1 and 2 emissions and a 4% reduction in Scope 3 emissions, based on our 2022 emissions data. The Leeuwpans divestment process was initiated as part of our ongoing portfolio optimization strategy to ensure the resilience of our coal business. However, due to stalled progress, the divestment process was halted in the third quarter of 2022 to maintain stability at the mine. Exxaro continues to review its coal assets and projects in alignment with its strategic goals. We also emphasize the importance of capital investment to reduce the GHG footprint at our coal assets through renewable energy self-generation and energy efficiency projects. On 4 June 2019, the Board passed a unanimous resolution to reassess the group's climate-change risks and opportunities in line with the recommendations of the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures. The financial implications of climate risks and opportunities are being comprehensively quantified to guide further decision-making, moving the business towards greater sustainability.*

## Water

### (5.1.2.1) Business processes influenced by your analysis of the reported scenarios

*Select all that apply*

- Risk and opportunities identification, assessment and management
- Strategy and financial planning
- Resilience of business model and strategy

### (5.1.2.2) Coverage of analysis

*Select from:*

- Organization-wide

### (5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

*The business strategy needs to be aligned to the expected changes in the natural systems. Exxaro has already adopted a Sustainable Growth and Impact strategy in 2021. The aligned strategy focus on the following key areas: • Transition at speed and scale • Empower people to create impact • Make our minerals and energy businesses thrive • Become a catalyst for economic growth and environmental stewardship • Be carbon neutral by 2050*  
[Fixed row]

## **(5.2) Does your organization's strategy include a climate transition plan?**

### **(5.2.1) Transition plan**

Select from:

No, but we are developing a climate transition plan within the next two years

### **(5.2.15) Primary reason for not having a climate transition plan that aligns with a 1.5°C world**

Select from:

Other, please specify :The Transition Action Plan development is in progress

### **(5.2.16) Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world**

*The development of our transition plan is ongoing, and we expect to complete it within the next year. This plan will detail how we will deliver on our Sustainable Growth and Impact Strategy, aiming to achieve carbon neutrality by 2050. The plan will incorporate climate science and align with the Paris Agreement, focusing on our role in providing low-carbon transition minerals and renewable energy. It will also address our contribution to the Just Transition, challenges associated with our climate action journey, and targets for capital allocation. In 2023, Exxaro has made significant progress, including advancing our decarbonisation roadmap, initiating the 68MW solar self-generation project at Grootegeluk, and intensifying energy efficiency measures across our operations. We are committed to integrating climate-related data into our decision-making processes and continue to collaborate with stakeholders to address Scope 3 emissions through innovative partnerships and strategic investments.*

[Fixed row]

## **(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?**

### **(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning**

Select from:

- Yes, both strategy and financial planning

### (5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

- Products and services
- Upstream/downstream value chain
- Investment in R&D
- Operations

[Fixed row]

### (5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

#### Products and services

#### (5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

#### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change
- Water

#### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Climate change risks and opportunities continue to influence our strategy, particularly regarding investment in renewable energy and minerals that support a low-carbon economy. In alignment with this strategy, Exxaro's Board previously approved the acquisition of Khopoli Investments Limited (a subsidiary of Tata Power)'s 50% shareholding in Cennergi Proprietary Ltd for ZAR1.55 billion, leading to 100% ownership of Cennergi, effective in April 2020. This acquisition has been instrumental in advancing our renewable energy ambitions. Key actions include: Diversifying into resilient future-facing minerals and renewable energy to enhance

business resilience and create positive social impact, as endorsed by the Board. Expanding our renewable energy business to 1.6GW (net) by 2030, which remains a critical target. Progressing the National Energy Regulator of South Africa-registered 68MW Lephalale solar project, with the first phase designed to meet Grootegeluk coal mine's demand profile, aiming to reduce up to 27% of the mine's Scope 2 emissions and significantly save electricity costs. The project reached financial close in June 2023, with commercial operation expected in early 2025. Reaffirming Exxaro's strategic objective to become carbon neutral by 2050, with ongoing Scope 1 and 2 emission reduction initiatives. We are also exploring additional opportunities to further drive decarbonisation, measured by the total amount of carbon abated. Strengthening our GHG mitigation and business resilience efforts by integrating water security, energy, and water efficiency targets into the Group Incentive Scheme (GIS) since 2022. Developing and intensifying our decarbonisation plan, with a focus on achieving our 2026 target of reducing Scope 1 and 2 emissions by 40%. Prioritizing employees and communities in our decarbonisation journey, ensuring their inclusion in the transition process. Continuously monitoring developments in climate technology and analytics to enhance our mitigation and adaptation strategies. Significantly reducing our coal mining business units by half over the past decade through a responsible divestment strategy, including the 2021 divestment from Exxaro Coal Central (ECC) in line with our Sustainable Growth and Impact Strategy. Investing approximately ZAR75 million in micro-grid projects and ZAR10 million in renewable energy battery storage research to support our sustainability goals.

## Upstream/downstream value chain

### (5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change
- Water

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Climate change risks and opportunities have influenced the development of our Supply Chain Sustainability Policy. The policy was implemented in 2019 for the procurement/sourcing of goods and services that have a lesser or reduced negative effect on health and the environment. The policy principles are applicable to energy and water-efficient products to mitigate the impacts of climate change. In addition, we launched our Supplier Excellence Awards in 2019 to acknowledge suppliers who demonstrate commitment in this regard. Exxaro is cognisant of the fact that in addition to the direct physical risks to mining, a changing climate can impact the associated supply chain aspects which are critical in the value chain. The reliability of transport routes and infrastructure is highly vulnerable to climate change impacts that have consequences for supply chains and logistics. Exxaro is dependent on transportation services for the movement of our product to market. The railway system is vulnerable to high temperatures which can result in rail buckling and therefore derailment. Damage to road and rail bridges is also a potential

impact during intense precipitation events. We, therefore, are currently engaging and collaborating with our value chain partners on the opportunities in the short-term, mitigation and adaptation to climate risks for both upstream and downstream supply chain products such as LPG, diesel, limestone and explosives.

## Investment in R&D

### (5.3.1.1) Effect type

Select all that apply

Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

Climate change

Water

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Investment in research and development is critical for developing knowledge and strategies. Exxaro believes that long-term business-led research which includes research institutions such as universities and research councils will result in fundamental discoveries and innovations in the climate change and sustainability areas. In 2022, we intensified our focus on environmental areas that impact our journey to environmental stewardship and goal to be carbon neutral by 2050. We also intensified efforts to decarbonise our operations through implementing energy efficiency projects, implementing energy and water performance metrics across all functional areas and ensuring we close the loop on resource use. Through our university chairs, we promoted research and activities that advance sustainable utilisation of resources, the mitigation and adaptation of climate change effects, and other pertinent environmental issues. To further improve our performance and sustainability, we are looking into strategic partnerships, applying green technologies and sound environmental management tools. To date, Exxaro has invested over ZAR63 million in three university chairs whose work contributed substantially to our Climate Change Response strategy, enhancing knowledge around climate change and business, sustainability, energy and water efficiency. Exxaro sponsors three university chairs, which are; • Exxaro Chair in Global Change and Sustainability- University of the Witwatersrand (Wits)-assists Exxaro with research and development (R&D) in sustainability and alignment with global change adaptation and mitigation trends. Outputs from the university include dynamic predictive climate change decision models. • Exxaro Chair in Business and Climate Change at the University of South Africa - responsible for climate governance and negotiations, mitigation and adaptation. • Exxaro Chair in Energy Efficiency at the University of Pretoria -responsible for energy efficiency and assisting Exxaro implement energy efficiency projects in its various operations. Exxaro also sponsors various R&D initiatives through Coaltech, an organisation with the purpose of ensuring that the SA coal industry is sustainable and safe.

## Operations

### (5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change
- Water

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*We have rolled out integrated operation centres at all our business units, in terms of our digitalisation plan with partners like Tech Mahindra, Huawei, and Microsoft, increased visualization of the mining value chain will highlight embedded inefficiencies, including energy and water inefficiencies, that will be addressed through in-time decision making to increase energy efficiency, reduce carbon emissions, increase process efficiency, improve safety, productivity and cost performance. At an enterprise level, we are on schedule to implement our integrated management platform allowing us to access strategic insights across our operations, and enabling future-looking value-add conversations. Our award-winning Digital@Exxaro programme continues to evolve to include Machine Learning and IoT. However, we anticipate significant improvements over the next three years in unit cost and volume metrics. To date an amount of over ZAR1 billion has been allocated to enhance innovation excellence and operational efficiency. This operational efficiency will include further energy efficiency, reduction of carbon emissions, tracking of energy and carbon intensities across the organisation to ensure compliance to organisational metrics and targets, monitoring and verification of emissions and other operational factors. Exxaro will also decrease operating costs by improving efficiency across the production and distribution processes, buildings, machinery, equipment and transport/mobility, in relation to energy efficiency but also including broader materials, water and waste management. In order to achieve our climate change strategy targets, we aim to do the following; • Grow our minerals and renewable energy businesses; • Raise awareness on climate change impacts; • Invest in appropriate technology to reduce our own emissions, and this includes self-generation of renewable energy in our operations; • Embed climate change mitigation in design criteria for existing and new projects; • Engage government and other role players in industry to align on the transition to a low-carbon future; • Engage with regulators to anticipate policy changes; • Continue to link performance reward system (GIS) to emissions reduction and energy efficiency further; • Plan and embark on our Coal Early Value Strategy to reduce stranded assets;*

*[Add row]*

### (5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

#### (5.3.2.1) Financial planning elements that have been affected

Select all that apply

- Revenues
- Direct costs
- Indirect costs
- Access to capital
- Capital allocation

- Capital expenditures
- Acquisitions and divestments

### (5.3.2.2) Effect type

Select all that apply

- Risks
- Opportunities

### (5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- Climate change
- Water

### (5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

*Exxaro continues to focus on prudent financial planning/ allocation to ensure our low carbon transition and resilience. Exxaro remains committed to prudent financial planning to support our low-carbon transition. While no renewable energy investments were made in the year under review, progress was made on the Lephalale solar project. Exxaro reached financial close for the Lephalale Solar Project (LSP) in June 2023, construction has also begun. The 68MW project is estimated to cost between R1.52 billion and R1.58 billion. Looking ahead, Exxaro aims to expand its energy business by adding 1.6GW of net capacity by 2030, with capital deployment of approximately ZAR28 billion, one-third of which will be equity contributions and two-thirds from project financing. This could generate around R3 billion in EBITDA. Our goal is to achieve a 15% return on equity across the portfolio. Exxaro is prioritizing renewable energy opportunities in South Africa while assessing potential new markets that align with our investment criteria. We are building a strong foundation for a low-carbon future and actively refining revenue projections for Cennergi, in light of our 100% ownership. While this full ownership enhances revenue, it also brings additional financial responsibility. We are carefully managing spending and assessing risks, particularly interest rate fluctuations, on a monthly basis. We continue to benchmark our renewable energy operations against South African market standards to manage operational costs effectively. Exxaro is also exploring new revenue streams, such as carbon offset credits from land rehabilitation, forestation, and community projects. We are refining our climate change scenarios, incorporating the latest TCFD recommendations for a 2°C and 1.5°C world, and using these scenarios to quantify financial risks and opportunities. Additionally, investments in solar PV micro-grids provide offset energy for our*

mines in closure and reduce carbon tax liabilities. So far, we have invested ZAR75 million in micro-grids, ZAR10.6 million in energy storage research, and ZAR2.25 million in energy efficiency projects, with ZAR39 million allocated to broader climate-smart R&D initiatives.

[Add row]

**(5.4) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?**

	Identification of spending/revenue that is aligned with your organization’s climate transition
	Select from: <input checked="" type="checkbox"/> No, but we plan to in the next two years

[Fixed row]

**(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?**

**(5.5.1) Investment in low-carbon R&D**

Select from:

Yes

**(5.5.2) Comment**

Exxaro has invested over ZAR1 billion in micro-grid projects, large-scale wind, applied research activities at universities, proof of concepts in the digital, cloud, and IoT, and other full-scale deployments for operations in process and operational efficiency. In 2024 Exxaro did not invest in new R&D projects.

[Fixed row]

**(5.5.7) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.**

**Row 1**

**(5.5.7.1) Technology area**

Select from:

Renewable energy

**(5.5.7.2) Stage of development in the reporting year**

Select from:

Small scale commercial deployment

**(5.5.7.3) Average % of total R&D investment over the last 3 years**

20

**(5.5.7.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)**

0

**(5.5.7.5) Average % of total R&D investment planned over the next 5 years**

0

**(5.5.7.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan**

*No investments in renewable energy were made during the year under review. However, significant progress was made on the Lephalale solar project, Exxaro reached financial close for the Lephalale Solar Project (LSP) in June 2023, and construction has also begun. The project is estimated to cost between ZAR1.52 billion and ZAR1.58 billion and will develop 68MW of capacity. This project is part of Exxaro's Sustainable Growth and Impact Strategy, which prioritizes climate-smart investments in renewable energy. These initiatives are crucial for transitioning the business to a low-carbon model and decarbonizing operations through self-generation of renewable energy. In addition to the Lephalale project, Exxaro has fully acquired Cennergi, now owning 100% of its two existing renewable energy*

projects. This acquisition strengthens Exxaro's position in the renewable energy sector. Moving forward, Exxaro plans to explore opportunities for large-scale commercial deployment of renewable energy solutions, with the short-term goal of developing 1.6 GW of new renewable energy capacity. This ambitious plan reflects Exxaro's commitment to expanding its renewable energy portfolio and supporting a sustainable, low-carbon future. By focusing on these renewable energy projects, Exxaro aims to not only reduce its carbon footprint but also ensure the long-term resilience and sustainability of its operations. The Lephalale solar project, in particular, is a key component of this strategy, as it will provide a significant boost to Exxaro's renewable energy capacity while supporting the broader goal of decarbonizing the company's operations.

## Row 2

### (5.5.7.1) Technology area

Select from:

Process improvements

### (5.5.7.2) Stage of development in the reporting year

Select from:

Applied research and development

### (5.5.7.3) Average % of total R&D investment over the last 3 years

20

### (5.5.7.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

8900000

### (5.5.7.5) Average % of total R&D investment planned over the next 5 years

20

### (5.5.7.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Exxaro has invested over ZAR60million in research and development over the years to enhance the body of knowledge around climate change and business, sustainability, energy and water efficiency. In 2022, the sponsorship for all the Exxaro University Chairs totalled to ZAR8.9 million. Our University Chairs are the

following: University of Witwatersrand (Wits)- Global Change and Sustainability. The Chair undertakes research on adaptation pathways for a changing world, alignment of global climate change adaptation and mitigation with Sustainable Development Goals (SDGs), minimising the impact of extractive industries such as mining and maximising post- extractive landscapes sustainable communities. The research information is utilised by Exxaro to enhance our business sustainability and that of our communities and to contribute towards global sustainability efforts. University of South Africa (UNISA)- Business and Climate Change- The Chair is mandated by Exxaro to operate in key thematic areas: R&D and innovation as well as advocacy-oriented community engagement. The UNISA Chair also undertakes research on climate governance, SDGs domestication, climate change mitigation and adaptation and green buildings. The UNISA Chair has also published research articles on the coal mining sector's response to climate change and has developed a decision-making framework for corporate climate change response. University of Pretoria (UP)- Energy Efficiency. The UP Chair is mandated to undertake R&D and development work on energy efficiency and providing high quality services to our business on energy efficiency. To date, the Chair has developed two toolkits on motor resizing and multi-drive conveyor belt design and simulation to save energy and has published technical reports on energy efficiency. In 2019, the Chair also began research into a unified electric vehicle energy management and speed control, including hybrid energy storage, which could be a breakthrough for manufacturers.

### Row 3

#### (5.5.7.1) Technology area

Select from:

- Monitoring systems to reduce emissions

#### (5.5.7.2) Stage of development in the reporting year

Select from:

- Full/commercial-scale demonstration

#### (5.5.7.3) Average % of total R&D investment over the last 3 years

20

#### (5.5.7.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

0

#### (5.5.7.5) Average % of total R&D investment planned over the next 5 years

0

### **(5.5.7.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan**

*Our digitalisation strategy continues to evolve. Improvements are still incremental. To date an amount of ZAR900 million has been allocated to digitisation initiatives at all business units to enhance innovation, excellence and operational efficiency. This operational efficiency includes monitoring energy efficiency, reduction of carbon emissions, tracking of energy and carbon intensities across the organisation to ensure compliance to organisational metrics and targets, monitoring and verification of emissions and other operational factors. Exxaro will also decrease operating costs by improving efficiency across the production and distribution processes, buildings, machinery, equipment and transport/mobility, especially in relation to energy efficiency, but also including broader materials, water, and waste management. The Digital@Exxaro programme was launched to promote the digitalisation and innovation journey, and has shown that using digital platforms, the company operates its mining assets on the lowest quartile through improved productivity, reduced costs and improved safety performance.*

#### **Row 4**

### **(5.5.7.1) Technology area**

Select from:

Renewable energy

### **(5.5.7.2) Stage of development in the reporting year**

Select from:

Small scale commercial deployment

### **(5.5.7.3) Average % of total R&D investment over the last 3 years**

20

### **(5.5.7.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)**

0

### **(5.5.7.5) Average % of total R&D investment planned over the next 5 years**

0

### **(5.5.7.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan**

*Exxaro has invested in micro-grids through the now defunct Business of Tomorrow division. A total of ZAR75 million was spent for an initial proof of concept (POP) at our Tshikondeni site. The POC is ongoing and thus OPEX is continuously spent to maintain and operate the facility.*

*[Add row]*

### **(5.6) Break down, by fossil fuel expansion activity, your organization's CAPEX in the reporting year and CAPEX planned over the next 5 years.**

#### **Development of new coal mines**

##### **(5.6.1) CAPEX in the reporting year for this expansion activity (unit currency as selected in 1.2)**

0

##### **(5.6.2) CAPEX in the reporting year for this expansion activity as % of total CAPEX in the reporting year**

0

##### **(5.6.3) CAPEX planned over the next 5 years for this expansion activity as % of total CAPEX planned over the next 5 years**

0

##### **(5.6.4) Explain your CAPEX calculations, including any assumptions**

*The organization has reaffirmed its strategic decision not to invest further in thermal coal. Instead, Exxaro is accelerating its expansion and investment into renewable energy and low-carbon transition minerals, which are central to supporting the company's low-carbon transition. This strategy aligns with Exxaro's broader commitment to sustainable growth, focusing on energy solutions and diversifying into minerals that contribute to a low-carbon future. The company continues to prioritize the development of its renewable energy portfolio and the reduction of its carbon footprint across all operations.*

#### **Expansion of existing coal mines**

##### **(5.6.1) CAPEX in the reporting year for this expansion activity (unit currency as selected in 1.2)**

**(5.6.2) CAPEX in the reporting year for this expansion activity as % of total CAPEX in the reporting year**

5

**(5.6.3) CAPEX planned over the next 5 years for this expansion activity as % of total CAPEX planned over the next 5 years**

20

**(5.6.4) Explain your CAPEX calculations, including any assumptions**

*The capex for 2024 comprised R2 146 million, mainly for coal sustaining capital, R302 million expansion capital for our energy projects and R27 million spent on intangible assets. Sustaining capital of ZAR 2 146 million has been allocated for Matla mine to support its Life of Mine (LoM) production objective of 10 million tonnes per annum (Mtpa) once fully ramped up. The infrastructure projects at Matla have progressed significantly. The construction of the tunnel development for Matla Mine 1 has been completed. The incline conveyor is expected to be completed in the first half of 2024, followed by the overland conveyor in the first half of 2025, and the support complex and plant in the second half of 2025. The development of Mine 2 has been completed, while the development of Mine 3 is expected to conclude in the second half of 2024. The entire programme is anticipated to be completed in the first half of 2026*

*[Fixed row]***(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?****(5.9.1) Water-related CAPEX (+/- % change)**

20

**(5.9.2) Anticipated forward trend for CAPEX (+/- % change)**

15

**(5.9.3) Water-related OPEX (+/- % change)**

5

## (5.9.4) Anticipated forward trend for OPEX (+/- % change)

6

## (5.9.5) Please explain

Capital expenditure during the reporting year was increased due to a new treatment plant constructed at a closed operation. Forward looking we aim to further refurbish existing plants and potential new plants at other closed operations. Operational expenditure increased in line with inflation (4.4%). Future operational expenditure will increase by 6% in line with higher inflation rates expected in the future.

[Fixed row]

## (5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Carbon <input checked="" type="checkbox"/> Water

[Fixed row]

### (5.10.1) Provide details of your organization's internal price on carbon.

#### Row 1

##### (5.10.1.1) Type of pricing scheme

Select from:

Shadow price

##### (5.10.1.2) Objectives for implementing internal price

Select all that apply

- Drive energy efficiency
- Drive low-carbon investment
- Identify and seize low-carbon opportunities
- Navigate regulations

### (5.10.1.3) Factors considered when determining the price

Select all that apply

- Alignment with the price of a carbon tax

### (5.10.1.4) Calculation methodology and assumptions made in determining the price

*Exxaro is using an internal carbon price to understand and monetise the risk of climate change, to prepare for possible future regulations, manage climate risk and ensure business resilience. Our objective is to also integrate carbon pricing into financial decisions and encourage emission reductions. We are also building a carbon price into our business operations and investment decisions as a way of preparing for a low-carbon future and diverting investments from carbon-intensive activities to low-carbon ones. We multiply the production-related emissions by the Carbon Tax rate (ZAR190/tCO<sub>2</sub>e). The group's total carbon tax liability for 2024, including production emissions and the carbon tax fuel levy, is ZAR 17,8 million, with ZAR 3,3 million specifically related to production emissions (up from ZAR 2.8 million in 2023).*

### (5.10.1.5) Scopes covered

Select all that apply

- Scope 1
- Scope 2
- Scope 3, Category 4 - Upstream transportation and distribution
- Scope 3, Category 9 - Downstream transportation and distribution
- Scope 3, Category 11 - Use of sold products

### (5.10.1.6) Pricing approach used – spatial variance

Select from:

- Uniform

### (5.10.1.8) Pricing approach used – temporal variance

Select from:

Static

### (5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

190

### (5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

190

### (5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

Procurement

Public policy engagement

Remuneration

Risk management

Opportunity management

Value chain engagement

### (5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

No

### (5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

2

### (5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

Yes

### (5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

*Tracking National and International Policy Changes: Exxaro monitors carbon tax regulations set by the South African government, such as updates to the Carbon Tax Act and any new guidelines from the Department of Forestry, Fisheries, and the Environment (DFFE). To evaluate the impact of carbon pricing and its role in achieving Exxaro's goals, key approaches include: Carbon Intensity Metrics: Regularly tracking Scope 1, 2, and 3 emissions relative to the carbon price provides insights into the company's progress toward its 40% reduction in emissions by 2026 and carbon neutrality by 2050. Scenario Planning: By leveraging carbon pricing scenarios based on regulatory changes (e.g., R190 per tonne for emissions below the carbon budget and potential increase to R640 per tonne for emissions exceeding carbon budgets), Exxaro can perform sensitivity analysis to understand the financial implications of various pricing outcomes on long-term profitability. Investment Evaluation: The return on investment from projects like renewable energy initiatives (e.g., Lephale Solar Project) can be evaluated not only by traditional financial metrics (e.g., EBITDA) but also by considering the savings in carbon tax liabilities, which enhances the overall financial performance of the business. The carbon price serves as a key factor in both compliance and financial optimization strategies, pushing Exxaro toward sustainable business models while actively managing carbon-related risks and opportunities.*

[Add row]

### (5.10.2) Provide details of your organization's internal price on water.

#### Row 1

#### (5.10.2.1) Type of pricing scheme

Select from:

- Shadow price

#### (5.10.2.2) Objectives for implementing internal price

Select all that apply

- Drive water-related investment
- Drive water efficiency
- Incentivize consideration of water-related issues in decision making
- Incentivize consideration of water-related issues in risk assessment
- Influence strategy and/or financial planning

#### (5.10.2.3) Factors beyond current market price are considered in the price

Select from:

- Yes

#### (5.10.2.4) Factors considered when determining the price

Select all that apply

- Anticipated water tariffs
- Costs of treating water
- Existing water tariffs
- Scenario analysis

#### (5.10.2.5) Calculation methodology and assumptions made in determining the price

*The base price for the cost of water either from a municipal source, bulk water supplier or natural source (government price) was considered with market related increases. It was further adjusted with the cost of water treatment on alternative sources. Included in the treatment costs are both capex and opex costs. The price was then further escalated based on the WRI aqueduct tool for future changes to the basin.*

#### (5.10.2.6) Stages of the value chain covered

Select all that apply

- Direct operations

#### (5.10.2.7) Pricing approach used – spatial variance

Select from:

- Differentiated

#### (5.10.2.8) Indicate how and why the price is differentiated

*The price was differentiated based on the basin under review and daily requirements of the operation.*

#### (5.10.2.9) Pricing approach used – temporal variance

Select from:

- Static

**(5.10.2.11) Minimum actual price used (currency per cubic meter)**

0.08

**(5.10.2.12) Maximum actual price used (currency per cubic meter)**

36.8

**(5.10.2.13) Business decision-making processes the internal water price is applied to**

*Select all that apply*

- Capital expenditure
- Impact management
- Risk management

**(5.10.2.14) Internal price is mandatory within business decision-making processes**

*Select from:*

- Yes, for all decision-making processes

**(5.10.2.15) Pricing approach is monitored and evaluated to achieve objectives**

*Select from:*

- No

*[Add row]*

**(5.11) Do you engage with your value chain on environmental issues?**

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change
Customers	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change
Investors and shareholders	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change <input checked="" type="checkbox"/> Water
Other value chain stakeholders	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change <input checked="" type="checkbox"/> Water

[Fixed row]

**(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?**

	Assessment of supplier dependencies and/or impacts on the environment
Climate change	Select from: <input checked="" type="checkbox"/> No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years

[Fixed row]

## **(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?**

### **Climate change**

#### **(5.11.2.1) Supplier engagement prioritization on this environmental issue**

*Select from:*

- Yes, we prioritize which suppliers to engage with on this environmental issue

#### **(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue**

*Select all that apply*

- Business risk mitigation
- Material sourcing
- Procurement spend
- Regulatory compliance
- Reputation management

#### **(5.11.2.4) Please explain**

*Exxaro prioritizes supplier engagements on environmental issues as part of our climate change strategy and goal to achieve carbon neutrality by 2050. We focus on suppliers with significant contributions to our Scope 1 and 3 emissions, such as those providing diesel, explosives, and other carbon-intensive products.  
[Fixed row]*

## **(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?**

### **Climate change**

#### **(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process**

*Select from:*

- Yes, environmental requirements related to this environmental issue are included in our supplier contracts

### (5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

- Yes, we have a policy in place for addressing non-compliance

### (5.11.5.3) Comment

*Exxaro has a policy in place to address supplier non-compliance with environmental requirements. In cases of non-compliance with these environmental requirements, Exxaro typically engages with the supplier to address the issues and ensure they achieve compliance. This approach reflects Exxaro's commitment to environmental sustainability and ensures that all suppliers align with the company's low-carbon transition goals. This policy is part of Exxaro's updated Supply Chain Sustainability Policy, which was revised in 2023 to align with the company's Environmental, Social, and Governance (ESG) priorities.*

[Fixed row]

### (5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

#### Climate change

### (5.11.6.1) Environmental requirement

Select from:

- Other, please specify :Meeting minimum green procurement targets as per Supply Chain Sustainability Policy

### (5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- Other, please specify :Green procurement reporting according pre-defined metrics (Energy Efficient, Environmentally preferable, resource efficient, reverse logistics)

### (5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

- 1-25%

#### **(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement**

*Select from:*

1-25%

#### **(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement**

*Select from:*

1-25%

#### **(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement**

*Select from:*

1-25%

#### **(5.11.6.9) Response to supplier non-compliance with this environmental requirement**

*Select from:*

Retain and engage

#### **(5.11.6.10) % of non-compliant suppliers engaged**

*Select from:*

1-25%

#### **(5.11.6.11) Procedures to engage non-compliant suppliers**

*Select all that apply*

Providing information on appropriate actions that can be taken to address non-compliance

#### **(5.11.6.12) Comment**

*Exxaro retains and engages with suppliers who are not initially compliant with environmental requirements. Instead of immediately terminating relationships with non-compliant suppliers, Exxaro prefers to engage with them to address the issues and help them achieve compliance. This approach is part of Exxaro's broader commitment to sustainability and continuous improvement within its supply chain. The goal is to work collaboratively with suppliers to ensure they meet the necessary environmental standards, thereby contributing to Exxaro's overall environmental and sustainability objectives.*

*[Add row]*

## **(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.**

### **Climate change**

#### **(5.11.7.2) Action driven by supplier engagement**

*Select from:*

Emissions reduction

#### **(5.11.7.3) Type and details of engagement**

Information collection

Other information collection activity, please specify :Gather information about items classified as Energy Efficient, Environmentally Preferable, Resource Efficient, Reverse Logistics (as per Policy)

#### **(5.11.7.4) Upstream value chain coverage**

*Select all that apply*

Tier 1 suppliers

#### **(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement**

*Select from:*

1-25%

#### **(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement**

*Select from:*

1-25%

#### **(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action**

*At Exxaro, we engage with suppliers who share our commitment to climate change mitigation and adaptation, and we work with them to achieve strategic objectives, including carbon neutrality by 2050 and improved energy efficiency. One aspect of our engagement involves identifying products and services that can significantly contribute to our climate goals.*

#### **(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue**

Select from:

Yes, please specify the environmental requirement :Environmentally preferable, Energy efficient, resource efficient, reverse logistics

#### **(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action**

Select from:

Unknown

### **Water**

#### **(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue**

Select from:

No, this engagement is unrelated to meeting an environmental requirement

[Add row]

#### **(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.**

### **Climate change**

#### **(5.11.9.1) Type of stakeholder**

Select from:

Customers

### (5.11.9.2) Type and details of engagement

Education/Information sharing

Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

### (5.11.9.3) % of stakeholder type engaged

Select from:

1-25%

### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

1-25%

### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*The selected customers include downstream and upstream customers who impact our carbon footprint, business strategy, risks and opportunities, metrics and targets, carbon tax liability, our 2050 carbon neutrality objective and will be impacted by Exxaro's implementation of the TCFD recommendations. The scope of engagement with our customers included the following; • Exxaro's Sustainable Growth and Impact Strategy and Climate Change Response Strategy. A major focus area of strategic consideration in Exxaro has been action against climate change, which is driving the transition from fossil fuels to renewable energy sources that support a lower-carbon economy. We also discussed the strategy behind the divestments from some of our coal operations (ECC) and that the divestments are an indication of our measured steps toward building a renewable energy base and ensuring the resilience of our business in future, • Exxaro's implementation of the TCFD recommendations and implications for our customers. We are committed to our climate change strategy, which aligns with the Paris Agreement and incorporates recommendations of the Task Force on Climate-related Disclosures (TCFD), • Supply Chain Sustainability Policy, • Exxaro's Climate Change Position Statement and our 2050 carbon neutrality journey, • Building climate change business resilience is an opportunity for us to diversify our business portfolio into a low-carbon product mix. A sustainable low-carbon future requires us to limit coal mining and redefine our future. The diversification of our portfolio into renewable energy by acquiring 100% of Cennergi, an independent power producer, is evidence of our reviewed business strategy driven by climate change concerns and will support our carbon neutrality strategy. Our customers were also informed of our objective of continuing to invest in the development of low-carbon energy sources to ensure that the majority of the population has access to affordable, clean and reliable sources of energy; • The Just Energy Transition and our social impact strategy to effect this transition. Key tenets of this strategy are climate adaptation and collaboration for impactful investment in sustainable regional projects.*

### (5.11.9.6) Effect of engagement and measures of success

*A high level of awareness campaign included information packs to enable further understanding on our current business strategy, our value proposition, climate performance and strategy and why it is imperative for our customers to play a role in the achievement of our objectives where climate change and sustainability issues are concerned. Information from the research work undertaken by our three Universities Chairs on Energy Efficiency, Global Sustainability, Business and Climate Change, was incorporated in the information packs. Measures of success include a reduction in our carbon footprint through contributions from our customers, adoption of low carbon emissions technology in our operations and those of our customers and collaboration on climate change mitigation and adaptation projects.*

## Water

### (5.11.9.1) Type of stakeholder

Select from:

- Investors and shareholders

### (5.11.9.2) Type and details of engagement

Education/Information sharing

- Share information on environmental initiatives, progress and achievements

### (5.11.9.3) % of stakeholder type engaged

Select from:

- 1-25%

### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*Exxaro prides itself on self-regulation and environmental stewardship. Investors will invest in companies that can demonstrate a sustainable business model guided by its ambitions to minimise impacts on the environment and the degree of mitigation to ensure the environment, communities and biodiversity are protected. Engagements are typically through online meetings to discuss our approach and conservation efforts.*

### (5.11.9.6) Effect of engagement and measures of success

*The engagement is a two-way process where we enlighten the investors on our progress and achievements and the investor brings to the table his/her concerns related to policy changes, climate change and other relevant issues. Working on meaningful collaboration of issues we succeed as a collective in ensuring a sustainable business.*

## Climate change

### (5.11.9.1) Type of stakeholder

Select from:

- Other value chain stakeholder, please specify :Stakeholders

### (5.11.9.2) Type and details of engagement

Education/Information sharing

- Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

### (5.11.9.3) % of stakeholder type engaged

Select from:

- 1-25%

### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- 1-25%

### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*Our climate-related engagement strategy with other partners in the value chain is similar to that of our customers as our approach is to ensure information sharing and alignment with all our stakeholders. The details include the following; • Exxaro's Growth and Impact Strategy, Climate Change Response Strategy- A major focus area of strategic consideration has been action against climate change, which is driving the transition from fossil fuels to renewable energy sources that support a lower-carbon economy. The strategy behind our divestments from some of our coal operations (ECC operations) is an indication of our measured steps toward building a renewable energy base and ensuring the resilience of our business in future; Exxaro's implementation of the TCFD recommendations and implications for our value chain partners. We are committed to our climate change response strategy, which aligns with the Paris Agreement and incorporates the TCFD recommendations, • Supply Chain Sustainability Policy and the implications for our value chain. • Exxaro's Climate Change Position Statement and our 2050 carbon*

*neutrality journey and implications for our value chain partners. • Building climate change business resilience is an opportunity for us to diversify our business portfolio into a low-carbon product mix. A sustainable low-carbon future requires us to limit coal mining and to redefine our future. The diversification of our portfolio into renewable energy by acquiring 100% of Cennergi, an independent power producer is evidence of our reviewed business strategy driven by climate change considerations and will support our carbon neutrality strategy. Value chain partners were also informed of our objective of continuing to invest in the development of low-carbon energy sources to ensure that the majority of the population has access to affordable and reliable sources of energy. • The Just Energy Transition and our social impact strategy to effect this transition. Key tenets of this strategy are climate adaptation and collaboration for impactful investment in sustainable regional projects, • Value chain innovation and low emission technologies that would reduce carbon emissions and carbon tax liability, • Promoting collaborations within the value chain- We use the value chain approach as a starting point for the identification of collaboration 'hot spots' and opportunities to reduce carbon missions.*

#### **(5.11.9.6) Effect of engagement and measures of success**

*Exxaro's engagement with value chain partners has led to significant progress in transitioning to a low-carbon economy, as demonstrated by the strategic divestment from coal operations and the acquisition of Cennergi, a renewable energy producer. This engagement has ensured alignment with global climate goals, such as the Paris Agreement and TCFD recommendations, across the value chain. It has also promoted innovation and the adoption of low-emission technologies, reducing carbon emissions and tax liabilities. The collaboration through initiatives like the Coaltech Research Association has enabled Exxaro to accurately quantify carbon emissions, leading to better-informed investment decisions. Furthermore, the engagement has strengthened communication and collaboration on sustainability issues, identifying opportunities for joint action on carbon emissions and energy efficiency. The successful integration of social impact strategies into the Just Energy Transition highlights Exxaro's commitment to empowering communities and ensuring that the transition to renewable energy benefits all stakeholders. Overall, these efforts reflect Exxaro's strategic focus on building a sustainable, low-carbon future through innovation, collaboration, and responsible business practices.*

*[Add row]*

## C6. Environmental Performance - Consolidation Approach

**(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.**

### Climate change

#### (6.1.1) Consolidation approach used

Select from:

Operational control

#### (6.1.2) Provide the rationale for the choice of consolidation approach

*The reporting boundary for climate-related impacts on Exxaro's business is based on operational control. This means that Exxaro reports on all the activities where it has the authority to introduce and implement its operating policies. This approach aligns with the requirements for reporting under the Task Force on Climate-related Financial Disclosures (TCFD) and other global standards that Exxaro adheres to. By using operational control as the reporting boundary, Exxaro ensures that the climate-related risks, opportunities, and performance associated with its operations are accurately captured and reported, reflecting the company's direct influence over the environmental outcomes and its commitment to managing and mitigating climate risks in its controlled operations.*

### Water

#### (6.1.1) Consolidation approach used

Select from:

Operational control

#### (6.1.2) Provide the rationale for the choice of consolidation approach

*Exxaro uses an operational control approach as the reporting boundary for both climate and water-related impacts. This means that Exxaro reports on water management and impacts for all operations where it has the authority to introduce and implement its operating policies. This approach ensures that Exxaro's efforts to manage water risks, including those related to water scarcity and quality, are accurately captured and reported, reflecting the company's direct influence over environmental outcomes and its commitment to sustainability in its controlled operations.*

### Plastics

### (6.1.1) Consolidation approach used

Select from:

Operational control

### (6.1.2) Provide the rationale for the choice of consolidation approach

*This approach is used because Exxaro reports on all activities where it has the authority to introduce and implement its operating policies. This boundary is not only applied to climate-related reporting but also extends to water management, biodiversity, and waste management, among other environmental aspects.*

## Biodiversity

### (6.1.1) Consolidation approach used

Select from:

Operational control

### (6.1.2) Provide the rationale for the choice of consolidation approach

*This approach is used because Exxaro reports on all activities where it has the authority to introduce and implement its operating policies. This boundary is not only applied to climate-related reporting but also extends to water management, biodiversity, and waste management, among other environmental aspects.*

[Fixed row]

## C7. Environmental performance - Climate Change

### (7.1) Is this your first year of reporting emissions data to CDP?

Select from:

No

#### (7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

#### (7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

## **(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

Select all that apply

- Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
- 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- ISO 14064-1
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- The Greenhouse Gas Protocol: Scope 2 Guidance

## **(7.3) Describe your organization's approach to reporting Scope 2 emissions.**

### **(7.3.1) Scope 2, location-based**

Select from:

- We are reporting a Scope 2, location-based figure

### **(7.3.2) Scope 2, market-based**

Select from:

- We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

### **(7.3.3) Comment**

*To meet the GHG Protocol's strict requirements for market-based reporting, we are required to report the most precise and accurate market-based emissions factors, in accordance with a hierarchy of contractual instruments, that meet eight rigorous quality criteria. Understanding the quality criteria and how to apply them is complex and the Protocol rejects any data for market-based use that is not rigorously complete and verifiable. Acquiring supplier-specific emissions factors and verifying that they meet the quality criteria requires data from the national power utility on the sources of electricity to confirm that the emission factors they provide accurately represent all delivered power, including both self-generated and imported power, with appropriate emissions factors applied to each power source. Meeting the quality criteria also requires verification that any contractual instruments representing environmental attributes, such as renewable energy certificates (RECs) or guarantees*

of origin (GOs) are generated, tracked and retired in the same geographic market within a reasonable amount of time. This process typically requires researching the utility and their sustainability or corporate social responsibility (CSR) reports and, importantly, identifying and cultivating a contact at the utility who has a deep understanding of the emissions profile of their entire power supply. To date, we have not been able to acquire this information.

[Fixed row]

#### **(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Select from:

Yes

##### **(7.4.1) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.**

###### **Row 1**

###### **(7.4.1.1) Source of excluded emissions**

*Coal discard dumps are generally a source of emissions as a result of oxidation. For each coal type, there is a critical temperature (60C) beyond which the heating rate sharply rises and self-ignition becomes possible. Gases such as CO<sub>2</sub>, CO, and H<sub>2</sub>S could be released from coal dumps, especially in open-pit operations. Exxaro has been involved with CSIR and other research institutes like Coaltech to understand the phenomenon of low oxidation to ensure the prevention of its recurrence through improved methods of discard storage. The ultimate objective for Exxaro is the rehabilitation and management of coal discard dumps in order to achieve zero emissions emanating from them.*

###### **(7.4.1.2) Scope(s) or Scope 3 category(ies)**

Select all that apply

Scope 1

###### **(7.4.1.3) Relevance of Scope 1 emissions from this source**

Select from:

Emissions are relevant but not yet calculated

#### **(7.4.1.8) Estimated percentage of total Scope 1+2 emissions this excluded source represents**

0.2

#### **(7.4.1.10) Explain why this source is excluded**

*Accurate quantification of carbon emissions from spontaneous combustion continues to prove difficult in the absence of a recognised methodology. This is an international issue and Exxaro supports various studies and initiatives to create such a methodology. The emissions from the discard dump in Exxaro's operations have been excluded from Exxaro's gross emissions as there is no approved IPCC or local methodology for calculating emissions due to low-temperature oxidation also known as spontaneous combustion (Reference: 'Estimated, Measured, Reportable and Taxable Fugitive Greenhouse Gas Emissions from South African Coal Mines', A.P. Cook, Latona Consulting, published by SAIMM, March 2014). The ultimate objective for Exxaro in the management and rehabilitation of the discard dumps is to have zero emissions from the dumps and to that effect the company is pursuing its original journey as stated in previous CDP reports.- Exxaro's Grootegeluk Mine embarked on a backfill project with an envisaged capital cost of ZAR2 billion where all discarded material generated by the processing plants will be re-directed into the pit to reduce future emissions from discarded material. This methodology follows from research work embarked upon by Exxaro over the last 15 years to characterize the combustion of discarded material at this mine. Exxaro is also prioritising rehabilitation activities associated with coal dumps to ensure emissions reduction in our mines in closure such as Tshikondeni. To date, over ZAR45 million has been spent on the dump rehabilitation project at this operation. The dump has been shaped and covered to avoid any potential spontaneous combustion-related emissions.*

#### **(7.4.1.11) Explain how you estimated the percentage of emissions this excluded source represents**

*Emissions not calculated due to lack of methodology  
[Add row]*

### **(7.5) Provide your base year and base year emissions.**

#### **Scope 1**

##### **(7.5.1) Base year end**

12/31/2014

##### **(7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)**

229762.0

##### **(7.5.3) Methodological details**

Direct Scope 1 emissions from all our operations.

## Scope 2 (location-based)

### (7.5.1) Base year end

12/31/2014

### (7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)

557624.0

### (7.5.3) Methodological details

Emissions associated with electricity consumption from all our operations.

## Scope 3 category 1: Purchased goods and services

### (7.5.1) Base year end

12/31/2014

### (7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)

2807.0

### (7.5.3) Methodological details

The purchased tonnages of the major raw material types like explosives and limestone were obtained from the Exxaro Supply Chain Management function. A Scope 3 emission factor was obtained for lime production from the Australian National Greenhouse Accounts- National Greenhouse Accounts Factors, July 2012 (Section 3.2). Applying this factor of 0.675tCO<sub>2</sub>e/t to the limestone usage of 4159 tonnes resulted in Scope 3 emissions of 2 807tCO<sub>2</sub>e. Due to the absence of a Scope 3 emission factor for explosives, emissions from this raw material have been excluded.

## Scope 3 category 2: Capital goods

### (7.5.1) Base year end

12/31/2014

## (7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)

287341.0

## (7.5.3) Methodological details

*Capital asset acquisition ZAR3.507 billion, 20% construction at 17,681/billion rand (reference construction company Murray & Roberts CDP 2012), 80% capital equipment fabrication at 98,000t/billion rand (reference average of industrial companies CSX and Saint Gobain CDP 2012). Total Scope 3 capital goods: 287 341tCO<sub>2</sub>e.*

### Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

## (7.5.1) Base year end

12/31/2014

## (7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)

94740.0

## (7.5.3) Methodological details

*The total liters purchased for the five different fuel types used in Exxaro were obtained from Exxaro Supply Chain. Scope 3 emission factors for the different fuel types were obtained from the 2011 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting; Annex 1. The total number of 34 165tCO<sub>2</sub>e include diesel 33633tCO<sub>2</sub>e; aviation fuel 6tCO<sub>2</sub>e; LPG 6tCO<sub>2</sub>e; paraffin 0.1tCO<sub>2</sub>e; petrol 101tCO<sub>2</sub>e; Sasol gas 419 tCO<sub>2</sub>e. (b) This category also includes transmission and distribution losses (60 575tCO<sub>2</sub>e). The total Grid Emission Factor (GEF) has been split into the generation side (Scope 2 emissions, GEF: 1.08tCO<sub>2</sub>e) and the transmission and distribution side, which falls under Scope 3. A factor of 0.108tCO<sub>2</sub>e was, therefore, applied to Exxaro's electricity consumption to account for transmission and distribution losses.*

### Scope 3 category 4: Upstream transportation and distribution

## (7.5.1) Base year end

12/31/2014

## **(7.5.2) Base year emissions (metric tons CO2e)**

3171.0

## **(7.5.3) Methodological details**

*Emissions associated with the transportation (inbound logistics) of the major raw materials, namely limestone and explosives were determined. An emission factor of 0.4169kgCO2e per tonne.km for Diesel HGV Road Freight was applied to the tonnage kilometers to obtain total Scope 3 emissions. Reference source documentation: 2011 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting; Annex 7 - Freight Transport Conversion Tables; Table 7e*

## **Scope 3 category 5: Waste generated in operations**

### **(7.5.1) Base year end**

12/31/2014

## **(7.5.2) Base year emissions (metric tons CO2e)**

56.0

## **(7.5.3) Methodological details**

*The scope includes the transportation of waste from the business units (BUs) to the waste disposal sites. Actual distances were obtained for 4 BUs. For the other BUs, an average distance was assumed. The return distance was used. It was further assumed that four trips are made per month. A diesel emission factor of 2.71kg/l was used (2006 IPCC guidelines). waste truck fuel consumption of 4 km/l was assumed based on "Price Variation Clause for Civil Engineering Contract Estimation of Diesel Consumption - Lampiran (C.E.W)".*

## **Scope 3 category 6: Business travel**

### **(7.5.1) Base year end**

12/31/2014

## **(7.5.2) Base year emissions (metric tons CO2e)**

4286.0

### (7.5.3) Methodological details

*This category includes: Employee Road Travel, obtained from the SAP Payroll data for business km's claimed by employees. Air flight details obtained from Rennies Travel. Emissions calculated based on Defra guidelines. For car rentals, the same assumptions that were made for petrol and diesel consumption for employee commuting were used in the emissions calculations, along with total kilometers obtained from Rennies Travel. [Note: Reference Defra Voluntary Reporting Guidelines - 2013 Government GHG Conversion Factors for Company Reporting: Methodology Paper for Emission Factors (July 2013)].*

### Scope 3 category 7: Employee commuting

#### (7.5.1) Base year end

12/31/2014

#### (7.5.2) Base year emissions (metric tons CO2e)

22172.0

### (7.5.3) Methodological details

*For the CDP 2012 reporting year (01/01/2012- 31/12/2012) the methodology to determine employee commuting Scope 3 emissions was as follows:-*

- The method developed for CDP 2012 was used and adapted for the change in employee and contractor numbers. The method is as follows: Acquired employee numbers and addresses per BU from SAP,
- Determined major areas where employees reside (per BU),
- Distributed unspecified addresses percentage-wise to major areas of Leeuwan, Belfast, and Grootegeluk. The assumptions that were made were the following;
- Assumed 2/3 of unspecified addresses are located in Delmas and Lephale respectively,
- Assumed people in minor areas make use of cars and taxis in the following ratio: 50:50,
- Assumed people in locations and other informal settlements made use of taxis as mode of transport;
- Assumed 50% of car users are part of 'lift-clubs' (average 3 employees),
- Other modes of transport are assumed to be by private vehicle,
- Contractor's emissions –assumption made on a two day work week, and travel distances were the same distances as employees.
- Assumed taxis and cars use petrol and diesel in a 50:50 ratio. Fuel consumption was based on:
- Petrol cars 10 km/l,
- diesel cars 12 km/l,
- Petrol taxis- 8 km/l.
- Diesel taxis 10 km/l. Distance calculations based on: -
- Average distances from major residential areas to BU's,
- Averaged distance from minor residential areas to BU's

*Calculation emission factor of 2.27kgCO2/liter petrol and 2.71kg CO2/litre diesel (2006 IPCC Guidelines for National Greenhouse Gas Inventories, Vol.2).*

### Scope 3 category 8: Upstream leased assets

#### (7.5.1) Base year end

12/31/2014

#### (7.5.2) Base year emissions (metric tons CO2e)

0.0

### **(7.5.3) Methodological details**

*Emissions from upstream leased assets are considered not material*

## **Scope 3 category 9: Downstream transportation and distribution**

### **(7.5.1) Base year end**

12/31/2014

### **(7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)**

383472.0

### **(7.5.3) Methodological details**

*For outbound logistics, emissions associated with rail transportation were determined. Distances from the various operations to the main destinations (within RSA) were provided by Exxaro's logistics department and was obtained from Transnet Freight Rail's website ([www.transnetfreightrail.co.za](http://www.transnetfreightrail.co.za)). The total outbound sales tonnages being transported through each route were multiplied by the return distance to derive the tonnage kilometres per route. A direct Scope 3 emission factor of 0.03161kgCO<sub>2</sub>e per tonne.km was applied to the tonnage kilometers to obtain total Scope 3 emissions. Reference source documentation: 2011 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting; Annex 7 - Freight Transport Conversion Tables; Table 7f.*

## **Scope 3 category 10: Processing of sold products**

### **(7.5.1) Base year end**

12/31/2014

### **(7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)**

0.0

### **(7.5.3) Methodological details**

Our coal product is not processed further - it is used as is.

### Scope 3 category 11: Use of sold products

#### (7.5.1) Base year end

12/31/2014

#### (7.5.2) Base year emissions (metric tons CO2e)

69677518.0

#### (7.5.3) Methodological details

*The use of Exxaro's sold product (i.e. burning of coal) generated 69 677 518tCO2e and contributed 95.7% of the total scope 3 emissions. The coal sales mix was Power Station coal (85.6%), Steam Coal (9.2%), Coking Coal (4.6%) Char (0.6%). Emission factors were applied to annual sales tonnages for the following products: - • Coal- Power Station Coal Sales; Steam Coal Sales and Coking Coal Sales •Char • Base Metals- Aggregate Sales.*

### Scope 3 category 12: End of life treatment of sold products

#### (7.5.1) Base year end

12/31/2014

#### (7.5.2) Base year emissions (metric tons CO2e)

0.0

#### (7.5.3) Methodological details

*Exxaro's major product, namely coal, is burnt and end-of life treatment does not apply. Fly ash is generated in the process, but this is only stored on fly ash dumps*

### Scope 3 category 13: Downstream leased assets

#### (7.5.1) Base year end

12/31/2014

### **(7.5.2) Base year emissions (metric tons CO2e)**

383.0

### **(7.5.3) Methodological details**

*Exxaro leased a portion of property in Pretoria-West to a third party. Scope 1 and 2 plant emissions of the leased facility were determined.*

## **Scope 3 category 14: Franchises**

### **(7.5.1) Base year end**

12/31/2014

### **(7.5.2) Base year emissions (metric tons CO2e)**

0.0

### **(7.5.3) Methodological details**

*Franchises are not applicable to our business.*

## **Scope 3 category 15: Investments**

### **(7.5.1) Base year end**

12/31/2014

### **(7.5.2) Base year emissions (metric tons CO2e)**

2364085.0

### **(7.5.3) Methodological details**

Exxaro's 20% equity investment in Sishen mine (part of Kumba Iron Ore) was applied to Sishen portion of KIO's total Scope 1 and 2 emissions taken from their 2013 Sustainability report (20% of 72.9% of 1 080 000tCO<sub>2</sub>e = 157 415tCO<sub>2</sub>e). Exxaro's 50% equity investment in the Mafube joint venture was also applied to Mafube's reported total Scope 1 (50% of 68 893t CO<sub>2</sub>e = 34 446tCO<sub>2</sub>e) and 2 emissions (50% of 84 205tCO<sub>2</sub>e = 42 103 t CO<sub>2</sub>e) - from Exxaro's Energy Database. The 44.4% equity investment that Exxaro has in Tronox was applied to their total Scope 1 (44.4% of 1 409 212tCO<sub>2</sub>e = 625 690tCO<sub>2</sub>e) and 2 emissions ( 44.4% of 2 304 682tCO<sub>2</sub>e = 1 023 279tCO<sub>2</sub>e) taken from their latest Sustainability report - 2012. Exxaro also directly holds 26% of Tronox's Mineral Sands operations. Exxaro holding of 26% was applied to Mineral Sands' 2012 emissions:- Scope 1 ( 26% of 1 214 201tCO<sub>2</sub>e = 315 692tCO<sub>2</sub>e) and Scope 2 ( 26% of 207 048 t CO<sub>2</sub>e = 53 832tCO<sub>2</sub>e).Exxaro's 50% equity investment in Cennergi was also applied to Cennergi's total Scope 2 emissions (50% of 422tCO<sub>2</sub>e = 211tCO<sub>2</sub>e). Exxaro's 26% holding in Black Mountain Mine (Zinc) was applied to the mine's declared 2012-13 Scope 1 emissions (26% of 7 895tCO<sub>2</sub>e = 2 053tCO<sub>2</sub>e) and Scope 2 emissions: (Scope 2: 26% of 420 632tCO<sub>2</sub>e = 109 364tCO<sub>2</sub>e) for a total 111 417t CO<sub>2</sub>e).

### Scope 3: Other (upstream)

#### (7.5.1) Base year end

12/31/2014

#### (7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)

1978.0

#### (7.5.3) Methodological details

Exxaro's potable water consumption in 2013 was 2 504 megaliters. Using a factor of 0.79gCO<sub>2</sub>/l, the carbon emissions associated with potable water use are calculated as 1 978tCO<sub>2</sub>e. A UK reference (oco-carbon.com) is used in the absence of anything equivalent for SA.

### Scope 3: Other (downstream)

#### (7.5.1) Base year end

12/31/2014

#### (7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)

0.0

#### (7.5.3) Methodological details

Not Applicable

[Fixed row]

## **(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

### **Reporting year**

#### **(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)**

338293

#### **(7.6.3) Methodological details**

*Direct Scope 1 emissions from all of our operations (operational and in closure) based in South Africa:-(Mpumalanga: Matla, Belfast, Mafube -50:50 JV with Thungela, Limpopo: Grootegeluk, Tshikondeni; Gauteng: Corporate Centre, the ConneXXion, FerroAlloys, and KwaZulu-Natal: Durnacol and Hlobane). The emissions include fuel consumption emissions associated with diesel, petrol, explosives, LPG, Sasol gas and limestone consumption. Emissions associated with diesel consumption were the most significant contributor to the total carbon emissions (281 276 ktCO2e- 83%). Production contributed to 56 801 ktCO2e-17% and the remainder of the sources contributed 217,90 ktCO2e- (0.22% to total emissions).*

[Fixed row]

## **(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

### **Reporting year**

#### **(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)**

598461

#### **(7.7.4) Methodological details**

*Scope 2 emissions are generated mainly from the consumption of coal-fired electricity supplied by the South African national power utility to the various mining operations. A grid emission factor of 1.00tCO2e/MWh is applied. Approximately 598 461 MWh of electricity was consumed across the group (2023: 590 931MWh).*

[Fixed row]

## (7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

### Purchased goods and services

#### (7.8.1) Evaluation status

Select from:

Relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO<sub>2</sub>e)

12629.44

#### (7.8.3) Emissions calculation methodology

Select all that apply

Spend-based method

#### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### (7.8.5) Please explain

Total spend for products and services was R22 926 351 990,66 for 2024 (2023: R20 871 776 656.00). (Using the current exchange rate of R1 = £0.042) Spend in GBP = R22 926 351,990.66 × 0.042= £962 506 239.55 (Applying DEFRA's emission factor of 0.0131 kg CO<sub>2</sub>e per £) Emissions=962 506 239.55 × 0.0131=12 629 436. 14 kg CO<sub>2</sub>e (Convert kg/CO<sub>2</sub>e to to tCO<sub>2</sub>e) Metric tonnes =12 629 436.14 /1000 =12 629,44 tCO<sub>2</sub>e

### Capital goods

#### (7.8.1) Evaluation status

Select from:

Relevant, calculated

### (7.8.2) Emissions in reporting year (metric tons CO2e)

1153.85

### (7.8.3) Emissions calculation methodology

Select all that apply

Spend-based method

### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### (7.8.5) Please explain

*The total capital expenditure (Capex) for 2024 was R2 475 million (2023: R2 699 million). (Using the exchange rate of R1= £0.042) Convert Capex from ZAR to GBP =2 475 000 000 × 0.042 = £103 950 000 Multiply by DEFRA's emission factor (0,0111 kg CO<sub>2</sub>e )=103 950 000 × 0.0111=1 153 845 kg CO<sub>2</sub>e Convert to tonnes= 1 153 845 kg CO<sub>2</sub>e /1000= 1 153.85 metric tonnes CO<sub>2</sub>e Emission factor:0.0111 kg CO<sub>2</sub>e/R) Using DEFRA's emissions factor emissions*

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

### (7.8.1) Evaluation status

Select from:

Relevant, calculated

### (7.8.2) Emissions in reporting year (metric tons CO2e)

86566.47

### (7.8.3) Emissions calculation methodology

Select all that apply

Supplier-specific method

## (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

## (7.8.5) Please explain

The total liters consumed for the different fuel types used in Exxaro were obtained (2024: diesel= 99 705 429 l, petrol= 69 145.67 l, LPG gas= 2 735, Sasol gas= 141l). The Well-to-tank (WTT) Emission factors were obtained: diesel=0.8573, petrol =0.8323 (estimated), LPG gas 0,340 (Estimated) and Sasol gas=1.38 (assumed) kg CO2e/litre (source- climatiq.io,2024) Diesel= 99705429 x 0.8573/1000= 85496 tCO2e Petrol= 69145,67 x 0.8323/1000=57.55tCO2e LPG= 2735 x 0.340/1000=0.93 Sasol gas= 141x1.34/1000=0.19 Total=86554.67tCO2e Transmission & Distribution lossess Electricity consumption x Emission Factor (SA) =598461 kWh x 0.01972 kg CO2e/kWh /1000 =11.80 tCO2e Total scope 3 (Fuel and electricity) =86566.47 (2023: 78736)

## Upstream transportation and distribution

## (7.8.1) Evaluation status

Select from:

Relevant, calculated

## (7.8.2) Emissions in reporting year (metric tons CO2e)

34987.07

## (7.8.3) Emissions calculation methodology

Select all that apply

Distance-based method

## (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

## (7.8.5) Please explain

The main source of emissions was the shipment of limestone and explosives to the Grootegeluk mine over long distances (one-way). Limestone is transported to GG from Elandsfontein, Johannesburg, which is 349km away. Explosives are transported from Secunda, which is 444km away) Emissions (kgCO2e) = Tonnes x

Distance X Emission Factor Limestone:  $85 \times 349 \times 12 \times 0.133 = 47\,408.22 \text{ kgCO}_2\text{e} = 47.41\text{t CO}_2\text{e}$ . Explosives:  $49\,532 \times 444 \times 12 \times 0.133 = 34\,939\,661.12 \text{ kg CO}_2\text{e} = 34\,939.66 \text{ tCo}_2\text{e}$  Total= 34 987.07

## Waste generated in operations

### (7.8.1) Evaluation status

Select from:

Relevant, calculated

### (7.8.2) Emissions in reporting year (metric tons CO<sub>2</sub>e)

1331

### (7.8.3) Emissions calculation methodology

Select all that apply

Distance-based method

### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### (7.8.5) Please explain

*The total weight of hazardous waste generated at our managed coal operations and sent to landfills decreased to 2662t in 2024 (2023: 3143 t). (Emission Factor 0.5t CO<sub>2</sub>e/t) Alternatives are being investigated and the outcome of the waste classification will confirm the way forward.*

## Business travel

### (7.8.1) Evaluation status

Select from:

Relevant, calculated

## (7.8.2) Emissions in reporting year (metric tons CO2e)

266.48

## (7.8.3) Emissions calculation methodology

Select all that apply

Distance-based method

## (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

## (7.8.5) Please explain

*Business travel includes: international flights (270 072 km x 0.140kgCO2e/km = 37 810, 08 kgCO2e; Domestic flights: 1 130 657 x 0.150 kgCO2e/km= 169 598.55 kgCO2e; Regional flights( 60298km x 0.140kg CO2e/km= 8 8441.72 kgCO2e). Car rental data was not available. Total =266 481.99 kgCO2e Metric tonnes= 266 481.99 /1000 = 266.48 tCO<sub>2</sub>e*

## Employee commuting

## (7.8.1) Evaluation status

Select from:

Relevant, calculated

## (7.8.2) Emissions in reporting year (metric tons CO2e)

1764

## (7.8.3) Emissions calculation methodology

Select all that apply

Distance-based method

#### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### (7.8.5) Please explain

*The main source of emissions is the transportation of employees to and from the various Exxaro operations mainly located in Limpopo and Mpumalanga provinces. Total commuting was 7,841,010.00 km in 2024 (2023:13,332,616km) for all employees. The average emission factor for diesel and petrol of 225g CO<sub>2</sub>e/km was used. Total Emissions=Distance Travelled (km)×Emission Factor (g CO<sub>2</sub>e/km) 7,841,010 km × 225 g CO<sub>2</sub>e/km =1 764 227 250 g CO<sub>2</sub>e 1 764 227 250/ 1 000 000=1 764.23 tonnes CO<sub>2</sub>e*

### Upstream leased assets

#### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

#### (7.8.5) Please explain

*Emissions from upstream leased assets are not relevant. Previously reported emissions included emissions from the Research and Development facility that was leased in previous years. However, the lease agreement was terminated in 2017.*

### Downstream transportation and distribution

#### (7.8.1) Evaluation status

Select from:

Relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO<sub>2</sub>e)

0.35

#### (7.8.3) Emissions calculation methodology

Select all that apply

Distance-based method

#### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### (7.8.5) Please explain

The main source of emissions is the transportation of products using the railway. This allows large amounts of product to be transported from our operations to Richards Bay Coal Terminal, Maputo, and several of our large customers. Trucks (GG, LPN & BLF) = 2067km (2023: 2050km) (EF:0.133kg CO<sub>2</sub>e/km); = 2067 x 0.133 = 274,91 kg CO<sub>2</sub>e = 274.91/1000 = 0.275 tCO<sub>2</sub>e Trains (LPN, Mafube & Pioneer) = 4187km (2023:12524km) (EF:0.018kg CO<sub>2</sub>e/km). = 4187 x 0.018 = 75.37 kg Co<sub>2</sub>e = 25.37 kgCO<sub>2</sub>e/ 1000 = 0.075 tCO<sub>2</sub>e Total = 0.350tCo<sub>2</sub>e

### Processing of sold products

#### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

#### (7.8.5) Please explain

Our coal product is not processed further - it is used as is.

### Use of sold products

#### (7.8.1) Evaluation status

Select from:

Relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO<sub>2</sub>e)

598461.43

### (7.8.3) Emissions calculation methodology

Select all that apply

- Methodology for direct use phase emissions, please specify

### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### (7.8.5) Please explain

*The main source of emissions is the combustion of coal in downstream processes, mainly during power generation. Emissions from the use of Exxaro's sold product (i.e. burning of coal) decreased from 68 156 490 tCO<sub>2</sub>e in 2023 to 598 461,43 in 2024, due to a decrease in sold product.*

## End of life treatment of sold products

### (7.8.1) Evaluation status

Select from:

- Not relevant, explanation provided

### (7.8.5) Please explain

*Almost 90% of the ash produced in the generation process is called fly ash or pulverised fuel ash. The reason for this is that the coal is pulverised into a very fine dust (rather like cake flour) before being fed into the boilers to ensure efficient combustion. Larger particles of ash, called coarse ash, which make up the rest of the ash produced at the power station, drop down from the furnace and collect at the bottom in the ash hopper of the boiler. The fly ash (also particulate matter) is removed from the flue gas stream (exhaust gases from the boiler) by means of electrostatic precipitators or bag filter systems. After being removed from the collecting hoppers, the fly ash and coarse ash is stacked on huge dumps or ash dams (slurry dams), the latter at older power stations.*

## Downstream leased assets

### (7.8.1) Evaluation status

Select from:

- Not relevant, explanation provided

### (7.8.5) Please explain

*Exxaro did not lease any assets out in 2024.*

## Franchises

### (7.8.1) Evaluation status

*Select from:*

Not relevant, explanation provided

### (7.8.5) Please explain

*Exxaro does not own any franchises or have any business that it franchises.*

## Investments

### (7.8.1) Evaluation status

*Select from:*

Relevant, calculated

### (7.8.2) Emissions in reporting year (metric tons CO<sub>2</sub>e)

*197800*

### (7.8.3) Emissions calculation methodology

*Select all that apply*

Investment-specific method

### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

*100*

### (7.8.5) Please explain

Exxaro's 20,62% equity investment in Sishen Iron Ore Company (SIOC) was applied to Sishen's portion of KIO's total Scope 1 and 2 emissions obtained from their latest Sustainability report (20.62% of 0.839 Mt CO<sub>2</sub>e = 0.173 MtCO<sub>2</sub>e = 173 000 tCO<sub>2</sub>e in 2024 (2023: 0.97 MtCO<sub>2</sub>e). Exxaro has a 26% holding in Black Mountain Mine (Zinc), a subsidiary of Vedanta Limited's. We used Total Vedanta Group emissions Scope 1 + Scope 2 Emissions: 65.84 MtCO<sub>2</sub>e for FY 2024. Vedanta Zinc International (VZI) accounts for ~0.5% of Group share (65,84 MtCO<sub>2</sub>e \*0,005 = 0,3292 MtCO<sub>2</sub>e = 329 200 tCO<sub>2</sub>e). It is estimated that Black Mountain Mining (BMM) produces 29% of VZI's total zinc output (329 200 \* 0.29 =95 468 tCO<sub>2</sub>e). To calculate Exxaro's 26% share of emissions (95 468 tCO<sub>2</sub>e\* 0.26 = 24 822 tCO<sub>2</sub>e). Therefore, the total emissions calculation from both investments is 173 000+ 24 822 = 197 800 tCO<sub>2</sub>e. Increases in production in our investments have contributed to increases of Scope 3 emissions.

### Other (upstream)

#### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

### (7.8.5) Please explain

*Not applicable at this stage*

### Other (downstream)

#### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

### (7.8.5) Please explain

*Not applicable at this stage*

*[Fixed row]*

### (7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	<i>Select from:</i> <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	<i>Select from:</i> <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 3	<i>Select from:</i> <input checked="" type="checkbox"/> No third-party verification or assurance

[Fixed row]

**(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

### Row 1

#### (7.9.1.1) Verification or assurance cycle in place

*Select from:*

Annual process

#### (7.9.1.2) Status in the current reporting year

*Select from:*

Complete

#### (7.9.1.3) Type of verification or assurance

*Select from:*

Reasonable assurance

#### (7.9.1.4) Attach the statement

*exx\_2024-esg-report.pdf, Exxaro ESG Assurance FY24 RA final opinion Docu sign.pdf*

#### (7.9.1.5) Page/section reference

*Page 185. "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."*

#### (7.9.1.6) Relevant standard

*Select from:*

ISAE 3410

#### (7.9.1.7) Proportion of reported emissions verified (%)

100

*[Add row]*

**(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

**Row 1**

#### (7.9.2.1) Scope 2 approach

*Select from:*

Scope 2 location-based

#### (7.9.2.2) Verification or assurance cycle in place

*Select from:*

Annual process

### (7.9.2.3) Status in the current reporting year

Select from:

Complete

### (7.9.2.4) Type of verification or assurance

Select from:

Reasonable assurance

### (7.9.2.5) Attach the statement

*exx\_2024-esg-report.pdf,Exxaro ESG Assurance FY24 RA final opinion Docu sign.pdf*

### (7.9.2.6) Page/ section reference

*Page 185. "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."*

### (7.9.2.7) Relevant standard

Select from:

ISAE 3410

### (7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

## (7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

Decreased

**(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

### **Change in renewable energy consumption**

#### **(7.10.1.1) Change in emissions (metric tons CO2e)**

0

#### **(7.10.1.2) Direction of change in emissions**

Select from:

No change

#### **(7.10.1.3) Emissions value (percentage)**

0

#### **(7.10.1.4) Please explain calculation**

*Not applicable*

### **Other emissions reduction activities**

#### **(7.10.1.1) Change in emissions (metric tons CO2e)**

5216

#### **(7.10.1.2) Direction of change in emissions**

Select from:

Decreased

### (7.10.1.3) Emissions value (percentage)

0.0056

### (7.10.1.4) Please explain calculation

*In 2024 a total of 5216 tonnes CO2e saving was realized for Scope 1 emissions, which is linked to the five implemented energy efficiency projects (2023:12,474). The emissions value percentage is calculated as (Change in Scope 1 & 2 emissions attributed to the reason described in column 1) / (Previous year Scope 1 & 2 emissions) \* 100  $5216 / 929\,377,7 \times 100 = 0.0056$*

## Divestment

### (7.10.1.1) Change in emissions (metric tons CO2e)

0

### (7.10.1.2) Direction of change in emissions

Select from:

No change

### (7.10.1.3) Emissions value (percentage)

0

### (7.10.1.4) Please explain calculation

*Not applicable*

## Acquisitions

### (7.10.1.1) Change in emissions (metric tons CO2e)

0

### (7.10.1.2) Direction of change in emissions

Select from:

No change

### (7.10.1.3) Emissions value (percentage)

0

### (7.10.1.4) Please explain calculation

*Not applicable*

## Mergers

### (7.10.1.1) Change in emissions (metric tons CO<sub>2</sub>e)

0

### (7.10.1.2) Direction of change in emissions

Select from:

No change

### (7.10.1.3) Emissions value (percentage)

0

### (7.10.1.4) Please explain calculation

*Not applicable*

## Change in output

### (7.10.1.1) Change in emissions (metric tons CO<sub>2</sub>e)

0

### (7.10.1.2) Direction of change in emissions

Select from:

No change

### (7.10.1.3) Emissions value (percentage)

0

### (7.10.1.4) Please explain calculation

*Not applicable*

## Change in methodology

### (7.10.1.1) Change in emissions (metric tons CO2e)

0

### (7.10.1.2) Direction of change in emissions

Select from:

Increased

### (7.10.1.3) Emissions value (percentage)

0

### (7.10.1.4) Please explain calculation

*Not applicable*

## Change in boundary

### (7.10.1.1) Change in emissions (metric tons CO2e)

0

**(7.10.1.2) Direction of change in emissions**

Select from:

No change

**(7.10.1.3) Emissions value (percentage)**

0

**(7.10.1.4) Please explain calculation**

*Not applicable*

**Change in physical operating conditions**

**(7.10.1.1) Change in emissions (metric tons CO2e)**

0

**(7.10.1.2) Direction of change in emissions**

Select from:

No change

**(7.10.1.3) Emissions value (percentage)**

0

**(7.10.1.4) Please explain calculation**

*Not applicable*

**Unidentified**

**(7.10.1.1) Change in emissions (metric tons CO2e)**

0

**(7.10.1.2) Direction of change in emissions**

Select from:

No change

**(7.10.1.3) Emissions value (percentage)**

0

**(7.10.1.4) Please explain calculation**

*Not applicable*

**Other**

**(7.10.1.1) Change in emissions (metric tons CO2e)**

0

**(7.10.1.2) Direction of change in emissions**

Select from:

No change

**(7.10.1.3) Emissions value (percentage)**

0

**(7.10.1.4) Please explain calculation**

*Not applicable*  
*[Fixed row]*

**(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

Select from:

No

**(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Select from:

Yes

**(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).**

**Row 1**

**(7.15.1.1) Greenhouse gas**

Select from:

CH4

**(7.15.1.2) Scope 1 emissions (metric tons of CO2e)**

56801

**(7.15.1.3) GWP Reference**

Select from:

IPCC Sixth Assessment Report (AR6 - 20 year)

**Row 2**

**(7.15.1.1) Greenhouse gas**

Select from:

CO2

### (7.15.1.2) Scope 1 emissions (metric tons of CO2e)

281491

### (7.15.1.3) GWP Reference

Select from:

IPCC Sixth Assessment Report (AR6 - 100 year)

[Add row]

**(7.15.2) Break down your total gross global Scope 1 emissions from coal mining activities in the reporting year by greenhouse gas type.**

**Fugitives (Underground coal mining)**

### (7.15.2.1) Gross Scope 1 CO2 emissions (metric tons CO2)

28368

### (7.15.2.2) Gross Scope 1 methane emissions (metric tons CH4)

946

### (7.15.2.3) Total gross Scope 1 GHG emissions (metric tons CO2e)

28368

### (7.15.2.4) Comment

*Gross Scope 1 emissions for operating underground mine (Matla) in 2024. For the conversion of gross methane Scope 1 emissions to tCO2e, a global warming potential of 30 was utilised (Source: IPCC's 6th Assessment Report). Conversion of methane emissions to CO2e results in 28,368tCO2e.*

## Fugitives (Surface coal mining)

### (7.15.2.1) Gross Scope 1 CO2 emissions (metric tons CO2)

28432

### (7.15.2.2) Gross Scope 1 methane emissions (metric tons CH4)

948

### (7.15.2.3) Total gross Scope 1 GHG emissions (metric tons CO2e)

28432

### (7.15.2.4) Comment

*Gross Scope 1 emissions for operating opencast mines in 2024 (Grootegeluk, Belfast, Leeuwpan, Mafube). For the conversion of gross methane Scope 1 emissions to tCO2e, a global warming potential of 30 was utilised (Source: IPCC's 6th Assessment Report). Conversion of methane emissions to tCO2e results in 28,432tCO2e.*

## Fugitives (Post-mining and abandoned coal mines)

### (7.15.2.1) Gross Scope 1 CO2 emissions (metric tons CO2)

0

### (7.15.2.2) Gross Scope 1 methane emissions (metric tons CH4)

0

### (7.15.2.3) Total gross Scope 1 GHG emissions (metric tons CO2e)

0

### (7.15.2.4) Comment

*Not applicable*

## Flaring

**(7.15.2.1) Gross Scope 1 CO2 emissions (metric tons CO2)**

0

**(7.15.2.2) Gross Scope 1 methane emissions (metric tons CH4)**

0

**(7.15.2.3) Total gross Scope 1 GHG emissions (metric tons CO2e)**

0

**(7.15.2.4) Comment**

*Not applicable*

## Utilized methane

**(7.15.2.1) Gross Scope 1 CO2 emissions (metric tons CO2)**

0

**(7.15.2.2) Gross Scope 1 methane emissions (metric tons CH4)**

0

**(7.15.2.3) Total gross Scope 1 GHG emissions (metric tons CO2e)**

0

**(7.15.2.4) Comment**

*Not applicable*

## Combustion (Underground coal mining, excluding flaring and utilization)

**(7.15.2.1) Gross Scope 1 CO2 emissions (metric tons CO2)**

0

**(7.15.2.2) Gross Scope 1 methane emissions (metric tons CH4)**

0

**(7.15.2.3) Total gross Scope 1 GHG emissions (metric tons CO2e)**

0

**(7.15.2.4) Comment**

*Not applicable*

## Combustion (Surface coal mining, excluding flaring and utilization)

**(7.15.2.1) Gross Scope 1 CO2 emissions (metric tons CO2)**

0

**(7.15.2.2) Gross Scope 1 methane emissions (metric tons CH4)**

0

**(7.15.2.3) Total gross Scope 1 GHG emissions (metric tons CO2e)**

0

**(7.15.2.4) Comment**

*Not applicable*

## Combustion (Electricity generation)

**(7.15.2.1) Gross Scope 1 CO2 emissions (metric tons CO2)**

0

**(7.15.2.2) Gross Scope 1 methane emissions (metric tons CH4)**

0

**(7.15.2.3) Total gross Scope 1 GHG emissions (metric tons CO2e)**

0

**(7.15.2.4) Comment**

*Not applicable*

## Combustion (Other)

**(7.15.2.1) Gross Scope 1 CO2 emissions (metric tons CO2)**

0

**(7.15.2.2) Gross Scope 1 methane emissions (metric tons CH4)**

0

**(7.15.2.3) Total gross Scope 1 GHG emissions (metric tons CO2e)**

0

**(7.15.2.4) Comment**

*Not applicable*

## Emissions not elsewhere classified

### (7.15.2.1) Gross Scope 1 CO2 emissions (metric tons CO2)

0

### (7.15.2.2) Gross Scope 1 methane emissions (metric tons CH4)

0

### (7.15.2.3) Total gross Scope 1 GHG emissions (metric tons CO2e)

0

### (7.15.2.4) Comment

*Not applicable*

*[Fixed row]*

## (7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
South Africa	338292.75	598461.21	0

*[Fixed row]*

## (7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

*Select all that apply*

By facility

## **(7.17.2) Break down your total gross global Scope 1 emissions by business facility.**

### **Row 1**

#### **(7.17.2.1) Facility**

*Tshikondeni is an underground mine which produced coking coal and is currently in closure. The mine ceased to produce coking coal in 2015. The main activities at the mine are mostly rehabilitation activities and pilot projects in pursuit of climate smart investments such as the Tshikondeni micro-grid project.*

#### **(7.17.2.2) Scope 1 emissions (metric tons CO2e)**

17.03

#### **(7.17.2.3) Latitude**

-20.521596

#### **(7.17.2.4) Longitude**

30.93698

### **Row 2**

#### **(7.17.2.1) Facility**

*Matla is an Eskom-tied underground coal mine located in Kriel. The mine produces thermal coal. The main mining method is short wall and pillar extraction. The mine has limited beneficiation processes.*

#### **(7.17.2.2) Scope 1 emissions (metric tons CO2e)**

35309.02

#### **(7.17.2.3) Latitude**

-27.245388

#### (7.17.2.4) Longitude

29.11926

### Row 3

#### (7.17.2.1) Facility

*FerroAlloys is our ferrosilicon production facility located in Pretoria. The plant has a production capacity of 12 000tonnes of superior quality gas atomized and milled ferrosilicon (FeSi) per annum. This high-grade ferrosilicon powder is used in dense medium separation for mineral extraction processes. Scope 1 emissions related to diesel and petrol consumption for the small fleet of vehicles.*

#### (7.17.2.2) Scope 1 emissions (metric tons CO2e)

34

#### (7.17.2.3) Latitude

-25.763397

#### (7.17.2.4) Longitude

28.14388

### Row 4

#### (7.17.2.1) Facility

*Hlobane is an underground coal that ceased to produce coking coal. It is located in KwaZulu-Natal. The current activities at this mine are related to rehabilitation and maintenance.*

#### (7.17.2.2) Scope 1 emissions (metric tons CO2e)

106.68

#### (7.17.2.3) Latitude

-27.709728

#### (7.17.2.4) Longitude

30.99837

### Row 5

#### (7.17.2.1) Facility

*Grootegeluk is an open cast coal mine and is our largest coal mine situated in Limpopo province producing over 45 million tonnes per annum. It is acknowledged as Exxaros flagship mine and one of the safest and efficient mining operations in the world and runs the world's largest coal beneficiation complex. The main mining method is truck and shovel which contribute to the fuel emissions. The mine is, therefore, the biggest contributor to our Scope 1 emissions due to its large-scale operations.*

#### (7.17.2.2) Scope 1 emissions (metric tons CO2e)

167977.93

#### (7.17.2.3) Latitude

-23.657418

#### (7.17.2.4) Longitude

27.564354

### Row 6

#### (7.17.2.1) Facility

*Leeuwan is an open pit mine that produces metallurgical and power station coal. It is located in Mpumalanga province. The main mining method is truck and shovel which contribute to the fuel emissions. Exxaro's Board took a decision in 2019 to divest from this operation due to climate change strategic considerations.*

#### (7.17.2.2) Scope 1 emissions (metric tons CO2e)

55951.18

**(7.17.2.3) Latitude**

-26.185018

**(7.17.2.4) Longitude**

28.72693

**Row 7**

**(7.17.2.1) Facility**

*The conneXXion is Exxaro's head office located in Centurion. Scope 1 emissions related to diesel and petrol consumption for the small corporate fleet of vehicles.*

**(7.17.2.2) Scope 1 emissions (metric tons CO2e)**

3

**(7.17.2.3) Latitude**

-25.776281

**(7.17.2.4) Longitude**

28.1639

**Row 8**

**(7.17.2.1) Facility**

*Mafube Colliery is an open-pit coal mine in Mpumalanga and is operated through our 50:50 joint venture with Thungela Resources.*

**(7.17.2.2) Scope 1 emissions (metric tons CO2e)**

27092

### (7.17.2.3) Latitude

25.8011

### (7.17.2.4) Longitude

29.74237

## Row 9

### (7.17.2.1) Facility

*Durnacol is an underground coal mine located in the central part of KwaZulu-Natal which is in closure. The mine ceased to produce coking coal. Main activities at the operation are related to rehabilitation and maintenance. Scope 1 emissions related to diesel and petrol consumption for the small fleet of vehicles.*

### (7.17.2.2) Scope 1 emissions (metric tons CO2e)

1348.24

### (7.17.2.3) Latitude

-28.047743

### (7.17.2.4) Longitude

30.0167

## Row 10

### (7.17.2.1) Facility

*Belfast is open-pit coal mine located in the Mpumalanga Province which produces thermal coal for export. The mine is Exxaro's first mine to fully embrace 4IR technologies such as the digital twin. The mine has a 17-year lifespan for the first phase operation. Belfast Coal is expected to contribute ZAR39 billion to local GDP over its life of mine.*

### (7.17.2.2) Scope 1 emissions (metric tons CO2e)

50265

### (7.17.2.3) Latitude

-25.812

### (7.17.2.4) Longitude

29.96742

[Add row]

**(7.19) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.**

#### Coal production activities

### (7.19.1) Gross Scope 1 emissions, metric tons CO2e

338292.75

### (7.19.3) Comment

*Gross Scope 1 emissions for all coal operations (underground, opencast mines) and mines in closure. FerroAlloys (Ferrosilicon production) and the ConneXXion (Head Office) are also included.*

[Fixed row]

**(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

*Select all that apply*

By facility

**(7.20.2) Break down your total gross global Scope 2 emissions by business facility.**

## Row 1

### (7.20.2.1) Facility

*Mafube Colliery is an open-pit coal mine in Mpumalanga and is operated through our 50:50 joint venture with Anglo American ( Divested to Thungela Resources).*

### (7.20.2.2) Scope 2, location-based (metric tons CO2e)

25190.63

## Row 2

### (7.20.2.1) Facility

*Tshikondeni is an underground mine which produced coking coal and is currently in closure. The mine ceased to produce coking coal in 2015. The main activities at the mine are mostly rehabilitation activities and pilot projects in pursuit of climate smart investments such as the Tshikondeni micro-grid project.*

### (7.20.2.2) Scope 2, location-based (metric tons CO2e)

1038.85

## Row 3

### (7.20.2.1) Facility

*The conneXXion is Exxaro's head office located in Centurion. Scope 2 emissions related to electricity usage for the facility. The building has a 5 Green Star rating and employee capacity for 400 and a remote working policy.*

### (7.20.2.2) Scope 2, location-based (metric tons CO2e)

2563.17

## Row 4

### (7.20.2.1) Facility

*Leeuwan is an open pit mine that produces metallurgical and power station coal. It is located in Mpumalanga province. The main mining method is truck and shovel which contribute to the fuel emissions. Exxaro's Board took a decision in 2019 to divest from this operation due to climate change strategic considerations.*

#### **(7.20.2.2) Scope 2, location-based (metric tons CO2e)**

24878.21

#### **Row 5**

#### **(7.20.2.1) Facility**

*Grootegeluk is an open cast coal mine and is our largest coal mine situated in Limpopo province producing over 45 million tonnes per annum. It is acknowledged as Exxaros flagship mine and one of the safest and efficient mining operations in the world and runs the world's largest coal beneficiation complex. The main mining method is truck and shovel. The mine is, therefore, the biggest contributor to our Scope2 emissions due to its large-scale beneficiation operations.*

#### **(7.20.2.2) Scope 2, location-based (metric tons CO2e)**

419898

#### **Row 6**

#### **(7.20.2.1) Facility**

*Belfast is open-pit coal mine located in the Mpumalanga Province which produces thermal coal for export. The mine is Exxaro's first mine to fully embrace 4IR technologies such as the digital twin. The mine has a 17-year lifespan for the first phase operation. Belfast Coal is expected to contribute ZAR39 billion to local GDP over its life of mine.*

#### **(7.20.2.2) Scope 2, location-based (metric tons CO2e)**

21094.16

#### **Row 7**

#### **(7.20.2.1) Facility**

*Hlobane is an underground coal that ceased to produce coking coal. It is located in KwaZulu-Natal. The current activities at this mine are related to rehabilitation and maintenance.*

#### **(7.20.2.2) Scope 2, location-based (metric tons CO2e)**

26.21

#### **Row 8**

#### **(7.20.2.1) Facility**

*Matla is an Eskom-tied underground coal mine located in Kriel. The mine produces thermal coal. The main mining method is short wall and pillar extraction. The mine has limited beneficiation processes.*

#### **(7.20.2.2) Scope 2, location-based (metric tons CO2e)**

101721.26

#### **Row 9**

#### **(7.20.2.1) Facility**

*FerroAlloys is our ferrosilicon production facility located in Pretoria. The plant has a production capacity of 12 000 tonnes of superior quality gas atomized and milled ferrosilicon (FeSi) per annum. This high-grade ferrosilicon powder is used in dense medium separation for mineral extraction processes. Scope 2 emissions related to electricity needed for the induction furnace. Typical induction furnace varies from 500 to 800 kWh per tonne depending on type and grade.*

#### **(7.20.2.2) Scope 2, location-based (metric tons CO2e)**

1886.74

#### **Row 10**

#### **(7.20.2.1) Facility**

*Durnacol is an underground coal mine located in the central part of KwaZulu-Natal which is in closure. The mine ceased to produce coking coal. Main activities at the operation are related to rehabilitation and maintenance. Scope 2 emissions related to onsite electricity for limited employees undertaking rehabilitation activities.*

### **(7.20.2.2) Scope 2, location-based (metric tons CO2e)**

155.69

[Add row]

**(7.21) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.**

#### **Coal production activities**

### **(7.21.1) Scope 2, location-based, metric tons CO2e**

598461.21

### **(7.21.3) Comment**

*Gross Scope 2 emissions for all coal operations (underground, opencast mines) and mines in closure. FerroAlloys (Ferrosilicon production) and the ConneXXion (Head Office) are also included.*

[Fixed row]

**(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.**

#### **Consolidated accounting group**

### **(7.22.1) Scope 1 emissions (metric tons CO2e)**

338292.75

### **(7.22.2) Scope 2, location-based emissions (metric tons CO2e)**

598461.21

#### **(7.22.4) Please explain**

*Gross emissions associated with Exxaro's opencast coal mining operations (Grootegeeluk, Belfast, Leeuwpán and Mafube), an underground coal mining operation (Matla), mines in closure (Durnacol, Hlobane and Tshikondeni), FerroAlloys and the ConneXXion.*

#### **All other entities**

#### **(7.22.1) Scope 1 emissions (metric tons CO2e)**

0

#### **(7.22.2) Scope 2, location-based emissions (metric tons CO2e)**

0

#### **(7.22.4) Please explain**

*We have limited information on the Scope 1 and Scope 2 emissions of operations that we do not manage or control but hold equity interest, namely Black Mountain Proprietary Limited (Black Mountain), Richards Bay Coal Terminal Proprietary Limited (RBCT) and Sishen Iron Ore Company Proprietary Limited (SIOC).  
[Fixed row]*

#### **(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?**

Select from:

No

#### **(7.29) What percentage of your total operational spend in the reporting year was on energy?**

Select from:

More than 5% but less than or equal to 10%

#### **(7.30) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired heat	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired steam	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired cooling	Select from: <input checked="" type="checkbox"/> No
Generation of electricity, heat, steam, or cooling	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

### (7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

#### Consumption of fuel (excluding feedstock)

##### (7.30.1.1) Heating value

Select from:

LHV (lower heating value)

##### (7.30.1.2) MWh from renewable sources

0

### (7.30.1.3) MWh from non-renewable sources

1041427.87

### (7.30.1.4) Total (renewable + non-renewable) MWh

1041427.87

## Consumption of purchased or acquired electricity

### (7.30.1.1) Heating value

Select from:

LHV (lower heating value)

### (7.30.1.2) MWh from renewable sources

0

### (7.30.1.3) MWh from non-renewable sources

598461.21

### (7.30.1.4) Total (renewable + non-renewable) MWh

598461.21

## Total energy consumption

### (7.30.1.1) Heating value

Select from:

LHV (lower heating value)

### (7.30.1.2) MWh from renewable sources

0

### (7.30.1.3) MWh from non-renewable sources

1639889.08

### (7.30.1.4) Total (renewable + non-renewable) MWh

1639889.08

[Fixed row]

### (7.30.6) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of heat	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of steam	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of cooling	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for co-generation or tri-generation	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

**(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Sustainable biomass**

**(7.30.7.1) Heating value**

Select from:

Unable to confirm heating value

**(7.30.7.2) Total fuel MWh consumed by the organization**

0

**(7.30.7.8) Comment**

*Not applicable*

**Other biomass**

**(7.30.7.1) Heating value**

Select from:

Unable to confirm heating value

**(7.30.7.2) Total fuel MWh consumed by the organization**

0

**(7.30.7.8) Comment**

*Not applicable*

**Other renewable fuels (e.g. renewable hydrogen)**

**(7.30.7.1) Heating value**

Select from:

Unable to confirm heating value

**(7.30.7.2) Total fuel MWh consumed by the organization**

0

**(7.30.7.8) Comment**

*Not applicable*

**Coal**

**(7.30.7.1) Heating value**

Select from:

Unable to confirm heating value

**(7.30.7.2) Total fuel MWh consumed by the organization**

0

**(7.30.7.8) Comment**

*Not applicable*

**Oil**

**(7.30.7.1) Heating value**

Select from:

LHV

**(7.30.7.2) Total fuel MWh consumed by the organization**

**(7.30.7.8) Comment**

*Diesel consumption (103 796 721 L) Calculation:  $103\,796\,721 \times 0.84$  (density) = 87 189 246 kg/1000 = 87 189 t.  $87\,189 \text{ t} \times 43$  (NCV) = 3 749 138 GJ  $3\,749\,138 \text{ GJ} \times 0.2778 \text{ MWh} = 1\,041\,427 \text{ MWh}$  Petrol consumption (69 145,67 L). Calculation:  $69\,145,67 \text{ L} \times 0.76$  (density) = 52 551 kg/1000 = 53 t.  $53 \times 43$  (NCV)= 2260 GJ.  $2260 \times 0.2778 \text{ MWh} = 628 \text{ MWh}$  Total=  $1\,041\,427 + 628 = 1\,042\,055 \text{ MWh}$*

**Gas****(7.30.7.1) Heating value**

Select from:

LHV

**(7.30.7.2) Total fuel MWh consumed by the organization**

77

**(7.30.7.8) Comment**

*LPG (2735kg) Energy = Mass \* NCV =  $2735/1000 \text{ [t]} \times 49.6 \text{ [TJ/Gg]} = 2.735 \text{ t} \times 49.6 \text{ TJ/(1000 [t])} = 136 \text{ GJ} = 136 \times 0.2778 \text{ MWh} = 38 \text{ MWh}$  Sasol gas (141GJ) Energy = Mass \* NCV =  $2,820/1000 \text{ [t]} \times 44,2 \text{ [TJ/Gg]} = 0.00282 \text{ t} \times 0.2778 = 39 \text{ MWh}$  Total= 77*

**Other non-renewable fuels (e.g. non-renewable hydrogen)****(7.30.7.1) Heating value**

Select from:

Unable to confirm heating value

**(7.30.7.2) Total fuel MWh consumed by the organization**

0

**(7.30.7.8) Comment**

Not applicable

## Total fuel

### (7.30.7.1) Heating value

Select from:

LHV

### (7.30.7.2) Total fuel MWh consumed by the organization

1042192.25

### (7.30.7.8) Comment

Total MWh for diesel, petrol, LPG gas and Sasol gas (natural gas)  
[Fixed row]

**(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.**

## South Africa

### (7.30.16.1) Consumption of purchased electricity (MWh)

598461.21

### (7.30.16.2) Consumption of self-generated electricity (MWh)

0

### (7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

### (7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

**(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)**

598461.21  
[Fixed row]

**(7.37) Disclose coal reserves and production by coal type attributable to your organization in the reporting year.**

**Thermal coal**

**(7.37.1) Proven reserves (million metric tons)**

1797

**(7.37.2) Probable reserves (million metric tons)**

621

**(7.37.3) Production (million metric tons)**

37.1

**(7.37.4) Energy content of production (GJ per metric ton)**

20.65

**(7.37.5) Heating value**

Select from:

LHV

**(7.37.6) Emission factor of production (metric tons CO2e per metric ton)**

0.0004

## **(7.37.7) Comment**

*Tier 3 production emission factor of 0.000459tCO<sub>2</sub>e for surface coal mines and 0.00484 tCO<sub>2</sub>e for underground coal mining (Matla). The annual estimation and reporting process is managed through the Exxaro Geosciences Policy and associated reserve reporting procedures. Both the policy and procedures are aligned with the guidelines of the SAMREC Code 2016 and for South African coal reporting, SANS 10320:2004. Processes and calculations associated with the estimation process have been audited by internal competent persons and also audited by external auditors when deemed essential. Ore reserves are estimated using relevant modifying factors at the time of reporting (mining, metallurgical, processing, infrastructure, economic, marketing, legal, environmental, social and regulatory requirements. Modifying aspects are reviewed before and after the reserve estimation by the persons responsible for ensuring that all factors are timeously and appropriately considered. Signed off reserve fact packs that record losses, recoveries, yields, cost, commodity prices, exchange rates and other required factors applied, are documented in each life of mine plan (LoMP) and independent competent person's reports. The quoted ore reserves fall within existing Exxaro mines or prospecting rights. Rights are of sufficient duration (or convey a legal right to convert or renew for sufficient duration) to enable all reserves to be mined in line with current production schedules. Reported ore reserves are primarily derived from indicated and 198 measured mineral resources, although limited inferred resources may be included in the LoMP at the discretion of the competent person. These inclusions are scrutinised and their impacts are known. Our resource estimations are based on the latest available geological models, which incorporate all new validated geological information and, if applicable, revised seam, resource definitions and resource classifications. The energy content of production (GJ per metric ton) is based on an average for all operating coal mines.*

## **Metallurgical coal**

### **(7.37.1) Proven reserves (million metric tons)**

317

### **(7.37.2) Probable reserves (million metric tons)**

110

### **(7.37.3) Production (million metric tons)**

2.5

### **(7.37.4) Energy content of production (GJ per metric ton)**

28.62

### **(7.37.5) Heating value**

Select from:

LHV

**(7.37.6) Emission factor of production (metric tons CO2e per metric ton)**

0.0004

**(7.37.7) Comment**

*Tier 3 production emission factor of 0.000459tCO2e for surface coal mines at Grootegeluk mine where metallurgical coal is mined.*

**Other coal**

**(7.37.1) Proven reserves (million metric tons)**

0

**(7.37.2) Probable reserves (million metric tons)**

0

**(7.37.3) Production (million metric tons)**

0

**(7.37.4) Energy content of production (GJ per metric ton)**

1

**(7.37.5) Heating value**

Select from:

Unable to confirm heating value

**(7.37.6) Emission factor of production (metric tons CO2e per metric ton)**

0

### (7.37.7) Comment

*Not applicable*

### Total coal

#### (7.37.1) Proven reserves (million metric tons)

2114

#### (7.37.2) Probable reserves (million metric tons)

731

#### (7.37.3) Production (million metric tons)

39.5

#### (7.37.4) Energy content of production (GJ per metric ton)

21.85

#### (7.37.5) Heating value

Select from:

LHV

#### (7.37.6) Emission factor of production (metric tons CO<sub>2</sub>e per metric ton)

0.0004

### (7.37.7) Comment

*Tier 3 production emission factor of 0.000459tCO<sub>2</sub>e for surface coal mines and 0.00484 tCO<sub>2</sub>e for underground coal mining. Increase in production of coal.  
[Fixed row]*

## **(7.37.1) Disclose coal resources by coal type attributable to your organization in the reporting year.**

### **Thermal coal**

#### **(7.37.1.1) Measured resources (million metric tons)**

2139

#### **(7.37.1.2) Indicated resources (million metric tons)**

494

#### **(7.37.1.3) Inferred resources (million metric tons)**

65

#### **(7.37.1.4) Total resources (million metric tons)**

2699

#### **(7.37.1.5) Comment**

*The annual estimation and reporting process is managed through the Exxaro Geosciences Policy and associated mineral resource reporting procedures. Both the policy and procedures are aligned with the guidelines of the SAMREC Code 2016 and for South African coal reporting, SANS 10320:2004. Processes and calculations associated with the estimation process have been audited by internal competent persons and also audited by external auditors when deemed essential. Resource estimations are based on the latest available geological models, which incorporate all new validated geological information and, if applicable, revised seam, resource definitions and resource classifications. For Exxaro operations and projects, we use a systematic review process that measures the level of maturity of exploration work done, extent of geological potential, mine ability, licence-to-operate considerations and associated geological risks/opportunities to establish eventual extraction (EE). We are aware that our success as a mining company is built on the integrity of our mineral resources and the effectiveness with which we exploit and extract these resources. Our objective is to continuously improve our level of geoscientific understanding, minimising risk and unlocking opportunities.*

### **Metallurgical coal**

#### **(7.37.1.1) Measured resources (million metric tons)**

378

#### (7.37.1.2) Indicated resources (million metric tons)

87

#### (7.37.1.3) Inferred resources (million metric tons)

12

#### (7.37.1.4) Total resources (million metric tons)

477

#### (7.37.1.5) Comment

*Most of our metallurgical coal resources are in the Waterberg Region. The Waterberg is estimated to contain between 40-50% of South Africa's remaining coal reserves and is viewed as the future of South African coal mining.*

#### **Other coal**

#### (7.37.1.1) Measured resources (million metric tons)

0

#### (7.37.1.2) Indicated resources (million metric tons)

0

#### (7.37.1.3) Inferred resources (million metric tons)

0

#### (7.37.1.4) Total resources (million metric tons)

0

#### (7.37.1.5) Comment

Not applicable

**Total coal**

**(7.37.1.1) Measured resources (million metric tons)**

2517

**(7.37.1.2) Indicated resources (million metric tons)**

581

**(7.37.1.3) Inferred resources (million metric tons)**

77

**(7.37.1.4) Total resources (million metric tons)**

3175

**(7.37.1.5) Comment**

*Includes mineral assets with Measured and Indicated and Inferred resources.  
[Fixed row]*

**(7.40) Break down the coal production attributed to your organization in the reporting year by grade.**

	Production (%)	Comment
Lignite	0	Not applicable

	Production (%)	Comment
Subbituminous	6	<i>Subbituminous coal includes metallurgical and coking coal.</i>
Bituminous	94	<i>Bituminous coal includes thermal coal.</i>
Anthracite	0	<i>Not applicable</i>
Other	0	<i>Not applicable</i>

[Fixed row]

**(7.40.1) Break down the coal production attributed to your organization in the reporting year by mine type.**

	Production (%)
Underground	15
Surface	85

[Fixed row]

**(7.44) Explain which listing requirements or other methodologies you have used to provide reserves data in 7.37. If your organization cannot provide data due to legal restrictions on reporting reserves figures in certain countries/areas, please explain this.**

*The annual estimation and reporting process for ore reserves is managed through the Exxaro Geosciences Policy and associated reserve reporting procedures. Both the policy and procedures are aligned with the Johannesburg Stock Exchange (JSE) Listing Requirements (Section 12), guidelines of the SAMREC Code (2016) and for South African Coal Reporting, SANS 10320:2004. As per the requirements of the JSE Listings Requirement and SAMREC Code 2016, Exxaro's ore reserves have been estimated or supervised by competent persons on an operational basis. All competent persons have sufficient relevant experience in the style of mineralisation,*

type of deposit and /or mining method(s) under consideration and for the activity they have taken responsibility for, to qualify as 'competent persons' as defined in the applicable codes at the time of reporting. Processes and calculations associated with the estimation of ore reserves data have been audited by internal competent persons and also audited by external auditors when deemed essential. Ore reserves are estimated using relevant modifying factors at the time of reporting (mining, metallurgical, processing, infrastructure, economic, marketing, legal, environmental, social and regulatory) requirements. Modifying aspects are reviewed before and after the reserve estimation by the persons responsible for ensuring that all factors are timeously and appropriately considered. Signed off reserve fact packs that record losses, recoveries, yields, cost, commodity prices, exchange rates and other required factors applied, are documented in each life of mine plan (LoMP) and independent competent person's reports. Ore reserves are primarily derived from indicated and measured mineral resources, although limited inferred resources may be included in the LoMP at the discretion of the competent person. These inclusions are scrutinised and their impacts are known. The quoted ore reserves fall within existing Exxaro mines or prospecting rights. Rights are of sufficient duration (or convey a legal right to convert or renew for sufficient duration) to enable all reserves to be mined in line with current production schedules. In most instances, measured resources are converted to proven reserves and indicated resources are converted to probable reserves. If an operation or project has additional constraints, i.e. a supply agreement that has not been finalised or a sales marketing strategy that limits the profitability of the mine, the measured resources can be downgraded to probable reserves. In situations where this has been applied, it is clearly stated in the footnotes for the reserve tables. For reserve estimates to comply with life-of-mine policy, the following supporting inputs are required for all reserve estimates:- Survey, Rock Engineering, Infrastructure, Environmental Report, Reserve estimation scoping report. The following outputs are generated after successfully completing the procedure, Validation and verification report, Mining block model, Exploitation strategy report, Reserve estimation report. Where inferred resources are considered for life-of-mine plans, the amount (Mt) and effect is always clearly stated. When inferred resources are included in the LoMP, these tonnes are never scheduled in the first five years of life of mine. The rationale for considering inferred resources' inclusion is explained and actions to address the issue are stated. Exxaro generally attempts to limit inferred resources to less than 15% of total resources to be considered in LoMPs. Any inclusion of inferred resources must be applied and modifying factors and assumptions that are applied to the indicated and measured resources to determine the ore reserves must be equally applied to inferred resources. However, inferred resources are not converted to mineral reserves and are not stated as part of the mineral reserve. The number of inferred reserves to be considered for the reported LoMP is included in the reserve statement.

**(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Row 1**

**(7.45.1) Intensity figure**

0.00002285

**(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

929377.7

**(7.45.3) Metric denominator**

Select from:

unit total revenue

#### (7.45.4) Metric denominator: Unit total

40700000000

#### (7.45.5) Scope 2 figure used

Select from:

Location-based

#### (7.45.6) % change from previous year

4.79

#### (7.45.7) Direction of change

Select from:

Decreased

#### (7.45.8) Reasons for change

Select all that apply

Change in revenue

#### (7.45.9) Please explain

*The intensity figure decreased from 0.000024 in 2023 to 0.000022 in 2024. Group revenue increased by 5,17% to R40.7 billion (2023: R38.7 billion). There was also an overall decrease in the combined Scope 1 and Scope 2 emissions during 2024, mainly due to improvements in operational and energy efficiencies.*

[Add row]

**(7.52) Provide any additional climate-related metrics relevant to your business.**

**Row 1**

### (7.52.1) Description

Select from:

Other, please specify :Water intensity

### (7.52.2) Metric value

142

### (7.52.3) Metric numerator

*Water consumption (L)*

### (7.52.4) Metric denominator (intensity metric only)

*Run of mine (ROM) tonnes*

### (7.52.5) % change from previous year

35

### (7.52.6) Direction of change

Select from:

Increased

### (7.52.7) Please explain

*High rainfall with flooding conditions experienced at some operations, hampered our recycling efforts as we had submerged pumps and other infrastructure failures. A reduced recycling effort caused increased importation of other fresh water sources to augment operational requirements. This is a tell tale sign that climate variability is starting to impact on some operations. Our efforts to mitigate against climate change impacts should address these shortcomings in future.*

*[Add row]*

### (7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

Intensity target

**(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.**

**Row 1**

**(7.53.2.1) Target reference number**

Select from:

Int 1

**(7.53.2.2) Is this a science-based target?**

Select from:

No, and we do not anticipate setting one in the next two years

**(7.53.2.5) Date target was set**

12/30/2013

**(7.53.2.6) Target coverage**

Select from:

Organization-wide

**(7.53.2.7) Greenhouse gases covered by target**

Select all that apply

Carbon dioxide (CO2)

Methane (CH4)

**(7.53.2.8) Scopes**

Select all that apply

Scope 1

Scope 2

### **(7.53.2.9) Scope 2 accounting method**

Select from:

Location-based

### **(7.53.2.11) Intensity metric**

Select from:

Metric tons CO2e per unit of production

### **(7.53.2.12) End date of base year**

12/30/2014

### **(7.53.2.13) Intensity figure in base year for Scope 1**

2

### **(7.53.2.14) Intensity figure in base year for Scope 2**

4

### **(7.53.2.33) Intensity figure in base year for all selected Scopes**

6.0000000000

### **(7.53.2.34) % of total base year emissions in Scope 1 covered by this Scope 1 intensity figure**

100

### **(7.53.2.35) % of total base year emissions in Scope 2 covered by this Scope 2 intensity figure**

100

**(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure**

100

**(7.53.2.55) End date of target**

12/30/2024

**(7.53.2.56) Targeted reduction from base year (%)**

26

**(7.53.2.57) Intensity figure at end date of target for all selected Scopes**

4.4400000000

**(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions**

5

**(7.53.2.60) Intensity figure in reporting year for Scope 1**

1.49

**(7.53.2.61) Intensity figure in reporting year for Scope 2**

2.63

**(7.53.2.80) Intensity figure in reporting year for all selected Scopes**

4.1200000000

**(7.53.2.81) Land-related emissions covered by target**

Select from:

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

### (7.53.2.82) % of target achieved relative to base year

120.51

### (7.53.2.83) Target status in reporting year

Select from:

Underway

### (7.53.2.85) Explain target coverage and identify any exclusions

*The target covers emissions from Exxaro's current operations i.e, Grootegeluk, Matla, Leeuwpan, Belfast, Mafube (50% JV with Thungela).*

### (7.53.2.86) Target objective

*5% reduction in annual carbon intensity*

### (7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year

*We intensified our focus on environmental areas that impact our journey to environmental stewardship and goal to be carbon neutral by 2050. We also intensified efforts to decarbonise our operations through implementing energy efficiency projects, implementing energy and water performance metrics across all functional areas and ensuring we close the loop on resource use. Through our University Chairs, we promoted research and activities that advance sustainable utilisation of resources, the mitigation and adaptation of climate change effects, and other pertinent environmental issues. To further improve our performance and sustainability, we are looking into strategic partnerships, applying green technologies and sound environmental management tools.*

### (7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

No

[Add row]

### (7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

Targets to increase or maintain low-carbon energy consumption or production

**(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.**

**Row 1**

**(7.54.1.1) Target reference number**

Select from:

Low 1

**(7.54.1.2) Date target was set**

12/31/2021

**(7.54.1.3) Target coverage**

Select from:

Business division

**(7.54.1.4) Target type: energy carrier**

Select from:

Other, please specify :Energy intensity target

**(7.54.1.5) Target type: activity**

Select from:

Consumption

**(7.54.1.6) Target type: energy source**

Select from:

Low-carbon energy source(s)

**(7.54.1.7) End date of base year**

12/30/2022

**(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)**

0

**(7.54.1.9) % share of low-carbon or renewable energy in base year**

0

**(7.54.1.10) End date of target**

12/30/2022

**(7.54.1.11) % share of low-carbon or renewable energy at end date of target**

48

**(7.54.1.12) % share of low-carbon or renewable energy in reporting year**

52

**(7.54.1.13) % of target achieved relative to base year**

108.33

**(7.54.1.14) Target status in reporting year**

Select from:

New

**(7.54.1.16) Is this target part of an emissions target?**

No

**(7.54.1.17) Is this target part of an overarching initiative?**

Select all that apply

No, it's not part of an overarching initiative

### **(7.54.1.19) Explain target coverage and identify any exclusions**

*To strengthen our GHG mitigation and business resilience efforts, energy and water efficiency targets have been included as part of the group incentive scheme (GIS) in 2022.*

### **(7.54.1.20) Target objective**

*Manage energy consumption and reduce carbon emissions.*

### **(7.54.1.21) Plan for achieving target, and progress made to the end of the reporting year**

*Carbon emissions reductions are driven by our efforts in energy management and the implementation of cleaner energy sources at our operations. Our goal is to reduce our carbon footprint, guided by our Climate Change Response Strategy and decarbonisation plan. In the short term, our operational energy efficiency projects, renewable energy self-generation and potential divestment, will result in emissions reduction of 40% by 2026 for Scope 1 and 2, based on a revised 2022 baseline. We monitor performance closely through the following; • Monthly energy and carbon data reporting at all levels, • Monitor and report on Scope 1, 2 and 3 emissions annually using the operating control accounting approach, • Our 2022 STI scheme tracks carbon and energy reductions at group and business unit levels to inform employee and executive reward performance, • We continue to investigate data solutions that will give us real-time feedback, which we believe will allow us to respond quickly to emerging issues and opportunities to reduce our emissions. Our group-wide energy and carbon management programme supports our goals: • Innovative and efficient energy management is critical on our path to become carbon neutral, • Preparing for a low-carbon economy by embedding decarbonisation thinking in operations with commitment to reducing Scope 1 and 2 emissions across BUs and our value chain. Our energy and carbon management programme aims to improve diesel and electricity efficiency to reduce energy consumption. Our Technology and Engineering Department reduces diesel consumption at our operations with fuel additives and payload management. We uphold our license to operate through: • Energy management (energy efficiency plans and reports, and intensity targets), • Our Climate Change Response Strategy (responsible resource consumption and CO2 emissions reports). BUs have energy and GHG reduction targets to reduce overall energy consumption and intensity. The productivity and energy management services (PEMS) dashboard supports projects and performance monitoring to address operational inefficiencies and help each site achieve targets.*

*[Add row]*

**(7.54.5) Indicate which targets reported in 7.53.1/2 incorporate methane emissions, or if you do not have a methane-specific emissions reduction target for your coal mining activities, please explain why not and forecast how your methane emissions will change over the next five years.**

*The majority of Exxaro's coal mining operations are opencast and therefore most of the methane is fugitive and cannot be mitigated. For Exxaro's remaining underground mining operation (Matla), the methane levels that have been monitored are intermittent and low and cannot sustain any co-generation activities related*

to power production through the combustion of methane or flaring. It is envisaged that our methane emissions will decrease over the next five years due to divestment activities.

**(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Select from:

Yes

**(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e
Under investigation	4	<i>Numeric input</i>
To be implemented	3	2993
Implementation commenced	1	161000
Implemented	5	5216
Not to be implemented	0	<i>Numeric input</i>

[Fixed row]

**(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.**

**Row 1**

**(7.55.2.1) Initiative category & Initiative type**

Energy efficiency in production processes

Process optimization

#### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

220

#### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

*Select all that apply*

Scope 1

#### (7.55.2.4) Voluntary/Mandatory

*Select from:*

Voluntary

#### (7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

3510000

#### (7.55.2.6) Investment required (unit currency – as specified in 1.2)

0

#### (7.55.2.7) Payback period

*Select from:*

4-10 years

#### (7.55.2.8) Estimated lifetime of the initiative

*Select from:*

6-10 years

### (7.55.2.9) Comment

*Accurate and autonomous drilling and blasting contribute to making every other aspect of a mining operation smoother, safer, and more productive. With high precision and more accurate depth tracking, autonomous drills can work far more accurately to plan. That means more accurate blasting and better-shot material, less time spent removing overburden, and higher productivity. in 2024 we achieved 220 tCO2e reduction from autonomous drilling.*

[Add row]

## (7.55.3) What methods do you use to drive investment in emissions reduction activities?

### Row 1

#### (7.55.3.1) Method

Select from:

Dedicated budget for low-carbon product R&D

#### (7.55.3.2) Comment

*To date, a total of ZAR263 million has been allocated for the investigation of new business opportunities in energy and other climate-smart investments, specifically into Lightapp (<https://www.lightapp.com/>). Investment in research and development is critical for developing knowledge and strategies. Exxaro believes that long-term business-led research which includes research institutions such as universities will result in fundamental discoveries and innovations in the climate change space and other sustainability areas. The relationship between research institutions and corporate organisations merges the discovery-driven culture of these institutions and with the innovation-driven culture of organisations. It is for this reason that over the past decade, Exxaro has invested over ZAR63 million in research and development to enhance the body of knowledge around climate change, climate-smart investments, low carbon technologies, business sustainability, and water, and energy efficiency. In 2023, the sponsorship for all the Exxaro University Chairs totaled ZAR8.4 million (ZAR8.9 million in 2022). Other investments include annual funding of just over ZAR1 million for the South African Pavilion at the Climate Change Conference of the Parties (COP). This budget is sponsored by the Executive Head of Sustainability and is renewed on an annual basis. Participation on this level allows Exxaro both national and international exposure and enables the group to attract foreign direct investment and technology partners for future projects, while contributing to South Africa's transition to a low carbon economy and the Just Transition.*

### Row 2

#### (7.55.3.1) Method

Select from:

- Other :Independent Power Producer (IPP) ability to operate as a Special Purpose Vehicle (SPV)

### (7.55.3.2) Comment

*The diversification of our portfolio into renewable energy by acquiring 100% of Cennergi, an independent power producer, will support our efforts to transition to low carbon technologies and to achieve our carbon neutrality objective by 2050. Exxaro and Cennergi commissioned the two wind projects in the Eastern Cape in 2016, Amakhala Emoyeni wind farm near Bedford (134MW) and Tsitsikamma Community wind farm on Mfengu community land (95MW). These projects contribute 229MW of renewable energy to the national grid. Noting that Tsitsikamma Community Wind Farm Pty Ltd (TCWF) is a Special Purpose Vehicle (SPV) company formed to develop the Tsitsikamma Wind Farm project. The shareholders of TCWF include Cennergi (Pty) Ltd (75%), RE Times (16%), and the Tsitsikamma Development Trust (9%), the latter two being BEE partners to the project. Amakhala Emoyeni RE Project 01 Pty Ltd (AE01) is the second SPV Company formed to develop the Amakhala Wind Farm project. The shareholders of the AE01 include Cennergi (Pty) Ltd (95%), Cookhouse Community Trust (2.5%), and the Bedford Community Trust (2.5%), the latter two being BEE partners to the project. A special purpose vehicle/entity (SPE), is a subsidiary created by a parent company, in this case Exxaro, to isolate financial risk. Its legal status as a separate company makes its obligations secure even if the parent company goes bankrupt. For this reason, a special purpose vehicle is sometimes called a bankruptcy-remote entity. Investors have a preferred affinity for SPV structured projects in addition the structure of the loan finance is less costly. The loan is often divided into two parts: a construction loan and a term loan. The construction loan provides funds for the construction of the project and becomes a term loan after completion. At the 'conversion' from construction into a term loan, the terms and conditions associated with the loan change, as does the pricing of the debt. The term loan is usually less expensive than the construction loan as the risks are lower during operation. We will continue to invest in the development of low-carbon renewable energy sources through Cennergi to ensure our comprehensive response to climate change and to ensure that the majority of the population has access to affordable and reliable sources of energy and shareholders have exponential growth.*

### Row 3

#### (7.55.3.1) Method

Select from:

- Marginal abatement cost curve

#### (7.55.3.2) Comment

*Through the IM Programme, Exxaro started building the MACC model to assess initiatives that will form part of the 2021 and onwards Decarbonisation Plan. There are 11 functional streams with at least 2 initiatives each. The upgrading of the Supply Chain Enterprise Resource Planning (ERP) to Cloud-Based Coupa will allow Exxaro to obtain requests for quotations (RFQs) from suppliers easily, allowing for a MACC model with up to 10 % level of accuracy. This will allow us to identify the most cost-effective emission reduction initiatives, further prioritisation will occur on a matrix of impact versus effort to gain a holistic view. These will be presented for approval at an Executive Environment, Social and Governance (ESG) Steering Committee which is mandated by the Executive Committee.*

### Row 4

### (7.55.3.1) Method

Select from:

- Internal incentives/recognition programs

### (7.55.3.2) Comment

*The Annual Evergreen Awards recognises the relevant Business Unit (BU), Commodity Business (CB)/Corporate Staff Department (CSD). The categories of the Evergreen Awards aligned to Climate Change include: • The project team that has achieved the most energy efficient savings in the design and implementation of their projects, • The Energy Champion who has demonstrated leadership in energy efficiency, • The most innovative energy savings idea, • The business leader who has incorporated or driven energy and climate change issues through strategy, business processes and implementation; • The business unit with the greatest energy intensity reduction. The commitment and dedication of Exxaro employees to participate in and execute projects and initiatives are reflected in the quality of submissions at the Annual Evergreen Awards. In 2022, over 60 Group-wide submissions were made. This gives the leadership confidence to renew investing to support these themes as it is clearly fruitful for both Exxaro and the climate change agenda.*

## Row 5

### (7.55.3.1) Method

Select from:

- Dedicated budget for energy efficiency

### (7.55.3.2) Comment

*As part of Exxaro's energy and carbon management programme, our operations have focused on reducing energy consumption by implementing projects to specifically increase diesel efficiency and decrease electricity consumption. The programme also covers pollution prevention activities. The drive towards energy efficiency is guided by the Energy Efficiency Work Stream and implemented through the Energy Champion Initiative. This work stream, which is being implemented at all levels, focuses on: • Influencing behaviour efficiency (i.e. turning off lights and equipment when not in use), • Influencing operational efficiency (i.e. decreasing electricity and diesel consumption per tonne of product), • Incorporating new energy-efficient technologies (i.e. incorporating variable speed drives (VSDs) and in-pit hauling crushing and screening), • Improving equipment efficiency (i.e. downsizing of motors), • Incorporating new energy-efficient systems and new facilities., The programme is led by the Executive Head: Projects and Technology.*

## Row 6

### (7.55.3.1) Method

Select from:

Other :Budget for innovation and digitalisation projects

### (7.55.3.2) Comment

*The Exxaro digitalisation and innovation journey is a strategic initiative driven by the CEO. Key improvements achieved through this initiative include an integrated perspective of the value chain, leading to better decision-making from visualised information through better dashboards. Exxaro is taking an enterprise-wide approach to digitalisation rather than a point solution. This includes technology platforms enabling us to view the value chain from exploration to logistics. For example, our integrated operating centers are breaking down boundaries in the value chain to promote a single view of the business and enable improved decision making. The Digital@Exxaro programme was launched to promote the digitalisation and innovation journey, and has shown that using digital, the company operates its mining assets on the lowest quartile through improved productivity, reduced costs, energy efficiency, carbon footprint reduction and improved safety performance. To date, an amount of ZAR1 billion has been allocated to digitalisation initiatives over five years at all business units to enhance innovation excellence and operational efficiency. This operational efficiency includes energy efficiency, reduction of carbon emissions, tracking of energy and carbon intensities across the organisation to ensure compliance to organisational metrics and targets, monitoring and verification of emissions and other operational factors. The budget is owned by the General Manager for Information Management (IM) & Innovation and is renewed annually for capital and operating support.*

[Add row]

### **(7.59) Describe your organization's efforts to reduce methane emissions from your activities.**

*Although methane emissions in the majority of our operations are mostly fugitive emissions (due to open cast mining method), there are efforts towards the reduction of methane emissions in Exxaro and these include the following:*

- *Building knowledge on methane: We recognise that our employees and contractors need to understand the business case for the company to measure, report, and reduce methane emissions where possible, in addition, we encourage best practice.*
- *Quantification of methane emissions from our operations using emission factors. We have conducted Exxaro specific research through Coaltech, to develop emission factors that are applicable to each of our operations. The emission factors applied to the operations were derived from methane concentrations measured at surface up-cast fans for the underground mines and from seam gas content measurements for the opencast mines. We believe direct measurement provides for much greater accuracy in emissions data, particularly for fugitive emissions. Coaltech was established with the purpose of ensuring that the South African coal industry remains competitive, sustainable and safe. Through Coaltech, we are able to get involved in collaborative initiatives and research aimed at developing technology in the coal industry.*

### **(7.60) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from coal mining activities?**

Select from:

No, this is not relevant to our operations

**(7.60.2) Explain why not and whether you plan to conduct methane leak detection and repair or adopt other methods to find and fix fugitive methane emissions from your coal mining activities.**

*Ventilation is used to control methane emissions in our underground coal mines. The methane levels in our underground operations are relatively low. In addition, no methane is stored underground. However, for safety reasons, we do take measurements from the coal seams of the rate at which the coal at the operations releases methane. For our remaining underground mining operation, Matla, the methane levels that have been monitored are low and cannot sustain any co-generation activities related to power production through the combustion of methane. In addition, our methane emissions have decreased due to divestment from our four ECC operations in September 2021. We draw on best practice guidelines such as those stipulated in the UNECE report with respect to airflow ventilation and drainage for effective methane management. An example is the airlocks for circuit ventilation. We also supported the South African Centre for Carbon Capture and Storage for over five years and await outcomes on viable technology and storage alternatives.*

**(7.63) If flaring is relevant to your coal mining operations, describe your organization's efforts to reduce flaring, including any flaring reduction targets.**

*Flaring is not relevant to our organisation due to the relatively low amounts of methane released from our underground operations.*

**(7.74) Do you classify any of your existing goods and/or services as low-carbon products?**

Select from:

Yes

**(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.**

**Row 1**

**(7.74.1.1) Level of aggregation**

Select from:

Product or service

**(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon**

Select from:

Low-Carbon Investment (LCI) Registry Taxonomy

### (7.74.1.3) Type of product(s) or service(s)

Power

Onshore wind

### (7.74.1.4) Description of product(s) or service(s)

*Thermal coal for electricity generation Renewable energy is produced from our two wind farms, Tsitsikamma and Amakhala eMoyeni, in the Eastern Cape. The diversification of our portfolio into renewable energy by acquiring 100% of Cennergj, an independent power producer, will support our efforts to transition to low carbon technologies and to achieve our carbon neutrality objective by 2050. Exxaro and Cennergj commissioned the two wind projects in the Eastern Cape in 2016, Amakhala Emoyeni wind farm near Bedford (134MW) and Tsitsikamma Community wind farm on Mfengu community land (95MW). These projects contribute 229MW of renewable energy to the national grid.*

### (7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

Yes

### (7.74.1.6) Methodology used to calculate avoided emissions

Select from:

Other, please specify :Exxaro Methodology

### (7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

Cradle-to-grave

### (7.74.1.8) Functional unit used

*Eskom Grid Emission Factor: 1.00tCO<sub>2</sub>e/MWh (2024);Renewable energy emission factor -11 grams of CO<sub>2</sub> per KWh.*

### (7.74.1.9) Reference product/service or baseline scenario used

*Eskom Grid Emission Factor Renewable energy emission factor*

**(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario**

Select from:

Use stage

**(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario**

2900000

**(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions**

*Installed capacity is 229MW, assumed capacity factor is 35%, hours per year 8,760, Eskom grid emission factor for 2024 is 1.00tCO2e/MWh (2024) and wind emission factor is 11g CO2e/kWh or 0.011 tCO2e/MWh. Annual electricity generation= 229 x 0.35 x 8,760 =702 474 MWh/year. Avoided emissions= 1.00-0.011=0.989 tCO2e/MWh Total avoided emissions= 702 474 x 0,989 = 694 745 tCO2e*

**(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year**

0

[Add row]

**(7.79) Has your organization retired any project-based carbon credits within the reporting year?**

Select from:

No

## C9. Environmental performance - Water security

### (9.1) Are there any exclusions from your disclosure of water-related data?

Select from:

No

### (9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

#### Water withdrawals – total volumes

##### (9.2.1) % of sites/facilities/operations

Select from:

100%

##### (9.2.2) Frequency of measurement

Select from:

Monthly

##### (9.2.3) Method of measurement

1. Calibrated analog water flow meters 2. Third party supply invoices 3. Estimated on-site storm water storage

##### (9.2.4) Please explain

All operations within Exxaro are required to submit to the corporate office detailed volumetric water management reports on a monthly basis. The information reported are in line with the Global Reporting Initiative (GRI) and Department of Water and Sanitation's (DWS) water conservation water demand management WCWDM performance indicators. To comply with this corporate requirement, each Business Unit (BU) meter, record and report on all water withdrawals from various sources within their operations.

#### Water withdrawals – volumes by source

### (9.2.1) % of sites/facilities/operations

Select from:

100%

### (9.2.2) Frequency of measurement

Select from:

Monthly

### (9.2.3) Method of measurement

1. Calibrated analog water flow meters 2. Third party supply invoices 3. Estimated on-site storm water storage

### (9.2.4) Please explain

Operations report volumes by source through the following sources: 1. Potable or raw water supplied by 3rd parties, 2. Fresh water abstracted from rivers, lakes, wells and 3. Rainwater accumulation in the mine workings or on-site infrastructure. Purchases from 3rd parties are correlated against invoices. The data is reported externally in the annual integrated report and is audited as part of sustainability assurance process.

## Entrained water associated with your metals & mining and/or coal sector activities - total volumes

### (9.2.1) % of sites/facilities/operations

Select from:

100%

### (9.2.2) Frequency of measurement

Select from:

Yearly

### (9.2.3) Method of measurement

Estimated from coal moisture content.

#### (9.2.4) Please explain

*The annual water balance model update includes entrained water in the simulations to correct for moisture losses from the mining and processing operation. Most entrained water is lost to our downstream customers through the sale of our product with the remaining entrained water lost to evaporation on product beds and discard dumps.*

#### Water withdrawals quality

##### (9.2.1) % of sites/facilities/operations

Select from:

100%

##### (9.2.2) Frequency of measurement

Select from:

Monthly

##### (9.2.3) Method of measurement

*Grab samples delivered to SANAS accredited laboratories for testing and monthly reporting.*

#### (9.2.4) Please explain

*The quality of water withdrawn is measured monthly, allowing for the categorisation into the CDP definition of fresh water; brackish water & potable water (TDS 10 000 mg/l & TDS*

#### Water discharges – total volumes

##### (9.2.1) % of sites/facilities/operations

Select from:

100%

##### (9.2.2) Frequency of measurement

Select from:

Monthly

### (9.2.3) Method of measurement

*Calibrated analog water flow meters*

### (9.2.4) Please explain

*All operations within Exxaro are required to submit detailed volumetric water discharge volumes to the corporate office monthly and to the Department of Water and Sanitation on a frequency governed by the licence that allows the discharge activity. Operations are licensed (authorised) to discharge treated sewage effluent and treated mine affected water to the resource.*

## Water discharges – volumes by destination

### (9.2.1) % of sites/facilities/operations

Select from:

100%

### (9.2.2) Frequency of measurement

Select from:

Monthly

### (9.2.3) Method of measurement

*Calibrated analog water flow meters at all release points that are authorised.*

### (9.2.4) Please explain

*All authorised discharges to the water resource are reported per volume and destination. The water quality is also measured and part of the report.*

## Water discharges – volumes by treatment method

### (9.2.1) % of sites/facilities/operations

Select from:

100%

### (9.2.2) Frequency of measurement

Select from:

Monthly

### (9.2.3) Method of measurement

1. Sewage treatment volumes 2. RO treatment volumes

### (9.2.4) Please explain

*All authorised discharges as mentioned above are reported per treatment method. Exxaro uses two treatment methods, namely, biological and chemical sewage treatment and Reverse Osmosis treatment of mine affected water.*

## Water discharge quality – by standard effluent parameters

### (9.2.1) % of sites/facilities/operations

Select from:

100%

### (9.2.2) Frequency of measurement

Select from:

Monthly

### (9.2.3) Method of measurement

*All volumes measured are done with their respective water quality effluent parameters.*

#### **(9.2.4) Please explain**

*The volumes reported are tested against certain parameters given in the authorised licence or under general authorisations special and standard limits.*

#### **Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)**

##### **(9.2.1) % of sites/facilities/operations**

Select from:

Not relevant

#### **(9.2.4) Please explain**

*Not applicable to Exxaro as our operations do not discharge emissions to water.*

#### **Water discharge quality – temperature**

##### **(9.2.1) % of sites/facilities/operations**

Select from:

Not relevant

#### **(9.2.4) Please explain**

*Not applicable to Exxaro operations as we have no processes that alters the temperature of the water. We do include temperature as a parameter in our monitoring programme.*

#### **Water consumption – total volume**

##### **(9.2.1) % of sites/facilities/operations**

Select from:

100%

##### **(9.2.2) Frequency of measurement**

Select from:

Monthly

### (9.2.3) Method of measurement

*Formula: Consumption = Total withdrawals minus Total discharged.*

### (9.2.4) Please explain

*Water consumption(C) is measured as the water which has been consumed by the operation and is accounted for as the difference between total water withdrawals(W) minus the total water discharged(D) and is calculated as C equals W minus D. All the operations report on a monthly basis to Corporate their consumption to enable further intensity calculations against site specific targets.*

## Water recycled/reused

### (9.2.1) % of sites/facilities/operations

Select from:

100%

### (9.2.2) Frequency of measurement

Select from:

Monthly

### (9.2.3) Method of measurement

*Formula: Recycling ratio = Total volume recycled + Total water consumed divided by Total water consumed.*

### (9.2.4) Please explain

*South Africa is located in an arid region and requires substantial re-use of water throughout the operation. The beneficiation process requires substantial process water to wash the coal and to transport fines discard to the tailings complex. Most of this process water is recycled back from the tailings complex and other areas (seepage water from the coal stockpiles) for re-use. Most of the mining facilities also recycle treated sewage effluent to re-use within the beneficiation process.*

## The provision of fully-functioning, safely managed WASH services to all workers

### (9.2.1) % of sites/facilities/operations

Select from:

100%

### (9.2.2) Frequency of measurement

Select from:

Continuously

### (9.2.3) Method of measurement

*WASH services are continuously available to all workers.*

### (9.2.4) Please explain

*All Exxaro operations provide a full functional WASH services for employees and contractors, and this is done in accordance with the standards for social action and principles for business and human rights. Employees and contractors have access to clean municipal water or treated water to drinking standards. The water qualities and volumes are closely monitored to ensure adherence to potable standards, and reports are submitted on monthly basis to the corporate office.*

*[Fixed row]*

**(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?**

#### **Total withdrawals**

##### (9.2.2.1) Volume (megaliters/year)

10245

##### (9.2.2.2) Comparison with previous reporting year

Select from:

Higher

### (9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

### (9.2.2.4) Five-year forecast

Select from:

Lower

### (9.2.2.5) Primary reason for forecast

Select from:

Increase/decrease in efficiency

### (9.2.2.6) Please explain

*Higher than expected rainfall in the first half of 2024 at some operations caused malfunctioning of several systems that recycles process water back to the operation. This caused additional fresh water to be drawn into the mine for beneficiation and other processes. Some operations suffered leaking pipes that also increased the overall increased withdrawals. Several changes to the overall water management plans were incorporated to prevent such failures in future, especially in light of climate change impacts.*

## Total discharges

### (9.2.2.1) Volume (megaliters/year)

1033

### (9.2.2.2) Comparison with previous reporting year

Select from:

Lower

### (9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

- Increase/decrease in business activity

#### (9.2.2.4) Five-year forecast

Select from:

- About the same

#### (9.2.2.5) Primary reason for forecast

Select from:

- Facility expansion

#### (9.2.2.6) Please explain

*Less water returned back to the basin as our mining schedule has changed at some operations, requiring less mine impacted water to be treated and returned to the catchment. Some drier conditions at our Mpumalanga operations also reduced the amount of water to be treated and released back to the basin.*

### Total consumption

#### (9.2.2.1) Volume (megaliters/year)

9212

#### (9.2.2.2) Comparison with previous reporting year

Select from:

- Higher

#### (9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

- Increase/decrease in efficiency

#### (9.2.2.4) Five-year forecast

Select from:

Lower

#### (9.2.2.5) Primary reason for forecast

Select from:

Increase/decrease in efficiency

#### (9.2.2.6) Please explain

*As stated above our overall consumption increased from 2023 as we had a very low base in 2023 and also had challenges with recycling efforts at some operations, leading to increased consumptive use in 2024.*

*[Fixed row]*

**(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.**

#### (9.2.4.1) Withdrawals are from areas with water stress

Select from:

Yes

#### (9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

10341

#### (9.2.4.3) Comparison with previous reporting year

Select from:

Higher

#### (9.2.4.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

#### (9.2.4.5) Five-year forecast

Select from:

Lower

#### (9.2.4.6) Primary reason for forecast

Select from:

Increase/decrease in efficiency

#### (9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

100.94

#### (9.2.4.8) Identification tool

Select all that apply

WRI Aqueduct

#### (9.2.4.9) Please explain

*Based on the WRI Aqueduct maps all our operations are situated in areas (basins) of water stress that will require additional recycling and better efficiency as the water resources that we rely on will be stressed. Climate change scenarios indicate higher temperatures and lower overall rainfall at our operations. We will need to carefully manage and reduce our abstraction volumes.*

*[Fixed row]*

#### (9.2.7) Provide total water withdrawal data by source.

**Fresh surface water, including rainwater, water from wetlands, rivers, and lakes**

#### (9.2.7.1) Relevance

Select from:

Relevant

### (9.2.7.2) Volume (megaliters/year)

7691

### (9.2.7.3) Comparison with previous reporting year

Select from:

Higher

### (9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

### (9.2.7.5) Please explain

*Some operations could not adequately recycle their process water streams and imported more fresh water to compensate. This was caused due to flooding of pump systems as they received excessive rainfall in the first half of 2024. The following changes were incorporated to prevent future flooding scenarios: a) Lowering the operational levels in our storage facilities prior to the wet season b) Standby pumps with mobile diesel generators as an emergency response.*

## Brackish surface water/Seawater

### (9.2.7.1) Relevance

Select from:

Not relevant

### (9.2.7.5) Please explain

*No brackish surface water or sea water utilised at any of our operations.*

## Groundwater – renewable

### (9.2.7.1) Relevance

Select from:

Relevant

### (9.2.7.2) Volume (megaliters/year)

1149

### (9.2.7.3) Comparison with previous reporting year

Select from:

Lower

### (9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

### (9.2.7.5) Please explain

*Due to changes in mining direction and drier conditions at some operations required less dewatering of this groundwater resource.*

## Groundwater – non-renewable

### (9.2.7.1) Relevance

Select from:

Not relevant

### (9.2.7.5) Please explain

*No non-renewable groundwater utilised at any of our operations.*

## Produced/Entrained water

### (9.2.7.1) Relevance

Select from:

Not relevant

### (9.2.7.5) Please explain

*Produced/entrained water not material in volume size and only considered for water balance forecasting purposes.*

## Third party sources

### (9.2.7.1) Relevance

Select from:

Relevant

### (9.2.7.2) Volume (megaliters/year)

1405

### (9.2.7.3) Comparison with previous reporting year

Select from:

About the same

### (9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

### (9.2.7.5) Please explain

*Water imported from third party sources remained the same as the previous reporting year as there were limited changes on the requirement side.*

*[Fixed row]*

## **(9.2.8) Provide total water discharge data by destination.**

### **Fresh surface water**

#### **(9.2.8.1) Relevance**

Select from:

Relevant

#### **(9.2.8.2) Volume (megaliters/year)**

1033

#### **(9.2.8.3) Comparison with previous reporting year**

Select from:

Lower

#### **(9.2.8.4) Primary reason for comparison with previous reporting year**

Select from:

Increase/decrease in business activity

#### **(9.2.8.5) Please explain**

*Lower dewatering from mining voids and changes in mining direction required less treatment of mine-impacted water. Less treated water was released back to the basin as a consequence.*

### **Brackish surface water/seawater**

#### **(9.2.8.1) Relevance**

Select from:

Not relevant

### **(9.2.8.5) Please explain**

*No water returned to these sources.*

#### **Groundwater**

### **(9.2.8.1) Relevance**

*Select from:*

Not relevant

### **(9.2.8.5) Please explain**

*No water returned to these sources.*

#### **Third-party destinations**

### **(9.2.8.1) Relevance**

*Select from:*

Not relevant

### **(9.2.8.5) Please explain**

*No water returned to these sources.*

*[Fixed row]*

### **(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.**

#### **Tertiary treatment**

### **(9.2.9.1) Relevance of treatment level to discharge**

*Select from:*

Relevant

#### (9.2.9.2) Volume (megaliters/year)

933

#### (9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

Lower

#### (9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

#### (9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

41-50

#### (9.2.9.6) Please explain

*Two operations had lower dewatering from mining voids and changes in mining direction required less treatment of mine-impacted water. Both treatments are reverse osmosis (RO) with very good quality characteristics.*

### Secondary treatment

#### (9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

#### (9.2.9.2) Volume (megaliters/year)

**(9.2.9.3) Comparison of treated volume with previous reporting year**

Select from:

About the same

**(9.2.9.4) Primary reason for comparison with previous reporting year**

Select from:

Increase/decrease in business activity

**(9.2.9.5) % of your sites/facilities/operations this volume applies to**

Select from:

21-30

**(9.2.9.6) Please explain**

*Two sewage treatment plants at our Matla operation return treated sewage effluent back to the Olifants basin. Volumes are slightly higher than 2023.*

**Primary treatment only****(9.2.9.1) Relevance of treatment level to discharge**

Select from:

Not relevant

**(9.2.9.6) Please explain**

*Only secondary and tertiary treatment plants used to return water to the basins.*

**Discharge to the natural environment without treatment****(9.2.9.1) Relevance of treatment level to discharge**

Select from:

Not relevant

### (9.2.9.6) Please explain

*No untreated water discharged to the environment.*

## Discharge to a third party without treatment

### (9.2.9.1) Relevance of treatment level to discharge

Select from:

Not relevant

### (9.2.9.6) Please explain

*No untreated water discharged to a third party.*

## Other

### (9.2.9.1) Relevance of treatment level to discharge

Select from:

Not relevant

### (9.2.9.6) Please explain

*Only secondary and tertiary treatment plants used to return water to the basins.  
[Fixed row]*

**(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?**

## Direct operations

### (9.3.1) Identification of facilities in the value chain stage

Select from:

Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

### (9.3.2) Total number of facilities identified

4

### (9.3.3) % of facilities in direct operations that this represents

Select from:

76-99

### (9.3.4) Please explain

*Four facilities have been identified that requires both freshwater/recycled water/process water to enable the beneficiation of coal, potable purposes, washing and dust suppression. A full water risk assessment is conducted on these facilities on an annual basis to understand interdependencies, risks and opportunities with suitable mitigation measures. Climate change is also taken into consideration.*

## Upstream value chain

### (9.3.1) Identification of facilities in the value chain stage

Select from:

No, we have assessed this value chain stage but did not identify any facilities with water-related dependencies, impacts, risks, and opportunities

### (9.3.4) Please explain

*Upstream suppliers of mining equipment, fuel, explosives, lubricants and magnetite are not heavily reliant on good quality freshwater; however, it can be described as important in the manufacturing process.*

*[Fixed row]*

**(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.**

**Row 1**

**(9.3.1.1) Facility reference number**

*Select from:*

Facility 1

**(9.3.1.2) Facility name (optional)**

*Grootegeluk mine*

**(9.3.1.3) Value chain stage**

*Select from:*

Direct operations

**(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility**

*Select all that apply*

Dependencies

Impacts

Risks

Opportunities

**(9.3.1.5) Withdrawals or discharges in the reporting year**

*Select from:*

Yes, withdrawals only

**(9.3.1.6) Reason for no withdrawals and/or discharges**

No discharge of water required as the site is in a negative water balance state, requiring constant importation of water to allow for the beneficiation of coal and domestic purposes.

#### (9.3.1.7) Country/Area & River basin

Botswana

Limpopo

#### (9.3.1.8) Latitude

-23.660738

#### (9.3.1.9) Longitude

27.55113

#### (9.3.1.10) Located in area with water stress

Select from:

Yes

#### (9.3.1.13) Total water withdrawals at this facility (megaliters)

7524

#### (9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

Higher

#### (9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

6863

#### (9.3.1.16) Withdrawals from brackish surface water/seawater

0

**(9.3.1.17) Withdrawals from groundwater - renewable**

156

**(9.3.1.18) Withdrawals from groundwater - non-renewable**

0

**(9.3.1.19) Withdrawals from produced/entrained water**

0

**(9.3.1.20) Withdrawals from third party sources**

505

**(9.3.1.27) Total water consumption at this facility (megaliters)**

7524

**(9.3.1.28) Comparison of total consumption with previous reporting year**

Select from:

Higher

**(9.3.1.29) Please explain**

*This operation could not adequately recycle their process water streams and imported more fresh water to compensate. This was caused due to flooding of pump systems as they received excessive rainfall in the first half of 2024. The following change was incorporated to prevent future flooding scenarios: a) Lowering the operational levels in our storage facilities prior to the wet season b) Standby pumps with mobile diesel generators as an emergency response.*

**Row 2**

**(9.3.1.1) Facility reference number**

Select from:

- Facility 3

### (9.3.1.2) Facility name (optional)

*Leeuwpan mine*

### (9.3.1.3) Value chain stage

Select from:

- Direct operations

### (9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

- Dependencies
- Impacts
- Risks
- Opportunities

### (9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

- Yes, withdrawals only

### (9.3.1.6) Reason for no withdrawals and/or discharges

*Recycling of water is optimised and the mining pits are of such a nature that lower dewatering is required. At this stage the water balance is stable with no excess water at this stage.*

### (9.3.1.7) Country/Area & River basin

South Africa

- Olifants

**(9.3.1.8) Latitude**

-26.170485

**(9.3.1.9) Longitude**

28.7288

**(9.3.1.10) Located in area with water stress**

Select from:

Yes

**(9.3.1.13) Total water withdrawals at this facility (megaliters)**

138

**(9.3.1.14) Comparison of total withdrawals with previous reporting year**

Select from:

About the same

**(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

55

**(9.3.1.16) Withdrawals from brackish surface water/seawater**

0

**(9.3.1.17) Withdrawals from groundwater - renewable**

83

**(9.3.1.18) Withdrawals from groundwater - non-renewable**

0

**(9.3.1.19) Withdrawals from produced/entrained water**

0

**(9.3.1.20) Withdrawals from third party sources**

0

**(9.3.1.27) Total water consumption at this facility (megaliters)**

138

**(9.3.1.28) Comparison of total consumption with previous reporting year**

Select from:

About the same

**(9.3.1.29) Please explain**

*No increase in recycling due to infrastructure constraints with similar losses to dust suppression and coal washing operations.*

**Row 3**

**(9.3.1.1) Facility reference number**

Select from:

Facility 4

**(9.3.1.2) Facility name (optional)**

*Belfast mine*

**(9.3.1.3) Value chain stage**

Select from:

- Direct operations

#### (9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

- Dependencies
- Impacts
- Risks
- Opportunities

#### (9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

- Yes, withdrawals and discharges

#### (9.3.1.7) Country/Area & River basin

Eswatini

- Incomati

#### (9.3.1.8) Latitude

-25.83881

#### (9.3.1.9) Longitude

29.987652

#### (9.3.1.10) Located in area with water stress

Select from:

- Yes

**(9.3.1.13) Total water withdrawals at this facility (megaliters)**

829

**(9.3.1.14) Comparison of total withdrawals with previous reporting year**

Select from:

Higher

**(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

773

**(9.3.1.16) Withdrawals from brackish surface water/seawater**

0

**(9.3.1.17) Withdrawals from groundwater - renewable**

56

**(9.3.1.18) Withdrawals from groundwater - non-renewable**

0

**(9.3.1.19) Withdrawals from produced/entrained water**

0

**(9.3.1.20) Withdrawals from third party sources**

0

**(9.3.1.21) Total water discharges at this facility (megaliters)**

269

**(9.3.1.22) Comparison of total discharges with previous reporting year**

Select from:

Lower

**(9.3.1.23) Discharges to fresh surface water**

269

**(9.3.1.24) Discharges to brackish surface water/seawater**

0

**(9.3.1.25) Discharges to groundwater**

0

**(9.3.1.26) Discharges to third party destinations**

0

**(9.3.1.27) Total water consumption at this facility (megaliters)**

560

**(9.3.1.28) Comparison of total consumption with previous reporting year**

Select from:

Higher

**(9.3.1.29) Please explain**

*Changes to the infrastructure and higher dust suppression due to windy conditions required a higher consumption. Dust suppression technology advances will reduce the overall consumption in future to improve water efficiency.*

**Row 4**

### (9.3.1.1) Facility reference number

Select from:

- Facility 2

### (9.3.1.2) Facility name (optional)

Matla mine

### (9.3.1.3) Value chain stage

Select from:

- Direct operations

### (9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

- Dependencies
- Impacts
- Risks
- Opportunities

### (9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

- Yes, withdrawals and discharges

### (9.3.1.7) Country/Area & River basin

South Africa

- Olifants

### (9.3.1.8) Latitude

-26.263132

**(9.3.1.9) Longitude**

29.126481

**(9.3.1.10) Located in area with water stress**

Select from:

Yes

**(9.3.1.13) Total water withdrawals at this facility (megaliters)**

1754

**(9.3.1.14) Comparison of total withdrawals with previous reporting year**

Select from:

Lower

**(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**(9.3.1.16) Withdrawals from brackish surface water/seawater**

0

**(9.3.1.17) Withdrawals from groundwater - renewable**

854

**(9.3.1.18) Withdrawals from groundwater - non-renewable**

0

**(9.3.1.19) Withdrawals from produced/entrained water**

0

**(9.3.1.20) Withdrawals from third party sources**

900

**(9.3.1.21) Total water discharges at this facility (megaliters)**

764

**(9.3.1.22) Comparison of total discharges with previous reporting year**

Select from:

Lower

**(9.3.1.23) Discharges to fresh surface water**

764

**(9.3.1.24) Discharges to brackish surface water/seawater**

0

**(9.3.1.25) Discharges to groundwater**

0

**(9.3.1.26) Discharges to third party destinations**

0

**(9.3.1.27) Total water consumption at this facility (megaliters)**

990

### (9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

Lower

### (9.3.1.29) Please explain

*Lower consumption at this facility as they reduce some mining activities at Shaft 2 and 3. With the construction of a new shaft the consumption is expected to increase again in 2025.*

*[Add row]*

**(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?**

### Water withdrawals – total volumes

#### (9.3.2.1) % verified

Select from:

76-100

#### (9.3.2.2) Verification standard used

*Audit firm KPMG conduct verification and assurance of all our water withdrawals as part of annual external audit of company's annual reports. KPMG audits are according to the ASAE 3000.*

### Water withdrawals – volume by source

#### (9.3.2.1) % verified

Select from:

76-100

#### (9.3.2.2) Verification standard used

Audit firm KPMG conduct verification and assurance of all our water withdrawals as part of annual external audit of company's annual reports. KPMG audits are according to the ASAE 3000.

## Water withdrawals – quality by standard water quality parameters

### (9.3.2.1) % verified

Select from:

76-100

### (9.3.2.2) Verification standard used

We test our water withdrawal limits against SANS241 specifically for drinking water and South African guidelines for industrial & domestic usage.

## Water discharges – total volumes

### (9.3.2.1) % verified

Select from:

76-100

### (9.3.2.2) Verification standard used

Verified during internal audits in accordance with Integrated water use license conditions under section 21f.

## Water discharges – volume by destination

### (9.3.2.1) % verified

Select from:

76-100

### (9.3.2.2) Verification standard used

Verified during internal audits in accordance with Integrated water use license conditions under section 21f.

## Water discharges – volume by final treatment level

### (9.3.2.1) % verified

Select from:

76-100

### (9.3.2.2) Verification standard used

*Verified during internal audits in accordance with Integrated water use license conditions under section 21f.*

## Water discharges – quality by standard water quality parameters

### (9.3.2.1) % verified

Select from:

76-100

### (9.3.2.2) Verification standard used

*Verified during internal audits in accordance with Integrated water use license conditions under section 21f.*

## Water consumption – total volume

### (9.3.2.1) % verified

Select from:

76-100

### (9.3.2.2) Verification standard used

*Audit firm KPMG conduct verification and assurance of all our water withdrawals as part of annual external audit of company's annual reports. KPMG audits are according to the ASAE 3000.*

*[Fixed row]*

**(9.5) Provide a figure for your organization's total water withdrawal efficiency.**

**(9.5.1) Revenue (currency)**

40700000000

**(9.5.2) Total water withdrawal efficiency**

3972669.59

**(9.5.3) Anticipated forward trend**

*We anticipate that this efficiency will improve as we implement more water conservation interventions and infrastructure improvements. Climate change may also deteriorate this efficiency, but we need to remain resilient in our efforts to ensure a sustainable future within the constraints.*

*[Fixed row]*

**(9.10) Do you calculate water intensity information for your metals and mining activities?**

Select from:

Yes

**(9.10.1) For your top 5 products by revenue, provide the following intensity information associated with your metals and mining activities.**

**Row 1**

**(9.10.1.1) Product name**

Coal

**(9.10.1.2) Numerator: Water aspect**

Select from:

Total water consumption

### (9.10.1.3) Denominator

Select from:

Ton of ore processed

### (9.10.1.4) Comparison with previous reporting year

Select from:

Higher

### (9.10.1.5) Please explain

*Water intensity during the reporting period was 142L/ton of ore processed and higher than our performance in 2023 (105 L/ton). The performance in 2024 is in line with our target for our coal operations at 180L/ton and markedly lower than the South African coal industry benchmark of 380L/ton. Some operations could not adequately recycle their process water streams and imported more fresh water to compensate. This was caused due to flooding of pump systems as they received excessive rainfall in the first half of 2024. The following changes were incorporated to prevent future flooding scenarios: a) Lowering the operational levels in our storage facilities prior to the wet season b) Standby pumps with mobile diesel generators as an emergency response.*

[Add row]

### (9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
	Select from: <input checked="" type="checkbox"/> No	Our coal product is not hazardous according to the Hazardous Substances Act, 1973 (Act 15 of 1973).

[Fixed row]

## (9.14) Do you classify any of your current products and/or services as low water impact?

### (9.14.1) Products and/or services classified as low water impact

Select from:

Yes

### (9.14.2) Definition used to classify low water impact

*Two definitions are used to classify the impact, firstly the impact on the volume of water within the basin and secondly the impact of our activities on the quality of water within the basin. The volumetric and quality impact is then divided further into surface water and groundwater impact.*

### (9.14.4) Please explain

*Removing coal from the environment impacts on the surface topography and this directly affects the runoff and groundwater availability. The handling and storage of coal could also impact on the quality of water on surface and groundwater resources. Exxaro mitigates against all these impacts to reduce these impacts to a low category through the following interventions: Coal storage facilities are lined to prevent groundwater seepage and a dirty water collection facility provided to capture contaminated runoff. The drawdown cone around our mining activities is limited in extent due to the fractured rock aquifers with low permeabilities.*

*[Fixed row]*

## (9.15) Do you have any water-related targets?

Select from:

Yes

**(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.**

### Water pollution

#### (9.15.1.1) Target set in this category

Select from:

No, and we do not plan to within the next two years

### (9.15.1.2) Please explain

*We do not have pollution targets. Any pollution incident is investigated and rectified on an ad hoc basis. We have an incident management policy that outlines our procedures for investigation, management, clean up, future prevention and monitoring.*

## Water withdrawals

### (9.15.1.1) Target set in this category

Select from:

Yes

## Water, Sanitation, and Hygiene (WASH) services

### (9.15.1.1) Target set in this category

Select from:

Yes

## Other

### (9.15.1.1) Target set in this category

Select from:

No, and we do not plan to within the next two years

### (9.15.1.2) Please explain

*No further target setting planned.  
[Fixed row]*

## (9.15.2) Provide details of your water-related targets and the progress made.

### Row 1

#### (9.15.2.1) Target reference number

Select from:

Target 1

#### (9.15.2.2) Target coverage

Select from:

Organization-wide (direct operations only)

#### (9.15.2.3) Category of target & Quantitative metric

Water withdrawals

Reduction in withdrawals per unit of production

#### (9.15.2.4) Date target was set

12/31/2020

#### (9.15.2.5) End date of base year

12/30/2023

#### (9.15.2.6) Base year figure

180

#### (9.15.2.7) End date of target year

12/30/2024

### (9.15.2.8) Target year figure

180

### (9.15.2.9) Reporting year figure

142

### (9.15.2.10) Target status in reporting year

Select from:

Achieved and maintained

### (9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

None, alignment not assessed

### (9.15.2.13) Explain target coverage and identify any exclusions

*Company-wide target of 180L/ton ROM achieved in 2024. Exxaro achieved an actual water intensity level of 142 (L/ROM ton) and is reflected in the Annual Reports.*

### (9.15.2.15) Actions which contributed most to achieving or maintaining this target

*Due to increased water efficiency measures at our operations, we were able to sustain our performance below target despite the increases suffered at some operations, as already explained.*

### (9.15.2.16) Further details of target

*The target will be reduced to 175L/ton from 2025 onwards to ensure a sustainable business with the constraints of climate change and anthropogenic impacts.*

## Row 2

### (9.15.2.1) Target reference number

Select from:

Target 2

### (9.15.2.2) Target coverage

Select from:

Organization-wide (direct operations only)

### (9.15.2.3) Category of target & Quantitative metric

Water withdrawals

Increase in water use met through recycling/reuse

### (9.15.2.4) Date target was set

12/31/2020

### (9.15.2.5) End date of base year

12/30/2023

### (9.15.2.6) Base year figure

38

### (9.15.2.7) End date of target year

12/30/2024

### (9.15.2.8) Target year figure

38

### (9.15.2.9) Reporting year figure

50

### (9.15.2.10) Target status in reporting year

Select from:

Achieved and maintained

### (9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

None, alignment not assessed

### (9.15.2.13) Explain target coverage and identify any exclusions

*Exxaro achieved an actual recycling ratio of 50% in 2024. This is lower than our performance in 2023 of 56% and reflects a decrease in recycling that directly impacted our water withdrawals as explained above. (Flooding damage to infrastructure)*

### (9.15.2.15) Actions which contributed most to achieving or maintaining this target

*We keep raising awareness at the operations to improve their recycling efforts that has a direct impact on our water withdrawals in a positive way.*

### (9.15.2.16) Further details of target

*The target of 38% will remain at this stage. The national government is currently revising the benchmarks for recycling and Exxaro could revise this target upwards as part of our conservation efforts in the various basins.*

*[Add row]*

## C10. Environmental performance - Plastics

### (10.1) Do you have plastics-related targets, and if so what type?

#### (10.1.1) Targets in place

Select from:

No, and we do not plan to within the next two years

#### (10.1.3) Please explain

*No current target setting as we have not fully quantified the plastic portion of our domestic and hazardous waste streams. Potential target setting could include a reduction on the plastic waste stream disposed. We will consider such target setting once the plastic waste stream is fully understood, quantified and accounted for in the total waste stream.*

*[Fixed row]*

### (10.2) Indicate whether your organization engages in the following activities.

#### Production/commercialization of plastic polymers (including plastic converters)

##### (10.2.1) Activity applies

Select from:

No

##### (10.2.2) Comment

*Not relevant*

#### Production/commercialization of durable plastic goods and/or components (including mixed materials)

### (10.2.1) Activity applies

Select from:

No

### (10.2.2) Comment

*Not relevant*

## Usage of durable plastics goods and/or components (including mixed materials)

### (10.2.1) Activity applies

Select from:

Yes

### (10.2.2) Comment

*Exxaro uses very limited durable plastics within the beneficiation plants and workshops. Durable recycled plastic and mixed material plastic is quantified.*

## Production/commercialization of plastic packaging

### (10.2.1) Activity applies

Select from:

No

### (10.2.2) Comment

*Not relevant*

## Production/commercialization of goods/products packaged in plastics

### (10.2.1) Activity applies

Select from:

No

### (10.2.2) Comment

*Not relevant*

## **Provision/commercialization of services that use plastic packaging (e.g., food services)**

### (10.2.1) Activity applies

Select from:

No

### (10.2.2) Comment

*Exxaro utilises food contractors to supply food in plastic packaging at its mining operation and Corporate office. Single use plastic is quantified.*

## **Provision of waste management and/or water management services**

### (10.2.1) Activity applies

Select from:

No

### (10.2.2) Comment

*Exxaro uses third parties to provide waste management services at its mining operations and Corporate office. All service providers collect plastic waste as part of general waste collection and is recycled by third parties.*

## **Provision of financial products and/or services for plastics-related activities**

### (10.2.1) Activity applies

Select from:

No

### (10.2.2) Comment

*Not relevant*

### Other activities not specified

### (10.2.1) Activity applies

*Select from:*

No

### (10.2.2) Comment

*Not relevant*

*[Fixed row]*

### (10.4) Provide the total weight of plastic durable goods and durable components produced, sold and/or used, and indicate the raw material content.

	Total weight during the reporting year (Metric tons)	Raw material content percentages available to report	Please explain
Durable goods and durable components used	33.2	<i>Select all that apply</i> <input checked="" type="checkbox"/> None	<i>The raw material content percentage is not quantified or reported.</i>

*[Fixed row]*

### (10.6) Provide the total weight of waste generated by the plastic you produce, commercialize, use and/or process and indicate the end-of-life management pathways.

## Usage of plastic

### (10.6.1) Total weight of waste generated during the reporting year (Metric tons)

35.1

### (10.6.2) End-of-life management pathways available to report

Select all that apply

Recycling

### (10.6.4) % recycling

100

### (10.6.12) Please explain

*The reported High-Density Polyethylene (HDPE) recycled plastic in 2024 was 33.2 Tonnes and Mixed plastics (including single use) was 1.9 Tonnes  
[Fixed row]*

## C11. Environmental performance - Biodiversity

**(11.1) Within your reporting boundary, are there any geographical areas, business units or mining projects excluded from your disclosure?**

Select from:

No

**(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

### **(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments**

Select from:

Yes, we are taking actions to progress our biodiversity-related commitments

### **(11.2.2) Type of action taken to progress biodiversity- related commitments**

Select all that apply

Law & policy

Livelihood, economic & other incentives

Species management

Education & awareness

Land/water protection

Land/water management

[Fixed row]

**(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?**

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
	Select from: <input checked="" type="checkbox"/> Yes, we use indicators	Select all that apply <input checked="" type="checkbox"/> State and benefit indicators <input checked="" type="checkbox"/> Response indicators

[Fixed row]

## (11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

### Legally protected areas

#### (11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

Yes

#### (11.4.2) Comment

*Mining Operations near watercourses which are protected by national legislation (The National Water Act 36 of 1998). Mining activities within areas with protected species National Environmental Management: Biodiversity Act 10 of 2004)*

### UNESCO World Heritage sites

#### (11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

No

## (11.4.2) Comment

*None of Exxaro's operations are located within or near a UNESCO World Heritage Site*

## UNESCO Man and the Biosphere Reserves

**(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity**

Select from:

Yes

## (11.4.2) Comment

*Mining operation within the Waterberg Biosphere Reserve and Renewable energy projects along the Garden Route Biosphere Reserve*

## Ramsar sites

**(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity**

Select from:

No

## (11.4.2) Comment

*None of Exxaro's operations are located within a close proximity to Ramsar declared sites*

## Key Biodiversity Areas

**(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity**

Select from:

Yes

#### (11.4.2) Comment

*Some of Exxaro's operations are located near Key Biodiversity Areas such as Waterberg KBA, Greater Kruger National Park KBA (Mines in closure), Steenkampsberg Grasslands and Garden Route KBA, Chelmsford KBA (Mines in closure),*

#### Other areas important for biodiversity

#### (11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

Yes (partial assessment)

#### (11.4.2) Comment

*Some of Exxaro's operations are located near private game farms.  
[Fixed row]*

#### (11.4.1) Provide details of your organization's activities in the reporting year located in or near to areas important for biodiversity.

#### Row 1

#### (11.4.1.1) Mining project ID

Select from:

Project 1

#### (11.4.1.2) Types of area important for biodiversity

Select all that apply

Legally protected areas

Key Biodiversity Areas

#### (11.4.1.3) Protected area category (IUCN classification)

Select from:

Category IV-VI

#### (11.4.1.4) Country/area

Select from:

South Africa

#### (11.4.1.5) Name of the area important for biodiversity

*Grootegeeluk Mine is located near the Manketti Game Farm which is also managed by Exxaro Resources and falls within the Waterberg KBA. Furthermore, the Mine overlaps a few sensitive ephemeral pan wetlands.*

#### (11.4.1.6) Proximity

Select from:

Overlap

#### (11.4.1.7) Area of overlap (hectares)

0.75

#### (11.4.1.8) Briefly describe your organization's activities in the reporting year located in or near to the selected area

*Areas are cleared as the mine pit expands into the authorized life of mine and mine activities are taking place near sensitive environments such as wetlands. Authorisations are in place for mining activities occurring within a 500m of a wetland system.*

#### (11.4.1.9) Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Select from:

- Yes, but mitigation measures have been implemented

#### (11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

- Scheduling
- Restoration
- Site selection
- Project design
- Physical controls
- Abatement controls
- Operational controls
- Biodiversity offsets

#### (11.4.1.11) Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

*Clearing of land for mining operations contribute to biodiversity loss through the loss of natural habitat which ultimately results in the loss/dislocation of animal species that occur or occurred in these areas prior to mining. Furthermore, land clearing increases soil erosion. Biodiversity impacts were assessed at baseline, where sensitive environments were mapped, and mine designs were planned away from sensitive environment. For mine activities that could not be undertaken away from sensitive environment, mitigation measures, rehabilitation and offset measures were put in place. All impacts are however authorized through the relevant licensing and permit.*

#### (11.4.1.12) Further context for mining projects

*Grootegeeluk is an opencast mine and thus has an impact on the environment. However, avoidance and mitigation measures are in place and where disturbances/loss cannot be avoided or mitigated, offset measures are in place.*

### Row 2

#### (11.4.1.1) Mining project ID

Select from:

- Project 2

#### (11.4.1.2) Types of area important for biodiversity

Select all that apply

- Legally protected areas
- Key Biodiversity Areas

#### (11.4.1.3) Protected area category (IUCN classification)

Select from:

- Category IV-VI

#### (11.4.1.4) Country/area

Select from:

- South Africa

#### (11.4.1.5) Name of the area important for biodiversity

*Belfast is located within the Steenkampsberg Grasslands Biosphere, the Klein-Komati, Leeubankspruit and the Driehoekspruit river systems and associated wetlands*

#### (11.4.1.6) Proximity

Select from:

- Overlap

#### (11.4.1.7) Area of overlap (hectares)

0.01

#### (11.4.1.8) Briefly describe your organization's activities in the reporting year located in or near to the selected area

*Areas are cleared as the mine pit expands into the authorized life of mine and mine activities are taking place near sensitive environments such as wetlands. Authorisations are in place for mining activities occurring within a 500m of a wetland system.*

#### (11.4.1.9) Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Select from:

- Yes, but mitigation measures have been implemented

#### (11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

- Scheduling
- Restoration
- Site selection
- Project design
- Physical controls
- Abatement controls
- Operational controls
- Biodiversity offsets

#### (11.4.1.11) Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

*Clearing of land for mining operations contribute to biodiversity loss through the loss of natural habitat which ultimately results in the loss/dislocation of animal species that occur or occurred in these areas prior to mining. Furthermore, land clearing increases soil erosion. Biodiversity impacts were assessed at baseline, where sensitive environments were mapped, and mine designs were planned away from sensitive environment. For mine activities that could not be undertaken away from sensitive environment, mitigation measures, rehabilitation and offset measures were put in place. All impacts are however authorized through the relevant licensing and permit.*

#### (11.4.1.12) Further context for mining projects

*Belfast is an opencast mine and thus has an impact on the environment. However, avoidance and mitigation measures are in place and where disturbances/loss cannot be avoided or mitigated, offset measures are in place.*

### Row 3

#### (11.4.1.1) Mining project ID

Select from:

- Project 3

#### (11.4.1.2) Types of area important for biodiversity

Select all that apply

Legally protected areas

Key Biodiversity Areas

#### (11.4.1.3) Protected area category (IUCN classification)

Select from:

Category IV-VI

#### (11.4.1.4) Country/area

Select from:

South Africa

#### (11.4.1.5) Name of the area important for biodiversity

*Matla Mineral Rights Area traverses the Rietspruit River and its tributaries as well as associated wetlands such as the Grootpan.*

#### (11.4.1.6) Proximity

Select from:

Overlap

#### (11.4.1.7) Area of overlap (hectares)

0.01

#### (11.4.1.8) Briefly describe your organization's activities in the reporting year located in or near to the selected area

*Matla is an underground mine, with limited surface infrastructure, however, some of the surface infrastructure are located within a 500m buffer of watercourses and some of the mining activities have required the alteration/diversion of a watercourse (river diversion). Authorisations are in place for the identified biodiversity impacts.*

#### (11.4.1.9) Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Select from:

- Yes, but mitigation measures have been implemented

#### (11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

- Scheduling
- Restoration
- Site selection
- Project design
- Physical controls
- Operational controls
- Biodiversity offsets

#### (11.4.1.11) Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

*Biodiversity impacts identified at Matla mine relates to subsidence as a result of the shortwall mining method. These impacts are identified at baseline level, or as new activities are applied for at the mine. Proposed mitigation measures include delineation of wetland systems, placement of surface infrastructure outside recommended wetland buffers, control of alien invasive species through AIS monitoring and eradication as well as biomonitoring, which includes monitoring of the river diversion.*

#### (11.4.1.12) Further context for mining projects

*Matla is an underground mine and thus has had less surface impact on the environment compared to the other operations. Avoidance and minimization is practiced at Matla mine, and where surface impacts have occurred, mitigation measures, rehabilitation and offset measures are implemented.*

### Row 4

#### (11.4.1.1) Mining project ID

Select from:

- Project 4

#### (11.4.1.2) Types of area important for biodiversity

Select all that apply

Legally protected areas

Key Biodiversity Areas

#### (11.4.1.3) Protected area category (IUCN classification)

Select from:

Category IV-VI

#### (11.4.1.4) Country/area

Select from:

South Africa

#### (11.4.1.5) Name of the area important for biodiversity

*Leeuwan Mineral Rights Area traverse the Bronkhorspruit River and Pan wetlands*

#### (11.4.1.6) Proximity

Select from:

Overlap

#### (11.4.1.7) Area of overlap (hectares)

0.01

#### (11.4.1.8) Briefly describe your organization's activities in the reporting year located in or near to the selected area

*Areas are cleared as the mine pit expands into the authorized life of mine and mine activities are taking place near sensitive environments such as wetlands. Authorisations are in place for mining activities occurring within a 500m of a wetland system.*

#### (11.4.1.9) Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Select from:

- Yes, but mitigation measures have been implemented

#### **(11.4.1.10) Mitigation measures implemented within the selected area**

Select all that apply

- Scheduling
- Restoration
- Site selection
- Project design
- Physical controls
- Operational controls
- Biodiversity offsets

#### **(11.4.1.11) Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented**

*Clearing of land for mining operations contribute to biodiversity loss through the loss of natural habitat which ultimately results in the loss/dislocation of animal species that occur or occurred in these areas prior to mining. Furthermore, land clearing increases soil erosion. Biodiversity impacts were assessed at baseline, where sensitive environments were mapped, and mine designs were planned away from sensitive environment. For mine activities that could not be undertaken away from sensitive environment, mitigation measures, rehabilitation and offset measures were put in place. All impacts are however authorized through the relevant licensing and permit.*

#### **(11.4.1.12) Further context for mining projects**

*Leeuwpan is an opencast mine and thus has an impact on the environment. However, avoidance and mitigation measures are in place and where a high impact and degradation of the environment cannot be avoided or mitigated, offset measures are in place.*

*[Add row]*

#### **(11.5) Can you disclose the mining project area and the area of land disturbed for each of your mining projects?**

	Disclosing mining project area and area of land disturbed	Comment
	Select from: <input checked="" type="checkbox"/> Yes	-

[Fixed row]

**(11.5.1) Provide details on the mining project area and the area of land disturbed for each of your mining projects.**

**Row 1**

**(11.5.1.1) Mining project ID**

Select from:

Project 1

**(11.5.1.2) Total area of owned land/lease/project area (hectares)**

8703.35

**(11.5.1.3) Total area disturbed to date (hectares)**

4145

**(11.5.1.4) Area disturbed in the reporting year (hectares)**

175

**(11.5.1.5) Type(s) of habitat disturbed in the reporting year**

Select all that apply

Modified habitat

Natural habitat

#### (11.5.1.6) Comment

*Areas are cleared as the mine pit expands into the authorized Life of Mine. both Natural and Modified habitat is impacted.*

### Row 2

#### (11.5.1.1) Mining project ID

Select from:

Project 2

#### (11.5.1.2) Total area of owned land/lease/project area (hectares)

3709

#### (11.5.1.3) Total area disturbed to date (hectares)

975.6

#### (11.5.1.4) Area disturbed in the reporting year (hectares)

88

#### (11.5.1.5) Type(s) of habitat disturbed in the reporting year

Select all that apply

Modified habitat

Natural habitat

#### (11.5.1.6) Comment

*Clearing of land takes place within the authorized mining right area. Natural and modified habitat is cleared as the mine pit expands and progresses*

### Row 3

#### (11.5.1.1) Mining project ID

Select from:

Project 3

#### (11.5.1.2) Total area of owned land/lease/project area (hectares)

21974

#### (11.5.1.3) Total area disturbed to date (hectares)

1776

#### (11.5.1.4) Area disturbed in the reporting year (hectares)

0

#### (11.5.1.5) Type(s) of habitat disturbed in the reporting year

Select all that apply

Data not available

#### (11.5.1.6) Comment

*Matla Mine is an underground mine and thus no natural nor modified habitat was disturbed during this reporting year.*

### Row 4

#### (11.5.1.1) Mining project ID

Select from:

Project 4

#### (11.5.1.2) Total area of owned land/lease/project area (hectares)

1838.4

#### (11.5.1.3) Total area disturbed to date (hectares)

1829

#### (11.5.1.4) Area disturbed in the reporting year (hectares)

59.89

#### (11.5.1.5) Type(s) of habitat disturbed in the reporting year

Select all that apply

Modified habitat

#### (11.5.1.6) Comment

Type of habitat disturbed during this reporting year is modified habitat, mainly old farm lands.

[Add row]

#### (11.6) Are there artisanal and small-scale mining (ASM) operations active in your mining project areas or in their area of influence?

Select from:

No

#### (11.7) Do you adopt biodiversity action plans to manage your impacts on biodiversity?

Select from:

Yes

#### (11.7.1) Describe your criteria for defining which sites are required to produce biodiversity action plans.

Criteria used in defining which sites require Biodiversity Action Plans (BAP) is based on the sensitivity of the sites. Nonetheless, all Exxaro Mines operate under a Biodiversity Management Plan (BMP), these plans can either be consolidated or standalone plans (i.e., Alien Invasive Management Plans) depending on the sensitivity and/or threats faced by each Business Unit. Furthermore, ecological studies are conducted before commencement of any activity occurring within a sensitive area. These studies result in standalone ecological reports which can be consolidated into the Mine's Biodiversity Management Plan.

### **(11.8) Provide details on mining projects that are required to produce Biodiversity Action Plans.**

#### **(11.8.1) Number of mining projects required to produce a BAP**

4

#### **(11.8.2) % of mining projects required to produce a BAP that have one in place**

100.0

#### **(11.8.3) Format**

Select all that apply

Part of general Environmental Management System

#### **(11.8.4) Frequency BAPs are reviewed**

Select all that apply

Regularly

#### **(11.8.5) Please explain**

All Exxaro's operational Mine operate under separate Biodiversity management Plans. These can be standalone ecological reports such as Alien Invasive Management Plan, biomonitoring monitoring plans, rehabilitation management plans, etc. Exxaro is in the process of developing a consolidated Biodiversity Management Plan/ Biodiversity Action Plan for each of the operational Mines.

[Fixed row]

### **(11.9) Have any of your projects caused, or have the potential to cause, significant adverse impact(s) on biodiversity?**

## (11.9.1) Any projects caused, or have the potential to cause, significant adverse impacts on biodiversity

Select from:

Yes

## (11.9.2) Comment

*Clearing of land for mining operations resulted in habitat loss which in turn results in species loss and reduced biodiversity. Impact on water resources have an impact of aquatic biota. Soil contamination can impact on the soil health and soil quality Loss of natural vegetation also has an indirect impact on climate change The establishment and spread of alien invasive species due to land disturbances impacts on indigenous vegetation There is also risk of soil erosion due to vegetation clearing and land disturbances.*

*[Fixed row]*

**(11.9.1) For your disclosed mining projects, provide details of the significant adverse impacts on biodiversity, with the respective response to the impact.**

### Row 1

#### (11.9.1.1) Mining project ID

Select from:

Project 1

#### (11.9.1.2) Type of impact

Select from:

Direct

#### (11.9.1.3) Impact

Select from:

Conversion and/or degradation of natural habitats (other than forests)

#### (11.9.1.4) Description of the impact

*Clearing of land for mining operations resulted in the loss and disturbance of natural habitat and the fragmentation thereof. Loss and displacement of fauna species of conservation concern. Soil erosion due to vegetation clearing and soil disturbances Potential contamination of surface water (impact on aquatic biota) and wetland health. Establishment and spread of Alien Invasive Species.*

#### (11.9.1.5) Consequence

Select from:

Moderate

#### (11.9.1.6) Likelihood

Select from:

Almost certain

#### (11.9.1.7) Describe response

*In response to the adverse impacts, Grootegeluk Mine has developed a proof-of-concept study for wetland lost due to mining. In response to sensitive species, the mine actively conducts search and rescue of species. Concurrent rehabilitation is conducted in order to ensure that the land returns to its near natural or desired state post mining. In response to aquatic impacts, Biomonitoring is conducted biannually in order to identify impacts on aquatic biota as a result of mining activities. Furthermore, the Mine currently has an active Alien Invasive management Plan and alien invasive species is controlled and managed.*

### Row 2

#### (11.9.1.1) Mining project ID

Select from:

Project 2

#### (11.9.1.2) Type of impact

Select from:

Direct

### (11.9.1.3) Impact

Select from:

- Conversion and/or degradation of natural habitats (other than forests)

### (11.9.1.4) Description of the impact

*Clearing of land for mining operations resulted in the loss and disturbance of natural habitat and the fragmentation thereof. Impact and disturbance of wetland habitat. Potential contamination of surface water (impact on aquatic biota) and wetland health. Loss and displacement of fauna species of conservation concern. Soil erosion due to vegetation clearing and soil disturbances Establishment and spread of Alien Invasive Species*

### (11.9.1.5) Consequence

Select from:

- Moderate

### (11.9.1.6) Likelihood

Select from:

- Almost certain

### (11.9.1.7) Describe response

*In response to the impacts, Belfast Mine conducts concurrent rehabilitation and has developed a wetland rehabilitation and offset strategy for wetlands impacted/disturbed due to mining. In response to sensitive species, the mine actively conducts search and rescue of species. In response to aquatic impacts, biomonitoring is conducted biannually in order to identify impacts on aquatic biota as a result of the mining activities. Furthermore, the Mine currently has an active Alien Invasive management Plan and alien invasive species is controlled and managed.*

## Row 3

### (11.9.1.1) Mining project ID

Select from:

- Project 3

### (11.9.1.2) Type of impact

Select from:

Direct

### (11.9.1.3) Impact

Select from:

Conversion and/or degradation of natural habitats (other than forests)

### (11.9.1.4) Description of the impact

*Subsidence from Mine two (2) shortwall mining. Shortwall from Mine 2 creates subsidence which is an impact on natural habitat (Loss of natural habitat and erosion). Establishment and spread of Alien Invasive Species. Potential contamination of surface water (impact on aquatic biota) and wetland health.*

### (11.9.1.5) Consequence

Select from:

Moderate

### (11.9.1.6) Likelihood

Select from:

Almost certain

### (11.9.1.7) Describe response

*In response to the impacts, Matla Mine conducts concurrent rehabilitation and has developed a wetland rehabilitation and offset strategy for wetlands impacted/disturbed due to mining. Furthermore, the mine actively conducts alien invasive management and eradication as well as biannual aquatic biomonitoring in order to identify impacts on aquatic biota as a result of the mining activities.*

## Row 4

### (11.9.1.1) Mining project ID

Select from:

Project 4

### (11.9.1.2) Type of impact

Select from:

Direct

### (11.9.1.3) Impact

Select from:

Conversion and/or degradation of natural habitats (other than forests)

### (11.9.1.4) Description of the impact

*Clearing of land for mining operations resulted in the loss of natural habitat and the fragmentation thereof. Mine operation had an impact on the loss and disturbances of species and wetland habitat.*

### (11.9.1.5) Consequence

Select from:

Moderate

### (11.9.1.6) Likelihood

Select from:

Almost certain

### (11.9.1.7) Describe response

*In response to the adverse impacts, Leeuwpán Mine conducts concurrent rehabilitation and has developed a wetland rehabilitation and offset strategy for wetlands impacted/disturbed due to mining. Furthermore, the mine actively conducts alien invasive management and eradication as well as biannual aquatic biomonitoring in order to identify impacts on aquatic biota as a result of the mining activities.*

[Add row]

## **(11.10) Are biodiversity issues integrated into any aspects of your long-term strategic business plan, and if so how?**

### **Long-term business objectives**

#### **(11.10.1) Are biodiversity-related issues integrated?**

Select from:

- Yes, biodiversity-related issues are integrated

#### **(11.10.2) Long-term time horizon (years)**

Select from:

- 5-10

#### **(11.10.3) Please explain**

*Biodiversity issues are included in Exxaro's Environmental Social and Governance (ESG) reporting and environmental management systems as well as integrated into processes that support the organization's long-term business objectives. Biodiversity impacts are also considered as part of our due diligence processes when undertaking mergers and acquisition deals.*

### **Strategy for long-term objectives**

#### **(11.10.1) Are biodiversity-related issues integrated?**

Select from:

- Yes, biodiversity-related issues are integrated

#### **(11.10.2) Long-term time horizon (years)**

Select from:

- 5-10

#### **(11.10.3) Please explain**

*Biodiversity issues are included in Exxaro's Environmental Social and Governance (ESG) reporting and environmental management systems as well as integrated into processes that support the organization's strategy for long-term objectives. Biodiversity impacts are also considered as part of our due diligence processes when undertaking mergers and acquisition deals*

## **Financial planning**

### **(11.10.1) Are biodiversity-related issues integrated?**

Select from:

Yes, biodiversity-related issues are integrated

### **(11.10.2) Long-term time horizon (years)**

Select from:

5-10

### **(11.10.3) Please explain**

*Financial planning and budgets are provided for biodiversity related projects. A total of R16 million was spent biodiversity projects in 2024.  
[Fixed row]*

### **(11.11) Have you specified any measurable and time-bound targets related to your commitments to reduce or avoid impacts on biodiversity?**

Select from:

No

### **(11.12) Has your organization adopted avoidance and/or minimization as strategies to prevent or mitigate significant adverse impacts on biodiversity?**

Select from:

Yes

**(11.12.1) Provide relevant company-specific examples of your implementation of avoidance and minimization actions to manage adverse impacts on biodiversity.**

**Row 1**

**(11.12.1.1) Mining project ID**

Select from:

Project 1

**(11.12.1.2) Approach and type of measure**

Avoidance

Site selection

**(11.12.1.3) Description**

*The Grootegeluk mining operations were advancing towards pan wetlands. These pans were harvested and recreated in order to minimize the impact on mining on biodiversity as part of the proof-of-concept study for pan creation. The revised Grootegeluk life of mine plan resulted in 27 seasonal pans being retained (avoided) instead of being lost through mining activities.*

**Row 2**

**(11.12.1.1) Mining project ID**

Select from:

Project 2

**(11.12.1.2) Approach and type of measure**

Avoidance

Site selection

### (11.12.1.3) Description

*At Belfast, during the baseline assessment a number of habitats, wetlands and a few pans were identified as being highly likely to be destroyed by mining activities. Instead, Belfast considered the approach to avoid and minimize the impacts on biodiversity. The infrastructure layout of the mine focused on minimising degradation of wetlands. A rehabilitation Wetland Offset Strategy was developed for the wetlands that could not be avoided, and this is implemented on site. Mining activities takes place away from the regulated 500m buffer for some wetlands and the recommended 100m buffer zone for the wetlands in the mine. The wetlands impacted by mining operations have been authorized by the WUL.*

## Row 3

### (11.12.1.1) Mining project ID

Select from:

Project 3

### (11.12.1.2) Approach and type of measure

Minimization

Operational controls

### (11.12.1.3) Description

*At Matla, in our aim to avoid and minimise impacts on biodiversity, all mining surface disturbances are away from the grassland habitat suitable for the grass owl or wetland habitat. The aquatic biomonitoring programme, that includes wetland habitat is active on site. Matla uses the results obtained from these studies to understand if there are any impacts on watercourses as a result of the Mine's operations.*

## Row 4

### (11.12.1.1) Mining project ID

Select from:

Project 4

### (11.12.1.2) Approach and type of measure

Avoidance

Site selection

### (11.12.1.3) Description

*Exxaro considered the approach to avoid and minimize the impacts on biodiversity. The infrastructure layout of the mine focused on minimising degradation of wetlands. Alien Invasive Plants is being actively controlled in the Mine to reduce the impacts of invasive plants on indigenous vegetation.*

[Add row]

### (11.13) Have significant impacts on biodiversity been mitigated through restoration?

#### (11.13.1) Have significant impacts on biodiversity been mitigated through restoration?

Select from:

Yes

#### (11.13.2) Comment

*Restoration and rehabilitation efforts are initiated in the early stages of the mine. Exxaro practices, concurrent rehabilitation with the end land use in mind. Once rehabilitation targets have been reached and land has been restored to a desired state, rehabilitation can be signed off. Offset projects are usually the last resort.*

[Fixed row]

#### (11.13.1) Provide details on restoration actions you have in place in your sites.

#### Row 1

##### (11.13.1.1) Mining project ID

Select from:

Project 1

### (11.13.1.2) Description of the impact being mitigated by restoration

*Mine impacts being mitigated by restoration at Grootegeluk, includes the spread and infestation of alien invasive species into natural and modified areas. Wetland impacts which is being managed through offset management for those wetlands that could not be avoided.*

### (11.13.1.3) Type of ecosystem restored

Select from:

Other ecosystems

### (11.13.1.4) Total area restored to date (hectares)

4.62

### (11.13.1.5) Total area to be restored (hectares)

60.64

### (11.13.1.6) Target year

2027

### (11.13.1.7) Describe restoration actions

*Concurrent rehabilitation and restoration is taking place at Grootegeluk Mine. Back filling of old pits is being done. Restoration of disturbed area includes control of alien invasive plants infestation and reshaping of old roads. Final rehabilitation and restoration will be signed off once backfilled areas and all disturbed areas have been rehabilitated to a desired state.*

## Row 2

### (11.13.1.1) Mining project ID

Select from:

Project 2

### (11.13.1.2) Description of the impact being mitigated by restoration

*Impacts being restored at Belfast Mine includes the control and management of Alien invasive species. Protection of wetland habitat and aquatic systems impacted directly or indirectly by the Mine's activities.*

### (11.13.1.3) Type of ecosystem restored

Select from:

Other ecosystems

### (11.13.1.4) Total area restored to date (hectares)

71

### (11.13.1.5) Total area to be restored (hectares)

0

### (11.13.1.6) Target year

2028

### (11.13.1.7) Describe restoration actions

*Restoration is done through rehabilitation activities in the mine, such as wetland rehabilitation and planned biodiversity offset. Belfast has also relocated species from the mine area into the conservation area. Implementation of interventions aligned with the approved offset strategy*

## Row 3

### (11.13.1.1) Mining project ID

Select from:

Project 3

### (11.13.1.2) Description of the impact being mitigated by restoration

*Matla Mine restoration efforts include the control and management of alien invasive species. Potential subsidence due to shortwall mining*

### (11.13.1.3) Type of ecosystem restored

Select from:

Other ecosystems

### (11.13.1.4) Total area restored to date (hectares)

99.7

### (11.13.1.5) Total area to be restored (hectares)

2285.4

### (11.13.1.6) Target year

2045

### (11.13.1.7) Describe restoration actions

*Matla is an underground mining, restoration and rehabilitation of the subsidence area due to shortwall mining which will be rehabilitated and restored post mining. Rehabilitation and restoration of all surface infrastructure will also be concluded during the decommissioning and closure of the Mine.*

## Row 4

### (11.13.1.1) Mining project ID

Select from:

Project 4

### (11.13.1.2) Description of the impact being mitigated by restoration

*Impacts being restored at Leeuwpan Mine includes the control and management of Alien invasive species. Protection of wetland habitat and aquatic systems impacted directly or indirectly by the Mine's activities.*

### (11.13.1.3) Type of ecosystem restored

Select from:

Other ecosystems

#### (11.13.1.4) Total area restored to date (hectares)

65.4

#### (11.13.1.5) Total area to be restored (hectares)

0

#### (11.13.1.6) Target year

2028

#### (11.13.1.7) Describe restoration actions

*Concurrent rehabilitation and restoration of rehabilitated area is taking place at the mine. Old pits such as the Kenbar pit has been rehabilitated and signed off. This area is now used for a pilot project, where Spekboom trees have been planted as part of restoration efforts and carbon sequestration project. Total restoration of land to a near natural or a desired state will be concluded after the life of mine.*

*[Add row]*

### (11.14) Have significant residual impacts of your projects been compensated through biodiversity offsets?

#### (11.14.1) Have residual impacts been compensated through biodiversity offsets?

Select from:

Yes

#### (11.14.2) Comment

*Yes. All mining operations have wetland offset plans/strategies. Manketti Game Farm is also used as a biodiversity offset site for the Grootegeluk mine*  
*[Fixed row]*

## (11.14.1) Provide details on the biodiversity offsets you have in place.

### Row 1

#### (11.14.1.1) Mining project ID

Select from:

Project 1

#### (11.14.1.2) Description of the impact being offset

*At Grootegeluk, disturbance/loss of some of the ephemeral wetland systems has occurred due to mining activities. There has also been the displacement and injury of some of the sensitive species (i.e. baboon spiders) due to mining activities.*

#### (11.14.1.3) Motivation

Select from:

Legal requirements

#### (11.14.1.4) Type of offset

Select from:

Averted loss offset (other)

#### (11.14.1.5) Area (hectares)

0.54

#### (11.14.1.6) Describe the offset

*Pans impacted were recreated within the MRA. Substrate material was taken from impacted wetlands and used for the recreation of six (6) Pans as part of the proof-of-concept study. In the case of impacted fauna and flora species of conservation concern, Grootegeluk, has a rescue and relocation management plan.*

### Row 2

### (11.14.1.1) Mining project ID

Select from:

Project 2

### (11.14.1.2) Description of the impact being offset

*At Belfast disturbance/loss of wetland systems has occurred due to mining.*

### (11.14.1.3) Motivation

Select from:

Legal requirements

### (11.14.1.4) Type of offset

Select from:

Averted loss offset (other)

### (11.14.1.5) Area (hectares)

0

### (11.14.1.6) Describe the offset

*Belfast Mine has a wetland rehabilitation and offset management programme, for all the wetlands that have been impacted or lost. The rehabilitation management plan looks into improving the systems that have been directly or indirectly impacted by mining activities in order to improve the integrity and functionality. Whereas, the offset management plan, looks into improving those wetlands that have not been impacted by mining directly, which are within the same catchment, and will be able to improve functionality to offset for the loss in functionality of the wetlands that have been compromised.*

## Row 3

### (11.14.1.1) Mining project ID

Select from:

Project 3

#### (11.14.1.2) Description of the impact being offset

*At Matla, there are some disturbances to the wetlands due to mining.*

#### (11.14.1.3) Motivation

Select from:

Legal requirements

#### (11.14.1.4) Type of offset

Select from:

Restoration offset (other)

#### (11.14.1.5) Area (hectares)

280.0

#### (11.14.1.6) Describe the offset

*Wetlands disturbed due to surface infrastructure have been identified and planned for rehabilitation.*

### Row 4

#### (11.14.1.1) Mining project ID

Select from:

Project 4

#### (11.14.1.2) Description of the impact being offset

*At Leeuwpan disturbance/loss of wetland systems has occurred due to mining.*

### (11.14.1.3) Motivation

Select from:

Legal requirements

### (11.14.1.4) Type of offset

Select from:

Restoration offset (other)

### (11.14.1.5) Area (hectares)

35.4

### (11.14.1.6) Describe the offset

*Wetlands disturbed/lost due to mining activities have been identified and planned for rehabilitation and offsetting.*

*[Add row]*

## (11.15) Is your organization implementing or supporting additional conservation actions?

### (11.15.1) Implementing or supporting additional conservation actions?

Select from:

Yes

### (11.15.2) Comment

*1. There are wildlife conservation activities at Manketti conservation area- Exxaro's main biodiversity site. 2. Partnerships with vulture protection agency - Birds of Prey*

*[Fixed row]*

**(11.15.1) Provide details on the main ACAs you are implementing or supporting.**

**Row 1**

**(11.15.1.1) Project title**

*Spekboom tree planting*

**(11.15.1.2) Project theme**

*Select from:*

Restoration (other)

**(11.15.1.3) Country/Area**

*Select from:*

South Africa

**(11.15.1.4) Location**

*Select from:*

In the area of influence of mining project

**(11.15.1.5) Primary motivation**

*Select from:*

Voluntary

**(11.15.1.6) Timeframe**

*Select from:*

Undefined

**(11.15.1.7) Start year**

### (11.15.1.9) Description of project

*Spekboom trees were planted at Grootegeluk and Leeuwpan as part of the carbon sequestration projects at Exxaro as well as restoration and rehabilitation efforts.*

### (11.15.1.10) Description of outcome to date

*A total of 6000 spekboom trees were planted at Grootegeluk and another 6000 planted at Leeuwpan*

## Row 2

### (11.15.1.1) Project title

*Manketti*

### (11.15.1.2) Project theme

Select from:

Other, please specify :Conservation area

### (11.15.1.3) Country/Area

Select from:

South Africa

### (11.15.1.4) Location

Select from:

In the area of influence of mining project

### (11.15.1.5) Primary motivation

Select from:

Voluntary

### (11.15.1.6) Timeframe

Select from:

Undefined

### (11.15.1.7) Start year

1995

### (11.15.1.9) Description of project

*Area set aside for conservation of wildlife and endemic species as well as offset areas. A Cheetah project with the Endangered Wildlife Trust where DNA sample is extracted from the Cheetah and also placing a tracking collar to study their behavior in bushveld. In 2014 Exxaro moved ten female Rhinos to Orapa Mine with the agreement to return ten Rhinos in 2024 of different genetic makeup. Ten Rhinos were moved back to Manketti in September 2024 and they are being kept at Manketti Game Farm.*

### (11.15.1.10) Description of outcome to date

*1. Protection of Rhinos and then translocation to a safer environment 2. Conservation and protection of Protected species- Cheetah*

## Row 3

### (11.15.1.1) Project title

*Partnership with Birds of Prey.*

### (11.15.1.2) Project theme

Select from:

Threatened species

### (11.15.1.3) Country/Area

Select from:

South Africa

#### (11.15.1.4) Location

Select from:

In the area of influence of mining project

#### (11.15.1.5) Primary motivation

Select from:

Voluntary

#### (11.15.1.6) Timeframe

Select from:

Undefined

#### (11.15.1.7) Start year

2021

#### (11.15.1.9) Description of project

*Rehabilitation of birds of prey and releasing them into the Belfast conservation area*

#### (11.15.1.10) Description of outcome to date

*Rehabilitated birds of prey have been rehabilitated and released into the natural environment.*

### Row 4

#### (11.15.1.1) Project title

*African Grass Owl Monitoring*

#### (11.15.1.2) Project theme

Select from:

Threatened species

### (11.15.1.3) Country/Area

Select from:

South Africa

### (11.15.1.4) Location

Select from:

In the area of influence of mining project

### (11.15.1.5) Primary motivation

Select from:

Voluntary

### (11.15.1.6) Timeframe

Select from:

Undefined

### (11.15.1.7) Start year

2023

### (11.15.1.9) Description of project

*The African Grass Owl (Tyto capensis) Monitoring*

### (11.15.1.10) Description of outcome to date

*A survey of potential Grass owl habitat was conducted where two pairs of the African Grass Owls occupied two sites or territories within the Matla MRA. The result of this survey was the development of a Grass Owl monitoring plan.*

[Add row]

**(11.16) Do your mining projects have closure plans in place?**

	Are there closure plans in place?	Comment
	Select from: <input checked="" type="checkbox"/> Yes	All the mines have closure plans

[Fixed row]

**(11.16.1) Please provide details on mines with closure plans.**

**(11.16.1.1) % of mines with closure plans**

100.0

**(11.16.1.2) % of closure plans that take biodiversity aspects into consideration**

100.0

**(11.16.1.3) Is there a financial provision for mine closure expenditure?**

Select from:

Yes, for all mines

**(11.16.1.4) Frequency closure plans are reviewed**

Select all that apply

Regularly (all projects)

### (11.16.1.5) Please explain

Annual review as per legislation  
[Fixed row]

### (11.17) Can you disclose the area rehabilitated (in total and in the reporting year) for each of your mining projects?

	Disclosing area rehabilitated (in total and in the reporting year)	Comment
	Select from: <input checked="" type="checkbox"/> Yes	Concurrent rehabilitation takes place at all mining operations

[Fixed row]

### (11.17.1) Provide details on the area rehabilitated (total/reporting year) for each of your mining projects, including post-mining land use.

#### Row 1

#### (11.17.1.1) Mining project ID

Select from:  
 Project 1

#### (11.17.1.2) Total area rehabilitated (hectares)

0

#### (11.17.1.3) Area rehabilitated in the reporting year (hectares)

0

**(11.17.1.4) Describe post-mining land use**

*Conservation land/game land linked to Manketti Game Farm*

**Row 2**

**(11.17.1.1) Mining project ID**

Select from:

Project 2

**(11.17.1.2) Total area rehabilitated (hectares)**

71

**(11.17.1.3) Area rehabilitated in the reporting year (hectares)**

35

**(11.17.1.4) Describe post-mining land use**

*Grazing and crop production*

**Row 3**

**(11.17.1.1) Mining project ID**

Select from:

Project 3

**(11.17.1.2) Total area rehabilitated (hectares)**

982.78

**(11.17.1.3) Area rehabilitated in the reporting year (hectares)**

99.7

**(11.17.1.4) Describe post-mining land use**

*Grazing and crop production*

**Row 4**

**(11.17.1.1) Mining project ID**

Select from:

Project 4

**(11.17.1.2) Total area rehabilitated (hectares)**

65.4

**(11.17.1.3) Area rehabilitated in the reporting year (hectares)**

0

**(11.17.1.4) Describe post-mining land use**

*Grazing and Crop production*

**Row 5**

**(11.17.1.1) Mining project ID**

Select from:

Project 5

**(11.17.1.2) Total area rehabilitated (hectares)**

166.53

**(11.17.1.3) Area rehabilitated in the reporting year (hectares)**

0

**(11.17.1.4) Describe post-mining land use**

*Grazing*

**Row 6**

**(11.17.1.1) Mining project ID**

*Select from:*

Project 6

**(11.17.1.2) Total area rehabilitated (hectares)**

193

**(11.17.1.3) Area rehabilitated in the reporting year (hectares)**

159

**(11.17.1.4) Describe post-mining land use**

*Grazing*

**Row 7**

**(11.17.1.1) Mining project ID**

*Select from:*

Project 7

**(11.17.1.2) Total area rehabilitated (hectares)**

1105

**(11.17.1.3) Area rehabilitated in the reporting year (hectares)**

0

**(11.17.1.4) Describe post-mining land use**

*Grazing and Forestry*  
*[Add row]*

**(11.18) Do you collaborate or engage in partnerships with non-governmental organizations to promote the implementation of your biodiversity-related goals and commitments?**

	Collaborating or partnering with NGOs	Comment
	Select from: <input checked="" type="checkbox"/> Yes	Endangered Wildlife Trust (EWT) Birds of Prey Dullstroom Peace Parks Foundation BirdLife South Africa

*[Fixed row]*

**(11.18.1) Provide details on main collaborations and/or partnerships with non-governmental organizations that were active during the reporting year.**

**Row 1**

**(11.18.1.1) Organization**

### (11.18.1.2) Scope of collaboration

Select from:

- Specific mining projects

### (11.18.1.3) Mining project ID

Select all that apply

- Project 3

### (11.18.1.4) Areas of collaborations

Select all that apply

- Endangered species

### (11.18.1.5) Describe the nature of the collaboration

*Matla is in partnership with EWT for the monitoring of the African Grass Owl.*

### (11.18.1.6) Duration (until)

Select from:

- No specified timeframe

## Row 2

### (11.18.1.1) Organization

*Peace Parks Foundation*

### (11.18.1.2) Scope of collaboration

Select from:

- Company-wide

#### (11.18.1.4) Areas of collaborations

Select all that apply

- Endangered species

#### (11.18.1.5) Describe the nature of the collaboration

*Exxaro Supports Peace Parks Foundation financially with R5 million annually in support of their conservation projects*

#### (11.18.1.6) Duration (until)

Select from:

- No specified timeframe

### Row 3

#### (11.18.1.1) Organization

*Birds of Prey*

#### (11.18.1.2) Scope of collaboration

Select from:

- Specific mining projects

#### (11.18.1.3) Mining project ID

Select all that apply

- Project 2

#### (11.18.1.4) Areas of collaborations

Select all that apply

- Endangered species

#### (11.18.1.5) Describe the nature of the collaboration

*Rehabilitation of birds of prey and releasing them into the natural environment.*

#### (11.18.1.6) Duration (until)

*Select from:*

- No specified timeframe

### Row 4

#### (11.18.1.1) Organization

*Endangered Wildlife Trust*

#### (11.18.1.2) Scope of collaboration

*Select from:*

- Specific mining projects

#### (11.18.1.3) Mining project ID

*Select all that apply*

- All disclosed mining projects

#### (11.18.1.4) Areas of collaborations

*Select all that apply*

- Endangered species

#### (11.18.1.5) Describe the nature of the collaboration

*Manketti Game Farm is in partnership with EWT for Cheetah monitoring project and on an ad hoc basis as and when we need their specialist input.*

### (11.18.1.6) Duration (until)

Select from:

No specified timeframe

[Add row]

### (11.20) Do you engage with other stakeholders to further the implementation of your policies concerning biodiversity?

Select from:

Yes

### (11.20.1) Provide relevant examples of other biodiversity-related engagement activities that happened during the reporting year.

#### Row 1

#### (11.20.1.1) Activities

Select from:

Engaging with local communities

#### (11.20.1.2) Mining project ID

Select all that apply

All disclosed mining projects

#### (11.20.1.3) Please explain

*Exxaro empower local communities through SMME and funding for higher education to under privileged communities located within Exxaro's area of influence.*

#### Row 2

#### (11.20.1.1) Activities

Select from:

Funding research organizations

### (11.20.1.2) Mining project ID

Select all that apply

All disclosed mining projects

### (11.20.1.3) Please explain

*Exxaro entered a partnered with the Agricultural Research Council to conduct research projects and provide funding of approved identified projects.  
[Add row]*

### C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

#### Row 1

##### (13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

- Climate change
- Water

##### (13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Water security

- Water consumption– total volume
- Water discharges– total volumes

- Water intensities of products and services
- Water withdrawals– total volumes

### (13.1.1.3) Verification/assurance standard

General standards

- ISAE 3000
- ISAE 3410, Assurance Engagements on Greenhouse Gas Statements

### (13.1.1.4) Further details of the third-party verification/assurance process

*We have undertaken a reasonable assurance engagement in respect of the selected sustainability information: 2023 ESG Report for Exxaro Resources Limited. The assurance was conducted by a multi-disciplinary team including Health, Safety, Social, Environmental, and Assurance Specialists with relevant experience in Sustainability Reporting.*

### (13.1.1.5) Attach verification/assurance evidence/report (optional)

*Exxaro ESG Assurance FY24 RA final opinion Docu sign.pdf*  
 [Add row]

**(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

	Additional information	Attachment (optional)
	<i>Attached Exxaro 2024 Integrated report which may contain additional information.</i>	<i>exxaro_2024_intergrated_report.pdf</i>

[Fixed row]

**(13.3) Provide the following information for the person that has signed off (approved) your CDP response.**

**(13.3.1) Job title**

*Executive Head, Sustainability • SHEQ*

**(13.3.2) Corresponding job category**

*Select from:*

Chief Sustainability Officer (CSO)

*[Fixed row]*

**(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.**

*Select from:*

Yes, CDP may share our Disclosure Submission Lead contact details with the Pacific Institute

