

Exxaro Resources Limited

Tax report
for the year ended
31 December 2023

exxaro

POWERING POSSIBILITY



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

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Overview

Exxaro Resources Limited (Exxaro, the company or the group) uses the Integrated Reporting Framework and the Global Reporting Initiative Standard 207: Tax 2019 (GRI 207) for public reporting on tax to demonstrate value creation and transparency to our stakeholders.

This report discusses Exxaro's approach to tax, tax risk management (TRM), tax governance and how we engage with our stakeholders. The report demonstrates how our taxes align with our sustainability commitments and gives context to our financial reporting performance.

In this voluntary tax transparency report, we:

- Show the total tax contribution we make in all the countries where we operate
- Promote confidence and credibility in our tax practices
- Enable stakeholders to make informed judgements
- Support the development of socially desirable tax policy

Tax transparency allows us to demonstrate that our tax affairs are conducted in accordance with prevailing tax law and ethical business practices. Providing information that complies with the recommended standards ensures we are transparent beyond mandatory legislative requirements.



This report should be read together with Exxaro's 2023 integrated report (IR) and environmental, social and governance (ESG) report, available at www.exxaro.com

Who we are

Exxaro is a South African diversified resources company with existing coal mining operations and growth prospects in energy transition minerals, energy business and private rail infrastructure.

We are building Exxaro into a sustainable and impactful business that catalyses economic growth, principled governance, environmental stewardship and positive change.



Sustainable Growth and Impact strategy

The Sustainable Growth and Impact strategy is an integrated, multi-stakeholder approach to positioning the business for a resilient and sustainable future.



Business overview

Assets
R92.9 billion
 at 31 December 2023

(2022: R85.1 billion)

Five coal mines*

Two windfarms and a solar project under construction

Coal product
42.5Mt (including buy-ins)

(2022: 43.1Mt)

Market capitalisation
R71.4 billion

(2022: R75.9 billion)

Constituent of the JSE Top 40 Index

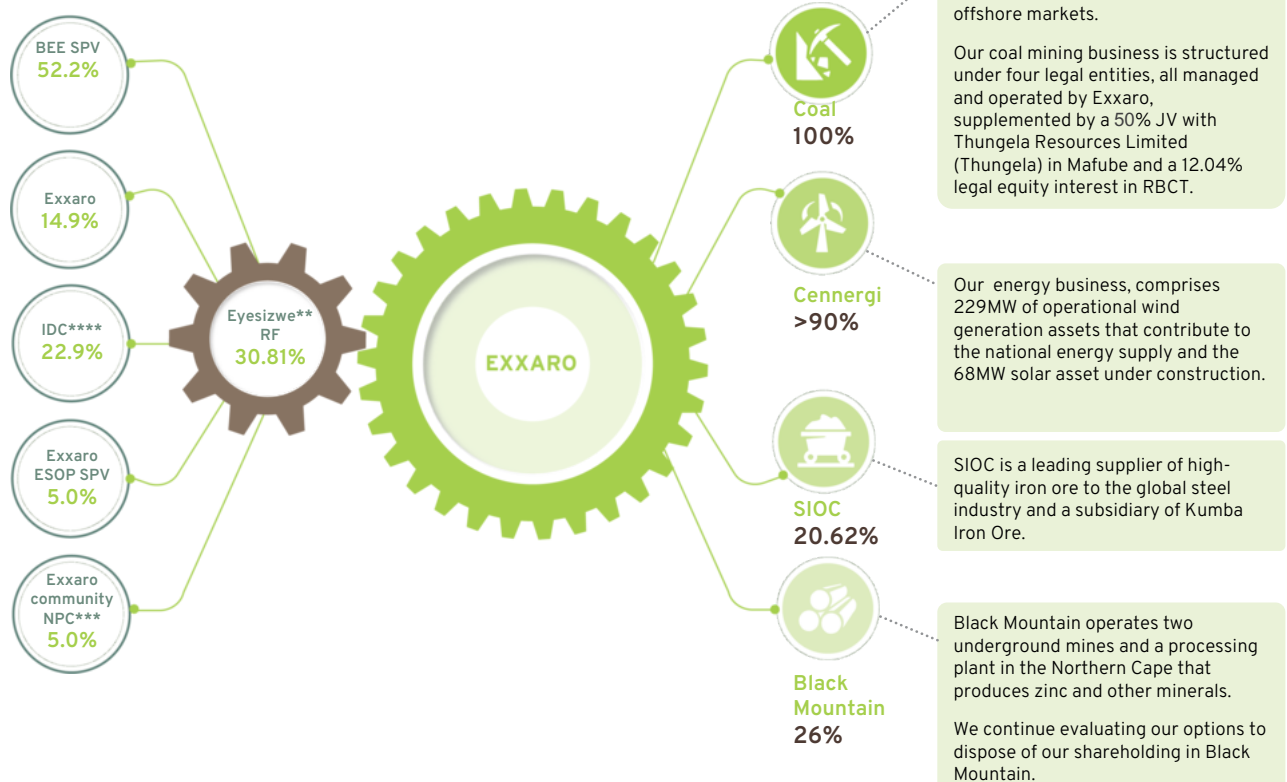
Renewable energy
727GWh

(2022: 671GWh)

Responsible business
30.81% black empowered

Among the top 30 in the FTSE/JSE Socially Responsible Investment Index

Ownership structure



* Including one joint venture (JV), Mafube.

** Eyesizwe (RF) Proprietary Limited (Eyesizwe), a special purpose vehicle (SPV) private company, incorporated under South Africa's laws, holds the black economic empowerment (BEE) shares.

*** Exxaro Aqa Setshaba NPC (formerly Matla Setshabeng NPC).

**** Industrial Development Corporation of South Africa.



For detailed information on our group structure, refer to the 2023 [annual financial statements](#).

Our assets

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

Expanding our business portfolio to include manganese, bauxite, copper, energy and broader energy transition minerals enables our contribution to a more sustainable future and shareholder value enhancement. Our business interests in Europe comprise a marketing and logistics office in Switzerland. A joint operation with Anglo Coal Grosvenor Proprietary Limited, the Moranbah South project, is conducted in Australia.

We are aiming to be carbon neutral by 2050, and are committed to being an active participant in the just transition to a low-carbon economy. The energy solutions business and our scope 1 and 2 emissions reduction efforts are critical activities in this regard. Reduction of scope 3 emissions is a longer-term goal influenced by the country's energy mix.

Minerals business

Our minerals business comprises coal operations and our equity investments in iron ore and zinc. We have deep roots in mining with a track record of operational excellence and delivering value. Our coal asset base is a key differentiator and critical part of how we create value for our stakeholders.

Only mineral assets with Measured and Indicated Resources are listed in this report. Inferred Resources are reported in the supplementary [CMRR report](#)

Snapshot

- Largest high-quality Coal Reserves remaining in the country, providing a platform for early value returns
- One of the largest suppliers of coal to Eskom and ArcelorMittal South Africa Limited
- 42.5Mt of thermal and metallurgical coal product (2022: 43.1Mt), down 1.4% in 2023 – the majority of power station coal is supplied to Eskom
- Grootegeluk is one of the largest integrated mining and beneficiation operations globally, running the largest coal beneficiation complex, and the only producing mine in the coal-rich Waterberg, adjacent to Eskom's Matimba and Medupi power stations
- As at 31 December 2023, we invested R2.4 billion in sustaining our coal business (2022: R1.6 billion)



Energy business

In line with our goals to decarbonise and diversify, Exxaro's energy business comprises interests in energy through our wholly owned subsidiary, Cennergi. This business supports Exxaro's ambition of generating 1.6GW of power by 2030 and includes supporting our current coal and future minerals operations through self-generation and providing energy to external customers in mining and select markets.



Cennergi is a southern African-based independent power producer that focuses on developing, constructing and operating energy assets. Cennergi has two operational wind assets (the Tsitsikamma community and Amakhala Emoyeni windfarms).

Once operational, the Lephalale solar project (LSP) will supply solar energy to Grootegeluk, reducing the operation's carbon footprint and electricity costs. A pipeline of opportunities continues to be developed by the energy business for Exxaro and external offtake.


Snapshot

- Cennergi's operating wind assets generated 727GWh of electricity (2022: 671GWh) – an 8% increase due to improved wind conditions, despite the 15GWh generation loss at one of the wind facilities due to an Eskom distribution line fault that occurred earlier in the year
- The LSP at Grootegeluk reached financial close on 29 June 2023 under a 25-year power purchase agreement with Exxaro Coal Proprietary Limited. Construction commenced in 2023 and commercial operation is expected in early 2025. Refer to the case study on page 43 ([ESG report](#)) for details
- Cennergi's operating wind asset project financing of R4 348 million (2022: R4 554 million) will mature and be fully settled by the end of 2031. Cennergi's solar asset project financing will mature and be fully settled by the end of 2042




Limpopo


	
	1 Grootegeluk complex
Location	West of Lephalale
Market	Domestic and export
Product	Thermal and metallurgical coal
Coal Resources (inclusive)	<ul style="list-style-type: none"> • Measured: 2 978Mt • Indicated: 967Mt
Coal Reserves	<ul style="list-style-type: none"> • Proved: 1 971Mt • Probable: 550Mt
Mining method	Open-cut
Run of mine	56.05Mt
Life of mine	18+ years*

	
	2 Thabametsi
Location	West of Lephalale
Market	Domestic
Product	Thermal coal
Coal Resources (inclusive)	<ul style="list-style-type: none"> • Measured: 270Mt • Indicated: 749Mt
Coal Reserves	<ul style="list-style-type: none"> • Proved: 1971Mt • Probable: 130Mt
Mining method	Open-cut
Run of mine	0Mt
Life of mine	23 years


Mpumalanga

	
	3 Belfast
Location	South of Belfast
Market	Export (alternative domestic)
Product	Thermal coal
Coal Resources (inclusive)	<ul style="list-style-type: none"> • Measured: 98.4Mt • Indicated: 8.0Mt
Coal Reserves	<ul style="list-style-type: none"> • Proved: 33.2Mt • Probable: 1.4Mt
Mining method	Open-cut
Run of mine	3.16Mt
Life of mine	10 years

Mpumalanga

	
	4 Leeuwan
Location	South-east of Delmas
Market	Domestic and export
Product	Thermal coal
Coal Resources (inclusive)	<ul style="list-style-type: none"> • Measured: 63.4Mt
Coal Reserves	<ul style="list-style-type: none"> • Proved: 30.5Mt • Probable: 3.3Mt
Mining method	Open-cut
Run of mine	4.82Mt
Life of mine	6 years

	
	5 Matla
Location	West of Kriel
Market	Domestic (Eskom)
Product	Thermal coal
Coal Resources (inclusive)	<ul style="list-style-type: none"> • Measured: 634Mt • Indicated: 92Mt
Coal Reserves	<ul style="list-style-type: none"> • Proved: 126Mt • Probable: 31Mt
Mining method	Underground
Run of mine	6.01Mt
Life of mine	1+ years*

	
	6 Mafube JV (50%)
Location	East of Middelburg
Market	Domestic and export
Product	Thermal coal
Coal Resources (inclusive)	<ul style="list-style-type: none"> • Measured: 141.0Mt • Indicated: 2.2Mt
Coal Reserves	<ul style="list-style-type: none"> • Proved: 82.6Mt • Probable: 32.0Mt
Mining method	Open-cut
Run of mine	4.79Mt
Life of mine	20 years

* Adequate Reserves well beyond expiry of mining right.

Australia





7 Moranbah South project (50%)

Phase: Undertaking prefeasibility study to inform decision for development prospects.
Location: Queensland, Australia
Market: Export
Product: Coking coal
Coal Resources:

- Measured: 484.6Mt
- Indicated: 226.0Mt

Eastern Cape

	
	8 Tsitsikamma community
Location	Near Tsitsikamma
Product	Wind energy
Capacity	95MW
Equipment	31 x 3.1MW turbines
Performance	Adjusted P50 in the long term
Customer	Eskom
Commercial operation	2016
Power purchase agreement	20 years
Shareholding	Cennergi (75%), RE Times (16%) and the Tsitsikamma Development Trust (9%)

	
	9 Amakhala Emoyeni
Location	Near Bedford and Cookhouse
Product	Wind energy
Capacity	134MW
Equipment	56 x 2.4MW turbines
Performance	Adjusted P50 in the long term
Customer	Eskom
Commercial operation	2016
Power purchase agreement	20 years
Shareholding	Cennergi (95%), Cookhouse Community Trust (2.5%) and the Bedford Community Trust (2.5%)

	
	10 LSP
Location	Lephalale
Product	Solar energy
Capacity	68MW
Performance	Reached financial close June 2023
Customer	Exxaro Coal Proprietary Limited (Grootegeluk)
Commercial operation	2025
Power purchase agreement	25 years
Shareholding	Cennergi (100%)

Statement from the finance director

We want to be a sustainable and impactful business that catalyses economic growth, environmental stewardship and positive change to contribute to a safer and more productive tomorrow. Our sustainability is based on mutually constructive relationships and common values with our stakeholders. This includes how we report on our financial and ESG performance and, in this report, our tax practices.



To protect and maintain our licence to operate, we focus on building long-term, stable relationships with stakeholders that are built on trust. We understand the role of transparent tax reporting in strengthening these relationships and we encourage exchange of information to enable value creation for our stakeholders.

We believe our commitment to transparency, including our tax reporting, solidifies our role in society and our commitment to our purpose of powering better lives in Africa and beyond. GRI 207, which identifies tax as a material reporting topic, and our Sustainable Growth and Impact strategy guide our approach and enable us to report using responsible business practices and recognised reporting frameworks.

Our business values ethics and integrity among the material considerations that sustain our commitment to responsible governance and meaningful reporting, as highlighted in the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)*. By remaining committed to responsibly maximising the value of our coal assets, Exxaro can create and sustain value, thereby contributing to macro-economic stability in the jurisdictions where we operate, including socio-economic development within local communities and broader society.



For a holistic view of our commitment to responsible tax reporting and other business practices, please read this report in conjunction with the rest of our [2023 reporting suite](#).



Riaan Koppeschaar
Finance director

10 April 2024

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Our tax contribution at a glance

Effective tax rate 18%	Effective tax rate excluding equity- accounted investments 29.5%
Dividend withholding tax (South Africa) R1 million	Withholding tax (Switzerland) R29 million
Mineral royalty tax accrual R1.1 billion	Total tax accrual R3.2 billion
Carbon tax accrual R3 million	Offshore corporate income tax accrual R28 million
Cash tax collected on behalf of government R1.7 billion	Total tax contribution R5 billion

Tax landscape

Exxaro believes in sustainable value creation, which we enable by carefully considering the relationship between the capitals we use and affect. Integrated in our business model and strategy, these include natural, social and relationship, manufactured, human, intellectual and financial capital. We continuously strive to positively contribute to and negate any adverse impacts on these capitals to ensure sustained success and foster a sustainable operating environment for Africa and beyond.

Our tax philosophy

Taxation is an integral part of our business strategy, as tax is the natural outflow of each business decision. Exxaro manages taxation as part of its enterprise risk management (ERM) framework, which strives to create sustainable value for all stakeholders through operational efficiency, continuous improvement, regulatory compliance and responsible citizenship, within acceptable risk parameters. Exxaro's TRM philosophy is aligned to its risk management philosophy, business strategy and objectives. At a high level, Exxaro's TRM strategy aims to create value, protect Exxaro against loss, ensure effective tax planning and compliance with tax legislation and preserve appropriate financial reporting.

Exxaro's TRM framework articulates our tax strategy and is our primary means of managing our tax approach. The framework is aimed at an internal audience and is not available publicly. All information deemed relevant for an external audience is included in this report.

The TRM framework is reviewed on an ad hoc basis when significant changes occur that affect Exxaro and its risk appetite. Any changes to the TRM framework must be approved by the audit committee. The group tax manager, through the finance director, is accountable to the board of directors (board) for designing, implementing, monitoring and reporting the TRM process.

Our approach to tax supports and contributes to the group's sustainable value creation goals by:

- Ensuring compliance with legislative and regulatory requirements to prevent reputational and financial losses
- Applying good corporate governance and sound business practices
- Effectively managing our tax risks with continuous assessment and mitigation
- Paying our tax liabilities accurately and on time
- Building relationships of trust and transparency with our stakeholders
- Ensuring material and complex tax transactions are supported by sound technical opinions
- Ensuring we maintain documentary evidence of tax filings and tax positions
- Reporting and correcting any inadvertent errors, non-disclosures and failures of controls immediately to regulatory authorities and/or our overseeing function (executive committee and/or audit committee)
- Ensuring robust tax structuring solutions are effectively managed by utilising tax-saving opportunities and minimising tax leakages
- Being a strategic business partner to ensure alignment with Exxaro's growth strategy
- Liaising with local and foreign tax authorities on tax matters, queries and investigations

Dealing with tax authorities

Exxaro maintains healthy relationships with the revenue authorities in all jurisdictions where we operate. Exxaro applies for rulings where tax legislation is uncertain and endeavours to attend to tax information requests and audits from Revenue authorities in a comprehensive and timely manner. In South Africa, South African Revenue Service (SARS) officers conduct an annual business review of Exxaro's coal business, for which we share specific requested information and discuss the future outlook of our coal business.



Refer to [revenue authority audits](#).

Litigation

We previously commented that Mafube Coal Mining Proprietary Limited (Mafube), Exxaro's 50% JV with Thungela, was involved in a litigation process with SARS regarding the impugned additional mineral and petroleum resources royalty assessments totalling R190 million and penalties of R19 million (with an exposure of R105 million to Exxaro). Although court dates for the appeal were set for 30 August 2023 and 1 September 2023, a settlement was reached with SARS on 16 August 2023. It was agreed that the additional assessment would be reduced to R14.8 million and the penalty of R19 million be waived. An agreement on the basis of the interest calculation has not yet been reached and the settlement agreement will be finalised once an agreement on the interest has been concluded.

Exxaro Coal is in a litigation process to obtain an order against SARS to pay interest on the late payments of value-added tax (VAT) refunds. SARS is opposing the action. The High Court has not yet allocated a date for the hearing of the opposed motion.

Public policy advocacy

Exxaro participates in local tax reforms and the development of an effective tax system through tax working groups of the Minerals Council South Africa and the South African Institute of Taxation (SAIT). Exxaro's tax manager is an executive team member of the SAIT mining tax technical work group.

In 2023, material changes were made to the proposed Interpretation Note issued by SARS on 24 August 2023. Changes directly affecting Exxaro related to the determining of the calorific value of coal for mineral and petroleum resources royalty legislation. Exxaro actively participated in industry working groups and responded to the proposed draft Interpretation Note.

For annual legislative cycle changes, Exxaro participates in industry working groups as normal, such as section 12BA introduced by the 2023 Taxation Law Amendment Act and others.

Exxaro will continue to play an active role in the industry and take part in relevant discussions as they arise.

Tax havens

Tax havens are countries or jurisdictions offering certain tax benefits such as lower tax rates, credit mechanisms or deductions, resulting in limited or no tax levying on certain profits. Switzerland is generally considered a tax haven due to its low corporate tax rate of approximately 12% (a combination of federal, cantonal and communal taxes).

Exxaro's logistics and marketing office, Exxaro International Trading AG (EITAG), in Zug, Switzerland, is considered a trading hub for various commodities, including coal. Exxaro's operation in Zug is based on sound business principles and the company does not derive a tax benefit from operating in Switzerland.

Although EITAG pays 12% corporate tax in Switzerland (federal and cantonal taxes combined), EITAG's profits are imputed and included in the taxable income of Rocsi Holdings Proprietary Limited (Rocsi) in terms of section 9D of the Income Tax Act, 1962 (Act 58 of 1962) (Income Tax Act). Effective 2 October 2023, Exxaro Coal acquired all the issued share capital of EITAG from Rocsi using the corporate rules contained in section 45 of the Income Tax Act.

 Refer to [country-by-country information](#).

Pillar Two

The Organisation for Economic Co-operation and Development (OECD) leads the base erosion and profit sharing (BEPS) 2.0 project. 140 countries committed to implementing the OECD global minimum tax for multinational enterprise (MNE) groups with a consolidated revenue of EUR750 million or more (also referred to as Pillar Two or Global Anti-Base Erosion (GloBE) Rules). This ensures that MNE groups pay at least 15% taxes in each country they operate. Exxaro is classified as a qualifying MNE.

On 22 December 2023, the Swiss Federal Council implemented, in a first step, the qualifying domestic minimum top-up tax (QDMTT) for financial years starting on or after 1 January 2024. Regarding the Income Inclusion Rule (IIR) and the Undertaxed Profits Rule (UTPR), the Federal Council postponed implementation and will decide on this later. Although the deadline for filing the first Swiss QDMTT return and GloBE information return is 30 June 2026, the tax provision for 2024 must be included in Exxaro's 2024 interim and year-end reporting.

EITAG is a Swiss-incorporated company and is taxed at an effective tax rate of 12%. Therefore, Exxaro will qualify for Pillar Two filings in terms of Swiss legislation.

The South African 2024 Budget Review documents, published on 21 February 2024, announced that an IIR and a domestic minimum top-up tax (DMTT) would be effective from 1 January 2024. The DMTT will enable SARS to collect a top-up tax for qualifying MNEs paying an effective tax rate of less than 15%. The details of the proposal will be set out in the explanatory memorandum and Draft Global Minimum Tax Bill.


In Australia's 2023-24 budget, the government announced the implementation of a 15% global minimum tax and domestic minimum tax. These are key aspects of Pillar Two of the OECD/G20 Two Pillar Solution to address the tax challenges arising from the digitalisation of the economy.

In-scope groups need to undertake constant regulation scanning to track a fast-evolving cross-border rule set and identify new data sets to gather and develop new compliance processes, which may differ in each territory.


Tax incentives

Exxaro recognises the value of its human capital and continues to invest in training. Grootegeluk and Matla claimed learnership allowances for 522 new registered learners during 2023 (2022: 378) and 55 other learners completed their training agreements (2022: 34). These mines claimed total learnership allowances amounting to R19.2 million (2022: R13.3 million), resulting in a total tax saving of R5.2 million (2022: R3.7 million).

Exxaro appointed an external service provider late in 2023 to assist with identifying projects that could benefit from research and development incentives in terms of section 11D of the Income Tax Act.

 Refer to building momentum with people in our [ESG report](#).

In support of Exxaro's goals to continue lowering its energy consumption, we will continue to pursue the benefits of energy efficiency allowances offered in terms of the Income Tax Act.

 For more information on Exxaro's climate change response and decarbonisation strategy, refer to the climate change and energy efficiency sections of our [ESG report](#).

LSP is an SPV formed to house the LSP project. The project is in its development phase, with a planned completion date of early 2025. To qualify for the incentive, which is a deduction of 125% of the cost incurred, the SPV would have had to bring photovoltaic solar energy assets into use on or before 1 March 2025.

Carbon tax credits

The Carbon Offset Administration System (COAS) facilitates the listing, transfer and retirement of carbon tax credits to offset carbon tax liabilities. The COAS starts with the approval of a specific project by the relevant project standard. Standards allowed into the COAS include Clean Development Mechanism, Verified Carbon Standard and the Gold Standard. The Climate, Community and Biodiversity Alliance Standard is included in the Verified Carbon Standard. The credits are generated through projects that reduce emissions like renewable energy projects or re-forestation efforts. In South Africa, when a company is unable to reduce its carbon emissions, the government allows it to offset its emissions through credits for tax purposes. The National Treasury's policy regarding the carbon offset scheme will serve as a flexibility mechanism enabling the industry to invest in mitigation projects. In Exxaro's case, the carbon offset will be applicable when the SPV solar photovoltaic project is brought into use.

The current carbon tax liability is R2.7 million. With the 2024 budget increases announced by the Minister of Finance, there will be a slight increase to R3.3 million, using the same 2023 carbon emissions.

Corporate social responsibility

Exxaro group tax was involved in consolidating the Exxaro social investment vehicles to ensure compliance with the provisions of section 30 read with section 18A of the Income Tax Act. Effective 4 December 2023, all Exxaro's social investment vehicles structures were rationalised and consolidated into one legal entity. The entity, Exxaro Aga Setshaba, is a non-profit company (formerly known as Exxaro Matla Setshabeng) (the NPC). This resulted in an optimum structure, reduced administration costs, freeing up resources and increasing transparency.

The NPC, in its revised form and expanded objectives, will benefit more communities and the general public at large, including communities where Exxaro operates. The NPC conducts the public benefit activities listed in the Ninth Schedule to the Income Tax Act, such as social upliftment, education, healthcare and building critical infrastructure in the communities it operates in, among others.

The NPC's source of income is dividends and donations. As such, it enjoys a preferential tax status from SARS, which entitles donors to deduct donations made to the NPC from their taxable income in accordance with the provisions of section 18A of the Income Tax Act.



Refer to the [ESG report](#) for more information on our corporate social responsibility.

Stakeholder engagement

Exxaro engages proactively with our stakeholders to create shared value. Stakeholder views and concerns are managed through a holistic stakeholder engagement approach. Our stakeholder engagement procedures enable us to respond to any tax-related matters that may arise, ensuring engagement is targeted, meaningful and transparent.



Refer to the [ESG report](#) for more information on our stakeholder-inclusive approach.

Honest and transparent engagements with stakeholders on tax matters are summarised below.

Stakeholder group	Key concerns and expectations	Our response
SARS	<ul style="list-style-type: none"> Non-compliance with tax laws will result in reputational damage, financial loss and possible criminal prosecution Capacity constraints due to competing demands of day-to-day work with ongoing SARS audits and information requests Complex restructuring transactions, sales or acquisitions of investments or assets expose Exxaro to adverse tax consequences Complicated and regular changes to tax legislation pose a risk to Exxaro if they are not correctly implemented and thus will increase the cost of tax compliance Compliance with SARS automation projects is becoming onerous and involves in-house system changes or acquisitions (VAT modernisation) 	<ul style="list-style-type: none"> Regular interaction with the SARS relationship manager to build trust and support ethical behaviour – guided by King IV – and ensuring SARS is administratively compliant and upholds its service charter for refunds and finalisation of audits Management of tax risks within a board-approved framework Transparent behaviour with prompt response to requests, audits, voluntary disclosure programmes and detailed tax return submissions The VAT analytics tool identifies incorrect VAT treatments proactively Regular revision and external audit of transfer pricing policies Employment of qualified people and management of their performance Early investigation of enterprise resource planning systems changes required to comply with SARS digitalisation initiatives Engagement with expert legal advisers for transactions that have a tax impact above R30 million or involve: <ul style="list-style-type: none"> Acquisitions or sales of investments Projects in foreign jurisdictions Group restructuring projects
Financial reporting audiences (shareholders and financiers)	<ul style="list-style-type: none"> Tax reporting does not fairly represent Exxaro's financial position 	<ul style="list-style-type: none"> Automated tax tools updated and maintained by external tax and information technology (IT) specialists to calculate tax disclosure required in terms of the International Accounting Standard 12 accounting treatment for income tax Qualified professionals manage tax reporting
Communities	<ul style="list-style-type: none"> Communities in areas surrounding Exxaro's operations do not benefit from money spent on approved public benefit activities 	<ul style="list-style-type: none"> In line with Exxaro's social responsibility initiatives a NPC company was formed to benefit more community members. Three persons, who are not connected to Exxaro, accepted the fiduciary responsibility of the NPC in compliance with applicable laws and governance The tax department reviews projects and donation requests to ensure compliance with tax legislation by the NPC The tax department is responsible for the NPC's income tax return submissions to SARS
Industry	<ul style="list-style-type: none"> The mining industry's unique challenges and requirements are not considered in the development of tax systems and legislation 	<ul style="list-style-type: none"> Exxaro actively participates in public policy advocacy through the Minerals Council South Africa, SAIT, the National Business Initiative and Business Unity South Africa

Performance management

Exxaro undertakes the following performance management initiatives in the tax department:



The group tax manager ensures employees are qualified with the necessary skills and experience for each tax function role and its responsibilities



Exxaro invests in training and formal postgraduate studies, and employees regularly attend courses and seminars



Formal development programmes are in place for tax employees



Personal performance appraisals assess employees' commitment to tax risk management



Incentive schemes reward tax employees for performance and non-performance is addressed by the responsible line manager

Tax digitalisation

Robotic process automation (RPA) and artificial intelligence will assist Exxaro's tax function to become a valued strategic partner by improving efficiency and effectiveness. RPA inherently eliminates repetitive, time-consuming manual tasks and mitigates tax risks. The following digital automation projects were approved and are in different stages of implementation.

Project	Status
Automated VAT apportionment calculations	Completed and implemented
Automated data extraction from e-filing	Completed and implemented
Monitoring dashboard on tax compliance and administration	Work in progress: the tax solutions project was expanded to integrate with the SARS e-filing portal using real-time synchronisation

Tax governance

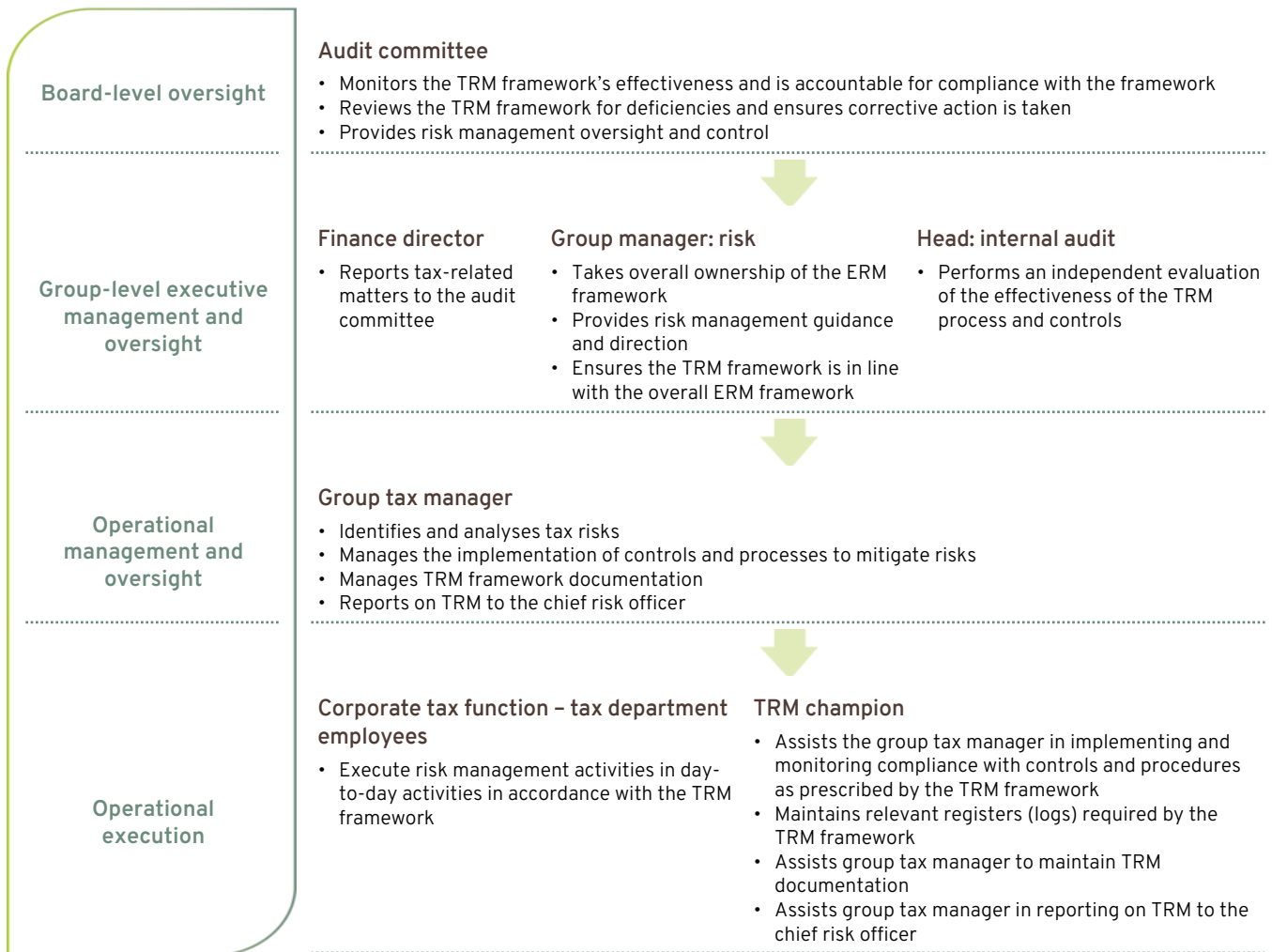
Governance oversight

An awareness of TRM throughout the organisation, from the operations to the boardroom, ensures a proactive approach and appropriate governance oversight. TRM should be core to every business decision, from a transaction's inception to its completion and post-implementation.

Exxaro is committed to complying with the code of corporate practices and conduct set out in King IV. In terms of this code, Exxaro's board and audit committee assume responsibility for managing tax risks and ensuring Exxaro's tax strategy is aligned with its business strategy. Tax and tax risks are always on the audit committee's agenda. Operationally, the group tax manager is accountable for this function and reports directly to the group finance director.

The corporate tax function is organisationally and physically separate from the finance function and centralised at Exxaro's head office.

The group tax manager reviews tax implications of projects presented to the investment review committee and executive management committee to keep the tax function informed of transactions at inception stage, particularly decisions with significant impact. This ensures effective tax planning and TRM for operational cost savings.



Policies and control

The TRM framework was updated in 2022 and approved by the board in November 2022. The updated framework includes standard operating procedures (SOPs) for VAT, diesel refunds in terms of the diesel rebate scheme, and for carbon tax. Exxaro is revising SOPs for tax compliance and administration, and interim and year-end reporting procedures.

The group tax manager is responsible for:

- Implementing and monitoring compliance with controls and procedures prescribed by the framework
- Identifying, analysing and evaluating the impact of events and associated risks on the group's strategic objectives

Our board, audit committee, executive management and other internal and external stakeholders are informed about TRM activities. Exxaro's risk reporting is driven by stakeholder expectations and requirements and our open and transparent reporting objective.

The group tax manager provides quarterly and biannual reports to the audit committee on the:

- Status of compliance with income tax filing to local and offshore tax authorities
- Status of significant tax disputes, audits and inquiries by authorities
- Significant tax developments affecting the business

- Significant tax risks identified (graded as likely to occur, with a tax impact above R30 million, where controls are inadequate to mitigate identified risks)
- Tax effect of material transactions such as acquisitions and disposals of assets, investments and businesses

Exxaro maintains transfer pricing policies for offshore transactions with connected parties. In addition to applying the local tax laws of the jurisdictions where we operate, we follow the OECD's principles on transfer pricing and other international tax matters to ensure we pay the correct amount of tax in those jurisdictions.

Our tax function upholds group document retention policies and uses the SARS e-filing system as an additional document database.

Mechanisms for reporting tax-related concerns

Using an independent platform, Exxaro's stakeholders can anonymously report any concerns, breaches of Exxaro's code of ethics, fraud or misconduct including tax matters.



Our [ESG report](#) provides more detail on Exxaro's fraud and ethics hotline.

Assurance

Exxaro mitigates tax risk through four lines of defence:

- First line of defence: Daily operational management and controls
- Second line of defence: Executive and audit committees oversee operational management
- Third line of defence: Internal and external assurance of TRM on an ad hoc or rotational basis for objective and independent appraisal of the framework and processes
- Fourth line of defence: SARS performs ad hoc audits to ensure compliance with relevant tax legislation

Internal audits

In 2023, our internal auditors conducted an audit on the controls in respect of income tax, VAT and mineral and petroleum resources royalty. The internal audit team's assessment found that one of the 12 controls was partially effective and has since been updated. The remaining controls were found to be effective and adequate.

Revenue authority audits

The following revenue authority audits commenced in 2022 and/or were finalised in 2023. Assessments were subsequently raised and are being objected to and/or appealed against:

Legal entity	Tax type	Period audited	Status of audit	Result of audit
Exxaro Coal	Income tax	2018 year of assessment	Finalised	SARS raised an additional assessment of R29 million, levied a penalty of R29 million, and interest of R17 million. The disputed taxes were paid and the matter is at the appeal stage.
Exxaro Coal Mpumalanga Proprietary Limited (Exxaro Coal Mpumalanga)	Income tax	2018 to 2020 years of assessment	Finalised	SARS raised an additional assessment of R24 million, levied a penalty of R12 million and interest of R640 000. The disputed taxes were paid and the matter is at the objection stage.
Exxaro Coal	Income tax	2019 to 2021 years of assessment	Audit findings	SARS issued a letter of audit findings proposing to issue additional assessments of approximately R59 million for the 2019 and 2020 years of assessment.
Exxaro Resources	Income tax	2017 to 2021 years of assessment	Information-gathering phase	The Australian Tax Office is reviewing the sale of equity interest in Tronox Limited and Tronox Holdings Plc.

Open years of assessments

The following tax years are open for assessment. Income tax filings to SARS prescribe after three years in terms of the Tax Administration Act, 2011 (Act 28 of 2011) and after five years in terms of Swiss tax legislation.

Entity	Open years of assessment
Major subsidiaries	
Exxaro Coal	2018 to 2022
EITAG	2018 to 2022
Material to the group	
Exxaro Coal Mpumalanga	2019 to 2022
Exxaro Resources	2019 to 2022
Amakhala Emoyeni Renewable Energy Project 1 Proprietary Limited (Amakhala Emoyeni)	2019 to 2022
Tsitsikamma Community Wind Farm Proprietary Limited (Tsitsikamma community windfarm)	2019 to 2022

Only entities classified as major subsidiaries or material to the group have been listed. A major subsidiary represents 25% or more of total assets or revenue of the consolidated group results (JSE Listings Requirements service issue 25). Material entities do not meet the 25% criteria but are material to the group.

Tax risk management

Framework

Exxaro's ERM framework considers today's uncertain operating environment in effective risk management to achieve our strategic objectives. Embedding risk management in existing processes is important for informed decision making and proactive planning. An effective approach to uncertainty and stakeholder expectations requires focus on TRM.

TRM includes judgemental and operational risk management techniques, regulatory requirements for transparency and disclosure, a balanced mindset for competing pressures, value proposition and reputation in tax planning, and a focus on good corporate governance. It is a proactive, systematic analysis of possible unwanted events and responses (including controls and treatment plans), rather than a reactive mechanism for detected events.

TRM is part of Exxaro's ERM structure, which ensures the tax function's independence.

Tax risk appetite

Although Exxaro views tax planning as a legitimate business lever within the parameters of tax legislation, the group has zero tolerance for evading any tax liability or facilitating the evasion of any tax liability on behalf of a third party. Exxaro has no appetite for transactions with no valid commercial purpose other than obtaining a tax benefit. Exxaro has a low appetite for arrangements that could be to the detriment of the organisation in the event of external disclosure. Exxaro avoids tax practices that are misaligned with its approach to tax and tax strategy.

Tax risk identification and assessment

Risk can be defined as the chance of an event occurring and impacting on objectives. The objective of risk assessment is to identify, analyse and evaluate the impact of events and associated risks on the strategic objectives of the company. Analysing and assessing risks includes estimating the likelihood of events occurring and the impact, financial or otherwise, on the group.

Exxaro has identified the key activities that drive tax risk and documented SOPs and controls to mitigate the identified risks.

The top four risks identified by the risk assessment process are captured in the ERM risk assessment and management tool – SAP GRC10.1 (SAP GRC). The SAP GRC allows group tax and the group manager: risk to monitor improvements and treatment plans.

Tax risk reporting

It is important to keep the board, audit committee, executive management and other internal and external stakeholders abreast of TRM activities.

The following TRM information will be reported:

Type of information	Reporting responsibility	Timing	Format of the report	Forum for discussion and evaluation
The initial formal TRM framework	Group tax manager assisted by TRM champion	Once off	TRM framework	Group manager: risk and finance director
Feedback on the effectiveness of the TRM process	Internal audit department	Ad hoc	Internal audit reports	Audit committee
Feedback on changes to the TRM process	Group tax manager assisted by TRM champion	Significant changes are reported on an ad hoc basis	TRM memorandum	Group manager: risk
Identification of new risks with a moderate impact factor that is likely to occur where moderate controls are in place	Group tax manager and tax risk champion	Annually	As prescribed by the ERM framework	Group manager: risk
Unwanted events with an impact factor greater than 35% (a tax impact greater than R30 million)	Group tax manager and tax risk champion	Quarterly	Audit committee report	Executive and audit committees

Material tax risk, opportunity and strategic response

Relevant tax matters are identified by considering:

- Our risks and opportunities ([IR](#))
- Our stakeholder-inclusive approach ([ESG report](#)) and engaging our stakeholders ([IR](#))

Residual risk occurs when the likelihood of an event is reduced by controls that address the root cause and/or the trigger or driver of the unwanted event and, where the impact is reduced by controls, minimise those impacts.

Inherent risk does not consider any controls except baseline controls, which are intrinsic to the hazard.

Risks are prioritised based on inherent risk, a predetermined risk appetite, the likelihood of the matter arising and its impact on value creation.

Exxaro's risks were rated using impact scales as approved by the board in Exxaro's TRM policy. The impact scales for tax were specifically reduced from those set in terms of group ERM in line with Exxaro's reduced appetite for tax risks. These are outlined below.

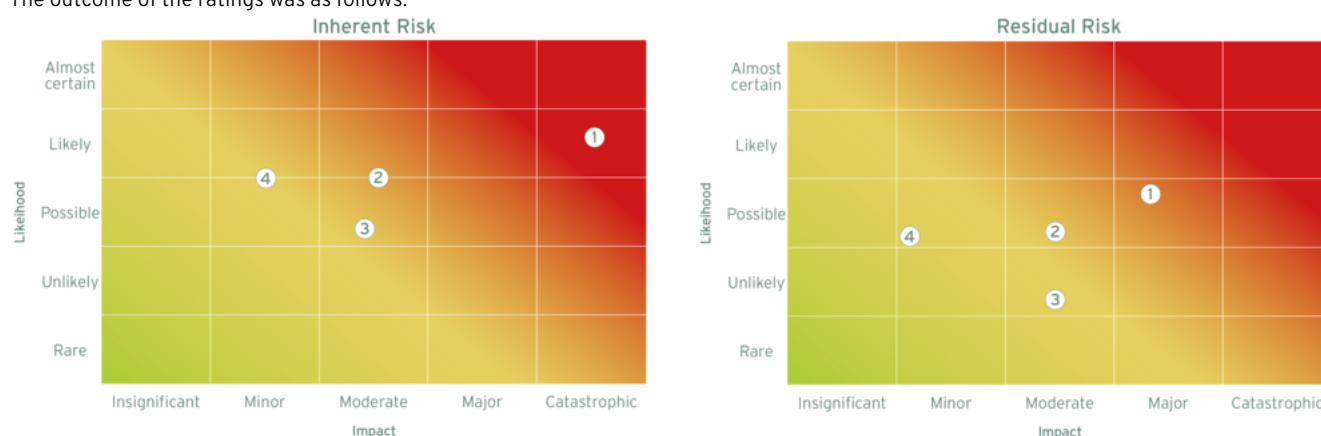
Impact scale

Description	Indicator	% Risk factor
Catastrophic	Tax impact > R75 million	81 to 100
Major	Tax impact > R50 million to R75 million	60 to 80
Moderate	Tax impact > R30 million to R50 million	35 to 60
Minor	Tax impact > R10 million to R30 million	10 to 35
Insignificant	Tax impact ≤ R10 million	<10

Likelihood scale

Description	Indicator	% Risk factor
Almost certain	Potential to occur annually	81 to 100
Likely	History of occurrence	60 to 80
Possible	Has occurred in the past five years and is expected to occur again	35 to 60
Unlikely	Theoretically possible	10 to 35
Rare	Highly unlikely to occur or has not occurred to date	<10

The outcome of the ratings was as follows:



Risk trend

Ranking	Risk name	Trend
1	Tax and accounting disclosure differences	✓
2	Understatement penalties resulting from any prejudice to SARS	✓
3	Document retention	✓
4	Cash flow constraints due to adverse tax compliance status	✓

✓ The residual risk score decreased from the previous year

Tax risk management continued

Exxaro's top four material tax risks are discussed below.

1 Tax and accounting disclosure differences

Drivers

International Financial Reporting Standards (IFRS) and tax law disclosures misaligned

Impacts

- Financial losses
- Reputational damage
- Increased audits by SARS due to characterisation of a tax-sensitive account for accounting purposes
- Understatement penalties if the taxpayer cannot prove bona fide error and that reasonable care was taken in completing the return

Lines of defence

Strategic performance key performance indicators (KPIs)

Core operating profit

Treatments

- Detailed reviews of transaction source document throughout the year
- IFRS training to understand classifications and disclosures
- Communication between financial reporting and tax on changes in IFRS

1 and 3

2 Understatement penalties resulting from any prejudice to SARS

Drivers

Difference in interpretation of the facts or the law applicable to those facts, or both

Impacts

- Financial losses where the taxpayer cannot prove bona fide inadvertent error, reasonable case was taken and there are reasonable grounds for tax position taken
- Reputational damage
- Loss in stakeholder confidence

Lines of defence

Strategic performance KPIs

Core operating profit

Treatments

- Reasonable care in completing the returns, which includes a detailed review of the work done by the preparer
- Reasonable grounds for taking a tax position, which includes obtaining an opinion in advance prior to return submission

1 and 4

3 Document retention

Drivers

- Not adhering to document retention legislation

Impacts

- Reputational damage
- Legal liability
- Reduced data quality (fading)
- Exposure to security and privacy risks

Lines of defence

Strategic performance KPIs

Core operating profit

Treatments

- Comply with legislative framework for periods of limitation for record keeping
- Implement technology for document control and archiving

1 and 3

4 Cash flow constrains due to adverse tax compliance status

Drivers

- Governmental entities use different systems to check a supplier's tax compliance status which might not be synchronised with that of SARS

Impacts

- Lack of business continuity due to cash flow constraints

Lines of defence

Strategic performance KPIs

Core operating profit

Treatments

- Maintain good relations with dedicated SARS officers
- Regularly check the tax compliance status dashboard to ensure no adverse changes occurred and remedy any adverse changes as they arise

1 and 4

Tax performance

Total tax contribution paid

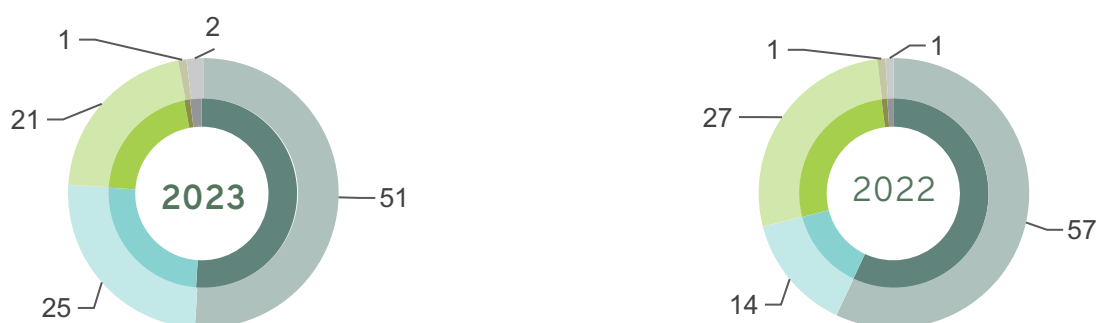
	2023 (Rm)	2022 (Rm)
Payments to government (taxation contribution)	5 040	7 250
Direct taxes per country	2 573	4 110
South Africa	2 506	4 086
Switzerland	67	24
Indirect taxes	1 278	1 036
VAT*	1 248	1 025
Levied on purchases of goods and services	(3 457)	(3 276)
Charged on turnover	4 705	4 301
Dividend withholding tax – local	1	1
Dividend withholding tax – Switzerland	29	10
Levies paid to government	1 189	2 104
Rates and taxes	21	25
Mineral and petroleum resources royalty	1 076	1 988
Compensation Fund	17	17
Unemployment Insurance Fund	15	15
Carbon tax	3	3
Skills development levy	57	56

* In 2023, there was a change in the sales mix, resulting in a reduction in exports sales and an increase in local sales. Accordingly, the change in the VAT contribution is attributable to the increased taxable supplies to local vendors, whereas export sales are zero-rated.

Total tax contribution collected on behalf of government

	2023 (Rm)	2022 (Rm)
Additional amounts collected by the group on behalf of government	1 667	1 622
Unemployment Insurance Fund	15	15
Pay As You Earn tax deducted from remuneration paid	1 652	1 607

Total tax contribution paid (%)



● Direct income tax ● VAT ● Royalties ● Skills development levy ● Other

Tax performance continued

Effective tax rate reconciliation

The difference in the standard rate of 27% is explained below.

For the year ended 31 December	2023 (%)	2022 (%)
Tax as a percentage of profit before tax	18.0	19.2
Tax effect of:		
– Net capital losses ¹	(0.1)	0.0
– Impairment charges	0.0	(0.1)
– Other deductible/(non-deductible) tax adjustments ²	0.9	(0.1)
– Exempt income ³	0.1	0.1
– Reduction in tax rate	0.0	1.4
– Post-tax equity-accounted income ⁴	10.5	8.1
– Remeasurements of foreign tax rate differences	0.2	0.3
– Prior year tax adjustments ⁵	(1.1)	0.2
– Deferred tax assets not recognised ⁶	(0.8)	(0.3)
– Expected credit losses on financial assets at amortised cost	(0.1)	(0.1)
– Dividend withholding tax ⁷	(0.2)	(0.1)
– Imputed income from controlled foreign companies and investments ⁸	(0.4)	(0.6)
Standard tax rate	27.0	28.0
Effective tax rate, excluding income from equity-accounted investments	29.5	27.1
¹ Relates to the disposal of non-allowance assets		
² Other deductible/(non-deductible) for tax purposes:	0.9	(0.1)
– Consulting, legal and other professional fees	(0.2)	(0.1)
– Enterprise supplier development grants	0.0	(0.1)
– Share-based payments	0.6	0.2
– Distribution to beneficiaries of Exxaro ESOP Trust	(0.2)	(0.4)
– Other ⁹	0.7	0.3

³ Mainly relates to dividends received by Exxaro ESOP Trust and the NPC (tax-exempt institutions).

⁴ Equity-accounted investment income increased by 7.9%, however, net income before tax decreased by 19.5% from the prior year. The effect that equity-accounted investment income has on the effective tax rate is therefore greater.

⁵ Differences between the prior year accrual for normal tax and final tax returns submitted to SARS and a provision of R113 million raised for ongoing disputes with SARS relating to Exxaro Coal and Exxaro Coal Mpumalanga.

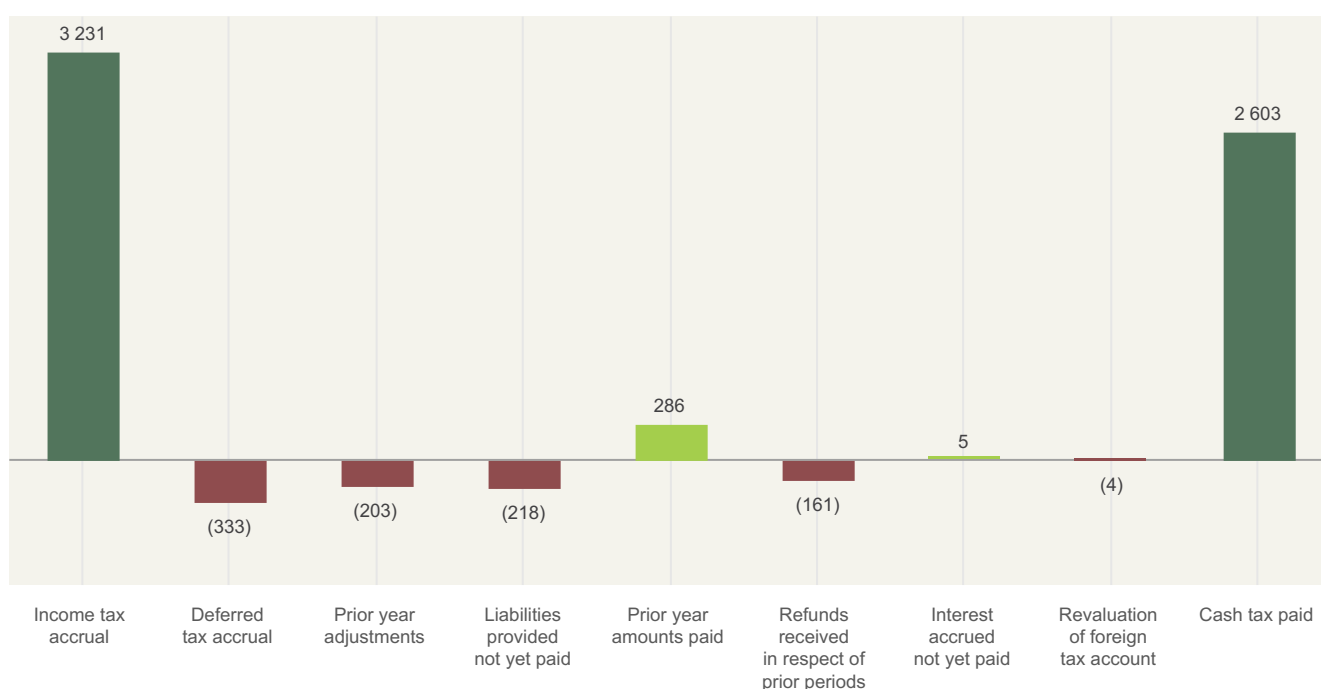
⁶ Increased losses in Coastal Coal Proprietary Limited, Ferroland Grondtrust Proprietary Limited and Cennergji Holdings Proprietary Limited on which no deferred tax assets are recognised.

⁷ Dividend withholding tax paid in Switzerland by EITAG on dividends declared to Rocsi. The dividend paid in February 2023 was based on EITAG's 2022 results, which were 57% higher than the current year. The significant increase is due to double the amount of dividends being paid in the current year compared to the prior year.

⁸ Relates to reduced imputed income from EITAG in terms of section 9D of the Income Tax Act due to a reduction in international coal prices and volumes.

⁹ This includes foreign tax credits.

Reconciliation of tax accrual to cash tax paid (Rm)



Country-by-country information

As the ultimate parent and reporting entity, Exxaro is responsible for the preparation and submission of the country-by-country report for the Exxaro group in South Africa. The master file was prepared in accordance with commentary in chapter V of the 2017 Transfer Pricing Guidelines (TPG) for Multinational Enterprises and Tax Administrations issued by the OECD, and in line with the requirements of the public notice published by SARS for the submission of the country-by-country report, master file and local file by persons specified therein.

Exxaro is a diversified resources group with business interests in South Africa, Switzerland, China, Australia, the United Kingdom (UK) and Israel.



Refer to pages 2 to 5 for a description of Exxaro's key business areas locally.



Refer to the [annual financial statements](#) for a full list of Exxaro's entities per jurisdiction.

Adopted approach

The OECD TPG require that the reporting MNE should list all the tax jurisdictions in which constituent entities of the MNE group are resident for tax purposes. Accordingly, Exxaro has reported on the following jurisdictions within which it does its business:

1. South Africa
2. Switzerland
3. Australia

Business interests in the UK, China and Israel are not regarded as constituent entities as per the OECD guidelines and are thus not reported as such.

Revenue includes revenues from sales of inventory and properties, services, interest and any other amounts, including extraordinary income and gains from investment activities.

According to the OECD TPG, the reporting MNE should report the sum of the profit or loss before income tax for all the constituent entities resident for tax purposes in the relevant tax jurisdiction. The profit or loss before income tax should include all extraordinary income and expense items.

Taxes paid include corporate income tax and dividend withholding tax (foreign and local) paid during the year, and taxes accrued exclude deferred tax and provisions for uncertain tax liabilities.

Offshore business areas

Switzerland

Coal extracted from the South African mines is sold into the overseas markets through the Swiss marketing company, EITAG, which is Exxaro's central offshore sales company. EITAG buys coal from Exxaro Coal and Exxaro Coal Mpumalanga and on-sells the coal products to the ultimate customer. The goods are delivered to Richards Bay Coal Terminal Proprietary Limited (RBCT) and other ports and, from there, directly to the foreign customer. EITAG is responsible for the coal-blending process and the RBCT port cost.

EITAG attracts new customers and develops new markets for Exxaro coal products. Based on the contract concluded with customers, EITAG manages the scheduling of coal volumes, quality types and shipping dates.

EITAG's business strategy is to use the following regional advantages:

- Proximity of clients
- Intelligence gathering
- Product and market knowledge
- Access to ports to facilitate efficient logistics
- Cultural fit with customers

Having a central offshore sales company ensures the application of consistent policies and the growth of the Exxaro brand and offshore customer base. EITAG has five employees – one expat employee, one local employee and three contractors.

Australia

Exxaro Australia Holdings Proprietary Limited (EAH) is the holding company of the Australian group of companies (the EAH Australian tax group) and does not have any employees. Exxaro Australia Proprietary Limited, a subsidiary of EAH, holds a 50% interest in a JV with Anglo Coal (Grosvenor) Proprietary Limited (Anglo Coal) in the Moranbah project, which is an undeveloped coal resource in exploration stage. Anglo Coal manages the project.

The Moranbah project is located in the Queensland district of Australia.

China

Exxaro holds a minority investment in the Chifeng Hongye Zinc Smelting Co Limited smelting operations, incorporated in China.

UK

Exxaro owns a 25.85% interest in Insect Technology Group Holdings UK Limited, which is in the process of deregistration.

Israel

Exxaro owns a 28.01% interest in LightApp Technologies Limited.

Significant intercompany transactions

Exxaro's transfer pricing policy requires cross-border transactions with group companies to be conducted on an arm's length basis. The policy describes the method to be used as the basis for price determination of coal sales and logistical services rendered.

Important service arrangements within the group are shown in the table below. During 2023, there were no loans between Exxaro and any of its foreign group companies. Exxaro does not maintain unilateral advance pricing agreements in support of its intercompany transactions or tax rulings relating to the allocation of income across countries.

Service	Supply entity	Supply country	Receiving entity	Receiving country	Transfer pricing policy
Sale of coal	Exxaro Coal and Exxaro Coal Mpumalanga	South Africa	EITAG	Switzerland	Yes
Provision of warehousing, logistics and blending support	Exxaro Coal	South Africa	EITAG	Switzerland	Yes
Provision of various business and management support services, including, but not limited to: <ul style="list-style-type: none">• Financial and accounting services• Human resources• Legal and insurance services• IT, purchasing, business developments, operations and quality assurance• Communication and regional management services	Exxaro Resources	South Africa	Various	South Africa	Not applicable

Country-by-country reporting for the year ended 31 December 2023

2023 country-by-country report

Tax jurisdiction (country)	Revenues			Profit/(loss) before income tax	Taxes paid (on cash basis) ²	Income tax accrued – current year ³	Stated capital Rm	Number of employees ¹	Tax rates		
	Unrelated party	Related party	Total						Statutory (%)	Withholding tax (%)	Effective (%)
Switzerland	11 079	0	11 079	236	(67)	28	205	3	12	5	
Australia	46	0	46	(84)	0	0	4 413	0	30		
South Africa	30 778	12 437	43 215	21 965	(2 535)	2 740	30 468	6 810	27		
Total	41 903	12 437	54 340	22 117	(2 602)	2 768	35 086	6 813			18

2022 country-by-country report

Tax jurisdiction (country)	Revenues			Profit/(loss) before income tax (Rm)	Taxes paid (on a cash basis) ² (Rm)	Income tax accrued – current year ³ (Rm)	Stated capital (Rm)	Number of employees ¹	Tax rates		
	Unrelated party (Rm)	Related party (Rm)	Total (Rm)						Statutory (%)	Withholding tax (%)	Effective (%)
Switzerland	21 393	0	21 393	453	(24)	54	174	2	12	5	
Australia	42	0	42	(77)	0	0	4 302	0	30		
South Africa	43 940	22 365	66 305	38 748	(4 097)	3 722	30 830	6 743	28		
Total	65 375	22 365	87 740	39 124	(4 121)	3 776	35 306	6 745			19

Note that equity-accounted investment income is reflected in the country of incorporation.

¹ The number of employees includes permanent employees and excludes FTEs and contractors.

² Taxes paid include corporate income tax and dividend withholding tax.

³ Income tax accrued excludes deferred tax and provision for uncertain tax liabilities.

Our legal entities and investments
Tax jurisdiction and nature of business

Name of entity	Main business activity	Tax residency	Segment	Nature
Exxaro FerroAlloys Proprietary Limited	Manufacturing of ferrosilicon powder	South Africa	Ferrous	Subsidiary
Gravelotte Iron Ore Company Proprietary Limited	Land rental	South Africa	Ferrous	Subsidiary
Sishen Iron Ore Company Proprietary Limited	Exploration, extraction, beneficiation, marketing, sale and shipping of iron ore	South Africa	Ferrous	Investment
Exxaro Resources Limited	Shareholder with interests in coal, energy and ferrous markets	South Africa	Ultimate shareholder	Ultimate shareholder
Exxaro Coal Proprietary Limited	Mining company focused on the extraction, processing and selling of coal	South Africa	Coal	Subsidiary
Exxaro Coal Mpumalanga Proprietary Limited	Mining company focused on the extraction, processing and selling of coal	South Africa	Coal	Subsidiary
Exxaro Reductants Proprietary Limited	Carbon reductant production/marketing – the company ceased all activities at the end of 2023	South Africa	Coal	Subsidiary
Coastal Coal Proprietary Limited	The company is in a mining rehabilitation stage and delivers rehabilitation services to other subsidiaries	South Africa	Coal	Subsidiary
The Vryheid (Natal) Railway, Coal and Iron Company Proprietary Limited	The company is in a mining rehabilitation stage	South Africa	Coal	Subsidiary
Richards Bay Coal Terminal Proprietary Limited	Coal exporter	South Africa	Coal	Investment
Mafube Coal Mining Proprietary Limited	Mining company focused on the extraction, processing and selling of coal	South Africa	Coal	Investment
Rocsi Holdings Proprietary Limited	Investment holding company	South Africa	Investment holding company	Subsidiary
Exxaro International Trading AG, Zug	Exxaro's central offshore sales company	Switzerland	Coal	Controlled foreign company
Exxaro Australia Holdings Proprietary Limited	Austria Investment holding company	Australia	Investment holding company	Controlled foreign company
Exxaro Australia Proprietary Limited	Mineral project evaluation and development	Australia	Coal	Controlled foreign company
Cennergi Holdings Proprietary Limited	Investment holding company	South Africa	Energy	Subsidiary
Cennergi Proprietary Limited	Service provider to energy sector	South Africa	Energy	Subsidiary
Amakhala Emoyeni Re Project 1 Proprietary Limited	Generation and supply of electricity	South Africa	Energy	Subsidiary
Tsitsikamma Community Wind Farm Proprietary Limited	Generation and supply of energy	South Africa	Energy	Subsidiary
Cennergi Services Proprietary Limited	Dormant company	South Africa	Energy	Subsidiary
Lephalale Solar Proprietary Limited	Provider of photovoltaic energy – in construction phase	South Africa	Energy	Subsidiary
K2021699141 South Africa Proprietary Limited	Dormant company	South Africa	Energy	Subsidiary
Exxaro Insurance Company Limited	Registered short-term insurer	South Africa	Insurance	Subsidiary
Eyesizwe RF Proprietary Limited	Investment holding company	South Africa	SPV	Subsidiary
Exxaro ESOP SPV (RF) Proprietary Limited	Holding company	South Africa	SPV	Subsidiary
Exxaro Employee Share Ownership Trust	Empowerment of beneficiaries	South Africa	SPV	Trust
Exxaro Aga Setshaba NPC	Public benefit organisation	South Africa	SPV	Subsidiary
Exxaro People Development Initiative NPC	Dormant company	South Africa	SPV	Subsidiary
Exxaro Chairman's Fund	Public benefit organisation (activities ceased end 2023)	South Africa	SPV	Trust
Exxaro Foundation Trust	Dissolved	South Africa	SPV	Trust
Exxaro Mountain Bike Academy NPC	Mountain biking to historically disadvantaged	South Africa	SPV	Subsidiary
Exxaro Employee Empowerment Trust	Exxaro shares employees incentives	South Africa	SPV	Trust
Exxaro Environment Rehabilitation Fund	Rehabilitation of mine upon closure	South Africa	SPV	Fund
Matla and Arnot Rehabilitation Trust Fund	Rehabilitation of mine upon closure	South Africa	SPV	Fund
Ferroland Grondtrust Proprietary Limited	Farming activities	South Africa	Farming	Subsidiary
Colonna Properties Proprietary Limited	Property lessor	South Africa	Property lessor	Subsidiary
Exxaro Properties (Groenkloof) Proprietary Limited	Property holding company	South Africa	Property holding company	Subsidiary
Exxaro Base Metals and Industrial Minerals Holdings Proprietary Limited	Investment holding company	South Africa	Base metals	Subsidiary
Black Mountain Mining Proprietary Limited	Exploration, development, treatment, production and sale of zinc, lead, copper and associated mineral concentrates	South Africa	Base metals	Investment
Exxaro Holdings Proprietary Limited	Investment holding company	South Africa	Investment holding company	Subsidiary
Chifeng Hongye Zinc Smelting Co Limited	Smelting operations	China	Smelting operations	Investment
Insect Technology Group Holdings UK Limited	Dormant, process of deregistration	United Kingdom	Dormant, process of deregistration	Investment
LightApp Technologies Limited	Technology company	Israel	Energy	Investment

Disclaimer

Opinions expressed herein are, by nature, subjective to known and unknown risks and uncertainties. Changing information or circumstances may cause the actual results, plans and objectives of Exxaro Resources (the company) to differ materially from those expressed or implied in the forward-looking statements. Financial forecasts and data given herein are estimates based on the reports prepared by experts who, in turn, relied on management estimates. Undue reliance should not be placed on such opinions, forecasts or data. No representation is made as to the completeness or correctness of the opinions, forecasts or data contained herein. Neither the company, nor any of its affiliates, advisers or representatives accepts any responsibility for any loss arising from the use of any opinion expressed or forecast or data herein. Forward-looking statements apply only as of the date on which they are made, and the company does not undertake any obligation to publicly update or revise any of its opinions or forward-looking statements, whether to reflect new data or future events or circumstances. Any forward-looking information has not been audited, reviewed or otherwise reported on by the external auditors.



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POWERING POSSIBILITY