



## 4 Prioritising good governance


A robust governance approach is essential to our ability to create value. Aligned with our theme, Positioning Exxaro to win through our resilient strategy, we uphold good governance to drive sustainable growth and stakeholder confidence. Our commitment to responsible business practices supports our strategy and enables future readiness.

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# Our leadership


The board provides effective ethical leadership and strategic direction while balancing the company’s interests as a responsible corporate citizen with stakeholders’ legitimate needs and expectations, within a framework of principled governance. We are proud to present the following board members:

Independent non-executive director and chairman




1

Executive directors




2




3


Independent non-executive directors




4



5




6




7


Independent non-executive directors continued




8



9




10




11


Non-executive directors



12



13



14

**1. Mvuleni Geoffrey Qhena (59)**  
Board chairman and independent non-executive director  
Director since 19 April 2021 and board chairman since 27 May 2021

B

NOM

REM

L

**5. Karin Ireton (69)**  
Independent non-executive director  
Director since 7 February 2022

SER

RBR

**2. Ben Magara (57)\***  
CEO, former independent non-executive director and investment committee chairperson  
Director since 7 February 2022 and CEO from 1 April 2025

I

A

**6. Billy Mawasha (46)**  
Independent non-executive director and chairperson of the investment committee from 1 April 2025  
Director since 7 February 2022

I

A

**3. Riaan Koppeschaar (54)**  
FD  
Executive director since July 2016

A

RBR

**7. Nondumiso Medupe (54)**  
Independent non-executive director  
Director since 3 January 2023

A

RBR

**4. Geraldine Fraser-Moleketi (64)**  
Lead independent non-executive director  
Director since 18 May 2018

SER

REM

NOM

**8. Dr Phumla Mnganga (56)**  
Independent non-executive director  
Director since 7 February 2022

REM

NOM

L

SER

**9. Nosipho Molope (60)**  
Independent non-executive director  
Appointed 3 January 2024

A

SER

**13. Mandlesilo Msimang (48)**  
Non-executive director  
Director since 15 March 2021

I

RBR

**10. Chanda Nxumalo (42)**  
Independent non-executive director  
Director since 1 February 2021

A

RBR

I

**14. Zwelibanzi Mntambo (67)**  
Non-executive director  
Director since 28 November 2006

L

REM

NOM

**11. Peet Snyders (64)**  
Independent non-executive director  
Director since 1 July 2016

RBR

SER

I

L

**12. Isaac Malevu (51)**  
Non-executive director  
Director since 22 June 2021

I

RBR

The [ESG report](#) includes details on the board’s composition, diversity and experience (page 126).

## Board nominees for the upcoming 24th AGM

In accordance with the company’s memorandum of incorporation (MoI), one-third of the non-executive directors are subject to retirement by rotation and re-election by shareholders annually. Eligible directors may offer themselves for re-election.

Furthermore, Zwelibanzi Mntambo, non-executive director, indicated that he will retire at the 24th AGM.

As per our board charter and director nomination and appointment policy, the nomination committee reviewed the composition, gender and racial balance of the board and evaluated the independence (where applicable), performance and contribution of the directors listed below, as well as their individual knowledge, skills and experience.

The board will propose the following directors for re-election to shareholders at the upcoming AGM:

| Re-election |   | Appointed       |
|-------------|---|-----------------|
| 1           | Geraldine Fraser-Moleketi<br>Independent non-executive director and lead independent director | 18 May 2018     |
| 2           | Isaac Malevu<br>Non-executive director  | 22 June 2021    |
| 3           | Billy Mawasha<br>Independent non-executive director   | 7 February 2022 |

\* Ben Magara was appointed CEO post-year end, effective 1 April 2025. Finance director, Riaan Koppeschaar subsequently stepped down as acting CEO.

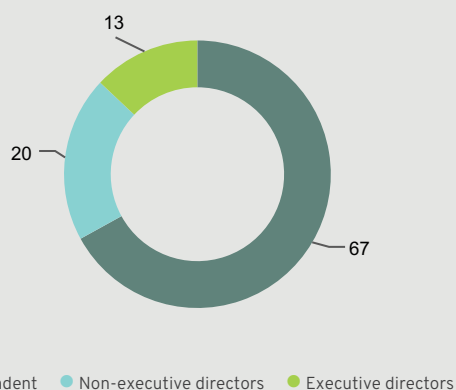
68 Exxaro Resources Limited Integrated report 2024

Exxaro Resources Limited Integrated report 2024 69

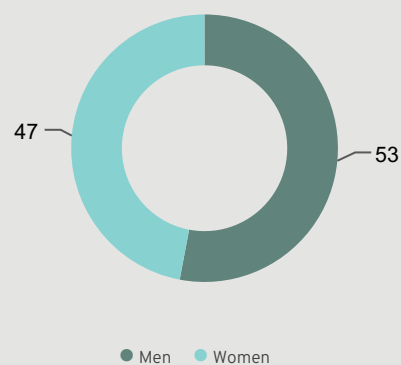
## Our leadership continued

### Our board of directors as at 31 December 2024

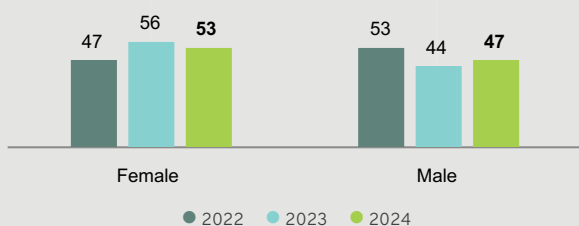
**Independence (%)**



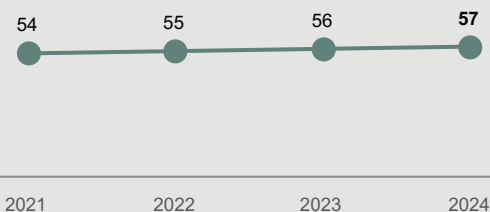
**Gender diversity (%)**



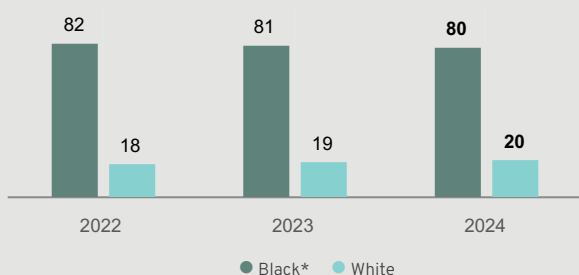
**Gender diversity year on year (%)**



**Average age per year**

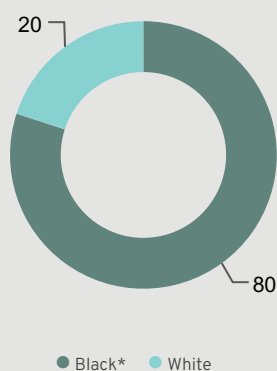


**Racial diversity year on year (%)**



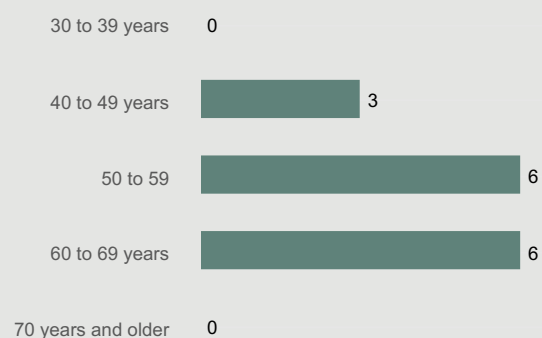
\* Black refers to African, coloured and Indian.

**Racial diversity (%)**

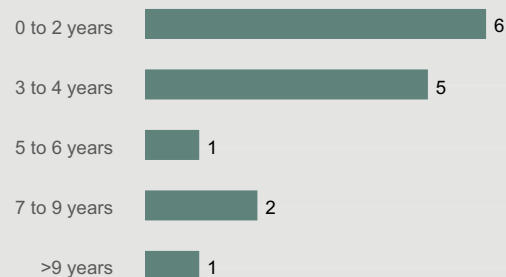


\* Black refers to African, coloured and Indian.

**Age diversity: number of directors (15)**



**Non-executive director tenure**





# Executive leadership

We continue to have conviction in Exxaro's Sustainable Growth and Impact strategy. For the year ahead, we will focus on meeting customer demand, driving safe, disciplined and efficient production, while creating value for stakeholders.



Refer to the [ESG report](#) for details on our executive committee (page 134).



**Ben Magara (57)**  
CEO

## Key

- Executive director
- Cennergix executive committee
- Executive committee



**Riaan Koppeschaar (54)**  
FD



**Kgabi Masia (49)**  
Chief coal operations  
officer



**Leon Groenewald (58)**  
Managing director: energy



**Mongezi Vetu (61)**  
Chief sustainable impact  
officer



**Johan Meyer (56)**  
Chief technology officer



**Joseph Rock (55)**  
Chief people and  
performance officer



**Richard Lilleike (52)**  
Chief growth officer



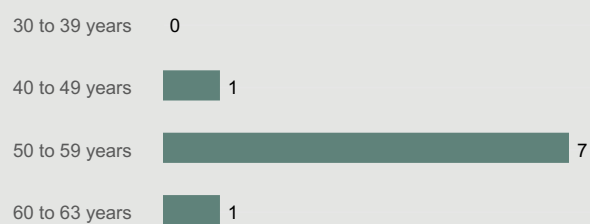
**Tsheko Ratsheko (59)**  
Acting chief strategic  
resilience and governance  
officer



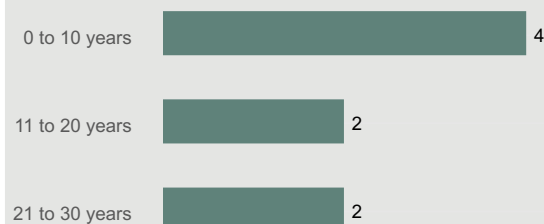
**Michelle Nana (56)**  
Group company secretary

## Executive leadership continued

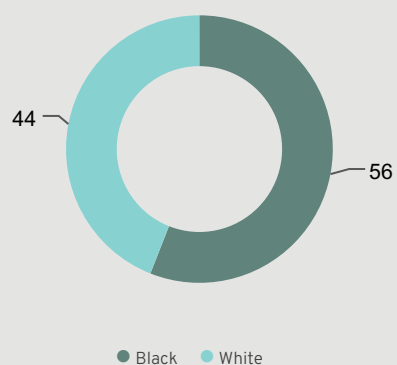
### Executive age diversity (an average age of 55)\*



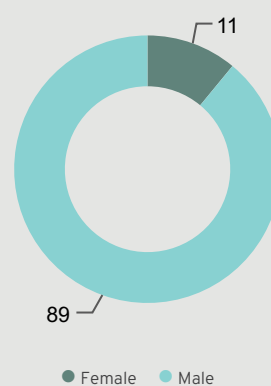
### Executive tenure at Exxaro\*\*



### Executive race diversity (%)



### Executive gender diversity (%)



\* Exxaro policy requires all employees, including executives, to retire at the age of 63.  
 \*\* The Exxaro executive team has more than 87 years of combined service since Exxaro's inception.

# Summarised governance report

Effective governance underpins Exxaro's ability to create long-term value, ensuring ethical leadership, regulatory compliance and sustainable business practices in a complex operating environment.

Exxaro's board serves as the custodian of good corporate governance, holding ultimate accountability for the group's performance and affairs. It represents and advances the group's legitimate interests while ensuring responsible corporate citizenship.

The board's governance approach is guided by principles that align with King IV governance outcomes, reinforcing Exxaro's purpose to power better lives in Africa and beyond through ethical and effective leadership. Accordingly, our corporate governance reporting is structured under the four desired King IV governance outcomes of:

- Ethical culture
- Performance and value creation
- Adequate and effective control
- Trust, good reputation and legitimacy

King IV advocates for good governance, transparency in leadership and sustainability-driven decision making. Sustainable development is both an ethical duty and an economic necessity, balancing current growth with the needs of future generations. As an integral part of society, Exxaro upholds its corporate citizenship responsibilities by embedding sustainability in our operations and stakeholder engagement. This commitment is reflected in Exxaro's Sustainable Growth and Impact strategy, which ensures long-term value creation while addressing ESG imperatives.

## We report on our governance activities across the following areas:

### Governance and leadership

74 to 77 [Key focus areas and outcomes of material focus areas](#)

78 to 85 [How we deliver the outcomes of good governance](#)

68 to 70 [Demonstrating the balance of knowledge, skills, experience, diversity and independence that supports Exxaro's board in delivering on its governance role and responsibilities objectively and effectively](#)



Refer to the [ESG report](#) (pages 113 to 136).

### Board sub-committees

86 to 93 [How our committees support our ability to create value](#)




Refer to the [ESG report](#) (page 137 to 159).


### Remuneration report





Refer to the [ESG report](#) (page 160).


 In line with King IV's recommendation to apply and explain how Exxaro practices good governance, we include our detailed King IV application register in the [databook](#), which sets out each principle with an explanation of steps taken, policies and processes. Our corporate governance reporting is similarly structured under the four desired King IV governance outcomes of ethical culture, performance and value creation, adequate and effective control, and trust, good reputation and legitimacy.


## Material themes in focus


 Exxaro's board provides attention to the [material themes](#) (page 46) throughout the year. These include:


 Adapting to a changing context


 Executing our strategy

 Responsible environmental stewardship

 Driving business resilience

 Building sustainable communities

 Principled governance

 Enabling a thriving workforce

# Board key matters in focus

## Strategic direction, risk and performance

As sustained value creation requires responsiveness to significant social and environmental challenges, we annually assess our strategy and formally present it to the board for approval. After a two-day strategy session, the board reaffirmed the Sustainable Growth and Impact strategy while monitoring its progress and execution. The inclusion of energy transition minerals into the growth pipeline was noted.

The strategy development and review process follows a risk and opportunity assessment, including emerging risks and material sustainability issues. The ESG framework remains the lens through which the Sustainable Growth and Impact strategy is viewed.

The top five risks for 2024 and key events we anticipate may impact our ability to achieve our strategic imperatives for 2025 include:

### 2024/2025 top risks

|   |
|---|
| Unavailability of rail capacity         |
| Fatal risk incidents                    |
| Cybersecurity attack impacting business |
| Country risk                            |
| Customer concentration risk             |

Geopolitical and competition risks have also emerged as areas requiring further investigation by the executive risk committee to assess the potential impact on the strategy.

Our strategic performance management dashboard enables visibility of strategy execution and facilitates strategic conversations at the right time within a tiered group governance structure.

## Coal mine dust class action

As reported previously, a coal mine dust class action litigation was launched against Exxaro on 23 November 2023. The action relates to mineworkers who contracted coal mine dust lung disease in the form of pneumoconiosis caused by exposure to coal mine dust at various Exxaro mines, as well as dependants of those mineworkers who have died and whose deaths were probably attributable to coal mine dust disease.

Exxaro has duly served and filed our answering affidavit. The Deputy Judge President assigned the dates for the certification hearing, which will take place from 25 November 2025 to 5 December 2025.

Exxaro takes our health and safety obligations seriously. Our management team continues to work on addressing risks and ensuring preventive measures are properly implemented to address the potential of any novice occupational health diseases at our operations.

## Managing rail risk

In response to Exxaro's top risks for the past few years and the possible impact on our sustainable growth, the board logistics committee was established early in 2023 to report to the board on:

- The development of long-term solutions for logistics access to international markets
- The identification of medium-term solutions and alternatives and related matters

The logistics committee is monitoring the reform taking place in South Africa, with government assuming more responsibility for rail reform, as evidenced by the gazetting of the Rail Network Statement at the end of 2024. The committee also considered a prefeasibility study focusing on alternative solutions to increase rail infrastructure capacity.

## Climate change response

We believe our greatest opportunity is to help steer South Africa towards a sustainable future by focusing on low-carbon minerals and energy with the goal to be carbon neutral by 2050.

The board goes beyond compliance and responds to climate change through its commitment to mitigating the impact of climate change with our robust Sustainable Growth and Impact strategy. In addition, a peer review of Exxaro's decarbonisation roadmap has commenced to ensure its credibility and subsequent implementation. Included in the review process is the climate transition action plan.

Our board ensures effective oversight of climate-related impacts, risks and opportunities through the SERC and RBR committee.

In October 2024, the board held a governance session where it considered climate interactions as well as water challenges and trends.



[Transitioning into a low-carbon business and climate change mitigation](#) (page 121)



[Climate Change Response strategy report](#) (investor tab under integrated reports 2020)

## Adapting to a changing context

The first five months of 2024 saw significant local and global shifts, accelerating industry change and shaping opportunities for Exxaro's Sustainable Growth and Impact strategy. The transition to a low-carbon economy and global energy security concerns remain key industry drivers. With nearly 50% of the world undergoing elections, the board assessed the potential socio-political and geopolitical impacts on Exxaro and the broader sector.

The board's strategy session was themed "positioning Exxaro to win" and included engagement with experts on topics including commodity market trends, merger and acquisition (M&A) growth opportunities and the evolving global energy landscape, including competitive dynamics and investment prospects.

## Divestment of non-core assets and investments

Exxaro has made significant progress in disposing of our entire shareholding in Exxaro FerroAlloys Proprietary Limited, with the sale and purchase agreement expected to be concluded in the 2025 financial year.

## Innovation

The board approved a refreshed innovation strategy, enhancing business resilience through digitalisation, AI and automation. With the evolution of AI, we aim to go beyond visualisation to prescriptive analytics through advanced solutions such as digital twins, further strengthening our data-driven decision making capabilities. By leveraging data science and AI, we enhance automation based on pre-programmed actions while advancing our automation journey.

The integrated Mineral Resource Management lever, powered by AI, will enable us to drive Resource intelligence. Predictive maintenance will help the organisation evolve towards smart assets that not only anticipate potential failures but also recommend the most effective corrective actions improving efficiencies.

The refreshed iNOVAXXION will be deployed safely and responsibly, supported by our robust governance and risk management structures and policies. This will unlock untapped value and support our Sustainable Growth and Impact objectives.



[Driving innovation](#) (page 111)



## Governance roadshow 2024

We held our annual governance roadshow for domestic equity shareholders from 30 September to 2 October 2024. A series of meetings was held with shareholders representing 69.43% of Exxaro's total domestic shareholding.

Key issues included performance conditions in the Exxaro incentive scheme, remuneration-related ESG measures and the deferred bonus plan, which was a shareholder concern in previous years. Given the feedback received from shareholders in recent years, Exxaro undertook a detailed review of the incentive schemes.

The progress with Exxaro's vertical and horizontal wage gap was discussed along with the potential impact of the recently promulgated legislative disclosure requirements. The company is confident that work in this regard is well advanced and will consider commencing with disclosure pertaining to the wage gap.

## Changes to the board and management

In terms of paragraph 3.59(b) of the JSE Listings Requirements, shareholders were informed on 6 February 2025 of Dr Nombasa Tsengwa's resignation. The board thanks Dr Tsengwa for her years of service and wishes her all the best in her future endeavours.

Following an expedited and targeted selection process, the board appointed Bennetor (Ben) Magara as the incoming CEO, effective 1 April 2025. As such, Ben will no longer be categorised as an independent non-executive director and succeeds acting CEO, Riaan Koppeschaar, who continues in his role as FD.

## ESG governance

Exxaro integrates ESG considerations into operations through a tiered governance structure (shown below), ensuring alignment with our Sustainable Growth and Impact strategy. The board sets the strategic direction for sustainability, defining committee and individual responsibilities for overseeing ESG-related risks, impacts and opportunities. These responsibilities are embedded in board and committee terms of reference, annual work plans and policies.

While the board sets ESG strategy and performance targets, the executive team is responsible for managing and monitoring ESG risks and impacts, supported by management and various committees.

The ESG steering committee ensures the integration of decarbonisation and other critical ESG factors and is responsible for developing and reviewing an ESG framework policy for board approval.

To reinforce the importance of highlighting ESG in everything we do, all board, committee and executive reports must include an assessment of strategic, financial and ESG-related risks.

Together with an experienced management team, the board is confident that the company will stabilise and be led by focusing on meeting customer demand, driving safe, disciplined and efficient production, while creating value for stakeholders.

## Board diversity and independence

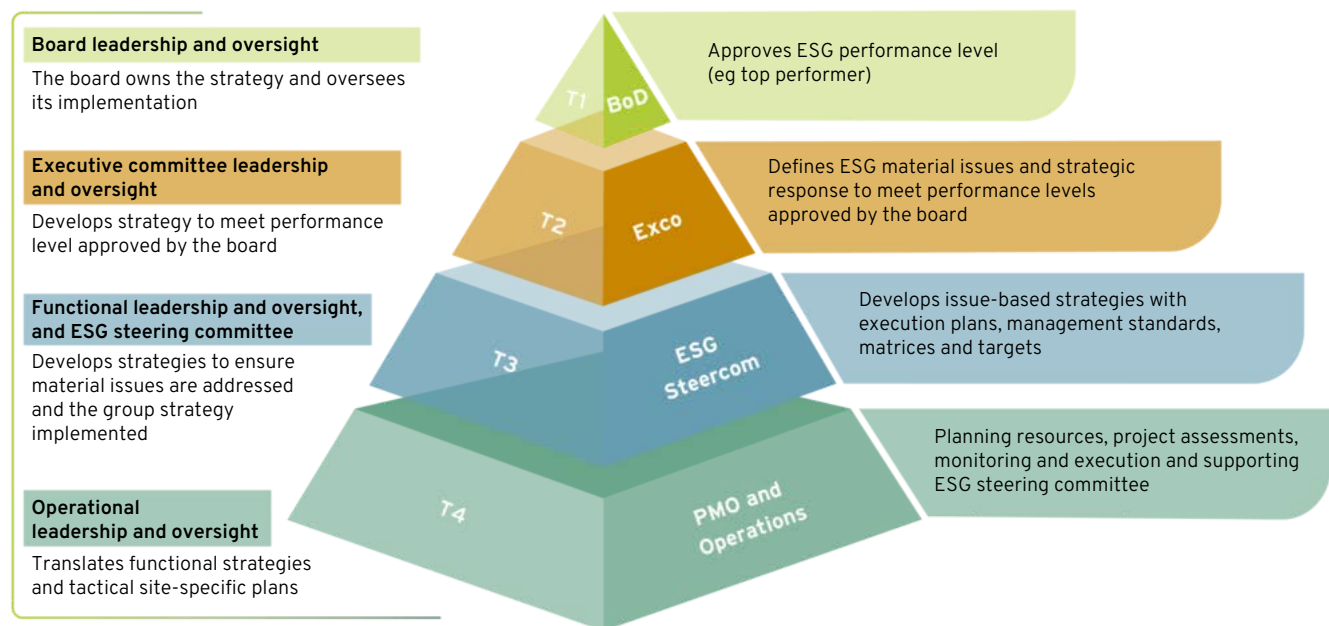
In terms of King IV and our directors' nomination and appointment policy, we annually review the structure, size and composition (including the skills, knowledge and experience) of the board and board committees.

The following directorship changes occurred:

| Directors          | Date                        |
|--------------------|-----------------------------|
| Nosipho Molope     | Appointed 3 January 2024    |
| Likhapha Mbatha    | Retired 23 May 2024         |
| Dr Nombasa Tsengwa | Resigned 5 February 2025    |
| Ben Magara         | Appointed CEO, 1 April 2025 |



[Board composition, diversity and experience \(page 68\)](#)





## Board key matters in focus continued

### Governance in action

The below outlines the board's quarterly progress in addressing our material themes to achieve our governance outcomes.

| Area                                       | Quarter 1   | Quarter 2  | Quarter 3  | Quarter 4  | Material themes |
|--|---|--|--|--|-----------------|
| <b>Board engagement</b>                    | <ul style="list-style-type: none"> <li>First quarter board meeting</li> </ul>   | <ul style="list-style-type: none"> <li>Second quarter board meeting</li> <li>Special board meeting to approve the group and company annual financial statements and integrated report</li> <li>Annual strategy sessions with executive and management</li> </ul> | <ul style="list-style-type: none"> <li>Third quarter board meeting</li> </ul>  | <ul style="list-style-type: none"> <li>Fourth quarter board meeting: 100th board meeting and budget review</li> <li>Board site visit to Grootegeluk coal mine and LSP</li> </ul>   |                 |
| <b>Stakeholder engagement</b>              | <ul style="list-style-type: none"> <li>2023 financial results presentation</li> <li>Participation in the Mining Indaba: "Unlocking African Mining Investment: Stability, Security, and Supply"</li> </ul> | <ul style="list-style-type: none"> <li>AGM: shareholder election of audit committee and SERC members, auditors, and approval of remuneration policy and implementation through the non-binding advisory vote</li> <li>FD's pre-close</li> </ul>                  | <ul style="list-style-type: none"> <li>2024 interim financial results presentation</li> <li>Governance roadshow</li> </ul>   | <ul style="list-style-type: none"> <li>FD's pre-close</li> </ul>   |                 |
| <b>Board performance</b>                   | <ul style="list-style-type: none"> <li>All meetings commence with confirmation of declarations of interest</li> </ul>   | <ul style="list-style-type: none"> <li>Reviewed benchmarking of non-executive director fees for recommendation to shareholders in 2025</li> </ul>  | <ul style="list-style-type: none"> <li>Board composition review including appropriateness of the size of the board</li> <li>Declarations of interest. This was extended to include a review of the roles directors hold on other JSE-listed companies</li> <li>Performance against Exxaro's DEI targets was measured (and met)</li> <li>Committee composition review to ensure all committees are adequately composed and skilled</li> <li>The skills set (against which the board measures itself) was better defined to ensure it encompasses the experience necessary to govern the organisation towards its prevailing strategic objectives</li> </ul> | <ul style="list-style-type: none"> <li>Non-executive director independence categorisation</li> <li>Internal board performance evaluation interviews (next external evaluation is due in 2026)</li> <li>Performance evaluation of the company secretary</li> <li>Board committee performance evaluations commenced</li> </ul> |                 |
| <b>Continuous development of the board</b> | <ul style="list-style-type: none"> <li>SERC training: ESG reporting and assurance knowledge sharing (ISSB standards, ESRS updates)</li> </ul>   | <ul style="list-style-type: none"> <li>Governance session: Risk – economic landscape, strategic risk report, cybersecurity</li> <li>SERC and remuneration committee training: proposed Companies Amendment Bill</li> </ul>                                       | <ul style="list-style-type: none"> <li>Strategy workshop: commodities outlook, M&amp;A landscape and insights, energy markets</li> <li>Governance session: water challenges and trends, climate interactions, the Companies Amendment Act, 2024 (Act 16 of 2024) (Companies Amendment Act), JSE Listings Requirements when applicable, and roles and responsibilities of the board, committees and executive committee</li> </ul>  |  |                 |
| <b>Safety</b>                              | <ul style="list-style-type: none"> <li>All meetings commence with a safety moment and monitoring of frequency of safety incidents and occupational health incidents</li> </ul>                            |  | <ul style="list-style-type: none"> <li>Safety leadership days at all sites to ensure VFL</li> </ul>  |  |                 |
| <b>Growth performance</b>                  | <ul style="list-style-type: none"> <li>Noted progress on various acquisition, divestment and investment opportunities</li> <li>Approved the Resource and Reserve statement</li> </ul>                     | <ul style="list-style-type: none"> <li>Reaffirmed the Exxaro Sustainable Growth and Impact strategy and the inclusion of energy transition minerals into the growth pipeline</li> </ul>  | <ul style="list-style-type: none"> <li>The CEO roadshow, where the CEO and executive committee provided an update on the Exxaro strategy, which was rolled out to all BUS</li> </ul>   |  |                 |



| Area  | Quarter 1   | Quarter 2   | Quarter 3  | Quarter 4   | Material themes |
|---|---|---|--|---|-----------------|
| <b>Risk</b>                                   | <ul style="list-style-type: none"> <li>Approved the delegation of authority</li> </ul>  | <ul style="list-style-type: none"> <li>Noted no significant changes to the strategic risk report but requested consideration of country risks applicable to Exxaro operations</li> </ul>  | <ul style="list-style-type: none"> <li>Noted the strategic risk report</li> </ul>  | <ul style="list-style-type: none"> <li>Approved the group ERM framework, risk appetite approach and risk appetite statement</li> <li>Approved the revised group delegation of authority</li> </ul>  |                 |
| <b>Environmental sustainability</b>           |   | <ul style="list-style-type: none"> <li>Reviewed the strategic logistics programme</li> </ul>  | <ul style="list-style-type: none"> <li>Noted the progress made on the decarbonisation plan and roadmap</li> </ul>  | <ul style="list-style-type: none"> <li>Monitored the performance of the Amakhala Emoyeni windfarm and Tsitsikamma community windfarm</li> <li>Monitored the progress of the LSP construction and visited the site in November 2024</li> <li>Reviewed energy efficiency and rehabilitation initiatives being planned by the business</li> </ul>  |                 |
| <b>Social sustainability</b>                  | <ul style="list-style-type: none"> <li>Considered the coal mine dust class action litigation matters that were launched in 2023</li> <li>Considered the new Political Party Funding Act 2018 to ensure alignment and approved a donation of R25 million to the Independent Electoral Commission Multi-Party Democracy Fund</li> </ul>   | <ul style="list-style-type: none"> <li>Noted an increase in B-BBEE compliance to level 2 and the organisation's progress on the DEI strategy</li> <li>Noted the amended Employment Equity Act and management's approach to alignment</li> </ul> | <ul style="list-style-type: none"> <li>Took due notice of the relocation of the Sindane family to ensure the matter was handled with care and dignity</li> </ul>   |   |                 |
| <b>Economic sustainability and governance</b> | <ul style="list-style-type: none"> <li>Approved the group year-end financial results and IFRS announcement</li> <li>Approved the integrated suite of documents for publication, including the King IV report and JSE compliance certificate</li> <li>Approved a dividend and special dividend payment to shareholders</li> <li>Approved the registration of a bond programme</li> </ul> | <ul style="list-style-type: none"> <li>Approved the integrated ESG framework</li> <li>Approved the strategic performance management dashboard</li> </ul>  | <ul style="list-style-type: none"> <li>Approved dividend distribution to shareholders</li> <li>Approved the group interim financial results, IFRS announcement and interim dividend declaration</li> <li>Approved financial assistance to subsidiaries as contemplated in sections 44 and 45 of the Companies Act</li> </ul> | <ul style="list-style-type: none"> <li>Approved the group consolidated budget, the coal consolidated budget and the energy budget for financial year 2025 and noted the 2026 forecast</li> <li>Approved the integrated report material matters</li> <li>Oversaw the development of cascading strategic KPIs to ensure holistic monitoring and execution of Exxaro's strategy</li> <li>Approved the revised supply chain management sustainability policy</li> </ul> |                 |
| <b>People and performance</b>                 | <ul style="list-style-type: none"> <li>Noted the EEA2 and EEA4 remuneration report submissions and that most targets set were achieved</li> </ul>   |   | <ul style="list-style-type: none"> <li>Noted the coal negotiating landscape as it moved from a single to a multi-union context</li> </ul>  | <ul style="list-style-type: none"> <li>Considered that the energy industry will need to invest in future-ready skills development</li> <li>Considered the two-pot retirement savings framework that took effect in September 2024 and the effect on the contribution structure</li> <li>Noted the wage gap statement of intent, approved by the remuneration committee</li> </ul>   |                 |
| <b>Appointments</b>                           | <ul style="list-style-type: none"> <li>Appointed independent non-executive director, Nosipho Molope</li> </ul>  | <ul style="list-style-type: none"> <li>Appointed Michelle Nana as group company secretary</li> </ul>  |  |   |                 |

# Ethical culture

**Statement of strategic ethical intent:** Exxaro aspires to build an ethical culture based on our values. To do this, Exxaro is committed to operating ethically by living the Exxaro values with dignity, transparency, consistency, fairness and respect in all that we do.

## Governance of ethics

Our board is committed to effective ethical leadership and establishing an ethical culture. Flowing from this commitment, the board adopted a number of codes, policies and practices outlining the group's ethics and values to which employees and suppliers are required to adhere.

The board monitors the group's ethical culture through its reporting structures, including two board committees (SERC and audit committee), the management ethics committee, the internal audit function, head internal audit and our ethics officer.

A management ethics committee exists to ensure that high ethical standards are maintained in Exxaro's business conduct. The committee is responsible for evaluating all instances of fraud, extortion, bribery, corruption, possible conflicts of interest, violations of the code of ethics or any other ethics-related matters.

It also oversees the continuous anti-fraud and anti-bribery initiatives associated with a robust programme in terms of both local and international laws and regulations.

Guided by our **ethics strategy** and management plan, the ethics officer is responsible for embedding an ethical culture and ensuring that integrity is maintained within the group.

## Code of ethics

Our code of ethics confirms that Exxaro's ethical principles promote values such as trust, acceptable behaviour and fairness. Our values provide general guidelines for interactions with each other and our stakeholders and reflect what is important to us and how we conduct ourselves.

Exxaro's fundamental values, as itemised below, are propounded in the code of ethics as a guide to acceptable and responsible behaviour:

- 1 Empowered to grow and contribute
- 2 Teamwork
- 3 Committed to excellence
- 4 Honest responsibility

## Ethics training and awareness

In 2024, we emphasised the importance of ethics in our organisation. For us, this means consistently doing the right thing, even when no one is watching. This guiding principle of integrity permeates everything we do, ensuring that every decision, action and interaction is grounded in fairness, respect and accountability.

To promote an ethical culture, we adopted the theme "mining with morals", and our employees participated in training and awareness sessions that addressed the following topics:

- Workplace integrity
- Conflicts of interest
- Exchange of gifts and benefits
- Duty of speaking up
- Benefits of an ethical organisation

We encourage our employees to speak up and report unethical behaviour without fear of retaliation. Exxaro expressed our commitment to fighting fraud, corruption, theft and unethical behaviour and acting without fear or favour.

By purposefully building ethical guidelines within our business, we are keeping our employees' and stakeholders' best interests in mind while maintaining a positive influence on those we impact through our processes.

## Organisation for Economic Co-operation and Development's recommendations on ethical behaviour

Following ENSafrica's ISO 37001 readiness assessment in 2018, we introduced due diligence processes for suppliers, customers, employees and business partners.

## Fraud and ethics hotline

A comprehensive evaluation of the fraud hotline in 2020 identified areas needing improvement, such as the composition of the management ethics committee, a process for tabling forensic reports, monitoring BU investigations, and updating escalation protocols. All the recommendations were addressed and reaudited to the satisfaction of the internal auditor.

As part of this, Exxaro is committed to an independent review of the hotline every three years. The next audit is in 2025.

We encourage employees and stakeholders to report suspected fraud, corruption or human rights violations to our fraud and ethics hotline. The hotline is independently managed with guiding escalation protocols in place.

Due to the importance of retaining the integrity of the hotline, we protect the interests of the disclosing parties as far as reasonably possible.

**Exxaro fraud and ethics hotline**  
 Free call: 0800 203 3579  
 Email: [exxaro@tip-offs.com](mailto:exxaro@tip-offs.com)  
 Website: [www.tip-offs.com](http://www.tip-offs.com)

## Avoiding conflicts of interest

In terms of the Companies Act and King IV, directors and prescribed officers have specific duties regarding disclosure of actual direct and indirect conflicts of personal financial interests as well as the perception of a conflict, including that of their related parties. Our directors, prescribed officers and employees (and their related parties) are obliged to actively avoid any conflicts with Exxaro's best interest.

Annual general declarations of outside interests are required from directors and prescribed officers in accordance with section 75(4) of the Companies Act. In terms of the policy, annual declarations are also required from all employees in the group.

We implemented an electronic platform to facilitate annual reporting, workflow approvals and an auditable communication trail for disclosures by directors and employees, including a gifts and benefits register, director trade clearances and policy management.



**Conflicts of interest policy and register** (reflecting material disclosures in line with the JSE Debt and Specialist Securities Listings Requirements) (our business tab under governance)



## Supplier ethics

The Exxaro supplier code of conduct assists employees in selecting suppliers who operate in a manner consistent with our values and relevant standards. The code also communicates our mandatory selection standards to prospective suppliers and promotes a commitment to ethical conduct, including respecting human rights, among our suppliers. An updated and revised code will be submitted for approval in 2025.

As part of the supply chain pre-qualification process, suppliers must disclose details of shareholders, directors and other associates who are current or former employees in compliance with the conflicts of interest policy. Employees who evaluate requests for proposals or recommend contract awards must declare that they have neither an interest in nor a close relationship with the supplier that may be construed as a conflict of interest.

## Supplier conduct

To improve the broader operating environment and culture to combat corruption, our standard operational and capital-related expenditure terms and conditions with suppliers contain specific provisions around sanctions, corrupt practices, fraud and prohibited practices in respect of local and international legislation, including the UN and European Union, which terms are considered material to the relevant agreement.

Guidelines have been developed to provide a framework for action where suppliers and service providers are mentioned adversely in the media or where it comes to Exxaro's attention that the supplier is under investigation or involved in any dealings (actual or alleged) that could put Exxaro into disrepute. Should a supplier whose services are critical to us be charged, we would issue a holding statement and continue with the existing contract, but not enter into any new contract.



[Supplier code of conduct](#) (supplier tab)

## Anti-bribery and anti-corruption

The board has expressed a zero tolerance stance towards bribery and corruption and approved the group-wide anti-bribery and anti-corruption policy. To support the board, the SERC is responsible for overseeing the group's ethical performance, which includes detection and response to fraud and corruption. In addition, the SERC receives quarterly reports on forensic investigation statistics and progress on initiatives under the fraud prevention and anti-bribery and corruption programme. The RBR and audit committees oversee risks, including controls and fraud risks.

## Board code of conduct

Our board charter and code of conduct (board charter) regulate the parameters within which the board operates and ensure that good corporate governance principles are applied in all dealings in respect and on behalf of the company and group.

The board charter and nomination and appointment policy require board members to be individuals of calibre, integrity and credibility, with the necessary skills and experience.

The nomination committee ensures continuity of directorships and undertakes succession planning on behalf of the board. The nomination committee is also responsible for conducting independent background checks on all proposed candidates prior to recommending appointment to the board.

A review of the board charter is scheduled for the first half of 2025.

## Family code of conduct

In early 2024, our executive management pledged themselves to ensure ethical leadership in the organisation. Our executive team shared its expectation of employee behaviours, emphasising that everyone should live up to our values, culture, standards and expectations. Employees are encouraged to speak out without fear of reprisal on issues of discrimination, harassment and poor leadership. We developed a family code of conduct that includes 10 principles to clearly outline acceptable behaviour (encouraged in Exxaro) and unacceptable behaviour we will not tolerate.

## Political contributions

Exxaro agrees that a clear policy on political funding provides for certainty and consistency and reduces the suspicion that companies are funding parties for their own interest. It is acknowledged that the primary purpose of political donations is to strengthen and consolidate democracy by ensuring that political parties can function effectively within a multi-party democracy.

The board requested that donations be directed to the Independent Electoral Commission in support of democratic stability. Accordingly, Exxaro made a contribution to the Multi-Party Democracy Fund in May 2024 in the amount of R25 million to be disbursed to represented parties.

## Monetary loss from unethical behaviour

The board is satisfied that the group has not suffered any monetary loss as a result of legal proceedings (including fines) associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice or violations of other related industry laws or regulations.



[Upholding and respecting human rights](#) (ESG report, page 105)



# Performance and value creation

## Strategic direction

King IV articulates the board's responsibilities of steering an organisation strategically, in line with its core purpose and values, by approving and monitoring an informed short, medium and long-term strategy while considering sustainability-related impacts, risks and opportunities.

The board sets Exxaro's short, medium and long-term strategic direction through our Sustainable Growth and Impact strategy. It enables sustainable value creation through the approval of a capital allocation model and budget, setting and monitoring performance and culture expectations as well as a group governance framework.

The board supports King IV strategy-setting principles through an iterative process. Before executive management's strategy presentation to the board, iterative strategy workshops – which follow a bottom-up process – and board governance sessions ensure input is integrated into the group strategy.

During our annual strategy review process, management demonstrates how sustainability and ESG objectives are integrated into the Sustainable Growth and Impact strategy, including status and progress in our context.

Our integrated medium to long-term decarbonisation roadmap to achieve carbon neutrality by 2050 was submitted for a peer review to ensure its credibility and subsequent implementation.

During the year, the board reviewed and was satisfied with the key macro-economic indicators and assumptions used to compile the 2025 budget.

## Performance monitoring

As part of holistic strategic performance monitoring, prioritised KPIs align with the Sustainable Growth and Impact strategy. This provides forward-looking insights and monitors the execution of our strategy for the board, board committees, group and energy executive committees, in line with our tiered governance approach.

We use a strategic performance monitoring dashboard to report on the achievement of these KPIs.

For more on our performance see:



[Performance against our strategy](#) (page 59)



[Delivering meaningful and positive impact](#) ([ESG report](#), page 11)

## Performance targets to support our Climate Change Response strategy

To strengthen GHG mitigation and business resilience efforts, we included water security and energy intensity targets in the group's short-term incentive scheme in 2022.

Total carbon emissions and energy intensity are also included as part of Exxaro's strategic performance monitoring dashboard. Reducing absolute emissions is essential to our commitment to carbon neutrality by 2050, and tracking scope 1 and 2 emissions allows us to measure our progress in minimising our carbon footprint. Lower energy intensity indicates greater efficiency, supporting our decarbonisation targets and reducing our operations' environmental impact.

Implementation of these two KPIs since 2023 is a progression of our Climate Change Response strategy, our goal to be carbon neutral by 2050 and further alignment with the TCFD recommendations.

## Business continuity and crisis management

The RBR committee plays a key role in assessing and reviewing the group's business resilience programme and ensuring that appropriate measures are in place for business recovery. The committee is responsible for driving the company's resilience agenda, ensuring that our business continuity strategies align with best practices and regulatory requirements.

Exxaro is fully committed to building organisational resilience and, by maintaining a strong business resilience programme and aligning it with our ERM programme, we are protecting the interests of our stakeholders and ensuring that we can continue to deliver on our commitments, regardless of the challenges we may face.

We continuously review and update our business resilience framework to ensure it remains aligned with best practice and governance standards. The company regularly evaluates the effectiveness of its business resilience programme, making improvements when required.

## Strategy-aligned internal reporting

Internal reporting to the board requires management to detail the outcomes of proposed recommendations to the board in respect of:

- Strategy implications
- Financial implications
- Risk and compliance analysis
- ESG implications

## Transparency

The board is committed to clear and comprehensive financial reporting and disclosure as well as constructive shareholder engagement, including transparency of activities and performance. The board therefore ensures that reports issued by Exxaro enable stakeholders to make informed assessments of our performance, and short, medium and long-term prospects.

## Good governance to achieve strategic objectives



See page 81 for [how we apply good corporate governance](#) to support the achievement of our strategic objectives and how the SDGs are supported through specific steps taken in 2024.

## Creating value for our stakeholders



For more on how Exxaro created value for our stakeholders, including government, employees, communities, investors and customers, refer to [creating stakeholder value](#) (page 42).



## Applying good corporate governance to support the achievement of our strategic objectives:

### Purpose: Powering better lives in Africa and beyond

#### Vision: Resources powering a clean world

| Capitals                                |   |  |   |   |  |
|---|---|--|---|---|--|
| Board-approved strategic objectives     | <br>Transition at speed and scale   | <br>Make our minerals and energy businesses thrive   | <br>Empower people to create impact   | <br>Be carbon neutral by 2050   | <br>Become a catalyst for economic growth and environmental stewardship  |
| SDGs supported                          | <br><br>  | <br>   | <br><br><br><br>  | <br><br>  | <br><br><br><br><br>   |
| Board-approved ESG KPIs and performance | <ul style="list-style-type: none"> <li>EBITDA contribution from new minerals (2026: 30%; 2030: 50%)</li> <li>Generation installed capacity (2026: 780; 1.6GW by 2030)</li> </ul>  | <ul style="list-style-type: none"> <li>EBITDA margin (29%)</li> <li>ROCE (&gt;20%)</li> <li>Solvency ratio (2x – 3x)</li> <li>Coal product (2026: 44Mt)</li> </ul>   | <ul style="list-style-type: none"> <li>Number of fatalities (zero)</li> <li>LTIFR (target based on previous performance)</li> <li>B-BBEE contribution level (2026: 3; 2030: 3)</li> </ul>   | <ul style="list-style-type: none"> <li>Energy intensity (GJ/kt) (2030: 30; 2050: 30)</li> <li>Absolute emissions (2030: 582ktCO<sub>2</sub>e; 2050: carbon neutrality)</li> </ul>   | <ul style="list-style-type: none"> <li>Crop yield to market (2026: 13 000t)</li> <li>Financially sustainable SMMEs supported (2026: 207)</li> <li>ECD – school readiness (2026: 90%)</li> <li>Water intensity (2026: 0.175kL/t RoM, 2030: 0.170kL/t RoM)</li> <li>FTSE Russell rating: 4</li> </ul>  |
| Corporate governance measures           | <ul style="list-style-type: none"> <li>Board-approved Sustainable Growth and Impact strategy</li> <li>Audit committee oversight of financial reporting matters</li> <li>Investment committee review and monitoring of material mergers, acquisitions or investments</li> <li>Logistics committee to oversee mitigation of rail capacity risk</li> <li>Executive risk management committee ensuring a robust risk management process is followed</li> <li>Management investment review committee to review processes for major investments</li> <li>Board composition having skills and experience to support the strategy</li> <li>Established a board sub-committee to monitor matters relating to the 2017 replacement empowerment transaction</li> </ul> | <ul style="list-style-type: none"> <li>Review of enabling group governance framework, delegations and group-wide policies</li> <li>Logistics committee to monitor rail capacity risk</li> <li>Remuneration committee and RBR committee oversight</li> <li>Report through strategic performance management dashboard</li> </ul> | <ul style="list-style-type: none"> <li> <b>Prioritising safety</b> (page 114)</li> <li>Retain <b>safety moment</b> and reporting as standing agenda item for all board, committee and executive meetings</li> <li>Remuneration committee, SERC and RBR committee oversight</li> <li>Board members and executive leadership participate in the annual sustainability summit, leadership safety day and BU safety indabas driving business resilience</li> <li>Internal due diligence on human rights to identify, prevent, mitigate and account for how Exxaro addresses adverse human rights impacts</li> </ul> | <ul style="list-style-type: none"> <li> Become carbon neutral through board-approved <b>decarbonisation plan</b> and submitting for peer review (page 121)</li> <li>Board composition to include sustainability skills and experience</li> <li>Board-approved Climate Change Response strategy, climate change position statement, supported through related performance targets</li> <li>Performance targets included as part of the group-wide GIS</li> <li>SERC and RBR committee oversight</li> <li>ESG steering committee</li> <li>Draft ESG policy under review to ensure integrated approach</li> <li>Board memoranda template includes ESG impacts</li> </ul> | <ul style="list-style-type: none"> <li> Board-approved <b>Social Impact strategy</b> (page 119)</li> <li>Board-approved DEI strategy</li> <li>Execute revised ESD initiatives</li> <li>SERC and RBR committee oversight</li> <li>Board composition through the nomination committee</li> <li>Independent assurance on SLP reporting</li> <li>Implementation of rationalisation and integration of social impact vehicles, with an extended mandate of Exxaro Aga Setshaba NPC</li> <li>Board-approved group-wide policies, including revised supply chain sustainability policy</li> </ul> |

# Adequate and effective control

## Group governance framework

A robust governance framework enables the execution of governance responsibilities at all levels of the organisation.

The Exxaro group governance framework provides an overview of our governance principles, structures, policies and practices and the integration of the minerals and energy strategies and budgets. It guides monitoring and oversight of business affairs to achieve accountability at all levels, clarifying reporting roles, limits on authority, guides sound decision making as well as informs group-wide policies to support achievement of the Sustainable Growth and Impact strategy and ethical culture. It is an entrenched governance principle within Exxaro that group-wide policies require board approval, as captured in the delegation of authority framework.

The group governance framework enables Exxaro's core businesses to thrive in an increasingly dynamic market and industry sector and to continue to support the execution of the approved strategy.

The group governance framework was reviewed and, following recommendation by the nomination committee, an update was approved by the board in 2023.

## Delegation of authority

The delegation of authority policy and framework define the limits of authority designated to specific positions of responsibility in the company and the group's management structure. It also defines commitments and transactions that may include capital amounts approved by individuals on Exxaro's behalf. The final approval of commitments and transactions outlined in the policy must always be made by parties with designated authority.

In November 2024, following recommendation by the RBR committee, the board approved the revised Exxaro delegation of authority framework. A structured and inclusive review highlighted several key areas to promote collaboration, enhance clarity, improve efficiency in business execution, and strengthen the governance framework.

Four main principles were considered throughout the process:

- Alignment with the Companies Act and King IV governance principles
- Alignment with the Exxaro strategy
- Consideration of the growth of the business
- Alignment of monetary requirements with industry demands

The board is satisfied that the delegations in place contribute to role clarity and the effective exercise of authority and responsibilities.

## Board's access to information

The board charter guides directors and executive management on the information requirements to be shared with the board. The onus remains on each director to advise the chairperson and/or CEO should they believe that the information provided is insufficient for informed decision making.

The board has unrestricted access to all company employees, information, records, documents and property. A process to guide directors is provided should they require access. The board, in carrying out its tasks, may obtain outside or other independent professional advice it considers necessary. The board charter sets out the required protocols for requests of this nature.

## Board committees

Our corporate governance structure supports our ability to create value in the short, medium and long term. Through this structure, the board exercises effective control, and builds and protects the organisation's reputation and legitimacy. We consider good corporate governance the responsibility of our board, executive leadership, management and all our employees.

Board committees enhance efficiency by providing focused expertise on specific areas, allowing the board to address a broader range of issues. When used effectively, committees also enhance the objectivity of the board's judgement. As such, to facilitate the execution of its functions, the board delegates activities to its committees through formal terms of reference.

The board retains full and effective control of business and company affairs and does not assume management's functions, which remain the responsibility of the executive directors, prescribed officers and other senior management.

## Chairpersons

The chairpersons of the board committees meet regularly to consult and collaborate on areas of shared responsibility, activity and interest across the different committees.

## Terms of reference

The board committees' terms of reference, key focus areas and annual work plans were reviewed in the first quarter of 2025, properly sequenced to follow the approval of the delegation of authority.

## Board confirmation

The board confirms that it is satisfied that the board committees executed their roles and responsibilities. In this regard it is confirmed that the audit committee has executed the responsibilities set out in paragraph 3.84(g) of the JSE Listings Requirements.



## Subsidiary companies

The board, on behalf of the company, recognises the statutory and fiduciary duties of subsidiary companies' directors and particularly their duty to act in the best interests of the subsidiary company at all times whether or not the director is nominated to the board of the subsidiary company (in its capacity as holding company). In the case of a conflict between a director's duties in a subsidiary company and the interests of the company, as holding company, the director's duties in the subsidiary company must prevail.

The group governance framework seeks to mitigate possible tension between the holding company and its subsidiary boards. The subsidiary directors must adhere to the framework and adopted group policies. This does not absolve the directors of subsidiary boards from exercising their fiduciary duties. If directors breach their fiduciary duties, they may be held liable under section 77 of the Companies Act. This responsibility is clearly highlighted for all our subsidiary directors.



[Ownership structure](#) (page 11)

## Group-wide control functions

The group control and oversight functions are responsible for providing enterprise-wide oversight of operational management and integrated reporting.

Our group control and oversight functions consist of:

- Corporate secretariat
- Governance and reporting
- Risk management
- Compliance management
- Legal
- Strategy
- Internal audit and assurance
- Finance (as it relates to financial compliance and tax)

The board is responsible for overseeing the effectiveness of the oversight functions and ensuring an effective internal control environment within the group.

## Robust integrated ERM

Our ERM process is robust and ensures that we identify, assess, manage and mitigate risks across the organisation. The ERM framework is designed to support strategic decision making, safeguard assets and enhance our ability to achieve long-term objectives while creating value for our stakeholders.

We are dedicated to cultivating a culture of risk awareness across all levels of the organisation. We have integrated ERM into our daily operations, ensuring that risk management is embedded in every aspect of the business (top-down, bottom-up approach). The ERM process involves identifying existing and emerging risks, evaluating their potential impact on the organisation, and implementing effective control measures to mitigate them to acceptable levels.

Our ERM framework is aligned with globally recognised best practices, including the ISO 31000 standard on risk management and the Committee of Sponsoring Organizations of the Treadway Commission framework. These principles guide our approach to managing risk in a way that ensures consistency, transparency and accountability across all levels of the organisation.

Through the combined assurance model, we bring together the efforts of internal audit, risk management, compliance teams and external auditors to assess and verify the effectiveness of our risk mitigation strategies. This collaborative approach ensures that we avoid duplication, optimise resources and provide a comprehensive view of how well we are managing risk.

The board plays a proactive role in overseeing our ERM processes, ensuring that risks which could impact our strategic objectives are carefully monitored and managed. Our strategic risk register is regularly updated to ensure it accurately reflects Exxaro's current risk exposures and outlines the mitigation actions taken to address identified risks. The strategic risk profile, which outlines the group's key risks – along with Cennergi's top risks – is reported to the RBR committee and the board on a quarterly basis.

We continuously review and update our ERM framework to ensure it remains aligned with evolving governance standards and regulatory requirements. The company regularly evaluates the effectiveness of its ERM framework, making improvements where necessary.

Our integrated ERM approach aims to mitigate risks and identify opportunities for growth and innovation. This drives sustainable growth and long-term value for our shareholders, employees, customers and other stakeholders.



[Our risks and opportunities](#) (page 28)

## Technology and information management

The board governs technology and information management in a way that supports the organisation in setting and achieving its strategic objectives.

The board mandated the RBR committee to oversee information management strategy governance, integration of the improvement programme's overall direction, context and objective, and ensure alignment with the enterprise business strategy, governance and risk management.

In addition to the oversight of the RBR committee, the audit committee is responsible to ensure adequate information management governance.

Our foundational policies support these structures by guiding behaviour, expectations and operations. These include the acceptable use of ICT policy, security policy, operations policy, project management policy, asset management policy and the information and communications technology service continuity policy. Together, these form a cohesive governance structure that promotes transparency, efficiency and innovation in our information technology domain.

## Information management risks

Information management risks and mitigation measures are monitored continuously, including assessment of emerging risks, and reported to the RBR committee quarterly.

Cybersecurity remains our top risk but is expected to gradually decline as mitigation measures take effect. However, advancements in technology, including AI, cloud computing and unpatched legacy systems, continue to heighten this risk. Additionally, the upcoming enterprise resource planning transformation, driven by the end of maintenance support, presents an emerging challenge. We actively monitor risk treatment plans to ensure their adequacy.

## Information management disaster recovery

To ensure our disaster recovery programme is robust and resilient, we strategically aligned it with the ISO 27031 guidelines by embedding the plan-do-check-act cycle, a systematic series of steps for continuous improvement of our disaster recovery capabilities.



## Adequate and effective control continued

### Beyond compliance culture

The group is committed to:

- 1 Maintaining high standards of integrity, professionalism and ethical behaviour in its relationships
- 2 Complying with the letter and spirit of the law and regulations governing its conduct by ensuring the organisation acts with due skill and diligence
- 3 Conducting its business in adherence to statutory, supervisory and regulatory requirements

While we drive compliance with relevant regulatory requirements in our jurisdictions, the law serves as a minimum standard of conduct, building a culture beyond complying with the law at all levels.

Our compliance philosophy is captured in a compliance policy approved by the board, which supports ethical and responsible corporate citizenship. The policy seeks to create sustainable value for all stakeholders by striving for operational efficiency, growth and regulatory compliance with applicable laws. Our policy is being revised and will be submitted for approval in 2025.

The board is responsible for ensuring that the group and our employees comply with all applicable laws and regulations, and it considers non-compliance with legal and regulatory requirements a key risk. Accordingly, the board delegated the responsibility for managing Exxaro's compliance risks to the RBR committee.

The RBR committee is responsible for:

- Overseeing regulatory compliance risks, policies and frameworks
- Monitoring compliance with agreed policies, national and international protocols and procedures on non-financial aspects in collaboration with the SERC
- Ensuring compliance is continuously monitored and reported by management, external audit and internal audit

The chief strategic resilience and governance officer is responsible for providing a compliance and regulatory compass to the group by promoting a culture of compliance and regular review of the regulatory environment.

### Optimised combined assurance

Exxaro applies a combined assurance model to optimise assurance by management, as well as internal and external service providers, while fostering a strong ethical climate and mechanisms that ensure compliance. Using our board-approved ERM framework, management identifies key risks we face and implements the necessary internal controls with comparable information for trend analysis where possible.

We remain committed to continuously enhancing our combined assurance process to ensure it remains effective, adaptive and aligned with emerging risks and best practices. Through ongoing evaluation and collaboration among assurance providers, we strive to strengthen our oversight and risk management framework, fostering a culture of transparency and accountability.

The audit committee is responsible for overseeing the use of a combined assurance model to achieve the following objectives:

- 1 Enabling an effective internal control environment
- 2 Ensuring integrity of information used for decision making by management, the board and its committees
- 3 Supporting the integrity of external reports

### Combined assurance forum

The combined assurance model, which is based on the five lines of assurance, is in place through the effective functioning of the combined assurance forum. The forum coordinates assurance for our risk exposure, as identified and ranked by the risk management function and aligned to King IV recommended practices for assurance. The forum's activities and outcomes of assurance reports are presented quarterly to the audit committee.

### Combined assurance plan

The combined assurance plan focus areas align with the group's strategic risk profile with input from assurance providers. The plan considers the level of assurance from assurance providers in providing the audit committee and board with confidence regarding the effective functioning of the internal control environment. Execution of the assurance plan ensures that the audit committee receives the assurance required in assessing the effectiveness of the risk management function and effective functioning of the control environment.

### Overdue and repeat findings

Exxaro uses an issue tracking management system to capture and track the status of all internal audit and other assurance provider findings. This enables visibility and accountability when addressing identified control weaknesses. All overdue and repeat findings are reported at each audit committee meeting.

### Internal audit

Exxaro's internal audit function is partially outsourced to PwC under the management control of Exxaro's head of internal audit. The responsibilities of the internal audit function are detailed in an internal audit charter approved by the audit committee, which is reviewed and approved annually. The internal audit charter informs the role and scope of work of the internal audit function.

### Independence of audit and assurance functions

To ensure the independence of our audit and assurance functions, the following measures are in place:

- We appointed KPMG as our independent external auditor, along with its service delivery partner, AM PhakaMalele (approved by shareholders at the AGM on 23 May 2024 by way of a separate resolution of shareholders in terms of JSE Listings Requirements paragraph 3.84(g))
- Under the management of Exxaro's head of internal audit, PwC and its service delivery partner, Ngubane & Co, have been providing internal audit services since 1 July 2022
- In 2021, the group adopted a framework for engaging auditors to supply non-audit services. We confirmed that KPMG, in terms of its policy, does not provide advisory and tax services to its audit clients
- Our group governance framework confirms the internal audit function as an independent control function across the group
- The head of internal audit reports directly to our audit committee and is administratively overseen by the CEO

### Board statement

The board and audit committee are satisfied with the effectiveness of controls for the year ended 31 December 2024. This conclusion was reached principally through a process of management self-assessment (including formal confirmation by executive management), reports from internal audit, independent external audit and other assurance providers.



[Combined assurance for effective governance \(page 94\)](#)

# Trust, good reputation and legitimacy

## JSE compliance certificate

The board considered the JSE compliance certificate for the reporting period, confirming the company's compliance with the JSE Listings Requirements, Debt and Specialist Securities Listings Requirements and every disclosure requirement for continued listing on the JSE imposed in 2024. The certificate will be submitted to the JSE following board consideration in early 2025.

## Integrity in reporting

The board ensures the integrity of the company's integrated report and its alignment with best practice in integrated reporting, including other reporting by the company. The board also oversees the publication of our annual financial statements, ESG report, board committee reports, remuneration report and other online or printed information that complies with legal requirements and meets the legitimate and reasonable information needs of stakeholders.



Refer to [combined assurance for effective governance](#) (page 94) for details on our assurance approach.

## No insider dealing

The RBR committee will review the company's insider dealing policy in early 2025 to ensure it complies with the JSE Listings Requirements, Financial Markets Act and Companies Act and is aligned to the company's code of ethics. The policy applies to all directors, prescribed officers, employees and consultants.

The insider dealing committee provides guidance and clarity to employees and directors on insider trading or price-sensitive information as well as prohibited or closed periods.

We provide ongoing online training on the MyNexxt platform to directors, prescribed officers, employees and consultants to ensure in-depth understanding of the policy, regulatory environment and controls in place.



[Stock Exchange News Service announcements](#)

The board is satisfied with the controls in place to ensure regulatory compliance.

## Sponsors

The company's lead equity sponsor and debt sponsor, Absa Bank Limited, and joint equity sponsor, Tamela Holdings Proprietary Limited, perform the continuing obligations in connection with Exxaro's listing on the JSE. The board is satisfied that the sponsors executed their mandate with due care and diligence for 2024.

## Stakeholder inclusivity

Exxaro's board has a stakeholder-inclusive approach that responds to principle 16 of King IV regarding stakeholder inclusivity and responsiveness. It aims to balance the needs, interests and expectations of material stakeholders in the organisation's best interest over time to protect and build trust in the organisation and its reputation and legitimacy in the eyes of our stakeholders.

As recommended by King IV, Exxaro's disclosure regarding stakeholder relationship management reflects our management approach, key focus areas and stakeholder management activities.



[Creating stakeholder value](#) (page 42)

## Responsible corporate citizenship

The board ensures Exxaro's strategy and conduct reflect its purpose of powering better lives in Africa and beyond, and to be a responsible corporate citizen in giving effect to its purpose.

As Exxaro is an integral part of society, the board ensures the company's efforts to be a responsible corporate citizen. This includes compliance with the South African Constitution (including the Bill of Rights), the law, leading international and national standards, and its own codes of conduct and policies.

The board exercises independent judgement in overseeing management and safeguarding the interests of all stakeholders, including our shareholders. In fulfilling its stewardship role, the board seeks to instil and foster a corporate environment founded on integrity and provide management with sound guidance in pursuit of long-term stakeholder value, ensuring that the company offers sustainable value to society as a whole.

## Governance

It is the SERC's role to entrench responsible corporate citizenship as part of the committee's focused activities. The roles and responsibilities of the SERC include overseeing the impact of the consequences of the group's activities and outputs on its status as a responsible corporate citizen in:

- Economy: economic transformation as well as fraud and corruption prevention, detection and mitigation
- Society: public health and safety, consumer protection, community development and protection of human rights

## Commitments

Fundamental to Exxaro's purpose of powering better lives is our stance that all people have inherent fundamental human rights regardless of their differences. As such, Exxaro is committed to respecting and upholding human rights for all people in its sphere of influence, where the company has the power to effect investment and development.

An internal due diligence analysis was conducted to close the gaps and improve Exxaro's human rights practices. The SERC noted how human rights had evolved over time and highlighted the need to consider exposure to air pollution, water pollution and relocation of people as elements that fall within human rights for reporting purposes.



[Upholding and respecting human rights](#) ([ESG report](#), page 105)

Exxaro remains committed to supporting the 10 principles of the UNGC. The UNGC principles are embedded in our Sustainable Growth and Impact strategy, values, operations and stakeholder engagements in alignment with our endeavours to meet the SDGs. We believe that Exxaro's voluntary participation in the UNGC advances the case for responsible business practices and encourages our stakeholders to do the same. It holds us accountable to a global standard as we strive to become a catalyst for economic growth and environmental stewardship.



[UNGC communication on progress](#) (investors tab under integrated reports 2021)

## Health and safety

The importance of safety in the workplace receives focused attention at each board, board committee and executive committee meeting. This is achieved through a standing safety moment item on all agendas, to allow for reflection and reporting.

In addition to the SERC's mandate, the RBR committee is responsible for reviewing health and safety risks and focuses on reported HPIs and LTIs. The SERC monitored occupational health and noted the processes which may detect potential deterioration of certain organs and assist in reversing some diseases.



[Human capital](#) (page 113)

## Audit committee

**Chairperson:** Nondumiso Medupe

**Meetings:** Five

**Members:** Billy Mawasha, Nosipho Molope and Chanda Nxumalo

**Attendance:** 95%

**Changes:** Nosipho Molope's appointment as a member on 3 January 2024 was approved at the AGM held 23 May 2024.

Audit committee report ([ESG report](#), page 138)

### Composition as at 31 December 2024



### Role and purpose

The committee is an independent, statutory committee whose members are appointed annually by Exxaro's shareholders in compliance with section 94 of the Companies Act and the principles of good governance. In terms of the Companies Act, this committee has an independent role with accountability to the board and shareholders of the company. The committee does not assume the functions of management, which remain the responsibility of the executive directors, prescribed officers and other members of senior management, nor does it assume accountability for the functions performed by other committees of the board. In addition to the Companies Act, the committee's duties are guided by the JSE Listings Requirements and King IV.

The committee is governed by its terms of reference that codify its role and responsibilities. To assist the board, the committee plays an essential role in providing independent oversight of the:

- Quality and integrity of the financial statements and related public announcements
- Integrity of the integrated reporting process and content of the reporting suite
- Qualification and independence of the external auditor
- Scope and effectiveness of the external audit function
- Scope and effectiveness of the overall combined/integrated assurance process
- Efficacy of internal controls and the internal audit function
- Assessment of the adequacy of Exxaro's insurance arrangements regarding the nature of our business and insurable risks
- Integrity and efficacy of the risk management process relating specifically to internal controls and financial reporting risks through assurance over system controls and policies in place

### Terms of reference

The committee's terms of reference are reviewed annually. The review took place in the first quarter of 2025 and the revised terms of reference were subsequently approved by the board. The review ensured the terms of reference remain aligned to relevant legislation, regulations and King IV.

#### Future focus



#### Key focus areas 2024/2025

Monitor the progress and implementation of the strategy concerning the deployment of new post-modern enterprise resource planning solutions to ensure acceptable cost, risk and alignment with the Exxaro strategy

Evaluate whether the company has incorporated digitalisation and utilisation of advanced technologies, eg AI

Review Exxaro's future strategy regarding insurance cover and self-insurance, considering global resistance to thermal coal and insurance markets

Monitor the impact of cybersecurity risks in the finance and internal control environment

Monitor talent challenges in the finance and internal audit functions as a result of the global war for talent

### Confirmation

The committee is satisfied that it has discharged its responsibilities and fulfilled its mandate in accordance with its terms of reference, the Companies Act, the JSE Listings Requirements (paragraph 3.84(g) in particular) and King IV.



## Investment committee

**Chairperson:** Billy Mawasha from 1 April 2025

**Meetings:** Seven

**Members:** Isaac Malevu, Mandlesilo Msimang, Chanda Nxumalo and Peet Snyders

**Attendance:** 91%

**Changes:** None in 2024. However, as the committee chairperson was appointed CEO from 1 April 2025, he stepped down as chairperson and member of the committee. The board appointed Billy Mawasha as the new committee chairperson effective 1 April 2025.



Investment committee report ([ESG report](#), page 142)

### Composition as at 1 April 2025



Billy Mawasha  
Chairperson



Isaac Malevu



Mandlesilo Msimang



Chanda Nxumalo



Peet Snyders

### Role and purpose

This committee plays a key role in the execution of the Exxaro Sustainable Growth and Impact strategy. The committee has an independent role where it:

- Reports to the board on material acquisition, merger, investment or disposal opportunities
- Exercises ongoing oversight of transactions and related matters in the scope of the approved energy and minerals Sustainable Growth and Impact strategy, including portfolio management of these businesses and post-investment reviews

Importantly, the committee reviews the strategic fit, risk profiles and outcomes of financial, technical and legal due diligence for major investments. The committee ensures adherence to all Exxaro's governance processes and oversees that potential investments meet the approved hurdle rates, set from time to time, before Exxaro commits any funds. The committee considered various energy and minerals opportunities throughout 2024. These opportunities were considered using robust investment criteria that protect our stakeholders' interests in Exxaro and in that regard did not conclude any transaction that Exxaro believed met its requirements. The board is committed to protecting Exxaro's value and will not approve the pursuit of projects outside the approved investment criteria.

An investment opportunity therefore first serves at the committee where a detailed review is conducted in line with the investment criteria approved by the board. After the review, the investment opportunity may be recommended by the committee to the board for final approval.

### Terms of reference

The committee's terms of reference are reviewed annually. The next review will be in the second quarter of 2025 and will be submitted to the board for approval. The review will ensure the terms of reference remain aligned to relevant legislation, regulations and King IV.

### Conflict of interest

The committee's mandate requires that disclosures of interest are made at the time of circulating information to the committee members and before the commencement of any meeting. Any declaration and/or recusal by members is captured in the meeting minutes to ensure transparency.

#### Future focus



#### Key focus areas 2024/2025

Monitor divestments and acquisitions

Review and recommend minerals investment guidelines for approval

Monitor portfolio management of investments and post-investment reviews

Guide and recommend participation in proposed acquisitions that fit our long-term minerals and energy strategy

### Confirmation

The committee, in carrying out its duties, has due regard of its terms of reference and the principles and recommended practices of King IV. The committee is satisfied that it has conducted its affairs and discharged its responsibilities in accordance with its terms of reference.



## Logistics committee

**Chairperson:** Zwelibanzi Mntambo

**Meetings:** Three

**Members:** Dr Phumla Mnganga, Mvuleni Geoffrey Qhena and Peet Snyders

**Attendance:** 87%

**Changes:** None in 2024. As Ben Magara has been appointed CEO from 1 April 2025, he is no longer categorised as an independent non-executive director and stepped down as member from 1 April 2025.



Logistics committee report ([ESG report](#), page 144)

### Composition as at 1 April 2025



Zwelibanzi Mntambo  
Chairperson



Dr Phumla Mnganga



Mvuleni Geoffrey  
Qhena



Peet Snyders

### Role and purpose

Early in 2023, the board established an ad hoc board committee to address the threat of rail capacity unavailability to Exxaro's strategy. The logistics committee was subsequently confirmed as a permanent committee of the board.

The role of the logistics committee is to monitor and report on the development of long-term solutions for logistic access to international markets, identification of medium-term solutions and alternatives.

The committee operates independently and makes recommendations to the board, monitors on behalf of the board and reports to the board on mainly:

- Developing long-term solutions for logistics to access international markets for coal and minerals
- Identifying medium-term logistics solutions and alternatives to mitigate TFR issues to increase volumes

### Terms of reference

The committee's terms of reference are reviewed annually. The review took place in the first quarter of 2025 and the revised terms of reference were subsequently approved by the board. The review ensured the terms of reference remain aligned to relevant legislation, regulations, and King IV.

#### Future focus



#### Key focus areas 2024/2025

Oversee the development and review of long-term logistics solutions to access international markets

Monitor the identification and review of medium-term logistics solutions to mitigate TFR risk and increase exports

### Confirmation

The committee, in carrying out its duties, has due regard to its terms of reference and the principles and recommended practices of King IV. The committee is satisfied that it has considered and discharged its responsibilities.

## Nomination committee

**Chairperson:** Mvuleni Geoffrey Qhena

**Meetings:** Three

**Members:** Geraldine Fraser-Moleketi, Dr Phumla Mnganga and Zwelibanzi Mntambo

**Attendance:** 100%

**Changes:** None



Nomination committee report ([ESG report](#), page 146)

### Composition as at 31 December 2024



Mvuleni Geoffrey  
Qhena Chairperson



Geraldine  
Fraser-Moleketi



Dr Phumla Mnganga



Zwelibanzi Mntambo

### Role and purpose

In line with the JSE Listings Requirements, the committee is constituted as a committee of the board in terms of the Companies Act, the company's Mol and King IV. The committee is governed by its board-approved terms of reference which set out its role and responsibilities.

The main purpose of the committee includes to determine and evaluate the adequacy, efficiency and appropriateness of the group governance structure, practices and processes.

The committee's areas of responsibility include:

- Reviewing the board composition and additional criteria
- Succession planning for board and senior management
- Board performance evaluation
- Board induction and training
- Oversight of group corporate governance and statutory compliance

In January 2024, the Institute of Directors South Africa published the results of a survey of issues that South African boards need to consider. Topics relevant to the nomination committee are board performance, board composition and redefining the role of the board and management. This governance trends report informed the 2024 focus areas for the committee and the topics for board governance sessions.

### Terms of reference

The committee's terms of reference were reviewed in 2024 to enhance its broader role as a governance committee. The amendments were subsequently approved by the board. The terms of reference remain aligned with legislation, regulations and King IV.

#### Future focus



#### Key focus areas 2024/2025

- Monitor the framework for a future optimal board structure and size to support Exxaro's strategy
- Oversee director induction and ongoing director development
- Monitor board and executive leadership succession planning
- Consider 2024 board internal assessment outcomes and recommend matters for continuous improvement
- Report on annual board governance roadshow outcomes and oversee matters for implementation

### Confirmation

The nomination committee, in carrying out its respective duties, duly regarded the principles and recommended practices of King IV. The committee is satisfied that it has considered and discharged its responsibilities in accordance with its terms of reference.

# Remuneration committee

**Chairperson:** Dr Phumla Mnganga

**Meetings:** Six

**Members:** Geraldine Fraser-Moleketi, Zwelibanzi Mntambo and Mvuleni Geoffrey Qhena

**Attendance:** 92%

**Change:** None

Remuneration committee report ([ESG report](#), page 149)

## Composition as at 31 December 2024



### Role and purpose

This committee's role and responsibility is to ensure the group remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. It also ensures the continuous development, review and implementation of remuneration governance-related documents, including compliance with JSE Listings Requirements and reporting obligations.

The committee is accountable to the board for executing its independent and objective oversight. The committee does not assume the functions of management, which remain the responsibility of executives, prescribed officers and other members of senior management, nor accountability for the functions performed by other board committees.

Where board committee focus areas overlap with this committee's focus areas, committees collaborate to execute the board's broader effectiveness objective. For example, in support of the DEI strategy execution, as it applies to fair pay or application of mechanisms to achieve and exceed employment equity.

### Terms of reference

The committee's terms of reference are reviewed annually. The review took place in the first quarter of 2025 and the revised terms of reference were subsequently approved by the board. The review ensured the terms of reference remain aligned to relevant legislation, regulations and King IV.

#### Future focus



#### Key focus areas 2024/2025

- Continue our wage gap journey as part of our DEI strategy by tracking our pay ratios and implementing appropriate interventions to close the wage gap, as required
- Implement the incentive scheme changes arising from the reviews undertaken, in line with the associated roadmap and taking account of stakeholder feedback
- Implement the minimum shareholding requirement (MSR) to ensure the interests of executives are more aligned with those of shareholders
- Update the wage gap roadmap to reflect our ongoing commitment to narrowing the wage gap and continuous monitoring and corrective actions of horizontal wage gaps as part of ESG
- Approve the revised recognition policy and programme
- Ongoing consideration and deliberation of shareholder feedback
- Review benefits and allowances and implement proposed changes arising from the reviews undertaken

### Confirmation

The committee acknowledges that remuneration continues to be managed within the context of Exxaro's remuneration principles, policy and other guidelines, which enable sound governance and fair and responsible pay. The committee is satisfied that everything that they had committed themselves to for 2024 has either been successfully completed or is on track.

## Risk and business resilience committee

**Chairperson:** Peet Snyders

**Meetings:** Four

**Members:** Karin Ireton, Ben Magara, Nondumiso Medupe, Mandlesilo Msimang and Chanda Nxumalo

**Attendance:** 96%

**Changes:** None in 2024. As Ben Magara has been appointed CEO from 1 April 2025, he is no longer categorised as an independent non-executive director and stepped down as member from 1 April 2025.



RBR committee report ([ESG report](#), page 152)

### Composition as at 31 December 2024



Peet Snyders  
Chairperson



Karin Ireton



Ben Magara



Nondumiso Medupe



Mandlesilo Msimang



Chanda Nxumalo

### Role and purpose

The committee is a board committee in terms of section 72 of the Companies Act, the company's MoI and King IV. The committee's role is as follows:

#### Risk management

The committee's primary role is to implement an effective policy and plan for risk management that will enhance the group's ability to achieve its strategic objectives and to ensure that risk disclosure is comprehensive, timely and relevant. Risk management is effected by the board, management and other personnel. It is applied in strategy setting and across the group and is designed to identify potential events that may affect the organisation, manage risks to within its risk appetite, and provide reasonable assurance regarding the achievement of the organisation's objectives. Risk governance involves the structures and mechanisms within the organisation that guide the decision making and implementation processes related to managing risks.

The committee is responsible for reviewing the ERM process, including key risks facing Exxaro and the responses to address these risks. It maintains a particular focus on:

- Strategic risks
- Financial risks (technical debate on managing financial risk will take place at audit committee meetings but financial risks are part of the overall enterprise risk register over which this committee has oversight)
- Operational risks
- Regulatory compliance risks

#### Business resilience

Business resilience is the ability of an organisation to adapt in a changing environment to enable it to deliver its objectives, survive and prosper. Risk, incident, crisis and business continuity management are among the four key elements of business resilience. The role of the committee is to oversee the appropriateness of Exxaro's crisis response plans and frameworks.



## Risk and business resilience committee continued

### Terms of reference

The committee's terms of reference are reviewed annually. The review took place in the first quarter of 2025 and the revised terms of reference were subsequently approved by the board. The review ensured the terms of reference remain aligned to relevant legislation, regulations and King IV.

#### Future focus



#### Key focus areas 2024/2025

Monitor the class action served on Exxaro in November 2023 and its impacts on the group as a responsible corporate citizen, as well as ensuring occupational disease preventive measures are well implemented

Oversee the implementation of the water management plan at all Exxaro mines, including closed mines, and review any mitigating plans such as the groundwater analysis model to address the impact of climate change on operations and water sources

Ensure effective plans are in place based on the impact of business disruption (plans are up to date and no significant incidents occurred that led to business disruption)

Ensure a strategic review of Exxaro's mineral asset portfolio

Review Exxaro's risk appetite

Review Exxaro's key compliance risks related to licence to operate

Recommend appropriate predictive and proactive reporting and engagement with stakeholders (including the integrated report) based on key risks

Oversee the implementation of the revised governance of technology and information to ensure incorporation of technology and information risks to enable strategy delivery and ensure business resilience

### Confirmation

The committee is satisfied that it has discharged its responsibilities and fulfilled its mandate in accordance with its terms of reference, the Companies Act and King IV.

## Social, ethics and responsibility committee

**Chairperson:** Geraldine Fraser-Moleketi

**Meetings:** Four

**Members:** Karin Ireton, Dr Phumla Mnganga, Nosipho Molope and Peet Snyders

**Attendance:** 100%

**Changes:** Nosipho Molope was appointed as member from 3 January 2024. Likhapha Mbatha retired by rotation at the 2024 AGM. Dr Nombasa Tsengwa resigned on 5 February 2025. Prior to 1 February 2025, the CEO and FD were members of the committee.



SERC report ([ESG report](#), page 156)

### Composition as at 6 February 2025



Geraldine Fraser-Moleketi Chairperson



Karin Ireton



Dr Phumla Mnganga



Peet Snyders



Nosipho Molope

### Role and purpose

The committee mandate derives from the company's commitment to proactively manage its economic, environmental and social impacts, and the public interest, in addition to those laid down in section 72(4) of the Companies Act, read with Regulation 43, the Mol and King IV.

The company recognises that it forms part of an interrelated community and, as such, may have positive and negative impacts on public interest and the global goal of sustainable development. The board has primarily entrusted the committee to oversee the company's impact on public interest and its ethical performance. It ensures compliance with Exxaro's statutory duties and oversees that the core purpose and values, strategy and conduct are aligned with the group's responsible corporate citizenship.

The committee oversees the company's ethics regarding business practices, its relationships with employees, other stakeholders and the natural environment. It also assists the board by monitoring the group's achievement of its shared sustainability goals and has oversight of stakeholder management and ethics management. As part of its responsibility mandate, the committee has oversight of how the company impacts planet, people and prosperity.

### Terms of reference

The committee's terms of reference are reviewed annually. The review took place in the first quarter of 2025 and the revised terms of reference were subsequently approved by the board. The review ensured the terms of reference remain aligned to relevant legislation, regulations and King IV.

#### Future focus



#### Key focus areas 2024/2025

Monitor the coal mine dust class action litigation launched against Exxaro in November 2023 to ensure our conduct aligns with being a responsible corporate citizen

Monitor the implementation of mitigation measures as reflected in Exxaro's decarbonisation roadmap to support Exxaro's strategy to be carbon neutral by 2050 and build resilience to the impacts of climate change

Monitor and review ongoing anti-bribery and anti-corruption programme implementation, ensuring an ethical culture and respect for human rights, including the whistleblowing mechanisms for effectiveness

Oversee the implementation of the DEI strategy, including the ESD programme, in support of the overall Exxaro strategy as a key business value driver

Oversee sustainability-related disclosures in line with ISSB Sustainability Disclosure Standards

Oversee implementation of employment equity plans

Oversee the refresh of Exxaro's culture transformation journey and continue embedding the action plans from the 2023 culture and engagement survey

### Confirmation

The SERC is pleased to confirm that, in carrying out its duties, as prescribed, it has duly regarded King IV principles and recommended practices, and has discharged its responsibilities in accordance with its terms of reference and the Companies Act. Beyond compliance, the committee is also satisfied that it has fulfilled its non-statutory mandate and that there are no material instances of non-compliance to disclose. If any material non-compliance existed, it was duly considered during the year in review.

# Combined assurance for effective governance

The board, supported by the audit committee, is ultimately responsible for Exxaro's system of internal controls, which has been designed to evaluate, manage and provide reasonable assurance against material misstatement and loss.

We apply a combined assurance model to optimise assurance by management, as well as internal and external providers, while fostering a strong ethical climate and mechanisms to ensure compliance. Using our board-approved ERM approach, management identifies key risks facing Exxaro and implements the necessary internal controls with comparable information for trend analysis where possible.

The board and audit committee assessed the effectiveness of controls for the year ended 31 December 2024 as satisfactory, principally through a process of management self-assessment (including formal confirmation by executive management), reports from internal audit, independent external audit and other assurance providers.

## Approach, governance and reporting

Exxaro defines assurance broadly to cover all sources, including external assurance, internal audit, management oversight and regulatory inspections. Our combined assurance model includes and optimises all assurance services and functions to collectively provide an effective control environment and support the integrity of information used for internal decision making by management, the board and its committees, and in our external reports including:

- Corporate governance disclosures in terms of King IV
- Financial statements and other external reports, including our integrated report and ESG report

The combined assurance model has been entrenched within Exxaro through the effective functioning of the combined assurance forum. The forum's activities and outcomes of assurance reports are presented quarterly to the audit committee.

## Assurance review

For the year under review, the sources, level and focus area of assurance, commissioned and performed, are summarised below:

| Focus area                                       | Function assured   |                     |           |     |
|--|--------------------|---------------------|-----------|-----|
|  | Assurance provider | Level of assurance* | Corporate | BU  |
| External/statutory audit                         | KPMG               | 4                   | Yes       | Yes |
| Sustainable development/KPIs                     | KPMG               | 4                   | Yes       | Yes |
| Environmental liability provisioning             | KPMG               | 4                   | Yes       | Yes |
| Mining rights and environmental legal compliance | Legal              | 2                   |           | Yes |
| B-BBEE dtic code compliance                      | Empowerdex         | 4                   | Yes       | Yes |
| Mining Charter III compliance                    | Internal audit     | 3                   | Yes       | Yes |
| Insurance risk surveys                           | IMIUI              | 4                   |           | Yes |
| Major and mega capital projects                  | Internal audit     | 3                   | Yes       | Yes |
| Mineral Resources and Mineral Reserves statement | Internal audit     | 3                   | Yes       | Yes |
| Governance, risk and internal controls           | Internal audit     | 3                   | Yes       | Yes |
| Employee benefits                                | Internal audit     | 3                   | Yes       | Yes |
| SLP projects                                     | Internal audit     | 3                   |           | Yes |
| ISO and OHSAS certifications                     | Various            | 4                   |           | Yes |

\* Level of assurance refers to independent external assurance.

## Outcome of assurance

As at 31 December 2024, there were 375 open findings, reflecting a decrease of 75 open findings in the year. Of the 375 open findings, 142 (38%) are classified as "ready for audit" (a three-month waiting period is applied before performing follow-up procedures for the control to be fully embedded). The split by status of findings is depicted below:

| Status of findings    | Current period reporting |
|-----------------------|--------------------------|
|                       | Internal audit           |
| Follow-up in progress | 112                      |
| Ready for audit       | 142                      |
| Within timelines      | 110                      |
| Overdue               | 11                       |
| <b>Total</b>          | <b>375</b>               |

Overdue findings have been classified by ratings assigned in the final audit report and split into sources below.

| Source                    | Level 1 (high) | Level 2 (medium) | Level 3 (low) | Not rated | Total |
|---------------------------|----------------|------------------|---------------|-----------|-------|
| Internal audit            | 0              | 10               | 1             | 0         | 11    |
| Other assurance providers | 0              | 0                | 0             | 0         | 0     |