



exxaro

POWERING POSSIBILITY

Exxaro Resources Limited
Integrated report 2021

NAVIGATING THIS REPORT

We use icons to show:

Detailed disclosure and further reading



Read more online at
www.exxaro.com



Read more within
this report

The capitals we use and affect



NATURAL



HUMAN



SOCIAL AND RELATIONSHIP



MANUFACTURED



INTELLECTUAL



FINANCIAL

Introduction

Our vision

Resources powering a clean world

Exxaro Resources Limited (Exxaro, the company or the group) is a South Africa-based diversified resources company with a robust coal business and acquisitive growth prospects in minerals and energy solutions.

Our purpose, *powering better lives in Africa and beyond*, drives our ambition to provide resources (beyond just commodities) critical to a low-carbon world.

Our Sustainable Growth and Impact strategy ("Strategy") enables us to deliver on our purpose and vision. Our success lies in the strength of our culture and values.

Through our Strategy, we aim to strengthen our resilience and ensure we deliver sustainable stakeholder value through a robust business portfolio in a low-carbon economy.

INTEGRATED THINKING


Exxaro believes in sustainable value creation, enabled through carefully considering the relationship among the resources we use and affect, and potential trade-offs inherent in strategic decision-making. We have integrated the six capitals into our business model and strategy, and continuously strive to positively contribute to and negate any adverse impact on these capitals.

OUR SUSTAINABILITY FRAMEWORK

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



Reporting suite

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



Integrated report



Environmental, social and governance (ESG) report



Consolidated Mineral Resources and Mineral Reserves (CMRR) report



Group and company annual financial statements



Summarised group annual financial statements and notice of the annual general meeting (AGM)

These reports are available online and should be read together for a complete understanding of Exxaro's business and its performance.



CONNECT WITH US

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

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 **Disclaimer:** Photographs of people without masks were either taken pre-COVID-19 or in full compliance with health and safety protocols. With thanks to Stefanie De Beer, Line of Sight Photography, for Cennergis' windfarm photographs, and all contributors who supplied the photographs used in our reporting suite.

Contents

IFC Introduction
2 About our integrated report

01

UNDERSTANDING OUR BUSINESS

6 Chairperson's statement
8 Positioning Exxaro for sustainable growth and impact
10 About Exxaro
16 Our operating context

02

DRIVERS OF VALUE CREATION

26 Our value creation
28 Our business model
32 Creating value through stakeholder engagement
40 Our material matters
44 Our business risks and opportunities

03

POSITIONING THE BUSINESS FOR GROWTH

62 Outgoing and incoming CEOs' reports
66 **Our strategy:** Positioning Exxaro for enduring success
70 Sustainable Growth and Impact strategy – performance and future focus
72 2021 strategic performance KPIs/performance dashboard
74 Understanding our key strategic trade-off considerations

04

GOVERNANCE FOR VALUE CREATION

78 Our leadership
81 Summarised governance report
98 Combined assurance for effective governance

05

OUR PERFORMANCE

102 Finance director's overview
114 Operational performance
116 Business resilience
122 Our people
132 Social licence to operate: enabling our legitimacy
136 Our environment: stewardship and compliance

06

OUR MINERAL RESOURCES AND MINERAL RESERVES

146 **Glossary**
IBC **Administration**

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About our integrated report

Exxaro's integrated report for the year ended 31 December 2021 is our value creation story to our stakeholders, particularly our shareholders and other providers of financial capital.

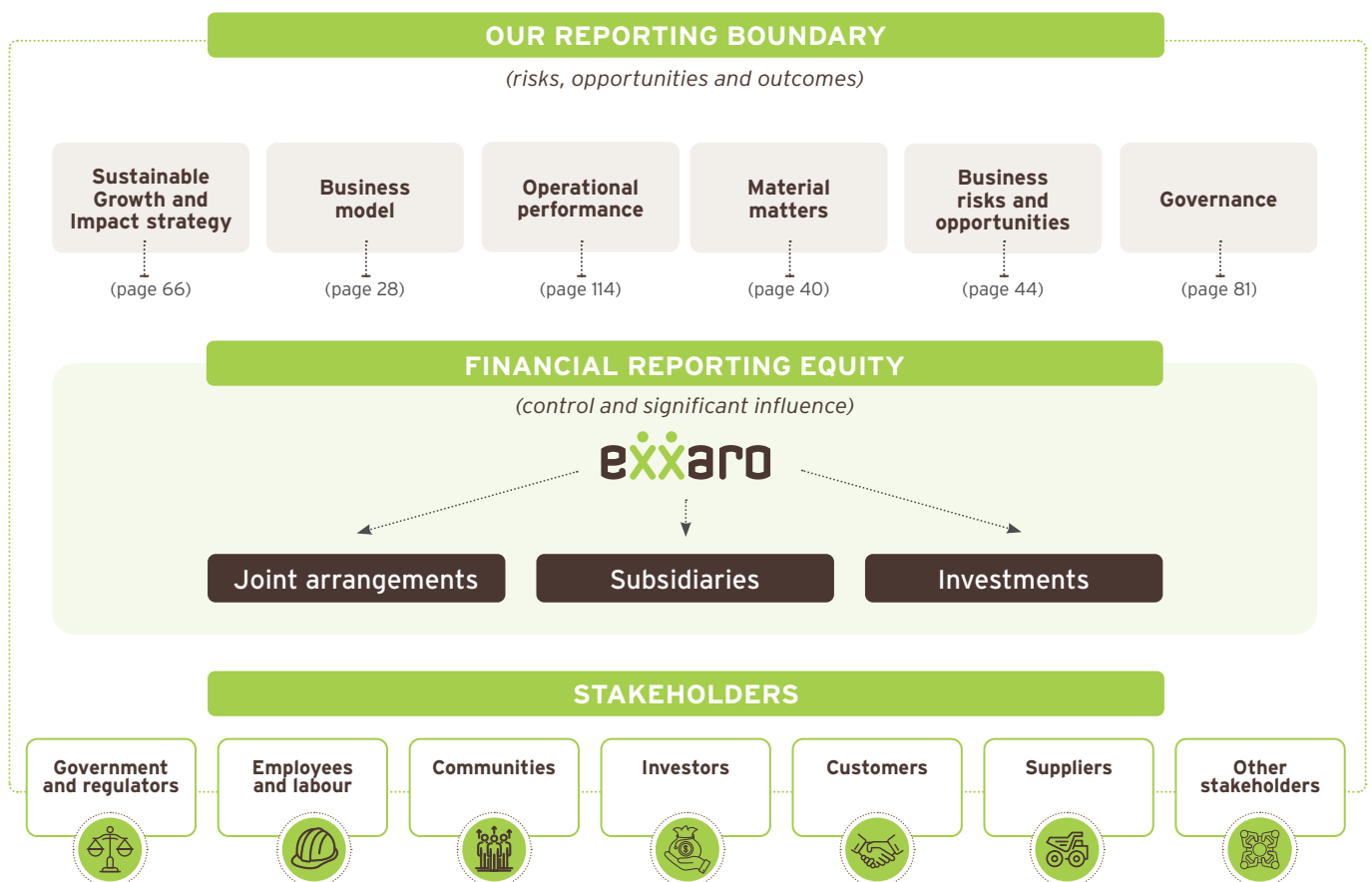
SCOPE AND BOUNDARY

This report contains material information about our strategic decisions and operational performance for the period 1 January 2021 to 31 December 2021 (the 2021 financial year). It covers the financial and non-financial information of our wholly owned and joint operations in South Africa, Europe and Australia. The reporting boundary now incorporates some material information about Cennergi Proprietary Limited (Cennergi) following our acquisition of the 100% interest of this business in 2020. Following the disposal of Tronox in March 2021, information on this investment is no longer included unless stated.

We include limited information on operations where we do not have management control but hold a significant equity interest, namely Sishen Iron Ore Company Proprietary Limited (SIOC), a subsidiary of Kumba Iron Ore Limited, or joint control, namely Mafube Coal Proprietary Limited (joint venture) and Moranbah South coal project.

The 2021 integrated report includes a summary of the most material information in the ESG report and CMRR report. Further detail on our financial performance can be found in our annual financial statements, and historical performance can be found in our previous reports.

 Our reporting suite can be accessed on our website under the investors tab.



We report on our progress during the 2021 financial year in terms of how we create and preserve value, and prevent the erosion thereof, in the short, medium and long term. This report contains the most material information about our value creation transparently and understandably.

MATERIALITY

We determine the information to include in this report through a materiality determination process. This process identifies the matters that may affect our ability to create and preserve value over time, guiding what we should report on. We group these material matters into themes that link to the resources we use and affect.

Material themes that guide our integrated reporting



Adapting to the changing context



Helping our people thrive



Building sustainable communities



Executing our strategy



Driving business excellence

For a detailed discussion on this process and the material matters we identified, refer to page 40.

FRAMEWORKS AND GUIDELINES

The content of this report is guided by:

- Our materiality determination process (page 40)
- Companies Act, 2008 (Act 71 of 2008), as amended (Companies Act)
- International Financial Reporting Standards (IFRS)
- JSE Limited (JSE) Listings Requirements
- Department of Trade, Industry and Competition (dtic) broad-based black economic empowerment (B-BBEE) codes of good practice
- Broad-based Socio-economic Empowerment Charter for the Mining and Minerals Industry 2018 (Mining Charter III)
- International Integrated Reporting Council's Integrated Reporting Framework 2021 (IR Framework)
- United Nations Global Compact (UNGC)
- Global Reporting Initiative standards (elements of the ESG report are cross-referenced for a broader perspective)
- King IV Report on Corporate Governance for South Africa, 2016 (King IV™)
- The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 edition (SAMREC Code)
- Sustainability Accounting Standards Board (SASB)

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BOARD RESPONSIBILITY

Exxaro's board of directors (board) acknowledges its responsibility for ensuring the integrity of Exxaro's reporting suite, including this integrated report. Our board believes this report addresses all Exxaro's material matters and presents a balanced view of the group's strategy, business model and performance in relation to Exxaro's ability to create and preserve value over the short, medium and long term, as defined by the six capitals. As such, the board believes that this integrated report was prepared in accordance with the International IR Framework. The integrated report, which remains the ultimate responsibility of the board, is prepared under the supervision of senior management, and subject to rigorous internal and external assurance reviews.

Geoffrey Qhena Independent chairperson		Mxolisi Mgojo Chief executive officer (CEO)	
Nombasa Tsengwa CEO designate		Riaan Koppeschaar Finance director (FD)	
Geraldine Fraser-Moleketi Lead independent non-executive director		Isaac Malevu Non-executive director	
Likhapha Mbatha Non-executive director		Zwelibanzi Mntambo Non-executive director	
Isaac Mophatlane Independent non-executive director		Mandlesilo Msimang Non-executive director	
Ras Myburgh Independent non-executive director		Vuyisa Nkonyeni Independent non-executive director	
Chanda Nxumalo Independent non-executive director		Peet Snyders Independent non-executive director	
Phumla Mnganga Independent non-executive director		Billy Mawasha Independent non-executive director	
Karin Ireton Independent non-executive director		Bennetor Magara Independent non-executive director	