

3 Strategically positioning the business for growth

We recognise the delicate balance between a rapid transition to a low-carbon world and a fair, equitable shift that benefits all stakeholders. Through our Sustainable Growth and Impact strategy, we are positioning Exxaro for sustainable growth and a meaningful impact for all our stakeholders while ensuring our long-term resilience.

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Acting CEO and FD's report*

It was an honour to step into the role of acting CEO at this pivotal moment for Exxaro. I am confident in our solid foundation – a resilient strategy, dedicated workforce, and unwavering commitment to sustainable growth and value creation.

I welcome our new CEO, Ben Magara – a capable and experienced leader – who is well positioned to take Exxaro into our next phase of growth and impact. This transition will ensure acceleration in the execution of our strategy.

As we shift from transition to execution, our resilient strategy is positioning us to win – creating value that endures and delivering our purpose of powering better lives in Africa and beyond.

Executing with purpose in a dynamic environment

At the centre of our resilience is our people. Their dedication, adaptability and professionalism continue to drive our success – from ensuring operational excellence and safety, to building trust through meaningful stakeholder engagement. In a year marked by uncertainty, their efforts were extraordinary. As stated in the chairman's statement, we are proud to have achieved 28 consecutive months without work-related fatalities and reduced our LTIFR to 0.06 from 0.07 per 200 000 man-hours worked for the previous financial year ended 31 December 2023 – a testament to our steadfast commitment to zero harm.



[Prioritising safety](#) (page 114)

Coal production volumes decreased by 7% to 39.5Mt (2023: 42.3Mt), largely driven by lower Eskom demand at Grootegeuk. Belfast mine, however, improved production by 21%, demonstrating our ability to optimise performance across the portfolio. Export sales volumes saw a 37% increase, reflecting proactive efforts to leverage alternative distribution channels and improve market access.

Cennergi's operating wind assets generated 725GWh of electricity in 2024 compared to 727GWh in 2023, with revenue increasing by 5% to R1 411 million (2023: R1 345 million).

Financially, we demonstrated both agility and strength. Group revenue increased by 5% to R40 725 million (2023: R38 698 million), with coal revenue increasing by 6% to R39 115 million (2023: R36 945 million). While EBITDA decreased by 22% to R10 423 million (2023: R13 399 million), mainly due to the 16% decrease in coal EBITDA, our net cash position (excluding energy's net debt) improved by 10%, underscoring strong capital discipline and operational resilience. Income from our equity-accounted investments decreased by 39% to R4 270 million (2023: R6 987 million). This was mainly driven by SIOC's equity income which reduced significantly due to lower iron ore prices and lower sales volumes.

Total capital expenditure (capex) decreased by 8% to R2 475 million (2023: R2 699 million). The capex for 2024 comprised R2 146 million, mainly for coal sustaining capital, R302 million expansion capital for our energy projects and R27 million spent on intangible assets.



For detailed financial performance, see [financial capital](#) (page 96).



Exxaro navigated a challenging operating context with resilience, delivering solid performance across multiple dimensions. Despite external pressures and persistent logistical constraints, our operational agility ensured commendable results.

Riaan Koppeschaar – Acting CEO and FD

Diversifying for impact and future-ready growth

Our Sustainable Growth and Impact strategy remains our guiding framework, underpinned by five strategic objectives. Together, these objectives position Exxaro to win – delivering future-ready growth while achieving our purpose.



For more on our objectives and related outcomes, see [our Sustainable Growth and Impact strategy](#) (page 54).

Our diversification strategy, aligned with our vision of resources powering a clean world, continues to gain momentum. A significant milestone in our decarbonisation journey and diversification strategy was reached when Cennergi, in partnership with G7 Renewable Energies Proprietary Limited, achieved financial close on the 140MW Karreebosch project on 17 February 2025. This landmark project has secured a 20-year power purchase agreement with Northam Platinum Limited. Cennergi acquired 80% of the share capital in Karreebosch as well as 50% of the share capital in Karreebosch Asset Management Proprietary Limited. The total project cost is estimated to be R4.7 billion, which will, in majority, be funded with project financing with a financial structure design to ensure long-term sustainability with limited recourse to the Exxaro balance sheet.

* At the time of writing, Riaan Koppeschaar was serving as acting CEO and FD. Ben Magara's appointment was effective from 1 April 2025, ahead of the publication of this report on 15 April 2025.



With Karreebosch now part of our portfolio, Cennergi's gross capacity increases to 437MW, with the business firmly on track to reach its ambition of managing 1.6GW by 2030. These developments reinforce our role in supporting South Africa and the world's transition to a low-carbon economy and establishing Cennergi as a leading energy solutions business.

Our coal business continues to play a central role in supporting energy security, while creating the platform for responsible growth. As we advance, diversification into energy transition minerals remains a strategic priority. We are actively evaluating and advancing potential acquisition targets that meet our investment criteria, supported by strengthened capabilities across the mergers and acquisitions lifecycle. These efforts position us to unlock new value streams, reinforce our role in the energy transition minerals space, and support the global shift to clean energy.

Ensuring an impactful transition

Our people's skills, resilience and commitment enable us to execute our strategy and drive meaningful change across the business and in society as we work towards an impactful transition. In 2024, we deepened our investment in our workforce through over R400 million spend on comprehensive training programmes, leadership development initiatives and opportunities for continuous learning. We again received recognition as a top employer in 2025, reaffirming our leadership in diversity, equity, inclusion and people-centred strategy. Employment equity remains a cornerstone of our transformation agenda, with women making up 36% of senior management and historically disadvantaged individuals comprising 76%.

Our people-first approach includes a relentless focus on safety, underpinned by innovation and leadership engagement. Our AI-powered solution, XXoro, enhances access to critical safety and related policies, while our INNOVAXXION strategy drives continuous improvement and future-fit thinking across the group. These efforts were reinforced through executive engagement at the CEO safety summit and leadership safety day, strengthening our collective commitment to Khetha Ukuphepha (choose safety).

Empowering our people is only one part of our broader ambition to enable an inclusive and sustainable transition. With the board's approval of the decarbonisation roadmap, our focus now shifts to operationalising this framework – embedding its targets into our day-to-day operations and long-term planning.



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

Together, these efforts reflect our commitment to an impactful transition – one that balances climate resilience with socio-economic inclusion, safeguards the environment, and delivers enduring value for future generations.

Looking to the future

Positioning Exxaro to win means delivering meaningful, inclusive growth and ensuring that all stakeholders benefit from the transition to a low-carbon, sustainable economy. We are executing a resilient strategy with discipline and purpose, balancing short-term performance and long-term value creation. Our priorities include maximising the value of our portfolio through continued efficiency and optimisation while accelerating investments in renewable energy to support a low-carbon future. We are actively exploring opportunities in energy transition minerals – resources critical to powering a clean world – and remain committed to capital discipline to ensure ongoing financial resilience. At the same time, we continue to deepen our engagement with stakeholders and embed ESG principles across our operations, ensuring that our growth is inclusive, responsible and future-ready.

Our ability to navigate challenges while progressing towards long-term strategic goals is a testament to the strength of our people, portfolio and purpose. Together, we are building a legacy of resilience, impact, and shared value – positioning Exxaro to win today and into the future.

Appreciation

I extend my sincere appreciation to the Exxaro board, leadership team, and our dedicated employees for their unwavering commitment to our purpose. Our achievements are a testament to the collective effort of a team that consistently delivers results.

To our shareholders, partners, and stakeholders, thank you for your continued trust and support. Your confidence in Exxaro fuels our ambition to create sustainable impact and drive long-term value for you and our host communities.

Riaan Koppeschaar
Acting CEO and FD

31 March 2025



Ben Magara
CEO, effective 1 April 2025

“I would like to thank the chairman and board for giving me the opportunity to lead this great company called Exxaro.”

I also thank my predecessors, Dr Con Fauconnier, Sipho Nkosi, Mxolisi Mgojo, Dr Nombasa Tsengwa, and specifically highlight Riaan Koppeschaar for holding the fort as acting CEO these past few months.

As I take the helm, my first priority is safety – working with the management team and our employees to ensure we all go home safe and unharmed every day. Safety is a state of mind and working safely is a condition of employment.

I aim to proactively engage all our stakeholders – our employees, unions, customers, shareholders, the market, regulators, government and other partners – to listen, learn and formulate a way forward for Exxaro. Our company cannot survive as an island. We therefore need to take our stakeholders along to enable us to deliver on our vision.

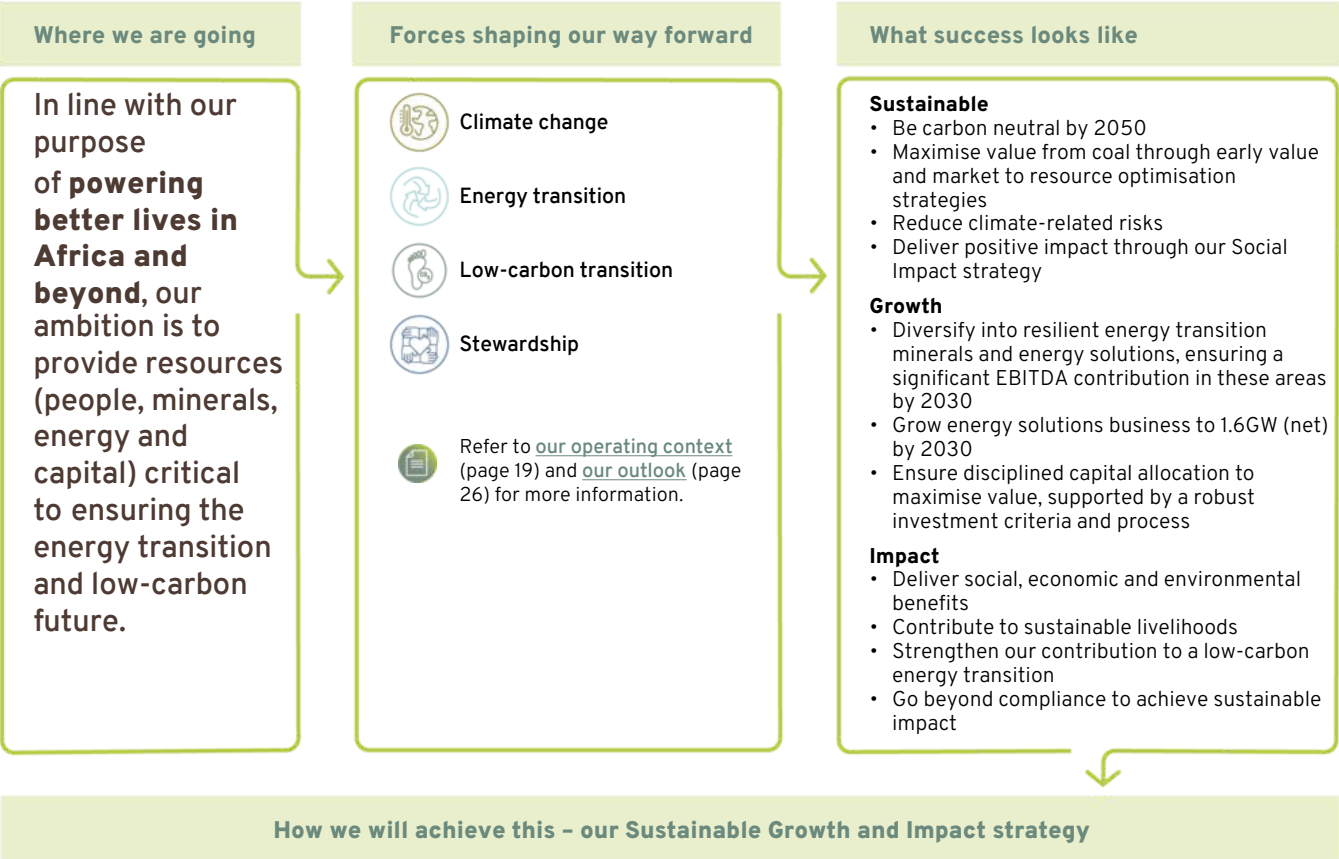
Lastly, I am excited to have the opportunity to utilise our strong coal resources as a base from which to prudently accelerate our asset portfolio to include energy transition minerals and to grow our energy solutions business, Cennergi. I believe this strategy will allow us to deliver enhanced value to shareholders and all our stakeholders while balancing enduring profitability with environmental and social sustainability and working towards carbon neutrality by 2050.

Our people remain the cornerstone for which all of this can be achieved. As Exxaro's new CEO, I am committed to fostering a culture of leadership excellence throughout our Exxaro. It is about creating an environment where each of us feels valued, motivated and equipped to excel.

Together, we will deliver on our strategy while fostering a culture of excellence, inclusivity and accountability.

Our Sustainable Growth and Impact strategy

We are determined to create a future aligned with our vision: **resources powering a clean world**. Our Sustainable Growth and Impact strategy lays the foundation for a sustainable future, enabling Exxaro to continue unlocking, creating and preserving value in an evolving global landscape while protecting against value erosion. Our strategy addresses South Africa’s immediate energy security needs while proactively positioning our business for long-term success in a low-carbon economy. We are committed to going beyond compliance by prioritising material ESG and impact areas to build our resilience and create meaningful, positive impact for our stakeholders.



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



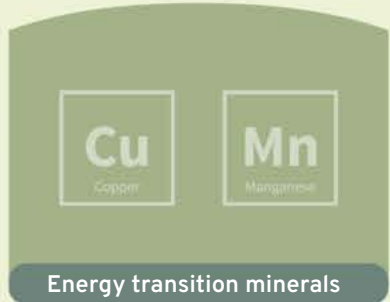
Delivering a resilient, diversified resources business capable of powering better lives in Africa and beyond

Our minerals business

We seek to supply minerals that power a clean world and provide our shareholders with superior returns while driving decarbonisation ambitions.



Coal



Energy transition minerals

Our energy solutions business

We aim to be a leading energy solutions provider by 2030.



Renewable energy

Our Sustainable Growth and Impact strategy continued

Our minerals business

Coal



Our coal business continues to deliver value for Exxaro and is critical in providing South Africa's primary energy requirements and grid stability.

Why

- Manage coal assets responsibly, recognising they do not belong to us
- Ensure that we do not leave high-value assets sterilised and stranded on our way to a low-carbon future

How

- Ensure a robust coal asset portfolio, which includes divestment from resources that do not suit our future portfolio
- Optimise our market to resource capability and value extraction
- Digitalise our operations with a focus on value creation
- Optimise capital deployment, supported by our capital excellence programme
- Minimise emissions at our existing operations

Energy transition minerals



We will diversify into energy transition minerals vital for a low-carbon future, such as manganese and copper, among others.

Why

- Become a business that thrives in a low-carbon future
- Diversify revenue for Exxaro's sustainable growth
- Clearly defined investment supporting the right opportunities
- Enhance the value of our assets while upholding our ESG standards, wherever we operate

How

- Take a minerals business approach that enables a transition to a low-carbon world while leveraging our core competencies and technical expertise in bulk and underground commodity mining, sales, marketing and logistics
- Apply robust screening criteria to continuously review and identify priority minerals aligned with our future growth ambitions
- Leverage our robust balance sheet, mining capabilities and expertise to maintain a competitive advantage

Competitive advantage

- **Specialised skills:** With roots as a diversified miner, we possess recognised specialised skills in open-pit and underground mining methods, processing, sales, marketing, logistics, strategic finance and mergers and acquisitions, and have a strong project development and execution track record. These capabilities enable the efficient and effective evaluation of potential growth opportunities
- **Project execution excellence:** Delivering digital innovation through our Innovation strategy and continued operational excellence from our high-performing coal operations while reducing costs, improving productivity and safety
- Recognised for our **ESG performance**, brand and culture

Our energy solutions business

Renewable energy



We aim to be a leading energy solutions provider by 2030

Our goal is to be a significant contributor of energy solutions (energy assets and value-integrated services), with a broader market focus. We are targeting the following energy pillars:

• **Distributed and utility generation:**

- Our growth in energy will be internally led by providing our existing operations with self-generation, providing a similar service to mines and other industrial customers as well as participating in public auctions
- We have two large windfarms in operation, and the LSP is under construction
- We will determine markets for focus through investment-driven selection criteria

• **Services:**

- We will build our integrated energy services business by growing our existing energy business and augmenting our generation business with complementary services to facilitate in various aspects of the energy value chain

Why

- Transition Exxaro to a carbon-neutral future, aligned to our strategy
- Provide diversification and long-term sustainability to Exxaro's cash flow, including providing cost-competitive value chain-integrated energy solutions
- Become a prominent player and contributor to energy security

How

- Leverage Exxaro's advantage, which includes our internal energy requirements, a healthy balance sheet, resource evaluation skills, excellence in project management and optimisation, and experience in the project lifecycle
- Invest in energy solutions with an acceptable risk profile, targeting a portfolio return of 15% equity internal rate of return over time
- Strategic acquisition of skills, resources and market entries to grow at scale
- Partnering to improve skills, credibility and growth

Competitive advantage

- **Renewable pedigree and scale:** We are a significant independent power producer in South Africa and have had exposure to the energy industry since 2009
- **Strong Exxaro brand:** Includes a strong balance sheet to back this strategic pillar
- **Adjacency advantage:** All our operations require decarbonisation and are often located in clusters with other mining peers, who may also require solutions
- **Partnerships:** Our partnerships enable growth and contribute key offtake opportunities

Our Sustainable Growth and Impact strategy continued

Enabling capital allocation

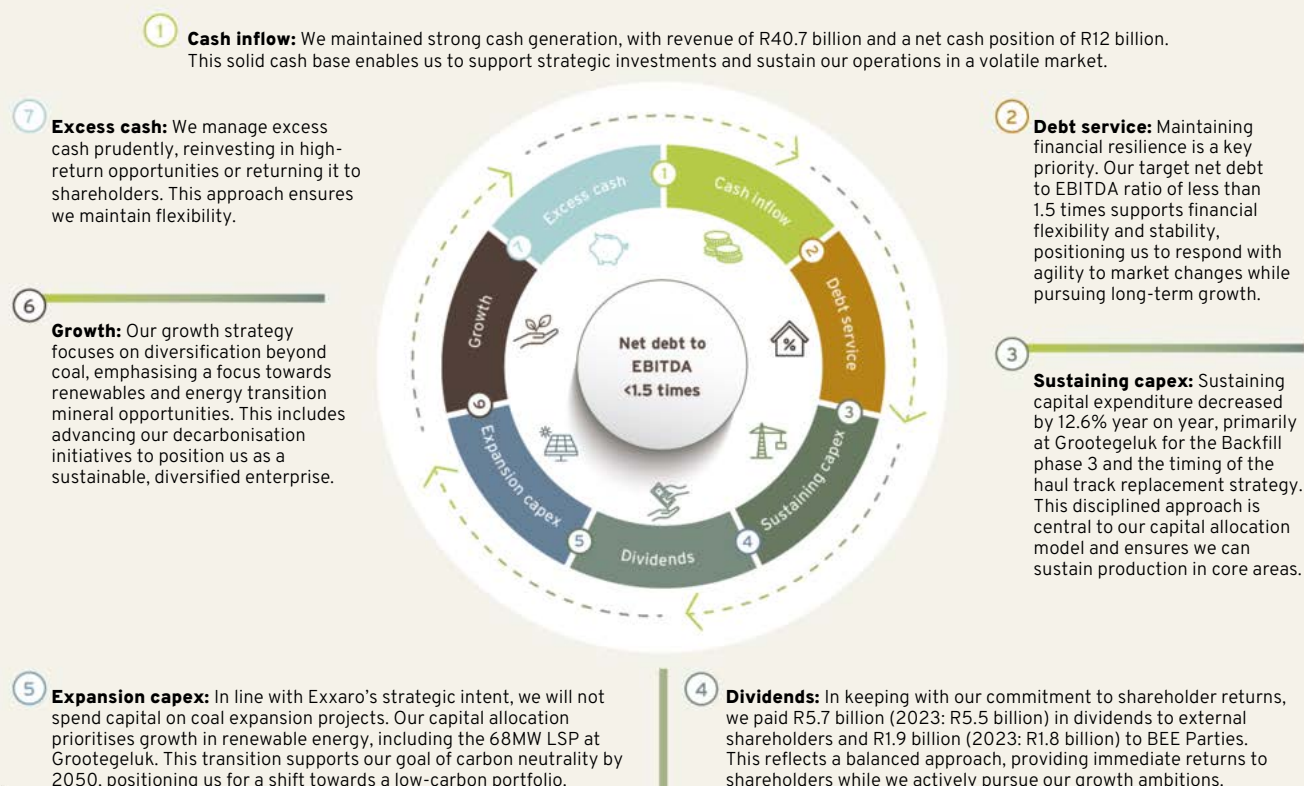
We will realise our ambition to be a diversified, carbon-neutral minerals company with a significant energy business and capabilities, through our capital allocation model. This model enables us to continue delivering stakeholder value and build a sustainable, resilient and robust business capable of withstanding dynamic market shifts. We will approach this transition with a clear understanding of the risks and rewards. This framework ensures strategic decision making between competing business investment interests and aligns with our broader objectives.

To ensure disciplined, data-driven capital allocation that supports our goals, we apply the following criteria:

- **Strategic fit:** We assess investments using metrics such as financial performance, ESG alignment, and diversification across products, geographies and customer bases
- **Pacing:** We prioritise timing to ensure value realisation, considering factors like time to earnings, Exxaro's organisational readiness, and stakeholder impacts

Our capital excellence programme reflects our commitment to optimising financial resources to create sustainable value. Our capital allocation is guided by enterprise KPIs, including growth in mineral earnings, decarbonisation, ROCE, increase in energy generation, and maintaining our ESG licence to operate.

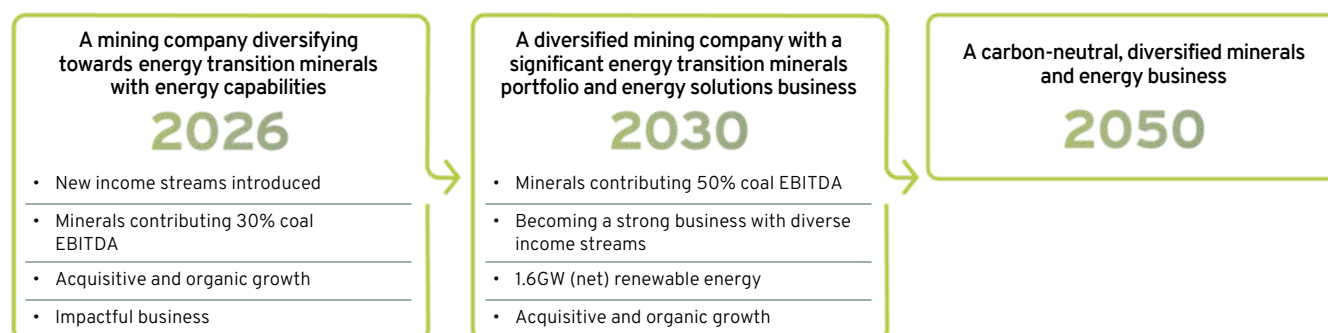
Capital allocation model



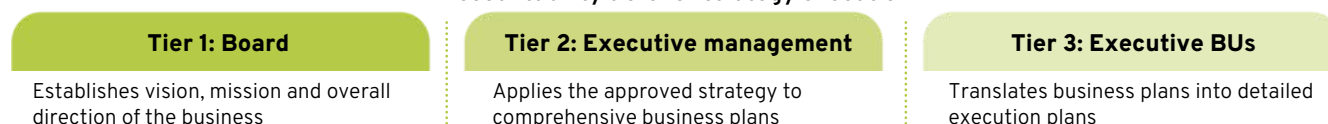
Timeframes

We will execute our strategy in phases, with clear outcomes for each focus area.

Ambition targets



Underpinned by accountability Accountability tiers for strategy execution



Integration across tiers to ensure alignment with long-term carbon neutrality and sustainability objectives

Performance against our strategy

Our clear and ambitious objectives enable us to progressively incorporate our Sustainable Growth and Impact strategy into our operations.

We measure and manage our performance over time using KPIs to monitor our progress towards our strategic objectives while catalysing discussion and analysis within our organisation. KPIs ensure we address our ESG commitments and enable the achievement of these ambitious goals.

As outlined in the tables below, our KPIs are grouped per capital in relation to how their continued [availability, quality and affordability](#) impact our strategic objectives (see page 65 for more detail).

Key	Description	Trend	Description
REM-S	Linked to remuneration (short-term incentive)	▼	Progress has regressed or fallen behind the expected trajectory towards achieving our 2030 targets
REM-L	Linked to remuneration (long-term incentive)	●	Progress remains steady, with no significant changes. While consistent, further movement is needed to advance towards our 2030 targets
		●	Moderate progress – positive movement observed, but the pace needs to accelerate to meet our 2030 targets
		●	On track – progress aligns with the projected pathway to achieve our 2030 targets

Transition at speed and scale

Why it matters

The shift towards a low-carbon economy is imperative due to the growing demand for climate change mitigation. As a business, it is essential to approach this transition with a balanced sense of urgency to stay ahead of the curve while ensuring that the shift is sustainable and generates a positive business and societal impact.

Strategies to achieve our objectives

- Enabling a transition to a low-carbon world while leveraging core competencies in mining and logistics through our [minerals business approach](#) (page 109), with comprehensive screening criteria to identify key energy transition minerals for future growth
- Expanding renewable capacity and capabilities to support operational energy needs and contribute to South Africa's renewable energy landscape through our [energy solutions business](#) (page 109), contributing to the country's low-carbon transition

Material themes



SDGs impacted




Progress against our strategy

Diversification of our business towards energy transition minerals is ongoing as we evaluate and advance potential acquisition targets that meet our investment criteria through our internal approval committees. We have bolstered our capabilities across the mergers and acquisitions lifecycle to ensure the effective execution of our diversification objectives. This strengthening of expertise positions us well to accelerate delivery in the coming years. The expansion of our energy solutions business has progressed, with the construction of our LSP set for commercial operation in mid-2025. This addition marks a key step forward in expanding our generation capacity and underscores our commitment to meeting our long-term targets. We remain committed to advancing our strategy with agility and rigour, recognising that the foundation we have built will enable us to drive progress at the necessary scale.



See [financial capital](#) (page 96) and [manufactured capital](#) (page 108) for more detailed information.

Measuring related capital inputs

Related capitals	Performance indicator	Why this KPI matters	Target		Performance			
			2030 (medium term)	2026 (short term)	2024	2023	2022	Trend
	EBITDA contribution from new minerals (%)	As a measure of operational profitability, tracking EBITDA from new minerals provides insight into our earnings diversification efforts as we invest in low-carbon resources, demonstrating our progress toward building a sustainable and profitable portfolio aligned with our transition objectives.	50	30	0	0	0	●
	Installed generation capacity (MW net)	Measuring installed renewable energy capacity reflects Exxaro's commitment to clean energy. As more renewable projects (such as wind and solar) are brought online, our capacity to generate low-carbon energy grows, supporting South Africa's energy security and reducing reliance on fossil fuels.	1 600	780	229	229	229	●

Performance against our strategy continued

Make our minerals and energy businesses thrive

Why it matters

Focusing intensively on our core delivery areas, particularly minerals and energy, is vital for driving future growth and long-term sustainability. By optimising our coal reserves, we can support current energy needs while responsibly transitioning towards a low-carbon, sustainable future. This approach reduces the risk of stranded, high-value assets and boosts operational efficiency, enabling us to capitalise on opportunities within the green economy. Additionally, selectively divesting from non-core assets allows us to streamline our portfolio and strategically reinvest in energy transition minerals critical to the low-carbon transition while also pursuing diversification to explore new growth avenues, which will further enhance resilience.

Strategies to achieve our objectives

- Maintaining a resilient coal business that remains profitable through cost efficiency, price optimisation and [market to resource optimisation](#) (page 109)
- Embedding sustainable mining practices into Exxaro's ways of working, focusing on ESG and health and safety
- Enhancing portfolio value in the short to medium term while delivering the [early value strategy](#) (page 109)

Material themes



SDGs impacted



Progress against our strategy

Our production was slightly below target. However, by maintaining a strong focus on our early value and market to resource optimisation strategies, along with our operational excellence initiatives, we achieved our ROCE goals and an EBITDA margin in line with our prior guidance, demonstrating the resilience and strength of our business, even in the face of external challenges.

See our [financial capital](#) (page 96) and [manufactured capital](#) (page 108) for more detailed information.

Measuring related capital inputs

Related capitals	Performance indicator	Why this KPI matters	Target		Performance			
			2030 (medium term)	2026 (short term)	2024	2023	2022	Trend
	Coal product (Mt) REM-S	Coal production reflects our ability to deliver on production targets, directly impacting revenue generation and market supply. Monitoring coal output helps assess operational efficiency and the sustainability of our resource management, supporting South Africa's financial resilience and energy security.	46	44	39.5	42.5	43.1	▼
	EBITDA margin (managed operations) (%)	EBITDA margin measures operational profitability and cost management effectiveness. A strong margin reflects resilience in volatile markets and supports our ability to reinvest in growth areas and sustain financial health.	29	29	26	35	41	▼
	ROCE (%) REM-L	ROCE measures how effectively we generate returns from the capital invested in our business, demonstrating our ability to maximise capital efficiency and translate invested capital into long-term stakeholder value.	>20	>20	23	35	45	▼
	Solvency ratio (times)	Solvency ratio measures our financial stability and capacity to meet long-term obligations. A healthy ratio ensures we maintain the flexibility to fund strategic initiatives, weather market fluctuations and support our growth objectives.	2 to 3	2 to 3	3.6	3.5	3.3	●



Empower people to create impact

Why it matters

Our organisation's strength lies in the capabilities and dedication of our people and partners. By empowering them with skills and capabilities while fostering a culture of innovation and accountability, we position ourselves to make significant strides towards our goals. This helps us reach organisational objectives and amplifies our contribution to society and the economy, ensuring our work resonates with purpose and leads to lasting positive change.

Strategies to achieve our objectives

- Embedding a strong safety culture through our proactive [safety strategy](#) (page 114)
- Supporting employee wellbeing to ensure a healthy, motivated workforce through our [health and wellness strategy](#) (page 115)
- Driving inclusion and employee engagement by fostering a representative workforce, addressing systemic barriers and ensuring leadership diversity under our [DEI strategy](#) (page 116)
- Upskilling and reskilling our workforce for low-carbon technologies through our [talent management strategy](#) (page 117)
- Driving innovation and operational effectiveness with our [iNOVAXXION strategy](#) (page 111)

Material themes



SDGs impacted



Progress against our strategy

In 2024, our safety strategy made significant strides, marked by several key highlights and focus areas. A major achievement was the introduction of XXoro, an AI technology that streamlines access to processes and safety procedures. Furthermore, we hosted our annual CEO safety summit and leadership safety day, where executives engaged in discussions on strategic initiatives and innovative approaches to achieving zero harm. These initiatives have significantly advanced our journey towards zero harm, enabling Exxaro to reach the milestone of two years fatality-free, reinforcing our commitment to creating a safer work environment for all.

We achieved level 2 B-BBEE compliance, with preferential procurement scores improving from 26.44 points in 2023 to 27.47 points in 2024.



See [intellectual capital](#) (page 110) and [human capital](#) (page 113) for more detailed information.

Measuring related capital inputs

Related capitals	Performance indicator	Why this KPI matters	Target		Performance			
			2030 (medium term)	2026 (short term)	2024	2023	2022	Trend
	Fatalities REM-S	Our commitment to safety strengthens our human capital, ensuring our people are safe, motivated and aligned with our strategic objectives.	0	0	0	0	1	●
	LTIFR REM-S	Reducing the LTIFR demonstrates our dedication to employee safety and wellbeing. A low LTIFR demonstrates a culture of care and accountability, which is fundamental to sustaining high productivity and adaptability.	n/a*	n/a*	0.06	0.07	0.05	●
	B-BBEE contribution level	Improving our B-BBEE level underscores our commitment to inclusivity, social responsibility and a positive contribution to South Africa's empowerment objectives. This commitment strengthens relationships with communities and stakeholders, aligning our operations with broader socio-economic goals.	3	3	2	2	3	●

* Target based on previous performance, with the current year target being 0.05.

Performance against our strategy continued

Be carbon neutral by 2050

Why it matters

Achieving carbon neutrality by 2050 is a critical target that reflects our commitment to environmental stewardship and sustainable development. By actively reducing our carbon footprint, we contribute to the global effort to mitigate climate change impacts. We will realise this ambitious goal by strategically decarbonising our portfolio and integrating social impact initiatives that promote environmental responsibility and drive positive social change. The drive towards carbon neutrality prepares us for a future of stricter environmental regulations and positions us as a leader in sustainable practices. Our dedication to this cause demonstrates to stakeholders, including customers, investors and employees, that our operations align with broader societal values of preservation and responsibility towards our planet.

Strategies to achieve our objectives

- Driving decarbonisation, including a focus on the reduction of scope 3 emissions across the value chain, through our [Climate Change Response strategy and decarbonisation plan](#) (page 121)

Material themes




SDGs impacted






Progress against our strategy

Our short-term goal remains reducing our scope 1 and 2 emissions by at least 40% by 2030. To achieve this, the commissioning of our first self-generation project (the LSP) is on track and will contribute a further 161ktCO₂e reduction to our scope 2 emissions. Additional renewable energy projects at our Mpumalanga operations and energy efficiency projects across all operations will also contribute to the achievement of our short-term targets.

 See [natural capital](#) (page 120) for more detailed information.

Measuring related capital inputs

Related capitals	Performance indicator	Why this KPI matters	Target		Performance			
			2050 (long term)	2030 (medium term)	2024	2023	2022	Trend
	Absolute emissions (ktCO ₂ e)	Reducing absolute emissions is essential to our commitment to carbon neutrality by 2050. Tracking scope 1 and 2 emissions allows us to measure our progress in minimising our carbon footprint, which is directly linked to our operations.	Carbon neutrality	40% reduction in scope 1 and 2 emissions (582ktCO ₂ e)	936	953 (2% reduction)	971	
	Energy intensity (GJ/kt) REM-S	Monitoring energy intensity helps us optimise energy use per unit of output, contributing to cost efficiency and emissions reduction. Lower energy intensity indicates greater efficiency, supporting our decarbonisation targets and reducing our operations' environmental impact.	30	30	27.688	27.722*	29.812*	

* 2023 and 2022 figures have been updated following an assurance review. This did not materially impact the group energy intensity number.



Become a catalyst for economic growth and environmental stewardship

Why it matters

Our role in fostering economic growth and championing environmental conservation is pivotal. We can generate a positive ripple effect beyond our operational lifespan through our involvement in the minerals and energy sectors. By initiating and nurturing community projects and businesses, we serve as a driving force for long-term, self-sustaining development that benefits local economies and ecosystems. These impact programmes are designed to deliver immediate benefits and lay the groundwork for ongoing prosperity that does not solely rely on our presence. This approach underscores our vision of leaving a legacy of empowerment and ecological balance, ensuring that the progress and wellbeing of communities endure alongside environmental integrity.

Strategies to achieve our objectives

- Focusing on local economic upliftment and community-driven projects through our [Social Impact strategy](#) (page 119)
- Ensuring long-term sustainability through our [environmental stewardship](#) (page 124) initiatives
- Enhancing trust through our [ethics](#) and [employee relations strategies](#) (pages 78 and 116)

Material themes



SDGs impacted



Progress against our strategy

As part of our Social Impact strategy, we continued to support emerging local farmers. However, the crop yield performance of the supported farmers declined from 2023 levels due to unfavourable conditions, such as frost and insufficient water supply. Further, we have extended our support to SMMEs to a total of 178, primarily with the addition of 27 micro-enterprises via the Pitch for Funding programme.

Our water intensity targets remain below industry norms because we have implemented internal water pricing and invested in projects such as the Belfast water treatment plant and Grootegeluk Oliphantskop dam lining. Additionally, we continued water management efforts to ensure climate resilience and safeguard our natural resources for the future and have maintained our favourable ESG rating as per FTSE Russell.

See [social and relationship capital](#) (page 118), [natural capital](#) (page 120) and [ethical culture](#) (page 78) for more detailed information.

Measuring related capital inputs

Related capitals	Performance indicator	Why this KPI matters	Target		Performance			
			2030 (medium term)	2026 (short term)	2024	2023	2022	Trend
	Crop yield to market (tonnes)	Supporting sustainable crop production and market access directly contributes to food security and economic stability in local communities. This KPI highlights our role in empowering local farmers to build self-sustaining livelihoods.	15 000	13 000	6 008	10 011	5 600	▼
	Financially sustainable SMMEs supported (number)	SMMEs are the backbone of local economies. By nurturing and supporting these businesses, we stimulate economic activity, create jobs and foster entrepreneurial growth, ensuring long-term economic resilience in the regions where we operate.	295	207	178	118	105	●
	ECD school readiness (%)	ECD is critical for laying the foundation for lifelong learning and future economic participation. By enhancing school readiness, we contribute to building an educated and capable workforce, ensuring that communities can thrive independently over time.	90%	90%	n/a*	n/a*	n/a*	n/a*
	Water intensity (kL/tonne RoM) REM-S	Efficient use is crucial for preserving water, especially in water-scarce regions. Tracking water intensity helps us minimise our operational impact, ensure resource availability for future generations and align with global sustainability standards.	0.170	0.175	0.142	0.105	0.150	●
	FTSE Russell Rating REM-L	This rating measures our ESG performance, providing an external benchmark of our progress towards sustainability and ethical business practices. A strong rating demonstrates our commitment to socio-economic growth and environmental stewardship, increasing stakeholder confidence and aligning with international best practice.	4	4	4	3.9	4	●














* As the ECD programme was launched in 2023, there is no data for 2022 to 2024. The programme's first cohort intake was in 2024, and school readiness will only be assessed through the national benchmark test in 2027, when the first cohort is in grade R.





Availability, quality and affordability of capitals shaping our strategic decision making and value creation

Our ability to create sustainable value hinges on effectively managing the availability, quality and affordability of capitals while addressing resource constraints through a focused, robust and adaptive strategy. This involves balancing immediate operational needs with long-term growth and impact priorities, ensuring resilience in a rapidly evolving global context as we pursue our strategic objectives.

Continued availability, quality and affordability of capitals driving our strategy	Key capital dependencies	Strategic objectives to resource constraint	Balancing resource management across time horizons
<p>Limited natural capital, exacerbated by climate change effects, presents a growing risk, as water and resource scarcity and extreme weather can impact our operations. These constraints limit extraction, increase operational costs and hinder our ability to generate financial capital for investment in sustainable growth. We are cognisant of coal's contribution to climate change, and we need to transition the business at speed and scale.</p>	  	  	<p>Navigating coal's environmental impact with South Africa's socio-economic needs</p> <p>As we accelerate the low-carbon transition, we remain mindful of South Africa's structural reliance on coal and our contribution to balancing energy requirements and grid stability. Our approach ensures we address environmental impacts and meet society's immediate energy requirements, enabling us to support socio-economic development while advancing towards a low-carbon energy future.</p>
<p>Our first two strategic objectives (transition at speed and scale and make our minerals and energy businesses thrive) are closely linked. The resilience of our coal business provides the financial foundation to invest in technology and innovation, diversify into energy transition minerals and expand our renewable energy solutions offering.</p> <p>By reinvesting financial capital into forward-looking, future-fit and critical capabilities, we can address climate-driven resource constraints and sustain profitability. This approach enables Exxaro to build a robust and adaptable business model that aligns with global climate goals, unlocking value for stakeholders in a rapidly evolving energy landscape.</p>	   	  	<p>Balancing capital allocation with sustaining and growth priorities</p> <p>Our low-carbon transition demands a careful balance between maintaining current operations and investing in future growth. Coal operations provide the financial stability required to fund renewable energy and energy transition mineral investments. Capital expenditure to maintain operations such as at Grooteegeluk, Belfast and Mafube ensures stable production and operational efficiency, which are critical for supporting ongoing financial resilience.</p> <p>We are redirecting resources away from coal expansion towards future-focused projects like Cennergi's 68MW LSP at the Grooteegeluk operation. This approach allows us to leverage the value generated by coal to fund our transition to low-carbon solutions, advancing our goal of carbon neutrality by 2050 while ensuring we meet immediate operational needs.</p>

Availability, quality and affordability of capitals shaping our strategic decision making and value creation continued

Continued availability, quality and affordability of capitals driving our strategy	Key capital dependencies	Strategic objectives to resource constraint	Balancing resource management across time horizons
Human capital is vital to achieving our strategic objectives, particularly in the low-carbon future. Skills shortages in critical areas like engineering, IT, energy and geology pose risks to growth and increase talent management and retention costs. We address this by supporting science, technology, engineering and mathematics students and implementing training, mentorship and development programmes to build a future-fit workforce. These efforts mitigate skills shortages, enhance resilience, and support Exxaro's transition to a sustainable, diversified business. Securing talent and critical skills at a sustainable cost remains a key priority for long-term success.	 	 	Maintaining operational focus while advancing diversification <p>Achieving a carbon-neutral portfolio by 2050 involves balancing current operational stability with mineral diversification ambitions. While coal generates the financial capital for this transition, success hinges on motivating, engaging and taking our people along as we navigate the change.</p> <p>Performance scorecards and transparent leadership align daily operations with long-term diversification goals, ensuring financial stability while driving future growth.</p>
To ensure resilience and create lasting value, our pathway to carbon neutrality builds on effectively managing natural, financial and human capital, with the constraints to these capitals previously outlined.	 	 	Balancing growth ambitions with carbon-neutral targets <p>Pursuing growth while striving for carbon neutrality requires a careful approach, particularly as acquisitions may temporarily increase total emissions. We evaluate acquisitions against our decarbonisation goals to ensure alignment. By embedding carbon intensity and emissions metrics into our strategic framework, we maintain a clear path towards sustainable growth while supporting global climate objectives.</p>
Becoming a catalyst for economic growth and environmental stewardship depends on securing social and relationship capital. Built on trust with communities, this social licence ensures access to critical resources like land, water and labour. Misalignment or transparency failures could disrupt operations and strategic goals. Safeguarding these relationships is therefore vital to our Sustainable Growth and Impact strategy.	 	 	Delivering community impact while enabling strategic resilience <p>Developing local economies and advancing environmental stewardship are central to enabling strategic resilience. Initiatives like SMME development programmes support community growth and strengthen our operations by fostering mutually beneficial partnerships. For example, enhancing local supply chains bolsters resilience against disruptions and ensures continuity in operations. By carefully selecting community-focused projects that align with our purpose, vision and strategic objectives, we create lasting social impact, secure critical resources and build a foundation of adaptability and sustainability. This approach ensures that Exxaro and the communities we serve thrive, reinforcing long-term resilience in a dynamic operating environment.</p>