



Exxaro Resources Limited  
Integrated report  
for the year ended 31 December 2025

**exxaro**  
POWERING POSSIBILITY

# Contents

- Introduction**
- 1 Our reporting theme
- 2 About this report
- 5 Delivering sustainable value creation
- 1 Leading with purpose**
- 7 Chairman's statement
- 8 CEO's report
- 10 **Our business**
- 12 About Exxaro
- 13 Our Sustainable Growth and Impact strategy
- 16 Performance against our strategy
- 21 Business model
- 26 Availability, quality and affordability of capitals
- 30 **The forces shaping our business**
- 31 Operating context
- 32 Operating outlook
- 39 Risks and opportunities
- 41 Our stakeholders
- 54 Our material matters
- 60 **Upholding good governance**
- 63 Our leadership
- 64 Summarised governance report
- 69 Combined assurance for effective governance
- 88 **Value creation and performance**
- 90 Financial capital
- 91 Manufactured capital
- 101 Intellectual capital
- 103 Human capital
- 105 Social and relationship capital
- 110 Natural capital
- 113 **Our Mineral Resources and Reserves**
- 119 Our Coal Resource and Coal Reserve reporting strategy
- 120 Our operations and projects in review
- 121 **Supplementary information**
- 123 Glossary
- 123 Administration

## Connect with us

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

**Ntebaleng Molewa**

Group manager: reporting and strategy  
 Tel: +27 12 307 3004 Mobile: +27 72 421 2830  
 Email: Ntebaleng.Molewa@exxaro.com

## Follow us on social media



## Navigating this report

- Read more online at [www.exxaro.com](http://www.exxaro.com) under the investors tab
- Read more in this report

The PDF of this report is hyperlinked. Click on a web or page reference for easy navigation.

## Material themes

- Adapting to a changing context
- Building sustainable communities
- Driving business resilience
- Enabling a thriving workforce
- Executing our strategy
- Principled governance
- Responsible environmental stewardship

## Strategic objectives

- Transition at speed and scale
- Make our coal, metals and energy businesses thrive
- Empower people to create impact
- Be carbon neutral by 2050
- Become a catalyst for economic growth and environmental stewardship

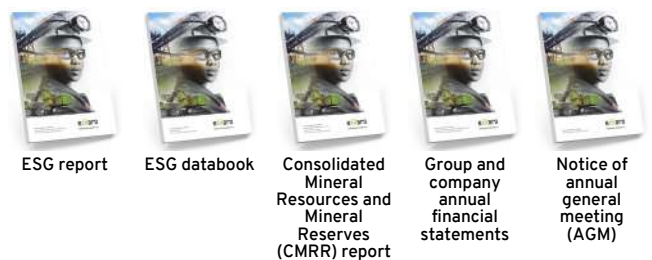
## Our capitals

- Natural
- Social and relationship
- Intellectual
- Human
- Manufactured
- Financial



## Reporting suite

We are committed to transparent reporting and publish an annual reporting suite detailing our performance. Our FY2025 reporting suite was published on 29 April 2026.



These reports and other supplementary reports are available [online](#) and should be read together for a complete understanding of our business and performance.

# Our reporting theme: Accelerating our strategy to become a diversified natural resources champion

Shifting global markets, climate pressures and the demand for both traditional and energy transition metals are reshaping the mining sector. In this context, complexity and opportunity go hand in hand. We are excited to present our 2025 integrated report, which showcases how we responded to these factors and created value for our stakeholders during the year.

**Our Sustainable Growth and Impact strategy remains our guiding light, charting a path that balances operational resilience with bold and responsible diversification. In 2025, we accelerated our strategy execution, supported by enhanced governance and agility to create impact at scale.**

Our coal portfolio remains the foundation of our business and powers our investment into future growth opportunities, including energy transition metals and expanding our energy solutions business. The portfolio is well capitalised, with long-life orebodies and high-quality infrastructure supporting safe and sustainable production. As we secure future-ready growth aligned with the global energy transition, we balance this with optimised operational efficiency and effective sales supported by our market-to-resource strategy in our coal portfolio. Post-year end, we signed a new long-term coal supply agreement (CSA) with Eskom, securing the continued supply of coal from our Matla mine to the Matla power station. The CSA provides the stability needed to sustain our investment in operational efficiency, safety standards and environmental stewardship.

In 2025, we unlocked an exciting new opportunity: the acquisition of a portfolio of manganese assets, securing our entry into the sector. Manganese is a critical energy transition mineral, supporting the move to a sustainable, low-carbon economy. The acquisition is a significant milestone, signalling our decisive transition to becoming a diversified natural resources champion. This diversification journey into resources that power a clean world remains a core focus.

We are also progressing our renewable energy goals, with several new Cennergi projects and agreements underway. The construction of the Karreebosch windfarm, which reached financial close in February 2025, will add 140 megawatts (MW) of generation capacity to Cennergi's renewable energy portfolio. In addition, we signed agreements with Acciona Energy South Africa Proprietary Limited to acquire majority stakes in two fully operational renewable energy assets – Gouda windfarm in the Western Cape and the Sishen Solar Facility in the Northern Cape, contributing a further 213MW of generation capacity. At the same time, in partnership with ENGIE SA, we are a preferred bidder under the seventh Renewable Energy Independent Power Producer Procurement Programme for the Corona solar project in the Free State, which will add another 240MW of generation capacity. Environmental, social and governance (ESG) principles are at the heart of our sustainable growth and endurance. We remain committed to decarbonisation and achieving carbon neutrality by 2050, in line with our decarbonisation roadmap.

We believe that mining begins and ends with our people. As we gain momentum in diversifying our business for the low-carbon transition, we are focused on not leaving behind those who still rely on a largely coal-based energy grid or our coal operations. For us, an impactful transition benefits our people and our communities, especially the most vulnerable. We remain committed to fairness, equity and inclusivity within and beyond the mine gate. This shapes how we invest in our host communities and promote an inclusive future. As such, our social investment initiatives drive meaningful change, create opportunities for local businesses and contribute to socio-economic development.

It is important that our leadership is responsive to these priorities. To advance our strategy delivery and ability to capitalise on opportunities, we bolstered our group management structure. This is a future-fit functional model that enhances collaboration, agile decision making and delivery as we accelerate into Exxaro's next phase of growth. Together with our employees' contributions, this will increase our capacity to deliver sustainable growth.

This is an exciting new dawn for Exxaro as we power better lives in Africa and beyond.

**Moving into our next chapter of sustainable growth, value creation and social impact.**



# About this report

Exxaro's integrated report (IR) for the year ended 31 December 2025 communicates our value creation story to all our stakeholders, particularly our shareholders and other providers of financial capital.

## Scope and boundary

This report contains material information about our strategic decisions and operational performance for the year 1 January 2025 to 31 December 2025 (the 2025 financial year).

It covers the financial and non-financial information of our wholly owned and joint arrangements in South Africa, Europe and Australia.

The reporting boundary incorporates material information and safety incidents about the Cennergi group of companies (Cennergi).

We include limited information on operations where we:

- Do not have management control but hold significant equity interest, namely Black Mountain Mining Proprietary Limited (Black Mountain), Richards Bay Coal Terminal Proprietary Limited (RBCT) and Sishen Iron Ore Company Proprietary Limited (SIOC), or
- Have joint control, namely Mafube Coal Proprietary Limited joint venture (JV) and the Moranbah South project (joint operation)

## Integrated thinking

Our belief in sustainable value creation is inspired by carefully considering the relationship between the resources we use and affect and potential trade-offs in strategic decision making. We integrate the six capitals into our business model and strategy and continuously strive to positively contribute to and negate any adverse impact on these capitals.

**Integrated thinking** provides the foundation for our ability to create value over time and is the basis of the integrated reporting process.

**Our integrated reporting process** ensures this thinking is communicated effectively to stakeholders, reinforcing accountability and transparency.

## Our integrated reporting process

The IR is our primary report, providing a lens through which to understand our activities, performance (financial and other) and outcomes – past, present and future – in terms of the six capitals. It focuses on issues that could substantively impact our ability to create value in the short term (one to five years), medium term (six to 10 years) and long term (over 10 years).

### 1 Determining what matters most

Our double materiality determination process guides the information included in our reporting suite. This report integrates material financial information with sustainability-related risks and opportunities that influence enterprise value.

Refer to the next page for the application of materiality across our reporting suite.

### 2 Gathering content

The report is prepared using various documents and insights from discussions with subject matter specialists across Exxaro.

### 3 Collaborating cross-functionally

Collaboration across departments ensures the integration of diverse perspectives and expertise, aligning our reporting with stakeholder expectations and strategic priorities.

### 4 Adapting to an evolving reporting context

Exxaro complies with all relevant legislation and financial reporting frameworks while closely monitoring advancements in sustainability reporting. We fully support the voluntary adoption of International Financial Reporting Standards (IFRS®) S1 General Requirements for Disclosure of Sustainability-related Financial Information and are assessing the IFRS S2 Climate-related Disclosures. We acknowledge the Task Force on Climate-Related Financial Disclosure's (TCFD) integration into the International Sustainability Board's (ISSB's) oversight and support the ISSB and Global Reporting Initiative (GRI) collaboration to promote aligned and complementary reporting standards.

We are actively engaging with relevant industry bodies and monitoring ongoing government discussions regarding the potential implications of adopting the new sustainability standards for businesses in South Africa. While we are refining our approach, our focus in 2025 was on operationalising our decarbonisation roadmap, which aligns with our broader sustainability commitments.

### 5 Providing governance oversight

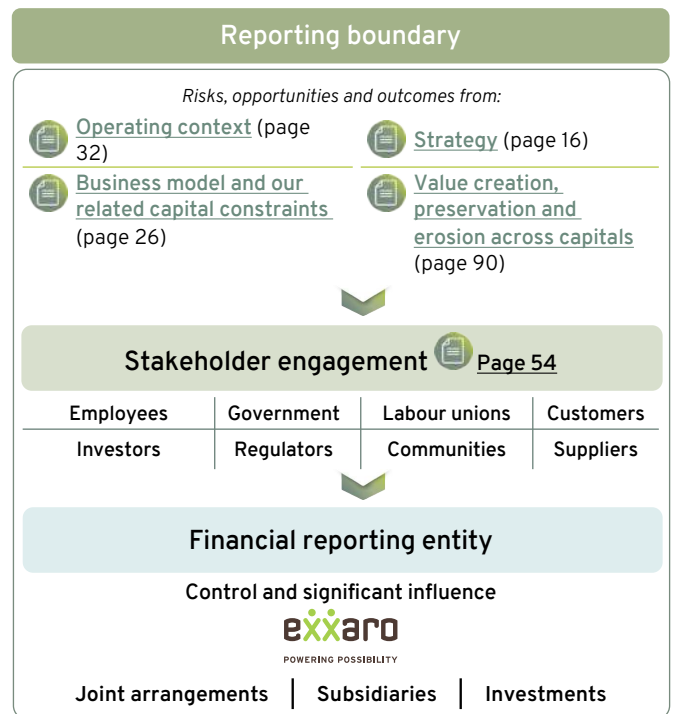
Our governance structures ensure Exxaro's integrated reporting aligns with strategic objectives, regulatory requirements and various sustainability standards. Oversight is provided by the executive committee, board of directors (board) sub-committees and departmental heads before submission to the board for review and approval.

### 6 Ensuring the integrity of our report

Assurance efforts support the integrity of information used in decision making and external reporting. We apply a combined assurance model to optimise assurance by management, as well as internal and external providers.


Refer to the level of assurance across our reporting suite on the next page, and detail on our assurance approach, level and outcomes in [combined assurance for effective governance](#) (page 88).

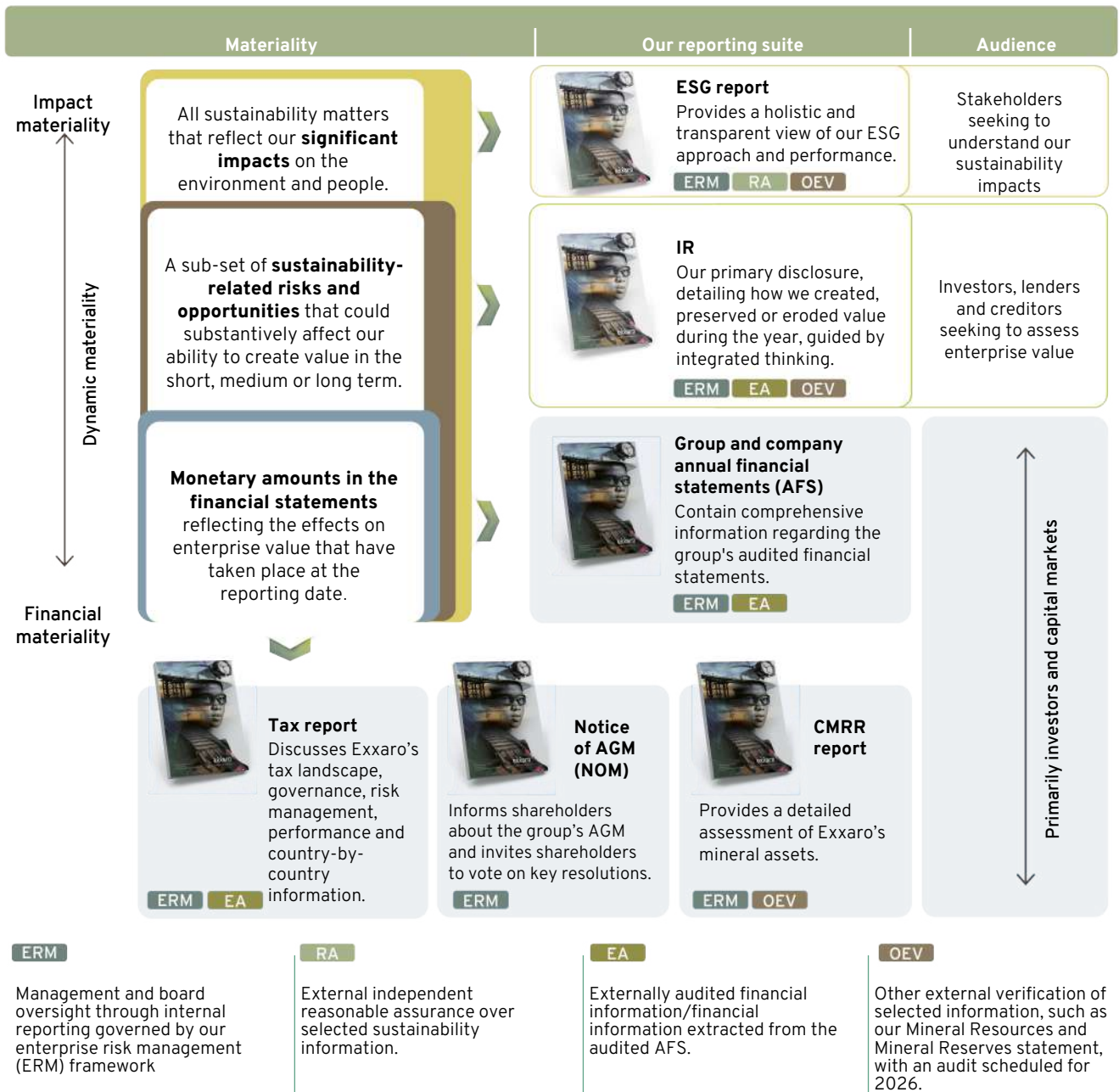
**2 Exxaro Resources Limited**  
Integrated report 2025



## Navigating our reporting universe

Our reporting suite reflects a comprehensive approach to meeting the diverse information needs of our stakeholders.

 Our reports are available [online](#) and should be read together for a complete understanding of our business and performance.



## About this report continued

### Frameworks, guidelines and regulations informing our reporting disclosure and approach

	IR	ESG	AFS	CMRR	Tax	NOM
Integrated Reporting Framework	X	X			X	
Companies Act, 2008 (Act 71 of 2008), as amended (Companies Act)	X	X	X		X	X
IFRS Accounting Standards*	X	X	X		X	
JSE Limited (JSE) Listings Requirements and Debt and Specialist Securities Listings Requirements	X	X	X	X	X	X
Department of Trade, Industry and Competition (dtic) Broad-based Black Economic Empowerment (B-BBEE) Codes of Good Practice	X	X				
The effective parts of the Broad-based Socio-economic Empowerment Charter for the Mining and Minerals Industry 2018 (Mining Charter III)	X	X				
King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)**	X	X			X	X
South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 edition (SAMREC Code)	X	X		X		
In accordance with GRI standards	X	X			X	
United Nations Global Compact (UNGC)	X	X				
Sustainability Accounting Standards Board***	X	X				
TCFD recommendations***	X	X				

\* As issued by the International Accounting Standards Board.

\*\* Copyright and trademarks are owned by the Institute of Directors South Africa NPC and all of its rights are reserved.

\*\*\* This falls under the custodianship of the IFRS Foundation®.

#### King V adoption

Exxaro continues to uphold the principles of sound corporate governance and ethical leadership as articulated in the King IV report. Following the release of King V, the company has commenced a structured transition process to align with the updated principles and recommended practices. This includes conducting a comprehensive gap analysis to assess alignment between King IV and King V, with a specific focus on identifying any areas requiring enhancement or refinement. The board, supported by its committees, is overseeing this process to ensure that governance practices remain robust, relevant and future-fit. In parallel, Exxaro is reviewing its governance disclosures to ensure continued transparency and alignment with evolving reporting expectations under King V. The outcomes of this process will inform a phased implementation approach, with progress to be reported in future IRs.

#### Board responsibility

The board acknowledges its responsibility for ensuring the integrity of our reporting suite, including this IR, which was prepared in accordance with the Integrated Reporting Framework. The board believes the report addresses all of Exxaro's material matters and presents a balanced view of our strategy, business model and ability to create and preserve value over the short, medium and long term, across the six capitals. The report remains the ultimate responsibility of the board, is prepared under the supervision of senior management and is subject to rigorous internal and external assurance reviews.

<b>Mvuleni Geoffrey Qhena</b> Independent non-executive director and chairman	<b>Ben Magara</b> Executive director and chief executive officer (CEO)	<b>Riaan Koppeschaar</b> Executive director and finance director (FD)
<b>Geraldine Fraser-Moleketi</b> Lead independent non-executive director	<b>Karin Ireton</b> Independent non-executive director	<b>Billy Mawasha</b> Independent non-executive director
<b>Nondumiso Ketwa</b> Independent non-executive director	<b>Dr Phumla Mnganga</b> Independent non-executive director	<b>Nosipho Molohe</b> Independent non-executive director
<b>Chanda Nxumalo</b> Independent non-executive director	<b>Peet Snyders</b> Independent non-executive director	<b>Isaac Malevu</b> Non-executive director

29 April 2026

# Delivering sustainable value creation

Our ambition is to provide resources (people, coal, metals, energy and capital) critical for a low-carbon future. This ambition informs our value creation process.

## How we create and preserve value

Integrated thinking underpins our strategic decision making, informs our approach to value creation and shapes the disclosures we provide through our integrated reporting. Our value creation approach entails:

### Staying true to our purpose

#### Our purpose shapes who we are and what we do

Environmental sustainability and social equity are key drivers transforming our operating landscape. Led by our purpose of powering better lives in Africa and beyond, Exxaro prioritises energy security, economic growth and social impact while diversifying our business to provide resources that contribute to a cleaner, more equitable world.

Refer to [about Exxaro](#) (page 13) and our [business model](#) (page 26)

### Considering the long-term forces that shape our future

External factors in our operating landscape, business risks and opportunities, and our stakeholders' needs and concerns impact our ability to create value. Navigating these forces requires both resilience and adaptability.



### Prioritising robust, value-enhancing governance and leadership

Good governance supports value creation and preservation, while safeguarding against value erosion. We prioritise transparency, accountability and integrity to strengthen our position as a responsible corporate citizen and reinforce stakeholder trust.

Refer to [upholding good governance](#) for more detail (page 63).

### Driving sustainable growth and impact

Our Sustainable Growth and Impact strategy lays the foundation for a sustainable future, and enables us to achieve our growth and diversification ambitions. We are sensitive to the balance between a rapid energy transition and a fair, equitable shift that benefits all stakeholders. Our strategy responds to this by addressing South Africa's immediate energy security needs while proactively positioning our business for long-term success in a low-carbon economy.

Refer to [our Sustainable Growth and Impact strategy](#) for more detail (page 16).

We use and affect the six capitals in our value creation process. For detailed disclosure on our performance against each capital and the value we create, refer to [value creation and performance](#) (page 90).



## Delivering sustainable value creation continued

### What success looks like...

#### Delivering on our strategy

<b>Business transformation</b>	<ul style="list-style-type: none"> <li>• <b>Sustaining resilience amid market volatility:</b> Maintained strong cash generation of R10.0 billion in 2025</li> </ul>
<b>Growth and diversification</b>	<ul style="list-style-type: none"> <li>• <b>Driving sustainable growth through strategic investments:</b> Acquired a portfolio of select manganese assets, signalling our entry into manganese</li> <li>• <b>Progressing towards renewable energy targets:</b> The Lephalale solar plant (LSP) began producing green electrons, we started construction of the Karreebosch windfarm project, acquired majority stakes in two operational renewable energy assets and were announced as the preferred bidder for the Corona solar project</li> </ul>
<b>Sustainability and social impact</b>	<ul style="list-style-type: none"> <li>• <b>Decarbonising today for a sustainable tomorrow:</b> Achieved a 10% reduction in scope 1, scope 2 and total emissions since 2019</li> <li>• <b>Building resilience through climate foresight:</b> Invested R68.6 million in climate change and sustainability research and development since 2019. Exxaro collaborated with the University of South Africa (Unisa) and the South African National Energy Development Institute on a biodigester project to turn waste into energy for communities. In addition, energy efficiency projects such as the variable speed drives project, were implemented at Grootegeluk in collaboration with the University of Pretoria</li> <li>• <b>Protecting natural resources and reducing our environmental impact:</b> Recycled 7 393ML of water in 2025 and contributed R5 million towards Peace Parks Foundation conservation initiatives every year since 2020</li> <li>• <b>Creating lasting socio-economic value for our communities:</b> Invested R1.735 billion in socio-economic development through local procurement, enterprise and supplier development (ESD), social and labour plans (SLPs), community skills development, corporate social investment (CSI) and emerging farmer support</li> </ul>

#### Creating and preserving value for our stakeholders, who in turn create value for us

By delivering on our strategy, we create and preserve value for our stakeholders. At the same time, our stakeholders create value for Exxaro.

##### Government and regulators – driving sustainable development

We create value for government and regulators through transparent operations that contribute to economic growth and energy access, and collaborate on projects echoing national and regional energy strategies and sustainability objectives. Guidance from governments and regulators strengthens Exxaro’s compliance, while their collaboration with us supports investment confidence.

##### Employees and unions – powering possibility

We empower our employees with opportunities for career growth, equitable compensation and a safe work environment. Employees, in turn, contribute their skills, innovation and commitment to safety and excellence. Their engagement and alignment with Exxaro’s purpose drive productivity, operational efficiency and the successful delivery of our strategic objectives. Our unions contribute to ensuring labour stability.

##### Communities – nurturing resilience and socio-economic growth

By integrating community needs into our operational strategy, we aim to foster sustainable growth and a resilient socio-economic structure that supports community prosperity beyond the life of mine. Our initiatives are tailored to support an impactful transition to a sustainable future, creating employment and reskilling opportunities for communities living in and around our operations. Communities create value for Exxaro by strengthening our social licence to operate and partnering in local development. Their collaboration, feedback and participation in shared initiatives enhance our reputation, operational continuity and long-term sustainability.

##### Customers – energising progress

We deliver value through our market-to-resource optimisation strategy to meet our customers’ needs while contributing to energy security in South Africa and beyond. We also seek to supply metals and energy that enable the energy transition, nurturing trust-based, innovative partnerships that support our collective vision for sustainable development. Simultaneously, customers’ continued demand and collaboration drive innovation and business resilience.

##### Investors – investing in tomorrow

Through our Sustainable Growth and Impact strategy, Exxaro responsibly and competitively uses the capital our investors entrust us with to operate and build a business that creates sustainable long-term value for our shareholders and broader stakeholder community. Our strategy is anchored in long-term value creation and offers a credible pathway to providing resources that power a clean world. We are building on our coal foundation by growing our energy solutions business and through acquisitive growth in energy transition metals, ultimately enabling attractive risk-adjusted returns for our investors.

##### Suppliers – strengthening supply chain sustainability

We continuously review our supply chain sustainability practices to improve and adapt to current business challenges. We implement initiatives that are responsive to Exxaro’s ESG priorities and economic challenges faced by our local communities. At the same time, we leverage partnerships with our suppliers in addressing topics of climate change, carbon pricing and adaptation strategies, deepening their understanding and encouraging active participation in climate resilience and mitigation efforts. Our suppliers create value for us by providing quality goods and services, and contributing to operational efficiency.

 [Social and relationship capital](#) (page 110), [upholding good governance](#) (page 63)

#### Impacting the United Nations (UN) Sustainable Development Goals (SDGs)

Exxaro voluntarily endorses the UN SDGs as part of embedding ESG into the business. We also participate in South Africa’s National Business Initiative to align the SDGs with the country’s National Development Plan. By implementing leading practices, we advance the most material SDGs and ensure we leave a lasting positive impact. Exxaro materially impacts the following SDGs:



Effective leadership is the foundation of our resilience and growth. Through disciplined execution, clear accountability and a shared commitment to our purpose of powering better lives, we are shaping a future that balances performance with progress. Anchored in our values, Exxaro's leadership team remains focused on unlocking sustainable value, strengthening our diversified portfolio and building a business fit for the future.



1

Leading with purpose

8 Chairman's statement

10 CEO's report

# Chairman's statement

The mining sector is being reshaped by forces that are both disruptive and generative. Shifting commodity markets, climate change imperatives and the accelerating global demand for energy transition minerals and metals constantly redefine what it means to be a competitive, responsible mining group.

## Delivering against our strategy

The board recognises that complexity and opportunity coexist in the environment in which Exxaro operates. Against this backdrop, Exxaro's Sustainable Growth and Impact strategy remains an appropriate and disciplined framework for balancing operational resilience with responsible diversification and long-term value creation.

Significant progress has been made during 2025 in advancing the group's strategic priorities. Exxaro's position as a diversified natural resources business was strengthened through a continued momentum in growing the renewable energy business and the completion of a strategically significant manganese transaction. This investment has advanced the group's portfolio diversification objectives, and enhanced exposure to future-facing commodities and supports transformation in the sector.

The Kalahari Manganese Field is of global significance, and the acquisition strengthens Exxaro's participation in a commodity that remains important to infrastructure development and increasingly relevant to clean energy battery chemistries. This transaction enhances the quality and resilience of the group's portfolio and supports sustainable long-term growth.

The board also oversaw continued progress in Exxaro's energy transition ambitions, including the successful advancement of self-generation initiatives that are expected to enhance cost competitiveness, energy security and emissions reduction over time.

At the same time, management continued to simplify the portfolio through responsible disposal of selected non-core assets, sharpening focus on long-term value strategic opportunities.

**A diversified portfolio, capable leadership and a clear strategy position Exxaro well for the opportunities that lie ahead.**

## Protecting and developing our workforce

It is recognised that leadership stability contributes positively to employee wellbeing. Safety remains the group's foremost priority, with the introduction of the One Voice Safety strategy, which focuses on clear communication, leadership accountability and continuous improvement. Safety performance improved materially during the year, reflecting strengthened leadership accountability and culture. While progress is acknowledged, there remains unwavering commitment achieving the goal of zero harm.

Ongoing investment to learning, training and development remains a priority across the group. These initiatives are complemented by a strengthened succession planning framework and leadership development programmes, designed to deepen the leadership pipelines and deliver on the group's strategic ambitions.



**Mvuleni Geoffrey  
Qhena**  
Chairman

## Supporting a low-carbon future

Exxaro remains committed to achieving carbon neutrality by 2050. The board continues to oversee the implementation of the group's decarbonisation roadmap, which provides a structured framework for reducing emissions, improving energy efficiency, and strengthening long-term resilience.

There is a depth of sustainability expertise among our directors, which strengthens governance of climate-related risks and opportunities.

## Investing in shared prosperity

Powering better lives in Africa and beyond continues to guide the investments Exxaro makes and the manner in which it creates value.

Exxaro's commitment to becoming a catalyst for economic growth and environmental stewardship includes investments towards small, medium and micro-enterprises (SMMEs), development, education and land use management to support long-term socio-economic development in our communities and ensure responsible stewardship of the natural resources we rely on. Our commitments to both community development and environmental stewardship intersect through active land rehabilitation and biodiversity enhancement at our operations. These initiatives transform land from a mining asset to a long-term economic enabler for our communities.

## Engaging with stakeholders to ensure resilience and impact

Strong, multi-stakeholder partnerships amplify the group's impact and target systemic challenges. The board continues to prioritise transparent and inclusive engagement, balancing diverse stakeholder interests while positioning the group to navigate external challenges and support sustainable socio-economic development.

We are committed to fostering an ethical culture, upholding the highest standards of integrity, and acting in the best interest of all stakeholders. Exxaro's inaugural supplier ethics day, brought suppliers together to promote ethical conduct, reinforce shared values, and support responsible and sustainable sourcing. These efforts contribute to building resilient relationships across the value chain and enhancing the group's long-term impact.

Ethical practices continue to be embedded and sustained across the business through an effective ethics management framework. Ongoing oversight of Exxaro's ethical culture is maintained through the social, ethics and responsibility committee, the audit committee and other governance structures.



During the year, there was a strong focus on the oversight of logistics constraints and strategic infrastructure developments that are critical to Exxaro's export competitiveness. Reliable logistics networks remain critical to preserving market access and supporting the value of the group's resource base.

From a labour relations perspective, Exxaro continued to cultivate constructive dialogue and maintained strong working relationships with our organised labour stakeholders.

The board, through the investment committee, was active in overseeing the advancement of the group's growth and diversification strategy. During the year, it monitored the coal, metals and energy growth pipelines and recommended key investment decisions for board approval. We engaged with our shareholders on investment decisions and capital allocation through regular interactions, including our 2025 governance roadshows.

The coal class action suit launched in 2023 against coal mining companies, including Exxaro, is ongoing. The board is overseeing the matter diligently, acting in accordance with legal advice, and will monitor Exxaro's position.



[Board key matters in focus](#) (page 70)

## Financial resilience and shareholder returns

Exxaro delivered a strong performance in 2025, despite a persistently challenging macro-economic environment. The group's high-quality assets portfolio continued to generate robust cash flows, supporting a solid balance sheet and financial flexibility.

Reflecting our ongoing commitment to delivering superior and consistent returns to our shareholders, the board approved a revised dividend policy. A final gross dividend of R10 per share was declared, amounting to approximately R3.4 billion. Including the interim dividends of R2.9 billion paid in October 2025, total dividends for 2025 amount to R6.3 billion.

## Stabilising leadership and governance

A key focus during the year was introducing Ben Magara as Exxaro's new CEO to our full stakeholder base, including employees, organised labour, government, industry bodies, customers and shareholders. Ben brings over 35 years of mining industry experience, and his technical expertise, strategic insight, and knowledge of Exxaro's business and the broader mining industry position him well to lead the group through the next phase of growth. The board is pleased with the disciplined execution of Exxaro's strategy and further supports enhancements to the executive structure to support the diversified natural resources portfolio.

## Looking ahead

The global geopolitical environment remains plagued with uncertainty, with the humanitarian crisis in the Middle East disrupting global energy markets, increasing energy security risks and placing pressure on global economic growth. Trade policy shifts, particularly around import tariffs, have introduced complexity into commodity markets. In such an environment, the board's role in providing oversight and strategic guidance remains critical in supporting the execution of Exxaro's Sustainable Growth and Impact strategy, enabling the group to navigate complexity with resilience.

Through its Risk and Business Resilience committee, there is a continued oversight of the group's risk management and business continuity frameworks, ensuring that Exxaro remains sufficiently prepared to respond to external risks and operational disruptions that emerge as a result of these dynamics.

Exxaro's defensive, diversified natural resource portfolio provides a strong foundation, balancing a stable and predictable earnings base with long-term growth optionality. The integration of the recently acquired assets remains an important area for the board to preserve long-term value creation.

Through Operation Vulindlela, we are witnessing progress through collaboration. Business and government are working together to fast-track structural reforms, unlock economic growth, reduce costs and improve competitiveness. We are encouraged by the improved energy availability and early signs of progress on logistics performance.

Through the oversight of the logistics committee, we continue to monitor progress on initiatives aimed at unlocking logistics capacity, particularly along the Waterberg corridor which remains constrained. Reliable and efficient logistics infrastructure is critical to preserving export optionality and supporting the long-term competitiveness of Exxaro's long life resource base. The strategic importance of these reforms is recognised, both for Exxaro and for South Africa's broader participation in global seaborne markets.

The board remains confident in Exxaro's strategic direction. Exxaro's portfolio is defensive, our employees are capable and committed, and our purpose is clear. We are focused on supporting management to deliver strategic goals; transforming board insights into business excellence; enabling Exxaro's stability, culture, succession planning and performance; promoting enduring stakeholder value creation; and empowering our people and communities.

As we look ahead, we do so with the conviction that responsible growth and lasting impact are complementary pursuits, and that Exxaro is well positioned to deliver on both.

I extend my appreciation to Ben, the executive team and the people of Exxaro for the focus and commitment they have brought to this important year. To our employees, thank you for your continued dedication. To my fellow board members, thank you for your guidance and support. And to our stakeholders, your trust and collaboration remain both a privilege and a responsibility we do not take lightly.

Mvuleni Geoffrey Qhena  
Chairman

29 April 2026

# CEO's report

I joined Exxaro as your chief executive a year ago. I am pleased that we stabilised the business and delivered on all key business imperatives, including the best-ever safety performance. We established a strong leadership team and accelerated the disciplined execution of our strategy with laser focus. 2026 marks 20 years since Exxaro listed and we declared our 46th consecutive dividend while delivering positive social impact beyond the surface.

Despite a dynamic macro-environment, we focused on stabilising the business, operational delivery and accelerating the prudent delivery of our Sustainable Growth and Impact strategy. This affirmed Exxaro's position as a diversified natural resources champion, underpinned by our strong coal base, a growing energy solutions business, equity-accounted investments in iron ore and base metals, and now a significant global manganese presence through the recent acquisition of select manganese assets in the Kalahari Manganese Field.

This acquisition represents both a decisive delivery of Exxaro's strategy and a meaningful transformation in the sector. The transaction was awarded the Black Economic Empowerment (BEE) Deal of the Year at the 2025 DealMakers Annual Awards for bringing together two big South African BEE mining companies with shared values and setting a precedent for the manganese sector through enhanced empowerment participation, strengthened partnerships and a structure designed to deliver sustainable economic inclusion.

We delivered on our priorities of safety, stability, succession planning, operational delivery and prudent diversification. To strengthen stability and execution, we completed our group management structure with permanent appointments, embedding a future-fit functional model that enhances collaboration, agile decision making and delivery as we accelerate into Exxaro's next phase of growth.

The group recorded zero work-related fatalities. This marks 40 consecutive months without a fatality. Our LTIFR improved by 33% to 0.04 per 200 000 worker-hours worked (2024: 0.06). Both Grootegeluk and Belfast achieved a full year without lost-time injuries (LTIs). These outcomes show that our goal of zero harm is achievable, and we must remain vigilant.

## Maintaining resilient performance

Exxaro delivered a strong performance in 2025, despite a persistently challenging macro-economic environment. Group revenue increased, and our portfolio of high quality assets achieved a robust cash generation enhancing a solid balance sheet. Our net cash position increased to R17 641 million compared to R16 309 million at the end of 2024 (excluding energy's net debt). Group earnings before interest, tax, depreciation and amortisation (EBITDA) declined marginally by 2% to R10 225 million (2024: R10 423 million), despite export coal prices declining by 14%.

We met our market guidance across all metrics. Through our effective market-to-resource initiatives, we achieved a price realisation of 96% (2024: 95%) against the 2025 average API4 coal benchmark price of US\$90 per tonne (2024: US\$105 per tonne). Despite a 14% weaker export coal pricing environment, our strong marketing capabilities, disciplined cost management and the defensive nature of Exxaro's portfolio enabled the group to sustain a resilient EBITDA performance

The Matla life of mine (LoM) expansion project progressed well and is targeted for completion in the first half of 2026. The project is ahead of schedule, delivering early coal production and contributing to increased mine output in 2025. Upon completion, the mine will supply between 8Mt and 10Mt of coal per annum to Matla power station. Furthermore, the renewal of the mine's mining right and integrated water use licence (IWUL) provides long-term operating certainty and strengthens the value of this investment.




Ben Magara  
CEO

## A year of accelerated and responsible diversification has solidified our position as a diversified natural resources champion.


Cash generation remained robust, and our equity-accounted investments in iron ore and base metals continued to enhance the quality of our earnings. As a result, headline earnings per share (HEPS) increased by 8% to R32.47 per share (2024: R30.16 per share). Following the acquisition of select manganese assets from Ntsimbintle Holdings and OMH, the group will no longer maintain the previously targeted cash buffer of R12 billion to R15 billion, and we have reviewed our capital allocation framework. Consequently, the dividend cover ratio was improved from a range of 2.5 times to 3.5 times, adjusted group earnings to a range of 1.5 times to 2.5 times, while the 100% pass-through of the Sishen Iron Ore Company (SIOC) dividend remains unchanged.

In line with the improved dividend cover range, the board declared a final gross dividend of R10 per share, amounting to approximately R3.4 billion. Including the interim dividend of R2.9 billion paid in October 2025, total dividends for 2025 amount to R6.3 billion. This reflects our ongoing commitment to delivering superior and consistent returns to our shareholders, as guided by our disciplined capital allocation framework.

 Refer to [capital allocation](#) (page 20) and [FD's overview](#) (page 92) for details on our capital allocation framework.

## Pursuing our Sustainable Growth and Impact strategy

Our Sustainable Growth and Impact strategy anchors our position as a diversified natural resources champion. The strength of our coal business is underpinned by the high-quality infrastructure investments made over many years and a substantial resource base of over 9 billion tonnes, supporting long LoM profiles. The International Energy Agency (IEA) forecasts that global energy demand will still include coal well beyond 2050. Exxaro is therefore exploring organic growth opportunities through life extension within and around our operations to meet this demand. Our manganese acquisition strengthens our diversified asset base, and our energy solutions business is expanding in wind and solar, deepening the defensive nature of our portfolio. This, together with disciplined cost management and site-specific climate adaptation plans, reinforces operational resilience. Our strategic execution is unfolding at a measured pace.

 For more on our objectives and related outcomes, see [our Sustainable Growth and Impact strategy](#) (page 16).

At the same time, our decarbonisation commitments and social impact investment programmes highlight our dedication to creating impact beyond compliance. We structure our environmental stewardship from active operations through to post-mining land use. In 2025, we rehabilitated 2 639ha of land, an increase from 2 325ha in 2024.



In 2025, our social investment of R1.70 billion supported 389 local SMMEs through a procurement spend of R1.3 billion. Exxaro's education and early learning support approach evolved from once-off infrastructure interventions to a whole-school development approach that includes school resourcing, extracurricular support and health programmes.

We accelerated the growth of our energy solutions business, achieving financial close on the Karreebosch windfarm, which is now under construction and progressing well, with green electrons expected in the first half of 2027. The project will supply wheeled green energy to our coal customer, Northam Platinum Limited, under a 20-year power purchase agreement, reducing our scope 3 emissions. It will also add stability to the national grid while advancing South Africa's decarbonisation goals. We estimate that Karreebosch will create over 1 000 jobs during construction and 17 permanent operational roles, bolstering the local economy. The project will also support social initiatives in surrounding areas, including education, skills development and healthcare programmes. Other exciting growth developments, including the acquisition of majority interests in the Gouda windfarm and Sishen solar plant, are expected to significantly expand our energy solutions business.



Refer to [our reporting theme](#) (page 1) and [our assets](#) (page 14) for details on Cennerg's strategic developments.

As we expand our energy operations, we are simultaneously divesting non-core assets to streamline our portfolio and sharpen management focus. The group concluded the disposal of our entire shareholding in FerroAlloys Proprietary Limited to EverSeed Energy Proprietary Limited, a 100% black-owned investor and operator, with meaningful management and employee participation. This supports empowered local ownership while enabling the redeployment of capital into opportunities as presented by a diversified natural resources company, underpinning our strategic objectives to make our coal, metals and energy businesses thrive and to be a catalyst for economic growth and environmental stewardship.

Leeuwpans turnaround strategy is progressing well. The section 189 process was concluded without any forced retrenchments, reinforcing the strength of collaboration between Exxaro and all our stakeholders. Following the section 189 consultation process, we concluded a strategic partnership with Transnet Freight Rail, strengthening logistics and rail capacity planning for Leeuwpans. This is expected to improve performance and unlock value for the operation.

## Investing in our people

I am grateful for the dedication and resilience of Exxaro's people, as they supported the stabilising of the company. As an executive leadership team, we listened to our employees across all operations and visited our sites, including closed collieries and renewable energy farms. These engagements, together with visits to our regulators, investors and national labour organisations at their head offices, reinforced the fact that our Sustainable Growth and Impact strategy is robust and intact, supported by ongoing investment in our people.

I am pleased with the establishment of a strong management team that is fit for purpose. This includes four new appointments: Caroline Shirindza as executive head: coal, Neo Monareng as executive head: sustainability, Fortune Ntlhoru as executive head: commercial and Mervin Govender as executive head: technical services. Our leadership bench is complete and broadly representative of the country's demographics, combining experience and fresh perspectives.

Alongside leadership stability, we are advancing our culture transformation journey, reinforcing the behaviours and leadership practices required to enable collaboration, accountability and high performance across the group, delivered through the One Exxaro Way. We executed an ethics and culture reset, and the positive results were reflected in our follow-up culture pulse survey outcomes post-year end. Building a strong, ethical, values-driven and high-performance culture remains central to sustaining operational excellence and delivering long-term value, while creating an environment where our people can do the best work of their lives together, safely.

Our commitment to diversity, equity, inclusion and belonging continues to shape our employee composition, with historically disadvantaged backgrounds representing 91% of our workforce. Women account for 35% of employees and 47% of management roles. These outcomes reflect our deliberate, ongoing efforts to build a more inclusive and representative organisation.

The strength of our people practices was again recognised externally, with Exxaro being certified by the Top Employer Institute for the fifth time, with an improved overall score of 89.49% (2024: 83.39%).

## Looking ahead

I am pleased with the progress we made in 2025. We strengthened our strategic foundations, advanced key portfolio initiatives and further enhanced our leadership capability to support the next phase of delivery.

Exxaro is now an established diversified natural resources champion, underpinned by a strong coal base, a growing energy solutions business and, through the Tshipi Borwa Mine, a globally significant manganese producer. Together, these businesses form a defensive portfolio with built-in optionality. Both our coal and energy businesses play an important role in supplying South Africa's energy needs, one through reliable baseload supply and the other through renewable energy generation, creating a stable earnings base that anchors the defensive nature of our portfolio. Further upside optionality is provided through our coal and manganese export capability, enabling meaningful participation in seaborne markets supported by a substantial, high-quality, long-life mineral resource base.

The evolving geopolitical environment, including tensions in the Middle East, has introduced uncertainty into global energy markets through oil price volatility, rising freight costs and higher insurance premiums. The conflict is contributing to disruptions in global energy supply dynamics, increasing risks to energy security. Higher oil prices place pressure on global inflation and economic growth, while also influencing trade balances in energy-importing economies such as South Africa. These dynamics are reinforcing a greater focus on reliability and security of energy supply across many markets.

Our coal exports are largely sold on a free on board (FOB) basis and do not transit the Strait of Hormuz, limiting direct exposure to shipping disruptions in the region. However, higher freight and insurance costs may impact certain commodities differently. Manganese, which is typically traded on a cost, insurance and freight (CIF) basis, may experience some margin pressure in a higher freight environment. In addition, higher oil prices contribute to inflationary pressure on fuel costs, which form part of our mining cost base, adding pressure to already rising marginal costs of production in South Africa.

Our business continuity management plans have been activated, ensuring a coordinated approach across stakeholders in our supply chain to maintain operational continuity.

The rebuild of war-ravaged infrastructure and restoration of oil and liquefied natural gas (LNG) supply chains are likely to take time, suggesting that disruptions across energy and logistics may persist in the medium to long term. In this environment, coal market fundamentals remain supported by demand in key economies, as well as the role coal continues to play in supporting reliable and affordable power supply where alternative fuels, including LNG, are constrained by availability, security and pricing.

Climate change remains one of the defining challenges of our time. In line with our objective of being catalysts for environmental stewardship, we recognise our responsibility in minimising and mitigating environmental impact. We remain committed to our goal of reaching carbon neutrality by 2050.

Our initiatives support improved energy efficiency, cost reduction and operational resilience. The commissioning of Lephalale solar plant (LSP) marks an important milestone as Exxaro's first self-generation renewable energy project. The project is expected to reduce scope 2 emissions by 17% and lower the mine's electricity costs by over R100 million a year.

I would like to acknowledge the commitment and hard work of our employees. Our results are a direct reflection of the dedication, professionalism and resilience of our people. It is through their efforts that Exxaro continues to deliver for all our stakeholders and position the business for long-term success.

We place strong emphasis on employee wellbeing and are dedicated to fostering a culture of integrity that enables all our people to thrive. Our priorities for 2026 are clear: sustain safe and reliable delivery, support improved logistics performance and execute the integration of our newly acquired assets. At the same time, we will continue advancing key milestones in our energy solutions business, including financial close and commissioning activities already underway.

Ben Magara  
CEO

29 April 2026

We drive sustainable growth to create lasting impact while positioning our business to navigate complex challenges with resilience. Guided by our purpose of powering better lives, we remain committed to environmental sustainability and social equity. Through this focus, our progress contributes meaningfully to the lives we touch and supports an impactful, low-carbon future.



## 2 Our business

- 13 About Exxaro
- 16 Our Sustainable Growth and Impact strategy
- 21 Performance against our strategy
- 26 Business model
- 30 Availability, quality and affordability of capitals

# About Exxaro

Exxaro is a South African JSE-listed company that is becoming a diversified natural resources champion. Listed in 2006, coal is our core commodity and we have an established energy solutions business. Our growth ambitions include energy transition metals, underpinned by an efficient infrastructure and logistics network.

<p><b>Five</b> operating coal mines<sup>1</sup> 39.9 million tonnes (Mt) coal produced (including buy-ins) (2024: 39.5Mt)</p>	<p><b>Two</b> operating windfarms with an additional windfarm under construction and the LSP commissioned in December 2025 <b>704 gigawatt-hours (GWh)</b> renewable energy generated (2024: 725GWh)</p>	<p><b>One</b> manganese acquisition concluded* <b>One</b> renewable energy asset acquisition in progress, and Cennergi is preferred bidder for the Corona solar photovoltaic (PV) facility <i>*Acquisition became effective post-year end.</i></p>
<p>Total assets with a book value of R103.2 billion (2024: R94.7 billion)</p>	<p>Market capitalisation of R61.20 billion (2024: R55.17 billion)</p>	<p>31.47% black empowered</p>

### Sustainable Growth and Impact strategy

We are creating a resilient, sustainable and impactful business that is diversifying while catalysing economic growth, principled governance, environmental stewardship and positive change. Our strategic objectives enable the successful execution of our strategy.

- Transition at speed and scale
- Make our coal, metals and energy businesses thrive
- Empower people to create impact
- Be carbon neutral by 2050
- Become a catalyst for economic growth and environmental stewardship

### A snapshot of where we are going and how we will get there

#### Purpose

**Powering better lives in Africa and beyond** means we aim to provide resources (people, metals, coal, energy and capital) critical to ensuring a responsible energy transition towards a low-carbon future.

#### Vision

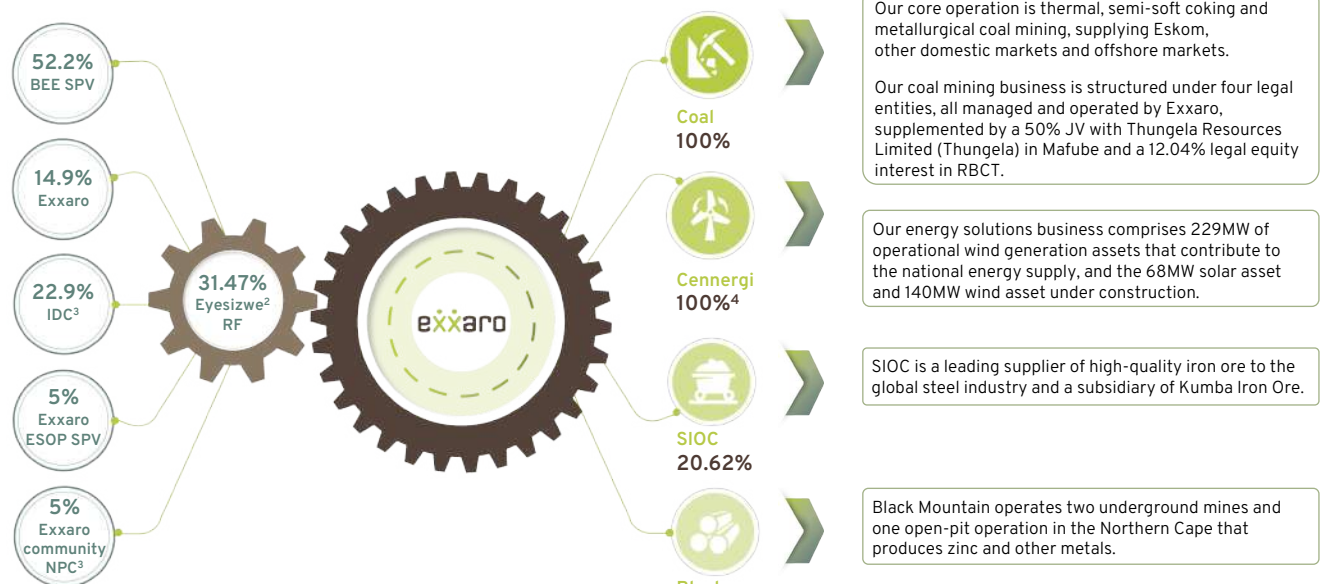
**Resources powering a clean world** means we strive to have a positive impact on the environment and communities we serve while responsibly maximising the value of our coal assets.

#### Values

Our success lies in the strength of our culture and values, which strengthen our resilience and ensure we deliver stakeholder value.

- Our values are:**
- Empowered to grow and contribute
  - Teamwork
  - Committed to excellence
  - Honest responsibility

### Ownership structure as at 31 December 2025



Our core operation is thermal, semi-soft coking and metallurgical coal mining, supplying Eskom, other domestic markets and offshore markets.

Our coal mining business is structured under four legal entities, all managed and operated by Exxaro, supplemented by a 50% JV with Thungela Resources Limited (Thungela) in Mafube and a 12.04% legal equity interest in RBCT.

Our energy solutions business comprises 229MW of operational wind generation assets that contribute to the national energy supply, and the 68MW solar asset and 140MW wind asset under construction.

SIOC is a leading supplier of high-quality iron ore to the global steel industry and a subsidiary of Kumba Iron Ore.

Black Mountain operates two underground mines and one open-pit operation in the Northern Cape that produces zinc and other metals.

For detailed information on our group structure, refer to the [2025 AFS](#).

<sup>1</sup> Including the Mafube JV.  
<sup>2</sup> Eyesizwe (RF) Proprietary Limited (Eyesizwe), a special purpose vehicle (SPV) private company incorporated under South Africa's laws, holds the black economic empowerment (BEE) shares. On 12 March 2025, Eyesizwe's shareholders committed to maintaining Exxaro's 31.47% empowerment shareholding until 2027.  
<sup>3</sup> Industrial Development Corporation of South Africa (IDC) and Exxaro Aga Setshaba NPC.  
<sup>4</sup> Exxaro owns 100% of Cennergi; Cennergi owns majority stakes in all its underlying operational assets and assets under construction.

About Exxaro continued

## Our assets

Our diversified asset portfolio spans thermal coal (where we are among South Africa's top producers), a growing energy solutions business and equity-accounted investments in iron ore and zinc (among other base metals).

### Coal and metals business

Our coal and metals business includes coal operations and equity investments in iron ore, zinc and manganese assets acquired post-year end. We also have business interests in a marketing and logistics company in Switzerland, and a joint operation with Anglo Coal Grosvenor Proprietary Limited, the Moranbah South project, in Australia.

**Building on this foundation, our plans to expand our business portfolio to include manganese, copper and other energy transition metals will enable our contribution to a more sustainable future.**

#### Snapshot

- We own the largest high-quality Coal Reserves remaining in South Africa, providing a platform for the country's current and future energy landscape
- Grootegeeluk is one of the world's largest integrated mining and beneficiation operations, running the largest coal beneficiation complex and the only producing mine in the coal-rich Waterberg, adjacent to Eskom's Matimba and Medupi power stations
- We invested R2.3 billion (2024: R2.1 billion) in sustaining our coal business
- We agreed to acquire a portfolio of high-quality manganese assets in May 2025, with the transaction concluded in 2026

Read the [CMRR report](#) for detailed disclosure on our minerals business performance.

#### Coal business

- 1 Grootegeeluk coal complex
- 2 Thabametsi project
- 3 Belfast
- 4 Leeuwan
- 5 Matla
- 6 Mafube JV (50%)
- 7 Moranbah South project (50%)



### Our Waterberg coal complex

<b>Location</b>	West of Lephalale
<b>Market</b>	Domestic and export
<b>Product</b>	Thermal and metallurgical coal
<b>Coal Resources (inclusive)</b>	• Measured: 2 947Mt • Indicated: 925Mt
<b>Coal Reserves</b>	• Proved: 1917Mt • Probable: 485Mt
<b>Mining method</b>	Open-cut
<b>Run of mine (RoM)</b>	51.93Mt
<b>LoM*</b>	46 years

<b>Location</b>	West of Lephalale
<b>Market</b>	Domestic
<b>Product</b>	Thermal coal
<b>Coal Resources (inclusive)</b>	• Measured: 270Mt • Indicated: 749Mt
<b>Coal Reserves</b>	• Probable: 130Mt
<b>Mining method</b>	Open-cut
<b>LoM*</b>	35 years

### Energy solutions business

Aligned with our goal to decarbonise and diversify, Exxaro's energy solutions business comprises investments through our wholly owned subsidiary, Cennergi. This business supports our ambition of a 1 600MW net energy portfolio by 2030, including self-generation to support our coal and future energy transition metals operations, and providing energy to external customers, including mines and larger industrial companies.

**The energy solutions business and our scope 1 and 2 emissions reduction efforts are critical to achieving our goal of carbon neutrality by 2050 and advancing our commitment to being an active participant in the energy transition.**

#### Snapshot

- Cennergi has two operational wind assets: Tsitsikamma and Amakhala Emoyeni windfarms
- The LSP, commissioned in December 2025, is delivering green electrons to Grootegeeluk, reducing the operation's carbon footprint and electricity costs
- Cennergi began construction on the 140MW Karreebosch windfarm and signed agreements with Acciona Energia to acquire new energy assets and a majority shareholding in the operations and maintenance company for the Acciona assets. Cennergi was also named preferred bidder for the 240MW Corona solar PV project
- Cennergi's operating wind asset project financing of R3.7 billion (2024: R4.1 billion) will be fully settled by the end of 2031
- Cennergi's assets under construction project financing will be fully settled by the end of 2046

- 8 Tsitsikamma community windfarm
- 9 Amakhala Emoyeni windfarm
- 10 LSP
- 11 Karreebosch windfarm



<b>Location</b>	
<b>Product</b>	
<b>Capacity</b>	
<b>Equipment</b>	
<b>Performance</b>	
<b>Customer</b>	
<b>Commercial operation</b>	
<b>Power purchase agreement</b>	
<b>Shareholding</b>	



### Our Australian interest

<b>Phase</b>	Undertaking prefeasibility study to inform decision for development prospects.
<b>Location</b>	Queensland, Australia
<b>Market</b>	Export
<b>Product</b>	Coking coal
<b>Coal Resources</b>	• Measured: 505Mt** • Indicated: 219Mt**

\*\* Total Resource basis.



### Our Mpumalanga coal operations

	3 Belfast	4 Leeuwan	5 Matla	6 Mafube JV (50%)
<b>Location</b>	South of Belfast	South-east of Delmas	West of Kriel	East of Middelburg
<b>Market</b>	Export (alternative domestic)	Domestic and export	Domestic (Eskom)	Domestic and export
<b>Product</b>	Thermal coal	Thermal coal	Thermal coal	Thermal coal
<b>Coal Resources (inclusive)</b>	• Measured: 93.7Mt • Indicated: 8.0Mt	• Measured: 51.58Mt	• Measured: 625Mt • Indicated: 80Mt	• Measured: 136.6Mt*** • Indicated: 1.8Mt***
<b>Coal Reserves</b>	• Proved: 23.8Mt • Probable: 40.2Mt	• Proved: 20.71Mt • Probable: 4.31Mt	• Proved: 98Mt • Probable: 28Mt	• Proved: 88.2Mt*** • Probable: 7.9Mt***
<b>Mining method</b>	Open-cut	Open-cut	Underground	Open-cut
<b>RoM</b>	4.02Mt	3.75Mt	6.59Mt	3.00Mt
<b>LoM*</b>	19 years	7 years	18 years	16 years

\*\*\* Total Resource and Reserve basis.



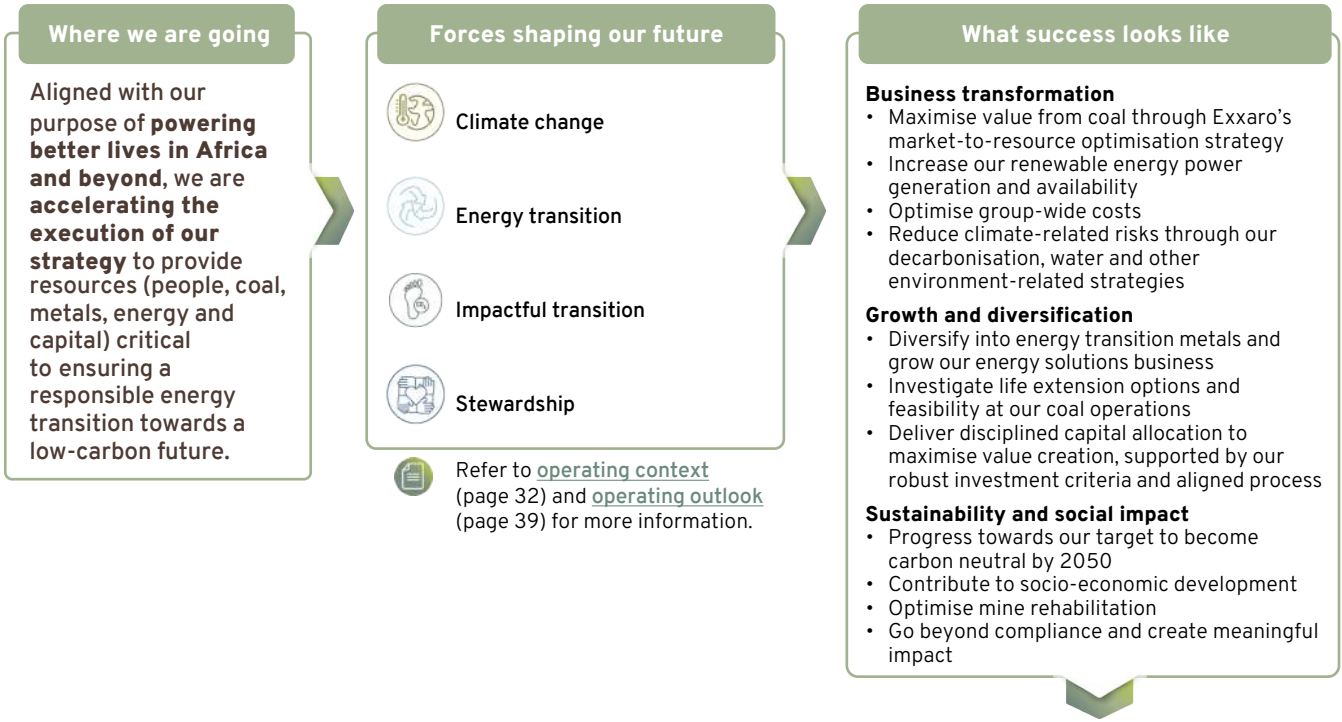
\* We adjusted our LoM reporting. LoM presents the period in years during which the Ore Reserves can be economically exploited considering all modifying factors with clear explanatory footnotes on regulatory approvals. The reported LoM years were previously constrained by the expiry of the mining right. The only exception is at our Grootegeeluk mine where the LoM is constrained by the lapse of the Eskom supply agreement.

### Eastern Cape, Northern Cape, Western Cape and Limpopo

8 Tsitsikamma community	9 Amakhala Emoyeni	10 LSP	11 Karreebosch
Near Tsitsikamma	Near Bedford and Cookhouse	Lephalale	Between Sutherland (Northern Cape) and Matjiesfontein (Western Cape)
Wind energy	Wind energy	Solar energy	Wind energy
95MW	134MW	68MW	140MW
31 x 3.1MW turbines	56 x 2.4MW turbines	129 025 solar panels	25 x 6MW turbines
Adjusted P50 in the long term	Adjusted P50 in the long term	Reached financial close June 2023	Reached financial close February 2025
Eskom	Eskom	Exxaro Coal Proprietary Limited (Grootegeeluk)	Northam Platinum Limited
2016	2016	Commissioned 2025, full commercial operations 2026	2027
20 years	20 years	25 years	20 years
Cennergi (75%), RE Times (16%) and the Tsitsikamma Development Trust (9%)	Cennergi (95%), Cookhouse Community Trust (2.5%) and the Bedford Community Trust (2.5%)	Cennergi (100%)	Cennergi (80%) and G7 Renewable Energies (20%)

# Our Sustainable Growth and Impact strategy

We are becoming a **diversified natural resources champion** through our Sustainable Growth and Impact strategy. With stakeholders in mind, our strategy proactively positions our business for long-term success in a low-carbon economy while leveraging our strong coal foundation to power our diversified ambitions.



**How we will achieve this: our Sustainable Growth and Impact strategy**

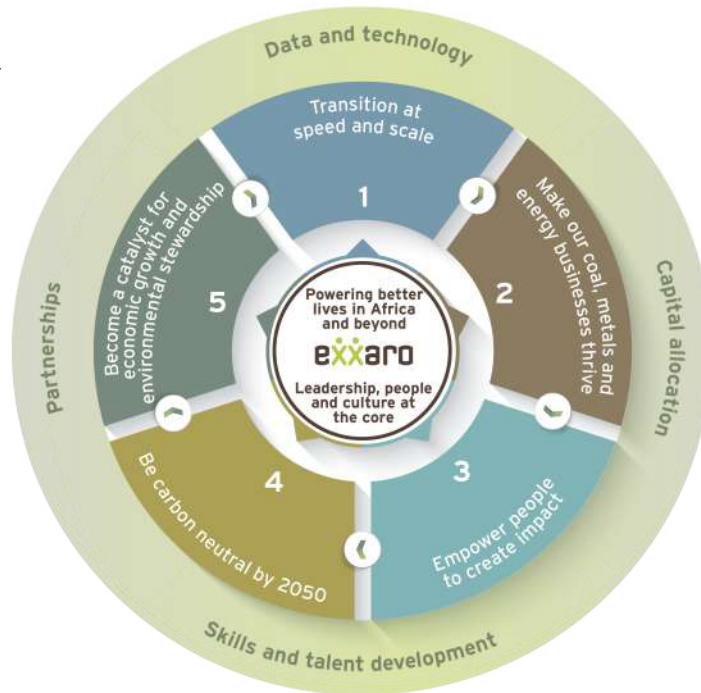
**The successful execution of our strategy is delivered through five strategic objectives, which are supported by key enablers, as illustrated below.**

**Our business now**

- Coal and metals business comprising a robust and solid coal portfolio, iron ore and base metals interests, with a manganese acquisition concluded post-year end
- Leading energy solutions business comprising a renewable energy generation base with Cennergi

**Long-term goal (2050)**

A carbon-neutral, diversified coal, metals and energy business by 2050



**Short-term goal (one to five years)**

A coal and renewable energy company adding energy transition metals and expanding its renewable power generation, with:

- New income streams introduced
- Acquisitive and organic growth

**Medium-term goal (six to 10 years)**

- A diversified natural resources champion in Africa and beyond
- A leading energy solutions provider

## Unpacking our strategy

### Strategic objectives that support the execution of our strategy



#### Transition at speed and scale

We implement disciplined capital allocation aligned to our ambition of becoming a diversified natural resources champion while driving a positive energy transition and creating social impact. We will leverage our innovative organisational intelligence and take our people along as we focus on building a diversified natural resources portfolio.



#### Make our coal, metals and energy businesses thrive\*

We enhance focus on our core delivery areas of coal, metals and energy by expanding our footprint, simplifying our portfolio through targeted divestments of non-core assets and maintaining strong operational and digital excellence.



#### Empower people to create impact

We empower people to create impact and we contribute towards sustainable livelihoods while ensuring our people have the requisite capabilities, skills, mindset and passion to do their best work, a core anchor in achieving our purpose.



#### Be carbon neutral by 2050

Through focused portfolio decarbonisation and supporting initiatives, we continue to power positive social, economic and environmental impact.



#### Become a catalyst for economic growth and environmental stewardship

We aim to positively impact our ecosystem during and after our operations in coal, metals and energy, contribute to community projects and build thriving, sustainable businesses through our social impact programmes. These programmes aim to drive lasting, scalable socio-economic upliftment and prosperity, independent of our presence and involvement.

\* Formerly referred to as "Make our minerals and energy businesses thrive".

### Accountability for strategy execution

We implement our strategy across three tiers of accountability, with integration across tiers to ensure alignment with long-term carbon neutrality aspirations and enabling successful execution against strategic objectives.

#### Tier 1: Board

Sets vision, mission and overall strategic direction of the business

#### Tier 2: Executive management

Drives the approved strategy. Cascades the approved strategy across the business and integrates it into comprehensive business plans and budgets

#### Tier 3: Business units and corporate functions

Translates business plans into detailed execution plans across the organisation

### Strategic enablers that support decisive strategy execution

#### Data and technology

We use data, analytics and technology to advance innovation and drive efficiencies, productivity and targeted improvements across our business. This supports a low-carbon future and unlocks long-term competitiveness and strategic value.

#### Skills and talent development

We focus on building talent while fostering workforce capability to drive successful delivery against our strategy. To ensure sustainable long-term resilience, we provide relevant skills development programmes to our people. We also offer bursaries and internships to nurture and create a resilient talent pipeline.

#### Partnerships

Partnerships with our stakeholders, including suppliers and industry players, are central to our success. Partnerships foster collaboration and provide a positive platform to facilitate growth, innovation and broad-based impact.

#### Capital allocation

Our disciplined capital allocation framework guides our investment decisions, anchoring our investment criteria. This is essential for financial robustness, effective risk management and continued prudent strategic investment execution.

### The future of our strategy

Our Sustainable Growth and Impact strategy is anchored on our solid coal foundation, which supports and enables our transition into energy transition metals, diversifying our business as we continue to advance a sustainable, low-carbon future. As we execute on our strategy, firmly positioning Exxaro as becoming a diversified natural resources champion, our strategy follows a natural and aligned evolution.

This evolution has led to a gradual shift of our strategy language and overall narrative aligned to our reviewed focus areas. Our efforts largely focused on updating our strategic enablers, strategic objectives and "What success looks like" pillars over 2025, as reflected above and on page 16.

Our Sustainable Growth and Impact strategy continued

Becoming a diversified natural resources champion through our asset portfolio

Our coal and metals business

Coal business



Coal is the foundation of our business, powering our growth and diversification ambitions while supporting South Africa's primary energy security and global energy demand.

Why

- We are responsible stewards of our coal assets and aim to continue extracting value responsibly
- As we transition to a low-carbon future, we want to ensure we continue to meet demand

How

- Investigate the feasibility of life extension options across all our operations
- Strengthen our coal asset portfolio and strategically reconfigure our portfolio in alignment with our long-term goals and strategy
- Efficient value extraction while we execute on our market-to-resource capabilities
- Digitalise our operations to embed operational excellence and efficiencies
- Enhance capital deployment efficiency
- Emissions reduction aligned to group strategy objectives

Metals business



We are adding energy transition metals vital for a low-carbon future, through our manganese acquisition, and looking for copper opportunities, among others.

Why

- We are building a future-focused, resilient, diversified business that thrives in a low-carbon world
- We diversify our revenue streams to anchor a competitive and resilient business. The diversification strategy guards against de-rating risks associated with significant coal exposure
- Our robust capital allocation framework designates strategic funding for growth while optimising shareholder returns

How

- Enable the transition while leveraging our core competencies, technical expertise and specialised skills, in alignment with our investment criteria
- Prioritise opportunities aligned to our growth ambitions through robust investment screening criteria
- Maintain a competitive advantage through our strong balance sheet, advanced mining expertise and strategic partnerships

Competitive advantage

- **Specialised skills:** We have a foundation as a diversified miner, with strong project development, an execution track record and recognised specialised skills. This includes expertise in open-pit and underground mining methods, processing, marketing and sales, logistics, strategic finance, and merger and acquisition capabilities. These inherent capabilities streamline and help bring focus when evaluating potential diversification opportunities
- **Project execution excellence:** We deliver digital innovation through our iNNOVAXXION strategy and operational excellence through our high-performing coal operations while reducing costs and improving productivity, efficiencies and safety
- We are 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 includes providing energy assets and value-integrated services to a broader market, supported by the following pillars:

##### • **Distributed and utility generation:**

- We are focusing on supplying our existing operations with self-generation, extending similar services to mines and other industrial customers, and participating in public auctions to supply the national grid
- Our assets comprise two windfarms in operation, with the LSP producing electrons ahead of full commercial operation and the construction of Karreebosch windfarm in progress
- We are acquiring majority interests in two additional renewable energy assets to increase generation capacity, as well as the associated operations and maintenance company, and have been awarded preferred bidder in a utility-scale solar asset
- We will identify priority markets using investment-driven selection criteria

##### • **Services:**

- We aim to grow our integrated energy services business by expanding our existing energy business and augmenting our generation business with complementary offerings across the energy value chain

#### Why

- Support Exxaro's transition to a carbon-neutral business
- Diversify and strengthen Exxaro's cash flow by providing cost-competitive value chain-integrated energy solutions
- Become a key contributor to energy security

#### How

- Leverage Exxaro's competitive differentiators, including internal energy needs, a healthy balance sheet, resource evaluation skills, project management and optimisation excellence, and project lifecycle experience
- Invest in energy solutions with an acceptable risk profile
- Accelerate growth through strategic acquisitions of skills, resources and market entries
- Collaborate with partners to build skills and credibility, and drive growth

### Competitive advantage

- **Renewable pedigree and scale:** We are a significant independent power producer in South Africa, with exposure to the energy industry since 2009
- **Strong Exxaro brand** and a **robust balance sheet**
- **Adjacency advantage:** All our operations require decarbonisation and are often clustered with other mining peers who may also require solutions
- **Renewable energy partnerships:** Our relationships with our partners enable growth and contribute key offtake opportunities

## Our Sustainable Growth and Impact strategy continued

### Capital allocation

Our capital allocation framework and capital excellence programme enable us to optimise financial resources to build a resilient business while we deliver consistent stakeholder value. The framework informs strategic decision making between competing business investment interests and aligns with our broader objectives, as we approach the low-carbon transition with a clear understanding of the risks and rewards.

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

- **Strategic fit:** We evaluate investments based on financial performance, ESG alignment and diversification across products, geographies and customer bases
- **Pacing:** We prioritise timing to maximise value realisation, considering factors like time to earnings, Exxaro's organisational readiness and stakeholder impacts

In addition, our capital allocation is guided by enterprise key performance indicators (KPIs), including growth in metals earnings, decarbonisation, return on capital employed (ROCE), increase in energy generation, and maintaining our ESG licence to operate.

### Capital allocation framework

#### 7 Excess cash

We manage excess cash prudently, reinvesting in high-return opportunities or returning it to shareholders through special dividends or repurchases depending on prevailing market conditions, ensuring we maintain flexibility.

#### 6 Growth

We allocate growth capital towards our diversification goals, emphasising a focus on renewables and energy transition metals. This includes advancing our decarbonisation initiatives to position us as a sustainable, diversified business.

#### 5 Expansion capex

In line with Exxaro's strategic intent, we will not spend growth capital on coal projects, other than capital on life extensions of existing coal operations. Our expansion capital prioritises growth in energy transition metals and our energy solutions business, supporting our transition to a low-carbon future.

#### 1 Cash inflow

We maintained strong cash generation, with revenue of R41.8 billion and a net cash position of R17.6 billion (excluding energy net debt of R6.9 billion). This solid cash base enables us to support strategic investments and sustain our existing operations.

#### 2 Debt service

Maintaining financial resilience is a priority. Our internal target net debt to EBITDA ratio of less than 1.5 times excluding project finance debt supports financial flexibility and stability, positioning us to respond agilely to market changes as we pursue growth.

#### 3 Sustaining capex

Sustaining capital expenditure (capex) increased due to the capitalisation of the double benching mining at Belfast. This disciplined approach is central to our capital allocation model and ensures we can sustain production in core areas.

#### 4 Dividends

We paid R4.1 billion (2024: R5.7 billion) in dividends to external shareholders and R1.4 billion (2024: R1.9 billion) to BEE Parties. This reflects our balanced approach of providing immediate returns to shareholders while actively growing our business.



# Performance against our strategy

We measure and manage our performance over time to monitor our progress towards achieving our strategic objectives.

KPIs enable us to track our progress, address our ESG commitments and achieve our goals. Our performance against our strategic objectives and KPIs is detailed in the tables below. We also indicate which KPIs are linked to remuneration incentives.



KPIs are grouped per capital in relation to how their continued availability, quality and affordability impact our strategic objectives (see page 30 for more detail).

## Transition at speed and scale

### Why it matters

We are repositioning Exxaro through disciplined capital allocation and organisational intelligence to deliver sustained value for our business and society. Coal remains a strategic part of our portfolio, and our transition will be paced and deliberate, reflecting our responsibility to energy security, economic inclusion and a pragmatic shift towards a resilient operating model.

### Strategies to achieve our objectives

- Enabling the low-carbon transition and identifying key energy transition metals for future growth while leveraging core competencies in mining, marketing and logistics through our [coal and metals business approach](#) (page 18)
- Expanding renewable energy capacity and capabilities to support operational energy needs and contribute to South Africa’s renewable energy landscape and low-carbon transition through our [energy solutions business](#) (page 19)

### Material themes



### SDGs impacted



### Progress against our strategy

Related capitals	Performance indicator	Why this KPI matters	Performance		Commentary
			2025	2024	
	New metals EBITDA contribution (%)	Tracking EBITDA from new metals provides a measure of operational profitability and insight into our earnings diversification as we invest in energy transition metals. This indicator demonstrates our progress in building a sustainable, profitable asset portfolio aligned to our transition objectives.	0	0	In May 2025, we announced our entry into two separate agreements to acquire select manganese assets from Ntsimbintle Holdings and OMH. This marks a significant step forward in diversifying our business and will increase our EBITDA contribution from new metals over time.  We also progressed the expansion of our energy solutions business, bringing the total assets under construction and operation to 890MW gross, through: <ul style="list-style-type: none"> <li>• The LSP, set for full commercial operation in 2026 (68MW)</li> <li>• The financial close and construction of the Karreebosch windfarm (140MW)</li> <li>• Cennergi’s acquisition of majority stakes in two operational renewable energy assets (the 138MW Gouda windfarm and the 75MW Sishen photovoltaic plant), as well the entity responsible for the assets’ operations and maintenance</li> <li>• The recent announcement as preferred bidder under Renewable Energy Independent Power Producer Procurement Programme Window 7 for the Corona solar PV project (240MW)</li> </ul>
	Installed generation capacity in operation (MW gross)	Expanding our capacity to generate low-carbon energy strengthens South Africa’s energy security while reducing Exxaro’s reliance on fossil fuels.	229	229	



See [financial capital](#) (page 91) and [manufactured capital](#) (page 101) for details.

## Performance against our strategy continued

### Make our coal, metals and energy businesses thrive

#### Why it matters

Our core delivery areas of coal, metals and energy enable us to drive future growth and long-term sustainability. We are focusing on these areas through operational and digital excellence, asset portfolio reconfiguration through rigorous reviews and robustness testing against robust asset criterion. This approach allows us to continue prioritising current energy requirements even as we transition. A streamlined portfolio will further enhance resilience, positioning us well for sustainable growth opportunities.

#### Strategies to achieve our objectives

- Maintaining a resilient, profitable coal business through cost efficiency, price optimisation and [market-to-resource optimisation](#) (page 102)
- Embedding sustainable mining practices, focusing on ESG and health and safety
- Embedding digital enablement, data-driven decision making and continuous improvement to drive productivity and efficiencies

#### Material themes



#### SDGs impacted



#### Progress against our strategy

Related capitals	Performance indicator	Why this KPI matters	Performance		Commentary
			2025	2024	
	Coal product (Mt) <b>REM-S</b>	Our ability to meet production targets directly impacts revenue generation and market supply. Tracking coal output helps assess operational efficiency and resource management, supporting South Africa's financial resilience and energy security.	<b>39.9</b>	39.5	Our production was above target, with a good cost performance, enabled by business improvement initiatives across all our operations. We improved our export tonnes and export price realisation, underpinned by our market-to-resource optimisation strategy, operational improvement projects and logistics performance.  We also achieved our ROCE goals and an EBITDA margin in line with our prior guidance, demonstrating continued resilience and strength, despite external challenges.
	Coal export price realisation (%)	The realisation of coal price in the export market indicates the effectiveness of our marketing and product placement in achieving an average export price compared to the Argus/McCloskey Coal Price Index (API4).	<b>96</b>	95	
	Total coal cash cost per tonne (R/t) <b>REM-S</b>	Total cash cost per tonne indicates our operational effectiveness and ability to manage our cost of production.	<b>653</b>	638	
	Coal export tonnes (Mt)	Coal export tonnes indicate the effectiveness of our logistics, sales and marketing efforts in selling our products on the international market.	<b>7.1</b>	7.0	
	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.	<b>24</b>	26	
	ROCE (%) <b>REM-L</b>	ROCE assesses 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.	<b>22</b>	23	
	Solvency ratio (times)	Solvency ratio measures our financial stability and capacity to meet long-term obligations. A healthy ratio provides the flexibility to fund strategic initiatives, navigate market fluctuations and support our growth objectives.	<b>3.2</b>	3.6	

See [financial capital](#) (page 91) and [manufactured capital](#) (page 101) for details.

#### Key Description

**REM-S** Linked to remuneration (short-term incentive (STI))

**REM-L** Linked to remuneration (long-term incentive (LTI))

## Empower people to create impact

### Why it matters

We provide skills development and contribute to sustainable livelihoods while fostering a culture of innovation and accountability. Empowering our people and partners, who are central to our success, positions us to achieve our goals. This approach also amplifies our societal and economic impact, ensuring our work resonates with our vision and purpose, and leads to positive lasting change.

### Strategies to achieve our objectives

- Ensuring zero harm through our proactive [One Voice Safety strategy](#) (page 106)
- Supporting a healthy, motivated workforce through our [health and wellness strategy](#) (page 107)
- Fostering inclusion, addressing systemic barriers and ensuring leadership diversity under our [diversity, equity and inclusion \(DEI\) strategy](#) (page 106)
- Upskilling and reskilling our workforce for the low-carbon future through our [talent management strategy](#) (page 109)
- Driving innovation and operational effectiveness with our [iNNOVAXXION strategy](#) (page 104)

### Material themes



### SDGs impacted



### Progress against our strategy

Related capitals	Performance indicator	Why this KPI matters	Performance		Commentary
			2025	2024	
	Fatalities REM-S	Our commitment to safety reinforces our human capital by ensuring our people are protected, motivated and aligned with our strategic objectives.	0	0	In 2025, we launched our refreshed safety strategy, the Exxaro One Voice Safety strategy, at our annual CEO safety summit and leadership safety day. These events allowed executives and industry leaders to engage in discussions on strategic initiatives and innovative approaches to achieving zero harm. Together, our initiatives enabled Exxaro to reach the milestone of 40 months fatality-free, advancing our zero harm journey and creating a safer work environment for all.
	LTIFR REM-S	Reducing the LTIFR demonstrates our dedication to employee safety and wellbeing. A low LTIFR signals a culture of care and accountability, which is fundamental to sustaining high productivity and adaptability.	0.04	0.06	
	B-BBEE contribution level	Improving our B-BBEE level highlights our commitment to inclusivity and social responsibility, and contributes to South Africa's empowerment objectives. This commitment strengthens community and stakeholder relationships while aligning our operations with broader socio-economic goals.	2	2	

See [intellectual capital](#) (page 103) and [human capital](#) (page 105) for details.

Key	Description
REM-S	Linked to remuneration (STI)
REM-L	Linked to remuneration (LTI)

Performance against our strategy continued

Be carbon neutral by 2050

**Why it matters**

To realise this goal, we are strategically decarbonising our portfolio and integrating social impact initiatives that promote environmental responsibility and drive positive social change. These efforts are important, as they contribute to a cleaner world, prepare us for a changing climate landscape and position us as a leader in sustainable practices. Our dedication to carbon neutrality demonstrates to stakeholders, including customers, investors and employees, that our operations align with global activities to reduce climate change and positively impact our planet.

**Strategies to achieve our objectives**

- Driving decarbonisation, including reducing scope 3 emissions across the value chain, through our [Climate Change Response strategy and decarbonisation plan](#) (page 114)

**Material themes**



**SDGs impacted**



**Progress against our strategy**

Related capitals	Performance indicator	Why this KPI matters	Performance		Commentary
			2025	2024	
	Absolute emissions (ktCO <sub>2</sub> e)	Tracking scope 1 and 2 emissions allows us to measure our progress in lowering our carbon footprint, which is directly linked to our operations.	<b>977</b>	936	Our 2025 absolute emissions were higher than in 2024, in line with increased production. Our short-term goal remains to reduce our scope 1 and 2 emissions by at least 40% by 2030. To achieve this, our first self-generation project, the LSP, is producing green electrons and will contribute a further 161ktCO <sub>2</sub> e reduction to our scope 2 emissions. Additional renewable energy projects at our Mpumalanga operations and energy efficiency initiatives across all operations will also support the achievement of our short-term targets.

See [natural capital](#) (page 113) for more details.



## Become a catalyst for economic growth and environmental stewardship

### Why it matters

We create a lasting positive impact beyond our operational lifespan and drive long-term, self-sustaining development through community projects and programmes. We aim to leave a legacy of empowerment and ecological balance, ensuring the progress and wellbeing of communities alongside environmental integrity. This is important for our business, as it ensures business continuity, enhances stakeholder trust and drives sustainable operations.

### Strategies to achieve our objectives

- Focusing on local economic upliftment and community-driven projects through our [Social Impact strategy](#) (page 111)
- Ensuring long-term sustainability through our [environmental stewardship](#) (page 117) initiatives
- Enhancing trust through our [ethics and employee relations strategies](#) (pages 74 and 108)

### Material themes



### SDGs impacted



### Progress against our strategy

Related capitals	Performance indicator	Why this KPI matters	Performance		Commentary
			2025	2024	
	SMMEs supported	Supporting SMMEs stimulates economic activity, creates jobs and fosters entrepreneurial growth, ensuring long-term economic resilience in the regions where we operate.	198	178	We continued to support emerging local businesses and farmers, in line with our Social Impact strategy. 43 new SMMEs joined the programme, while 23 graduated, resulting in a net total of 198 SMMEs supported by Exxaro. We also continued to support ECD centres, with 31 ECD practitioners receiving their accredited National Qualifications Framework level 4 qualifications. The children showed an improvement of 11.2% in their development, and the reduction in the number of learners enrolled was due to grade progression and relocations.
	Active learners reached through ECD programme	The total number of learners actively enrolled in the ECD centres that Exxaro supports indicates the extent of the impact of our ECD support programme.	2 955	3 906	
	ECD school readiness (%)	By improving school readiness, we help develop an educated, capable workforce and empower communities to thrive independently over time.	N/A*	N/A*	
	Water intensity (kilolitres (kL)/tonne RoM) <b>REM-S</b>	Tracking water intensity helps us minimise our operational impact, safeguard future resource availability and align with global sustainability standards.	0.145	0.142	We continued water management efforts to ensure climate resilience and safeguard our natural resources. Our water intensity targets remain below industry norms due to above-average water recycling, as we invest in projects to lower our freshwater intake, such as the Belfast water treatment plant and Grootegeluk Oliphantskop dam recycling project.

\* As the ECD programme was launched in 2023, there is no data for 2024 and 2025. 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.

See [social and relationship capital](#) (page 110), [natural capital](#) (page 113) and [ethical culture](#) (page 74) for details.

Key	Description
<b>REM-S</b>	Linked to remuneration (STI)
<b>REM-L</b>	Linked to remuneration (LTI)

# Business model

Our business model outlines the capitals needed for becoming a diversified natural resources champion in Africa and beyond, with our activities transforming inputs into value.

## The resources and relationships we rely on

Our inputs	Our constraints	Strategic response
<b>Natural capital</b> The natural resources we rely on to run our business and create our products	<b>Water scarcity:</b> We operate in water-stressed areas, limiting reliable access to water. This resource is essential for mining and processing <b>Finite coal resources:</b> Coal reserves are finite, contributing to a global shift towards less carbon-intense energy alternatives <b>Climate change impacts:</b> Coal's climate impact and related risks affect operational resilience	  
<b>Human capital</b> The people who manage our business and perform our operational activities	<b>Critical skills shortages:</b> Demand for future-ready skills is rising, driven by a global focus on the energy transition. We compete for talent with international markets and currencies <b>Workplace hazards:</b> Mining is an inherently high-risk environment, requiring intensive focus to ensure zero harm <b>Historic underrepresentation of key groups:</b> Ongoing efforts are required to increase the representation of women, youth and people with disabilities	  
<b>Social and relationship capital</b> The relationships that support our social licence to operate	<b>Stakeholder concerns:</b> Growing negative sentiment towards fossil fuels, along with higher expectations for businesses to address social issues, challenge our social licence to operate <b>Reputational risk:</b> Relying on contractors and suppliers carries the risk of reputational damage through non-adherence to our values or standards	 

## Our activities

**What we do**  
 Our business activities strengthen our resilience and ensure we deliver sustainable value through a robust portfolio in a low-carbon economy.

**Responsible mining**

- Delivering resources to support the country's energy needs
- Ensuring responsible environmental stewardship

**Energy operations** (own use and grid supply)

- Delivering energy projects and services
- Building a leading energy solutions business by 2030

**Strategising for future relevance and a low-carbon transition**

- Developed a roadmap for a transition to a low-carbon economy

**Diversified equity investments**

- SIOC (iron ore)
- Black Mountain (zinc)

**Delivering sustainable impact and responsible practices**

- Driving DEI
- Promoting values-based leadership
- Ensuring effective governance
- Investing in community development initiatives
- Engaging with stakeholders

Our business model does not operate in isolation. It impacts and is impacted by our:

- [Risks and opportunities](#) (page 41)
- [Strategy and resource allocation](#) (page 16)
- [Performance against our strategy](#) (page 21)
- [Stakeholders](#) (page 54)

Our [capital trade-offs](#) are unpacked on page 30.

Our inputs	Our constraints	Strategic response
<b>Manufactured capital</b> The physical mining, energy and property assets that enable us to deliver our products	<b>Ageing physical infrastructure:</b> Ageing infrastructure at key physical assets requires capital-intensive upgrades to maintain operational efficiency <b>Fast pace of technological change:</b> It is imperative to invest in advanced technologies and renewable energy projects to meet evolving environmental standards and strengthen operational resilience	 
<b>Intellectual capital</b> The unique combination of knowledge, experience, innovation and systems that set us apart	<b>Technological competition:</b> Remaining competitive in a fast-evolving industry requires continuous investment in skills, knowledge and digital transformation <b>Balancing innovation with operational needs:</b> Effective use of intellectual capital requires balancing investments in emerging technologies with the operational demands of today	 
<b>Financial capital</b> The financial assets that enable us to deliver on our strategy	<b>Revenue volatility:</b> Fluctuating commodity prices create revenue uncertainty, potentially impacting our ability to fund operations and strategic initiatives <b>Rising operational costs:</b> Increasing costs challenge our financial capacity to maintain profitability while investing in essential growth and sustainability projects <b>Multiple strategic demands:</b> Apportioning financial resources between sustaining coal operations and new opportunities, particularly in energy transition metals, requires careful prioritisation of short-term stability and long-term transformation	  

## Our outputs What we produce

**Coal**

39.9Mt product volumes

(2024: 39.5Mt)

**Renewable energy**

703GWh wind and solar energy

(2024: 725GWh)

**Emissions**

977 kilotonnes CO<sub>2</sub>-equivalent (ktCO<sub>2</sub>e) scope 1 and 2 emissions

(2024: 936ktCO<sub>2</sub>e)

**Waste**

4 189 tonnes (t) hazardous waste

(2024: 2 662t)

Business model continued

## Managing our capitals to achieve our ambitions






Impact on value	Net value increase	Net value preservation	Net value erosion
Year-on-year change	Positive increase	Unchanged	Positive decrease
	Negative increase		Negative decrease


	Natural capital	Human capital	Social and relationship capital	Manufactured capital	Intellectual capital	Financial capital
<b>Our inputs (as at 31 December 2025)</b>	<ul style="list-style-type: none"> <li><b>RoM:</b> 69.3Mtpa (all active mines) (2024: 66.7Mtpa*)</li> <li><b>Diesel consumption:</b> 105 087kL (all operations and the conneXXion) (2024: 102 658kL*)</li> <li><b>Electricity consumption:</b> 590 987MWh (all operations and the conneXXion) (2024: 598 461MWh)</li> <li><b>Water consumption:</b> 9 648ML (2024: 9 309ML)</li> <li><b>Land managed:</b> 69 086ha (active and inactive mines) (2024: 67 293ha)</li> <li><b>Land rehabilitated:</b> 2 639ha (2024: 2 325ha**)</li> </ul>	<ul style="list-style-type: none"> <li><b>Employees:</b> 6 742 (2024: 6 966)</li> <li><b>Contractors:</b> 14 555 (2024: 15 300)</li> <li><b>Investment in skills development and training:</b> R399 million (2024: R402 million)</li> <li><b>Investment in job-related skills development (functional and technical training):</b> R174 million (2024: R200 million)</li> <li><b>Investment in employee remuneration:</b> R5.4 billion (2024: R5.1 billion)</li> </ul>	<ul style="list-style-type: none"> <li><b>Investment in SLPs:</b> R90.92 million (2024: R43.91 million) and an additional R10.52 million ESD investment</li> <li><b>Investment in enterprise development:</b> R85.6 million (2024: R169.8 million)</li> <li><b>CSI:</b> R93.09 million (2024: R117.87 million)</li> <li><b>Strengthening stakeholder relationships</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Five mines</b> (including one JV)</li> <li><b>Two coal projects</b></li> <li><b>Two windfarms</b> in operation, one solar plant commissioned and one wind project in construction</li> <li><b>One manganese acquisition</b> concluded post-year end</li> <li><b>Investment in property, plant and equipment:</b> R5.1 billion (2024: R2.4 billion)</li> <li><b>Investment in sustaining capital:</b> R2.3 billion (2024: R2.1 billion)</li> <li><b>Investment in expansion capital:</b> R2.8 billion (2024: R0.3 billion)</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing investment in <b>digital transformation and advanced technologies</b></li> <li><b>Entrenched operational excellence</b></li> <li><b>Leadership and management training:</b> 1 082 employees attended (2024: 307)</li> <li>Significant investment in <b>developing the scarce and critical skills</b> required to accelerate the execution of our strategy</li> <li>Continued investment in <b>leading governance structures</b> through board changes and investor engagement</li> </ul>	<ul style="list-style-type: none"> <li><b>Adjusted equity-accounted income:</b> R4.5 billion (2024: R3.7 billion***)</li> <li><b>EBITDA:</b> R10.2 billion (2024: R10.4 billion)</li> <li><b>Cash dividends paid to external shareholders:</b> R4.1 billion (2024: R5.7 billion)</li> <li><b>Cash dividend paid to BEE Parties:</b> R1.4 billion (2024: R1.9 billion)</li> <li><b>Revenue:</b> R41.8 billion (2024: R40.7 billion)</li> <li><b>Strong balance sheet</b></li> </ul>
<b>Our outcomes</b>	<ul style="list-style-type: none"> <li>Our mining operations extract essential natural resources, reducing natural capital and impacting the environment. Through dedicated environmental stewardship, we implement best practices and robust mitigation strategies to manage and minimise these impacts while creating value for stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>To enhance our human capital, we offer an attractive employee value proposition and invest in skills development. We extend this commitment to future talent and the communities supporting our operations.</li> <li>Our LTIFR improved to 0.04 from 0.06 in 2024, although high-potential incidents (HPIs) increased. We maintained three consecutive fatality-free years. However, as our goal is zero harm, any injuries or incidents fall short of our ambition, underscoring the importance of continued focus to fully eliminate harm.</li> </ul>	<ul style="list-style-type: none"> <li>We deliver value to our host communities through our impact-at-scale initiatives, SLP commitments, commitment to the UNGC principles and active stakeholder engagements. We also encourage participation by black-owned suppliers.</li> <li>We are mindful of our mining activities' impacts on local communities. We prioritise responsible mine transitions that support sustainable and resilient host mining communities now and beyond the life of our mines.</li> </ul>	<ul style="list-style-type: none"> <li>We invest in quality assets to meet changing market demands, particularly through an expanded investment in green energy.</li> <li>Our market-to-resource optimisation strategy enables us to fulfil customers' requirements and respond to an evolving market.</li> </ul>	<ul style="list-style-type: none"> <li>We grow our intellectual capital by enhancing our competencies in mining and energy, focusing on business resilience and advancing innovation, digital transformation and technology.</li> <li>Our collective knowledge, skills and resources positively impact human, social and relationship and manufactured capitals.</li> <li>Improved core system availability reflects increased intellectual capital.</li> <li>Investments in digital technology support value chain efficiencies and increased employee safety.</li> </ul>	<ul style="list-style-type: none"> <li>With a robust balance sheet and a thriving coal business, we strategically focus on core strengths and a leadership dedicated to carbon resilience to drive financial value creation.</li> <li>Long-term strategic investments underscore our commitment to bolstering strategy, enhancing efficiency, expanding operations and optimising value. This ensures a resilient financial position despite year-on-year variations in financial metrics.</li> </ul>
<b>How we improve our outcomes</b>	<ul style="list-style-type: none"> <li>Integrate climate change adaptation and resilience into our business strategy, including monitoring and managing climate-related risks</li> <li>Invest in nature-based solutions, including carbon offset pilot projects</li> <li>Invest in energy transition metals critical to powering a low-carbon economy</li> <li>Grow our energy solutions business, with a focus on renewable energy</li> <li>Prioritise biodiversity stewardship</li> <li>Increase high-quality coal in our portfolio to enhance energy efficiency and support lower emissions in the value chain</li> </ul>	<ul style="list-style-type: none"> <li>Empower employees to create meaningful impact, recognising them as our most valuable asset</li> <li>Implement our refreshed One Voice Safety strategy to drive a safety-first culture and ensure zero harm across all activities</li> <li>Work with employees and contractors to eradicate safety incidents</li> <li>Invest in employees' skills, wellbeing and career development</li> <li>Implement workforce DEI initiatives</li> <li>Leverage technology and innovation to improve workforce safety and efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Engage with stakeholders and maintain strong relationships based on mutual respect and benefit, recognising that our operations are built in and around real communities</li> <li>Maintain a robust ESG framework to enable strategic decision making and governance, mindful of our history and purpose, to guide our transition within local and global contexts</li> </ul>	<ul style="list-style-type: none"> <li>Proactively manage the risk of stranded assets</li> <li>Invest in plant performance, equipment reliability and operational efficiency to extend the life of our mines</li> <li>Invest in technology and grow our energy solutions business as strategic enablers to protect and enhance manufactured capital</li> <li>Fast track our decarbonisation and investments to generate predictable long-term cash flows and increase portfolio diversification</li> </ul>	<ul style="list-style-type: none"> <li>Harness digital transformation and innovation to drive efficiency, reduce costs, build resilience and maximise impact</li> <li>Build on established strengths and successes by leveraging intellectual capital, guided by a long-term vision to create a sustainable, growth-oriented and values-driven organisation</li> <li>Become a leading energy solutions provider with international presence by 2030, contributing meaningfully to the shift towards a low-carbon future</li> <li>Support knowledge sharing and agility to adapt and respond to industry changes while meeting current performance expectations</li> </ul>	<ul style="list-style-type: none"> <li>Focus on initiatives designed to lower costs, increase quality and manage our risk profile</li> <li>Carefully allocate capital to align with strategic priorities, balancing investments in current operations with diversification</li> <li>Create value for our broader stakeholders by continuously delivering solid returns to shareholders and ensuring we have the financial resources to implement our growth plans and social development objectives</li> </ul>
<b>Performance</b>	<ul style="list-style-type: none"> <li><b>Carbon intensity:</b> 14% increase (2024: 6.36% decrease)</li> <li><b>Water intensity:</b> 1.9% increase (2024: 35% increase)</li> <li><b>Environmental incidents:</b> zero level 2 and 3 incidents (2024: zero level 2 and 3)</li> <li><b>Valid mining rights:</b> 100% (2024: 100%)</li> </ul>	<ul style="list-style-type: none"> <li><b>Fatalities:</b> None (2024: none)</li> <li><b>LTIFR:</b> 0.04 (2024: 0.06)</li> <li><b>Occupational health incident frequency rate:</b> 0.22 (2024: 0.14)</li> <li><b>Scarce skills retention:</b> 3.7% (2024: 3.6%)</li> <li><b>Safety stoppage directives:</b> one section 54(1)(b) (2024: zero stoppages)</li> </ul>	<ul style="list-style-type: none"> <li><b>Community members</b> who benefited from our CSI and SLPs: 64 694 people (2024: more than 71 000)</li> <li><b>Jobs created</b> through SLPs: 139 (2024: 51)</li> <li><b>Community incidents:</b> four (2024: four)</li> <li><b>Top-quartile mining performer in ESG governance structure</b></li> <li><b>ESG analyst rating:</b> 3.9 (2024: 4.0)</li> <li><b>BEE level:</b> level 2 (2024: level 2)</li> </ul>	<ul style="list-style-type: none"> <li><b>Marginal timeline overruns</b> in mega-projects</li> <li><b>Implementation cost</b> for mega-projects on target</li> <li>The LSP is delivering green electrons ahead of full commercial operation</li> <li>Construction of the Karreebosch windfarm commenced</li> <li>Manganese acquisition concluded in early 2026 and one renewable energy acquisition in progress</li> </ul>	<ul style="list-style-type: none"> <li><b>Core system availability:</b> 99.82% (2024: 99.68%)</li> </ul>	<ul style="list-style-type: none"> <li><b>EBITDA margin:</b> 24% (2024: 26%)</li> <li><b>ROCE:</b> 22% (2024: 23%)</li> <li><b>HEPS:</b> 3 247 cents per share (2024: 3 016 cents per share)</li> <li><b>Market capitalisation:</b> R61.20 billion (2024: R55.17 billion)</li> </ul>
<b>Affected and supported SDGs</b>						

\* Restated due to audit adjustments. \*\* Restated due to the definition of land rehabilitated changing in a new management standard in 2025. \*\*\* Restated due to error in capturing data in 2024 IR.

# Availability, quality and affordability of capitals

We create sustainable value by managing the availability, quality and affordability of the capitals we use while taking a focused and adaptive approach to addressing resource constraints. By balancing immediate operational needs with long-term growth and impact priorities, we ensure resilience in a dynamic global environment as we pursue our strategy.

Continued availability, quality and affordability of capitals driving our strategy	Key capital dependencies	Strategic objectives addressing resource constraints	Balancing resource management across time horizons
<p>Finite natural capital, including coal, metals and water, presents a growing risk to Exxaro, as resource scarcity can limit extraction and raise operational costs. Climate change further affects the availability of natural resources and exacerbates extreme weather conditions, which can impact our operations. At the same time, we are aware of coal's contribution to climate change. To ensure long-term financial and environmental sustainability, we must transition.</p>		<p><b>Navigating coal's environmental impact with South Africa's socio-economic needs</b></p> <p>Coal is a mainstay of South Africa's energy mix and economy. Bearing this in mind, we balance our diversification goals with South Africa's current energy requirements. Our approach ensures we address environmental impacts while contributing to grid stability, enabling us to support socio-economic development as we advance towards a low-carbon energy future.</p>	
<p>Our strategic objectives to transition the business and make our coal, metals and energy businesses thrive are closely linked. Our coal business provides the financial capital needed to invest in technology and innovation, diversify into energy transition metals (including manganese) and grow our energy solutions business.</p> <p>By reinvesting financial capital into future-fit and critical capabilities, we address climate-driven resource constraints and sustain profitability.</p>		<p><b>Balancing short-term and long-term priorities when allocating capital</b></p> <p>Our impactful transition demands a careful balance between maintaining current operations and investing in future growth. Coal operations provide the financial resilience required to fund our growth priorities, and we allocate sustaining capital to these operations to ensure stable production and operational efficiency.</p> <p>We divert resources from coal expansion towards future-focused projects. This approach leverages the financial value of coal to fund our transition to a low-carbon business, while ensuring we meet immediate operational needs.</p>	
<p>To achieve our strategic objectives, we must attract, cultivate and retain the best available talent. A competitive labour market and skills shortages in critical areas, including engineering, IT, energy and geology, lead to rising talent management, engagement and retention costs, alongside posing a risk to growth. In response, we implement continuous relevant training, mentorship and development programmes to build the skills of the future. These efforts mitigate skills shortages, boost resilience, and support our transition to a sustainable, diversified business.</p>		<p><b>Maintaining operational focus while advancing diversification</b></p> <p>Becoming a diversified natural resources champion in Africa and beyond hinges on motivating, engaging and gaining buy-in from our people as we pursue our diversification goals.</p> <p>Performance scorecards and transparent leadership align daily operations with long-term diversification goals.</p>	
<p>We seek to create value for all our stakeholders. 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 outlined above.</p>		<p><b>Balancing growth ambitions with our carbon-neutral target</b></p> <p>We take a careful approach to pursuing growth while striving for carbon neutrality, cognisant that acquisitions may temporarily increase total emissions. We evaluate acquisitions against our decarbonisation goals and incorporate carbon intensity and emissions metrics into our strategic framework.</p>	
<p>Becoming a catalyst for economic growth and environmental stewardship depends on securing social and relationship capital with our communities, who grant us our social licence to operate. This social licence ensures access to critical resources like land, water and labour. Misalignment or transparency failures could disrupt operations and strategic goals.</p>		<p><b>Delivering community impact while enabling strategic resilience</b></p> <p>Developing local economies and advancing environmental stewardship are central to enabling strategic resilience. We carefully select meaningful, community-focused projects that align with our purpose, vision and strategic objectives. This approach creates lasting social impact, secures critical resources and builds a foundation of adaptability and sustainability.</p>	

 How we define the six capitals is unpacked in our [business model](#) (page 26).

In a rapidly evolving operating environment, our focus is on remaining resilient to the factors that can influence our performance. We respond to these factors by optimising our well-capitalised coal business to support energy security while unlocking growth opportunities in energy transition metals. Through this balanced approach, we aim to create sustainable value for stakeholders and contribute to an energy landscape that is impactful and inclusive.



### 3

## The forces shaping our business

- 32 Operating context
- 39 Operating outlook
- 41 Risks and opportunities
- 54 Our stakeholders
- 60 Our material matters

# Operating context

Exxaro's operating context encompasses the external drivers that impact our ability to create value. Macro-economic factors and commodity market trends, with associated risks and opportunities, inform our material matters and influence our strategic direction and performance.

## Long-term forces shaping our future

As we look to a low-carbon future, we must balance the transition with South Africa's current socio-economic development, which currently relies on a national electricity grid that is largely coal-powered. The following forces can threaten value creation in the medium to long term, but organisations that adapt will gain a significant advantage.

- Climate change
➤
 Climate change poses physical risks in the form of extreme weather events and rising temperatures that interrupt operations and threaten the health and safety of our people, while precious natural resources like water and biodiversity become increasingly scarce.

---

- Energy transition
➤
 Disruptive technologies in the energy sector pose a medium to long-term risk of displacing our coal business.

---

- Impactful transition
➤
 The transition to a low-carbon economy carries significant socio-economic implications for our business and communities, and we must ensure this is done in an equitable manner to the benefit of all stakeholders.

---

- Stewardship
➤
 We are stewards of our coal assets, responsibly maximising their value. We must use these assets to build a sustainable business for investors, employees and communities and contribute to a sustainable future for the planet.

Read more about these forces in [operating outlook](#) (page 39).

## How these forces are unfolding in our current context

These global forces shape our operational context. In light of the local and international shift to new energy sources that power development and, specifically, emerging technologies, we are positioning ourselves strategically to take advantage of market dynamics and growth opportunities.

Our macro-economic context	
Significant progress in South Africa's freight logistics system reform, but challenges remain	1
Challenging global and domestic economic conditions	2
Persistent geopolitical and geoeconomic tensions and uncertainty	3
Global shifts altering energy transition progress and pathway	4
Disinflation enabling central banks worldwide to lower interest rates further	5
A weakening US dollar benefiting advanced and emerging market currencies	6
Heightened focus on ESG	7
The rise of new technologies and innovation	8

Our markets	
Commodity markets	9
Thermal coal market	9.1
Iron ore market	9.2
Energy market	9.3
Energy transition metals market	9.4



## Our macro-economic context: trends influencing our business

1

### Significant progress in South Africa's freight logistics system reform, but challenges remain

The freight logistics system reform, which is part of South Africa's structural reform priorities under Phase II of Operation Vulindlela, reported significant progress during 2025. This included enabling open access to the freight rail network, with capacity allocated through 42 conditional slots to 11 private train operating companies across the iron ore, manganese, coal, chrome, and general freight and automotive intermodal corridors. Another key milestone was reached in the Department of Transport's initiatives to restore rail infrastructure through infrastructure investment, namely the progress made with private sector participation in the main rail freight corridors. The Department of Transport issued a request for information for rail and port public-private partnership opportunities, signalling continued progress towards sector liberalisation and private participation. The issuing of and request for proposals for specific corridors is expected in 2026.

A revised Transnet network statement will likely be published in early 2026. It will establish an effective framework for operators to access the network on fair and commercially viable terms. Furthermore, Transnet's Recovery Plan – which aims to increase rolling stock availability and reliability, address the rail network's maintenance backlog, enhance customer collaboration and reduce security incidents – is yielding positive results.

TFR increased the throughput rate to Richards Bay despite cable theft, power failures, locomotive and wagon shortages, and deteriorating infrastructure. Amid the rail wash-away in quarter one, Exxaro recovered and recorded improved performance compared to 2024. RBCT volumes improved to 56Mtpa (2024: 52Mtpa), with stronger performance in the second half of 2025. Rail execution remains volatile but has improved, particularly in Mpumalanga. In Waterberg, train frequencies averaged three trains per week in 2025, and, in collaboration with TFR, the aim is to increase the frequency to the originally designed capacity.

Exxaro's export evacuation via rail to RBCT increased to 5.7Mt (2024: 5.2Mt) despite the wash-away and continued disruptions. Evacuation to alternative ports reduced to 1.4Mt (2024: 1.8Mt) due to the economic environment of coal prices and evacuation costs.

#### Our strategic response

We engage with TFR to improve operational performance. Simultaneously, we optimise and execute coal evacuation via alternative routes to market to mitigate the impact of rail disruptions on our exports, ultimately meeting demand and unlocking stakeholder value.

2

### Challenging global and domestic economic conditions

After repeated rounds of escalation and de-escalation during 2025, the US administration rolled out a series of tariffs and trade deals. As a result, global trade dynamics shifted, inflationary pressures re-emerged, and global sentiment and financial market volatility were evident. Despite these challenges, global economic activity remained resilient, with global real gross domestic product (GDP) improving marginally from 2.8% in 2024 to 2.9% in 2025.

Since April 2025, trade-related risks have moderated, following the US reversal on the reciprocal tariffs and renewed negotiations with China. These actions had a positive effect on financial and commodity markets, with equity indices, crude oil prices, and the US dollar rebounding. However, global economic momentum remained fragile due to the unpredictability of US trade policy.

#### Global GDP: 2.9% (2024: 2.8%)

##### Real GDP growth rate (%)

	2026 forecast	2025	2024
Global	2.4	2.9	2.8
US	2.1	2.2	2.8
Eurozone	0.8	1.5	0.9
China	4.5	5.0	5.0
India	5.9	7.4	7.1
Southeast Asia	4.4	4.9	5.0
South Africa	1.2	1.1	0.5

Source: S&P Global, Exxaro analysis, March 2026.

South Africa's economic activity was slow at the beginning of 2025, with GDP growth at 0.1% in the first quarter. Robust household and government consumption expenditure led to a 0.8% recovery in the second quarter. Savings withdrawals from the two-pot pension system enabled the rise in household consumption expenditure. Growth momentum continued during the year, albeit at a slower pace – 0.3% and 0.4% expansion in the third and fourth quarters, respectively – with a decline in exports following the introduction of a 30% tariff on all South African exports to the US in August and the suspension of the African Growth and Opportunity Act at the end of September 2025. This was partly offset by strong expansion in South African exports to Europe and an improvement in South Africa's terms of trade. South Africa's removal from the Financial Action Task Force grey list and the S&P Global Ratings upgrade of the foreign currency sovereign credit rating mark an important step towards reaching an investment-grade rating. The formation of the Government of National Unity (GNU) elicited early investor and business optimism. Despite being stress-tested by various issues during 2025, the GNU continued to hold, with notable improvements and opportunities to mature.

Real fixed investment spending declined by 2.2% in 2025. Sustained high interest rates, combined with mounting business and investor uncertainty amid rising global and domestic volatility, delayed significant private sector investment. Policy reforms in South Africa's energy, water, ports, and railway sectors continued, with a strong focus on public-private partnerships underscoring future investment in public sector infrastructure.

Collectively, these factors contributed to South Africa's real GDP growth of 1.1% for 2025.

**Our strategic response**

We prioritise cost management in the short term, while embracing a forward-looking diversification strategy that will support our stability and agility in challenging times.

**3****Persistent geopolitical and geoeconomic tensions and uncertainty**

In 2025, geopolitical and geoeconomic tensions intensified, fragmenting international relations, global trade and the economic landscape. These developments affect Exxaro through multiple interconnected channels. Market dynamics are shifting, resulting in changes in commodity supply-demand pricing, increased volatility in global financial markets and an uncertain outlook for GDP and foreign investment. Policy and regulatory pressures are also increasing as foreign policy changes, sanctions, trade policies, anti-dumping duties and countervailing measures lead to tighter customs environments and delays. Furthermore, global inflation and interest rate policies continue to influence the macro-economic context, while infrastructure challenges and energy transition considerations add more pressure.

Geopolitical tensions in the Middle East affected global energy markets, impacting thermal coal, oil, gas and liquefied natural gas (LNG). The ongoing Russia-Ukraine conflict continued to impact supply-demand pricing dynamics for key Exxaro commodities, while presenting opportunities in the Japanese and South Korean thermal coal markets. Several countries have joined the US and the European Union (EU) in exerting pressure on Russia to end its war with Ukraine.

China-US strategic competition intensified until a framework agreement was reached to avoid tariff hikes and non-tariff trade barriers were announced in October 2025. This signalled intent to bring greater certainty to China-US trade relations and enable follow-on talks towards a comprehensive trade agreement. There is cautious optimism that a trade deal can be reached, despite previous deals or frameworks since April 2025 falling through for various reasons.

South Africa's relationship with the US was strained. As a result, the US, among other actions against South Africa and other countries, paused all United States Agency for International Development support, implemented a 30% tariff on all exports to the US, withdrew Just Energy Transition Partnership support, and caused uncertainty over South Africa's eligibility under African Growth and Opportunity Act.

Global election outcomes and upcoming elections further shaped the geopolitical landscape. Of significance is the December 2026 US mid-term election, which could change the composition of Congress, potentially limiting Trump's ability to execute his agenda. Political pressure from US citizens intensified amid rising product prices and concerns over availability. In China, political pressures are unlikely to have a significant effect on the presidency.

**Our strategic response**

The ever-changing global geopolitical and geo-economic landscape presents us with both challenges and opportunities. We remain optimistic that our market-to-resource optimisation and diversification strategies support both short-term economic and long-term environmental imperatives in the face of international shifts.

**4****Global shifts altering energy transition progress and pathway**

Global economic, political, and technological shifts and uncertainties inform the operating environment and the speed and trajectory of the energy transition. In 2025, it was widely accepted that the global push to tackle climate change had slowed and that the world was not yet positioned to achieve net zero emissions by 2050. Although the energy transition has progressed significantly, geopolitical and economic challenges, such as the COVID-19 pandemic, wars in Ukraine and the Middle East, and unpredictable trade tariffs, hindered momentum. In addition, rising populations, economic growth and societal aspirations, particularly in developing countries, are driving energy demand higher and outpacing improvements in energy efficiency.

During 2025, several governments prioritised securing affordable energy over their sustainability goals. The US's withdrawal from the Paris Climate Agreement and the exit of US banks from the Net Zero Banking Alliance, along with some European banks, signalled a change in priorities. Trade tensions and the race towards an artificial intelligence (AI)-enabled future are also changing the shape of energy demand and the industrial landscape.

While renewables' share of global power supply increased from 5% to 20% over the past decade, it barely met incremental demand growth. Globally, scaling up low-carbon supply faster than demand and building a deeply decarbonised, resilient energy system is proving to be more challenging than expected. However, evidence suggests that the global energy transition has slowed or been delayed in some instances, but not halted.

South Africa's transition to a low-carbon economy aims to drive economic growth, create jobs, increase energy security and access, while addressing climate change. However, socio-economic inequalities and energy poverty play significant roles in shaping the pace of the transition. South Africa remains behind in transitioning the energy value chain of generation, transmission and storage, and requires significant investment to achieve energy security and its net zero goals by 2050.

**Our strategic response**

We are committed to progressing our low-carbon transition journey by reducing greenhouse gas (GHG) emissions and exploring opportunities in energy transition metals. Our carbon neutrality target for 2050 is on track as part of our broader ESG strategy.

## 5

### Disinflation enabling central banks worldwide to lower interest rates further

Global inflation continued its gradual decline in 2025, driven by moderating energy and food prices, currencies strengthening against the US dollar, and the lagged effects of tighter monetary policies and cooling labour markets. Following an average of 4.2% in 2024, global inflation declined to 3.2% in 2025. In the US, the Federal Reserve kept interest rates unchanged from December 2024 until September 2025, after which the easing cycle continued. In contrast, the European Central Bank reduced rates more decisively throughout the year, supported by subdued demand, lower energy prices and a stronger euro. The Bank of England also lowered rates, while the Bank of Japan kept rates steady.

In South Africa, inflation remained subdued after falling to the lower bound of the 3% to 6% target band during the second half of 2024. Headline inflation averaged 3.2%, down from 4.4% in 2024, driven by lower and stable Brent crude oil prices, a stronger rand and resultant lower fuel prices, with food prices contained for most of the period. The cumulative repurchase rate declined by 75 basis points during 2025, following a 50-basis point decline during the latter part of 2024. With sustained low inflation, the South African Reserve Bank (SARB) announced a shift in its preferred inflation objective from 4.5% to 3%. According to the SARB, Monetary Policy Committee policy decisions are guided by the 3% point target, even though the official target includes a tolerance band of one percentage point either side of 3%. This environment of subdued inflation – and the aim to anchor it lower – with favourable interest rates, impacted Exxaro through lower cost escalations and borrowing costs reductions. While headline consumer and producer inflation declined significantly, the benefits of lower inflation have yet to fully offset mining input cost escalations.

#### Our strategic response

In line with our cost management goals, we implemented inflation-linked cost escalations where possible. Additionally, our cash position enables us to strategically fund our Sustainable Growth and Impact strategy.

## 6

### A weakening US dollar benefiting advanced and emerging market currencies

The US dollar remained resilient through most of 2025, supported by US economic strength, recession concerns, and a relatively tight Federal Reserve monetary policy. Elevated interest rate differentials, expansive fiscal policy and increasing geopolitical risks also supported the dollar, alongside related financial market flows. This resilience was underpinned by the US dollar's status as the dominant global reserve currency and safe haven for assets during periods of uncertainty and market volatility.

After rising strongly against most currencies, the dollar reached a multi-year high in January 2025, before declining sharply in March 2025. The causes of this shift include escalating trade tensions, increasingly volatile financial market conditions, potentially inflationary effects of higher tariffs, US Federal rate cuts, less favourable yield differentials, the persistent US external deficits, and reduced appetite for US assets. Consequently, in addition to the strong investment flows and central bank buying of gold, most advanced and emerging market currencies strengthened against the dollar, with advanced economy currencies such as the Japanese yen, Swiss franc and euro benefiting.

Currency volatility and a weaker US dollar (stronger rand) impacted Exxaro negatively, with lower coal export earnings.

#### Our strategic response

To maintain financial viability amid volatile coal and foreign exchange markets, we placed coal in the domestic market priced in rand.

## 7

### Heightened focus on ESG

ESG is a business and social imperative, and fundamental to our Sustainable Growth and Impact strategy. Stakeholders are increasingly assessing companies' success not only in terms of financial performance, but also in terms of environmental impacts, social responsibility and ethical leadership. Investors are considering ESG factors in their investment decision making, more customers are favouring ethically sourced products and employees are seeking out employers that reflect their values and goals. At the same time, governments are tightening ESG regulation. For a company to be sustainable in the long term, it must respond to each of the E, S and G elements intentionally and appropriately. Furthermore, expectations for transparent ESG reporting are intensifying, with greater emphasis on due diligence, increasing regulatory requirements, converging reporting standards, and reporting transparency and comparability.

Climate change and biodiversity loss are further driving stakeholder expectations around strong ESG practices. In addition, social issues, including inequality and human rights, require companies to consider all key stakeholder groups in their business strategies. Ethics, transparency and strong leadership are crucial for organisations to remain resilient to these factors and adapt to changing market dynamics in the short and long term.

#### Our strategic response

Our Sustainable Growth and Impact strategy takes a holistic approach to ESG. We understand that, in order to be sustainable, our financial growth must be underpinned by robust governance, meaningful social initiatives and an integrated approach to protecting the environment. ESG is incorporated into our decision making and stakeholder reporting, with our draft ESG policy embedding ESG across the group, ensuring compliance and investor confidence. In this way, we foster a harmonious co-existence between Exxaro and local communities to create a thriving environment.



Refer to [our stakeholders](#) (page 54), [natural capital](#) (page 113) and [social and relationship capital](#) (page 110) for more information.

## 8

### The rise of new technologies and innovation

The development of new technologies, particularly AI, has accelerated exponentially. These technologies are driving efficiencies, increasing operational effectiveness and uncovering new opportunities or maximising current ones. AI can also help organisations lower their direct emissions by enhancing energy efficiencies and supporting employee productivity. In mining, AI-based geological exploration has been shown to reduce costs and significantly improve discovery success rates in some applications.

Consequently, organisations are mindful that a delay in AI adoption can result in a substantial competitive disadvantage. However, as adoption increases, cybersecurity and ethical use concerns rise, requiring organisations to carefully govern the use of AI and emerging technologies.

#### Our strategic response

Our INNOVAXION strategy maximises opportunities for skills, capabilities and digital infrastructure development to add value to the business and shareholders, and ensure we remain competitive. The strategy is underpinned by the visualisation of our value chain, enabling data-driven decision making and driving end-to-end integration and optimisation through smart assets, resource intelligence and automation.

With increased digitalisation comes increased cybersecurity risk. We strengthen our cybersecurity by evolving and adapting our cybersecurity programmes and fortifying our threat prevention, detection, response and recovery processes. In addition, we are compiling a robust data governance framework to specifically address the risk of generative AI-driven threats.

We leverage generative AI as a catalyst for innovation and value creation. In 2025, we focused on advancing our smart asset initiatives and strengthening our data capabilities and enablement. This supports our journey towards predictive maintenance and improved reliability, while improving our digital and AI solutions to fully realise their potential.



Refer to [intellectual capital](#) (page 103) for more information.

#### Our markets

In 2025, global commodity markets were pressured by subdued economic activity, trade restrictions, high economic policy uncertainty and weather-related supply shocks. As a result, Brent crude oil prices trended lower, driven by trade policy tensions and concerns over excess supply, although occasional spikes occurred in response to geopolitical developments.

The gas market fluctuated due to strong European LNG demand, weak LNG imports from China and Japan, a limited response to South Korea's coal restriction, lower oil prices, warmer-than-seasonal European weather and strong wind power generation.

Base metals rebounded amid resilient global demand, shifting trade policies and supply disruptions, especially in copper. Precious metals surged to record highs – led by gold and silver – with platinum also recording significant gains, supported by robust investment demand, geopolitical tensions and policy uncertainty.

## 9

### Commodity markets

Overall, Exxaro's commodity markets delivered softer performances in 2025, with lower market annual average reference prices for both thermal coal and iron ore. Performance trends varied between the commodities throughout the year: thermal coal started relatively strong but lost momentum, while iron ore started under pressure and later strengthened. Specific market drivers are discussed in the respective commodity sections on the following pages.

#### API4 coal export price averaged US\$89.53/t (2024: US\$105.31/t)

Commodity prices (US\$/t)	2025	2024
Thermal coal (API4)	89.53	105.31
Thermal coal (API3)	73.33	89.19
Iron ore fines (62% Fe)	101.87	109.46
Lump premium (reference benchmark)	8.80	8.89

Source: Various commodity market intelligence reports, January to December 2025.

#### Our strategic response

While a large part of our coal and metals portfolio is made up of coal, we are incorporating energy transition metals to augment our performance in the long term. In line with our Sustainable Growth and Impact strategy, we are leveraging coal as a stable revenue stream and adding manganese as an important mineral for steel and green technologies.

## 9.1 Thermal coal market

The bearish thermal coal pricing trend from 2024 persisted into 2025. Key drivers included high stockpiles in South Africa's key markets, lower gas prices, growth in renewables and increased nuclear energy generation.

In 2025, the thermal coal market and trading conditions in China and Indonesia – the main drivers of import demand – evolved. China addressed domestic oversupply through safety and anti-corruption measures and the expiration of existing mining quotas, easing domestic supply and strengthening domestic pricing. Indonesia relaxed its pricing regulations, with thermal coal miners no longer required to sell at a floor price, which increased Indonesian coal imports to China during the latter part of 2025.

In India, domestic steel producers faced competition from cheaper steel imports, dampening demand for South African coal. Indian coal production increased, largely supporting its power generation sector. Higher gas and nuclear power output in Japan, Korea, and Taiwan further reduced coal demand. This decline in demand caused Australian prices to fall to a four-year low of US\$91.58 per tonne, further aggravated by the sluggish Chinese offtake.

In Europe, gas price fluctuations linked to Russia-Ukraine ceasefire negotiations marginally influenced coal markets. However, despite warm weather and strong renewable generation in Germany, consistent stock drawdowns led to lower inventories. The API4 index fell to just below US\$80 per tonne in October 2025 – levels last seen in 2020 during the height of the COVID-19 pandemic. Trade tariffs and volatile pricing added to the prevailing uncertainty.

In South Africa's Waterberg region, Eskom offtake declined due to operational constraints at its power stations. While domestic demand was steady, low export prices caused producers to redirect volumes to the domestic market, resulting in oversupply.

2025 was characterised by ample seaborne supply, albeit lower compared to 2024, with Indonesia, Colombia and Australia recording lower exports. Russian exports remained under pressure as sanctions, discounted pricing and acute rail constraints limited export flows into Asia. Market access was increasingly reliant on traders and eastbound rail logistics, eroding producer margins and accelerating the closure of high-cost coal mines. Low and negative profitability curtailed capex, which delayed mine development and infrastructure upgrades. As a result, while seaborne exports to China and India held steady, Russia's share of global trade was exposed to downside risks.

### Our strategic response

We mitigate volatility in coal market pricing and ensure our resilience through market-to-resource optimisation and market diversification. We also focus on building market agility and adapting to any changing global coal flows.

## 9.2 Iron ore market

In 2025, the iron ore market was impacted by broader economic and trade dynamics, including tariffs, slower economic growth, a fragmented global trading environment, subdued Chinese economic growth, a fragile Chinese property sector, limited global iron ore supply and lower inventories at Chinese ports. Global steel output was lower, largely driven by China, with the rest of the world remaining relatively flat. India sustained its growth momentum, in line with its GDP growth performance, with material growth in steel production.

During the third quarter of 2025, sintering restrictions aimed at improving air quality in North China's Tangshan city supported demand for high-grade ore. As a result, high-grade ore premiums surged, driven by strong mill margins, sinter cuts and reduced high-grade supply, before retracing as margins declined and mid and low-grade fines proved more cost-effective. However, after the easing of the sintering restrictions in October 2025, steel mills' demand for lump iron ore weakened, putting downward pressure on the lump premium.

Rising iron ore supply came back into focus with the commissioning of the Simandou operations – Africa's largest greenfield integrated mine and infrastructure project in Guinea – in early November 2025. Following the commissioning and ramp-up, the infrastructure will support exports of up to 120 million tonnes per year of mined high-grade iron ore from their mining concessions in southeast Guinea.

Continuous growth in iron ore supply and exports remains the key limiting factor for seaborne iron ore prices, affecting the performance of Exxaro's SIOC investment.

### Our strategic response

Exxaro, through our SIOC investment, has significant exposure to higher-value iron ore lump product. As steel production shifts to lower-carbon processes, demand for higher-quality iron ore is set to grow.

### 9.3 Energy market

Shifts in the global energy market centre on the movement towards renewable energy, balanced with existing fossil fuel sources and infrastructure for a stable energy mix. Electricity demand is increasing, especially in light of the energy-intensive requirements of AI and cloud technologies. As inflation slows and central banks lower their interest rates, renewable energy investments are becoming more attractive. Furthermore, major industrial and mining players are urgently looking to renewable energy supply to enhance competitiveness, creating a robust investment pipeline.

South Africa's renewable energy landscape is seeing aggressive expansion, formalised by the 2025 approval of the South African Renewable Energy Masterplan and an updated Integrated Resource Plan 2025 (IRP) that envisions over 60GW of new utility-scale and distributed renewables by 2039. The National Energy Regulator of South Africa also approved measures that allow projects in the grid-constrained Eastern and Western Cape to unlock roughly 3.4GW of wind capacity by accepting limited curtailment in exchange for compensation. In light of changing market dynamics due to the liberalisation of the energy sector and increasing pressure from international trade regulations, the immediate focus for independent power producers lies in navigating new market platforms and meeting the private sector's demand for rapid decarbonisation.

#### Our strategic response

The changeover to renewable energy presents an opportunity for us to position Exxaro as a significant contributor to South Africa's energy transition. Within this context, we are exploring a range of energy investments. This diversified approach aligns with national policy and global investment shifts, enabling us to enhance energy security while advancing sustainable development.

### 9.4 Energy transition metals market

The global transition towards a low-carbon economy is fuelling ongoing demand for energy transition metals such as copper and manganese, which are crucial across the renewable energy value chain. Manganese, in particular, is gaining significance given its importance for steel-making and green infrastructure. As demand shifts towards alternative energy sources, demand for battery-grade manganese is climbing rapidly. South Africa possesses approximately 80% of the world's known manganese resources, uniquely positioning the country to take advantage of this trend.

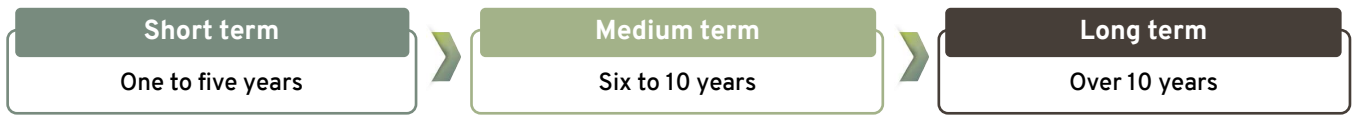
#### Our strategic response

Exxaro is advancing a disciplined and value-focused diversification strategy. We aim to increase exposure to future-facing metals that support long-term portfolio resilience. Leveraging South Africa's strong position in manganese, we progressed with a strategic acquisition that provides a credible entry point with scalable growth potential. In copper, we refined our market entry approach to balance capital intensity with value creation. While Exxaro remains ready to acquire solely owned assets with attractive valuations that are within our return thresholds, we broadened our strategy to include partnership-driven pathways such as strategic equity positions, joint ventures and phased development with established operators. This flexible approach strengthens our ability to secure high-quality metal opportunities, optimise capital deployment and effectively manage jurisdictional and operational risk, while maintaining the agility to own assets outright where it enhances shareholder value.



# Operating outlook

Anticipated global trends and challenges across short, medium and long-term time horizons inform Exxaro's strategic vision.



## Short to medium-term outlook in our markets

In the short term, commodity markets are poised to receive support, albeit limited, from the global monetary policy easing cycle currently underway, through several interlinked mechanisms such as currency markets and improving investor appetite for risk assets. Easing cycles also signal a central bank's intention to support economic growth, which improves demand expectations for industrial commodities. However, uncertainties persist due to the implementation of proposed policies under the US administration. In addition, in the period since the close of the financial year and issuing this report, geopolitical tensions have again surfaced as a significant challenge.

Over the medium term, evolving geopolitical and geoeconomic conditions will likely continue to influence market trends. These include demand for critical energy transition metals, China's slowing economy and its continued dominance in key production and processing stages. These conditions are driving nations to prioritise domestic or allied resource security, which plays a pivotal role in shaping market trends.

### Thermal coal

Adequate thermal coal and gas inventories, combined with a milder Northern Hemisphere winter, reduced the likelihood of the usual end-of-year price uplift. However, upside risks to demand and prices remain. South Korea's lower nuclear availability, cutbacks in Colombia's supply and the possibility of limited US export availability set a solid foundation for 2026. As a result, China and India's move towards domestic coal, increased renewable penetration and expectations of greater gas price competition in key markets are also likely to further shape 2026. While the broader energy transition continues to shape long-term trends, short-term supply pressures, growth in electrification, and global economic, geopolitical and geoeconomic factors will play a key role in coal market dynamics.

### Iron ore

Rising supply and a subdued Chinese demand remain key headwinds for the seaborne iron ore market in 2026. The additional supply, specifically from the Simandou operations, is forecast to weigh on the market, while global steel output is anticipated to continue declining into 2026. Furthermore, any mandated steel output cuts in China and broader geopolitical uncertainty conclude potential downside market and pricing risks. China is a large player in global steel production and iron ore consumption, making its economic policies and construction activity influential for global demand.

### Energy

The energy market will continue to be shaped by growing energy demand as access to energy expands. Globally, industry and policymakers will need to ensure energy systems are affordable, reliable and resilient to price increases, outages and geopolitical instability. In South Africa, while national electricity grid access challenges persist in the medium term, the IRP 2025 outlines ambitious targets for renewable energy integration in line with the country's net zero emissions targets. This framework presents significant opportunities for Exxaro to expand our renewable energy portfolio through Cennergi while investing in energy transition metals.

### Energy transition metals landscape

The move to a low-carbon world, combined with the increased energy intensity of emerging technologies, is heightening demand for energy transition metals. Manganese demand from energy technologies is predicted to increase over time. The price of copper is due to rise, given declining copper ores, rising costs and fewer resource discoveries, even as demand continues to grow. While short-term delays in the global energy transition may arise from policy shifts, the longer-term outlook remains grounded in global energy transition objectives. This sustained momentum will support our energy solutions business, diversification plans and broader strategic objectives.

## Medium to long-term outlook

### Climate change

The World Economic Forum flags extreme weather events, biodiversity loss and ecosystem collapse as significant global risks over the next decade. Extreme weather events are anticipated to increase in severity, necessitating improved monitoring, reporting and evaluation systems, stronger regulation and increased funding. While the 30th United Nations Conference of the Parties (COP30) highlighted a lag in global climate action and ambition, the outcomes of the conference will help inform global responses to climate change mitigation. These included an expectation to increase climate adaptation finance threefold by 2035, new initiatives to support countries in achieving their Nationally Determined Contributions, the creation of an impactful transition mechanism, an agreed set of indicators for the Global Goal on Adaptation and an initiative to keep the question of phasing out fossil fuels top of mind.

#### Our strategic response

We are adapting our business to keep pace with the changing climate landscape. We factor climate risks into our long-term strategy and align with global decarbonisation pathways and regulatory frameworks. Our 2050 carbon neutrality target is backed by efforts to boost operational efficiency, improve governance, build climate resilience throughout our value chain and contribute to a cleaner world.

### Energy transition

The energy transition is driving significant changes in energy systems and markets. The global use of primary materials will increase significantly in the coming decades, according to the Organisation for Economic Co-operation and Development. Concurrently, the International Energy Agency projects that several energy transition metals will experience supply deficits in the market as demand climbs, resulting in higher prices. However, most of these metals are also subject to high market volatility, especially given the high market concentration of mining and production sources. At the same time, increased mining activity must consider and address the environmental impacts of resource extraction to avoid amplifying the negative effects of climate change.

#### Our strategic response

In response to these opportunities, we are diversifying our portfolio with strategic investments in critical energy transition metals. In 2025, we announced the acquisition of a portfolio of manganese assets in South Africa's globally significant Kalahari Manganese Field. This acquisition secures long-term value creation and ensures a resilient and future-ready business that supports global decarbonisation efforts.

### Impactful transition

The shift to cleaner energy is reshaping the mining industry. As demand for fossil fuels declines and, while the appetite for green energy grows, industry players must adapt and reposition to be sustainable. Furthermore, the low-carbon transition carries considerable socio-economic implications, influencing employment and economic stability in mining communities. The transition to renewable energy must consider social impacts to ensure an inclusive future.

#### Our strategic response

We are redefining our role within the Mineral Resources space by embracing a forward-looking diversification strategy that prioritises sustainable and long-term growth, while addressing global challenges and contributing to more resilient economies. Recognising the socio-economic implications of the low-carbon transition, we remain committed to supporting our employees and the communities in which we operate. Our approach includes investing in skills development, strengthening internal capacity and capabilities, and proactively engaging with stakeholders to ensure our transition strategies are inclusive and equitable.

### Stewardship

Over the medium to long term, the importance of responsible resource management and sustainability is projected to increase. We are mindful of our social and environmental impacts, as well as the high standard of governance required for us to be financially sustainable. Investors, communities and other key stakeholders expect greater transparency, with government policy and regulation shifting in response. Changing workforce dynamics mean that we need to advance and retain the best talent in the market, as developments in mining technology will augment traditional mining jobs and require new skills. As urban populations grow, commodity and energy demand will rise along with an increase in extreme weather events, requiring mines to be mindful of their environmental impacts, including upstream and downstream emissions.

#### Our strategic response

We take a balanced approach to stewardship, ensuring sustainable outcomes for investors, employees, communities and the planet. Our Sustainable Growth and Impact strategy guides how we respond to immediate social and energy needs, while supporting the transition to a low-carbon future. Our investments in renewable energy and energy transition metals align with global sustainability trends, ensuring resilience and competitiveness in evolving markets.

We offer our employees upskilling and reskilling programmes to prepare them for future demands. Our adoption of new technologies and ways of work support an agile and future-ready workforce. For our communities, we focus on promoting local economic development and infrastructure improvements to build resilience. For the planet, we are intensifying our efforts to achieve carbon neutrality by 2050. By advancing resource efficiency, implementing biodiversity enhancements and adhering to international standards, we reduce our environmental impact and support global climate goals.

# Risks and opportunities

Exxaro stays ahead of the curve by proactively anticipating and managing risks across geopolitical shifts, regulatory change, technological disruption, climate pressures and market volatility. Our strong risk management capabilities give us the clarity, agility and insight to protect value, seize opportunities and deliver sustainable long-term value to our shareholders.

## Our risk management process



The mining sector faces mounting pressures from logistics constraints, rail and port inefficiencies, coal price volatility, regulatory uncertainty and growing geopolitical uncertainty. Community unrest, energy instability and climate-related risks further heighten the complexity of the operating environment. In this context, strong risk management supports agile decision-making, strengthens resilience and positions the business to capture emerging opportunities.

[Operating context](#) (page 32)

### Risk management philosophy and approach

We embed risk management into our daily activities and processes to enable informed decision making and proactive planning for potential internal and external events. Exxaro's risk management philosophy positions risk management as a strategic enabler rather than a compliance exercise, ensuring we think and act proactively across all levels to support the achievement of our strategic objectives.

Our ERM framework provides a structured, integrated and forward-looking approach to managing risk, with principles that underpin our philosophy, mission and vision. It is aligned with leading practices, including the Committee of Sponsoring Organizations, International Organization for Standardization (ISO) 31000 and King IV, and incorporates relevant standards such as ISO 9001, ISO 14001 and ISO 18001.

The ERM framework was reviewed and approved in December 2024 to ensure its continued relevance and effectiveness.

### Accountability and governance

Emerging risks are monitored and reviewed as part of the risk process to ensure that new, evolving and uncertain threats or opportunities are identified early and incorporated into strategic decision making. Exxaro's ERM process is a strategic initiative supported by the board and executive management. The finance director is responsible for enabling ERM across the group and reports to both the board and the RBR committee. The RBR committee regularly reviews the ERM framework to ensure alignment with current governance practices and standards. The board and executive committee monitor key risk indicators quarterly to ensure all risks remain within Exxaro's approved risk appetite. The board is satisfied that the organisation has a mature, robust risk process that ensures risks with the potential to impact strategic objectives are effectively treated to safeguard and create stakeholder value.

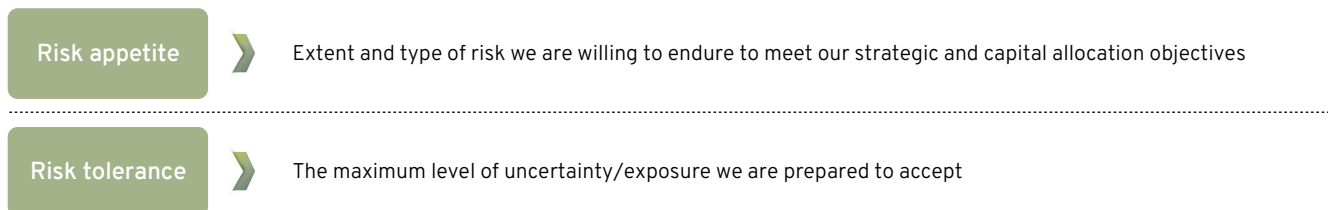
Significant risks identified at the strategic layer are cascaded to the tactical and operational layers, while risks emerging from operational activities are elevated where necessary. This integrated approach ensures a comprehensive top-down and bottom-up view of risks across the organisation, strengthening alignment, visibility and responsiveness throughout the business



## Risks and opportunities continued

### Risk appetite and thresholds

By applying clearly defined risk appetite and tolerance levels, Exxaro's board and executive committee assess the level of risk the group may undertake to deliver on its strategy.



The risk appetite framework is updated annually or when deemed necessary as part of the strategic planning process.



### Business continuity management

Business continuity management (BCM) is a critical component of our risk management approach and a key treatment in strengthening organisational resilience and long-term sustainability. BCM enables us to anticipate, prepare for, respond to and recover from disruptions that may impact our operations, stakeholders and strategic objectives.

Our BCM framework is aligned to recognised standards and integrated into our broader ERM processes. This alignment ensures the organisation can continue critical activities within acceptable timeframes, thereby reducing the likelihood and impact of business interruptions.

As part of our responsibility to drive resilience across the group, we ensure that comprehensive response strategies are developed and maintained across the following core pillars:

- **Skill sets:** Identifying and supporting critical competencies, roles and key personnel through succession planning, cross-training and role redundancy
- **Facilities and premises:** Safeguarding access to operational sites, offices and critical infrastructure, including alternative work arrangements and contingency locations
- **Documentation:** Maintaining updated and secure access to essential records, procedures, contracts and operational documentation required for continuity and recovery
- **Equipment:** Identifying and securing critical operational tools, machinery, safety equipment and specialised resources required to sustain or restore operations
- **Third parties:** Managing dependencies on suppliers, service providers and strategic partners through business continuity requirements, contractual obligations and ongoing assurance
- **Information and communications technology (ICT)/information technology (IT) systems:** Ensuring the availability, redundancy and recoverability of core information systems, applications, networks and cybersecurity measures that support essential processes

These pillars collectively support our resilience objectives and enable a structured, coordinated and effective response to disruptive events. By embedding BCM into strategic and operational decision making, we enhance our ability to withstand shocks, protect value and ensure the sustainable continuity of our operations.

### Emerging risks

In addition to our strategic risks, we proactively monitor emerging risks and global trends that may influence our long-term strategic direction and value-creation objectives. These include evolving regulatory expectations, climate-related pressures, geopolitical and macro-economic shifts, technological advancements and changes in stakeholder priorities. Continuous assessment and analysis of these developments deepen our understanding of their potential impacts on the business and enhance our ability to anticipate, prepare for and respond to future uncertainties. This forward-looking approach strengthens the resilience of our risk management processes and ensures that Exxaro remains agile, competitive and well positioned in a rapidly changing operating environment.

## Opportunities

We apply the ERM framework to identify and pursue opportunities. By contributing to the global energy transition, we are maximising value in the medium to long term and managing the risk of being unable to achieve growth objectives. We are adapting the coal and metals business to identify and pursue opportunities that create value and enhance our sustainability, such as investing in energy transition metals and renewable infrastructure.

The following opportunities inform our Sustainable Growth and Impact strategy:

Opportunity	Strategic objective	Strategic response
The drive for energy transition metals presents opportunities to <b>invest in operational assets, project development and exploration</b> by leveraging our balanced portfolio approach towards capital allocation and risk and returns management.		We continue to review and invest in opportunities that align with our strategy and investment criteria.
Private-public participation in local rail operations is an opportunity for <b>unlocking value and vertical integration</b> .		Amid rail infrastructure challenges in South Africa, we consider potential opportunities for private-public participation as a key strategic enabler.
The multidimensional poverty index highlights the drivers of poverty and inequality in our communities, allowing us to <b>focus our social impact efforts towards sustainable impact</b> . We will prioritise education, land use management and SMME development.		Social impact remains a key focus in our Sustainable Growth and Impact strategy, and we are committed to going beyond compliance to create positive social impact and sustained economic development beyond our operations.
Our ability to <b>maximise market-to-resource opportunities</b> by leveraging the low cost and flexibility of our coal assets and reserves.		Our market-to-resource optimisation strategy remains a key enabler to maximise value from our coal assets.
<b>Accelerated expansion into renewable energy</b> will support our low-carbon transition.		We are committed to expanding our energy solutions business to become a leading energy solutions business.
<b>Nature-based solutions</b> that mitigate the impacts of climate change present an opportunity, especially considering the vast amount of viable land that Exxaro owns. We intend to maximise this opportunity through our Sustainable Growth and Impact strategy.		As a responsible mining company, we continuously evaluate opportunities to use our assets (including land) in support of a low-carbon future.
We are leveraging the opportunity to <b>invest in self-generation facilities</b> , which aligns with our energy growth strategy.		Cennergi's 68MW PV farm near Grootegeluk, commissioned in 2025, is our first self-generation project to expand and diversify within the energy space. The project supports low-carbon emissions and long-term savings on electricity usage at Grootegeluk. We are exploring further opportunities for self-generation.
The <b>global energy transition</b> provides an opportunity to mine and supply the metals that support green technologies. Through a rigorous screening process, Exxaro identified future energy material and renewable infrastructure as being most aligned to our experience, capabilities and market forecast.		Future energy security remains a key consideration driving our diversification intent. We continue to review opportunities to expand our business through investments in the supply of energy transition metals.
<b>Technological advancements</b> , especially in the field of AI and computing, can optimise our operations and unlock value by increasing productivity, reducing costs, improving safety and improving efficiencies.		We are actively investing in bolstering our data science capabilities as well as implementing advanced analytics and AI solutions across our business.
While the energy transition is underway, <b>coal remains vital</b> to regional and international energy security and will remain crucial for some time. This provides an opportunity to extend the life of our current assets where feasible.		We are investigating the feasibility of life extension at all our operations and will do so responsibly.

## Risks and opportunities continued

### 2026 risk trends

The table below illustrates changes in the residual risk score when comparing the 2025 financial year and forward-looking 2026 financial year. While we review risks quarterly, they may change significantly depending on their internal and external root causes. The 2026 ranking represents the key possible unwanted events that could impact our ability to achieve our strategic objectives. Risk scores are calculated from the product of the likelihood and the impact of the unwanted event (risk = f(likelihood of risk occurring x impact of the risk)).

2026 ranking	2026 top risks	2025 ranking	2025 vs 2026 trend	Comments
1	Unavailability of logistics capacity (formerly unavailability of rail capacity)	1		TFR operational and maintenance challenges are expected to continue, significantly impacting Exxaro. Since May 2025, TFR has experienced three major derailments year-to-date, contributing to ongoing rail disruptions. The North Corridor also continues to face recurring pantograph hook-up issues, further affecting train availability and reliability.  Despite these challenges, the third quarter of FY2025 saw a positive recovery in weekly performance following the annual shutdown, with rail tempo peaking at 65.5Mtpa in August 2025 and averaging 55.8Mtpa for the quarter. Exxaro expressed interest in rail concessions between RBCT and Grootegeeluk Complex through the Department of Transport's private sector participation request for information and is preparing for the upcoming request for proposal. To support export plans, it has also initiated processes to secure services from independent train operating companies.
2	Safety risk (formerly fatal risk incidents)	2		Exxaro recorded seven LTIs, with one being classified as an HPI related to trackless mobile machinery, one of our top fatal risks. These incidents occurred at Cennergi, Leeuwpan, Matla and FerroAlloys operations, causing fatal risks to remain high. All line managers were instructed to intensify visible felt leadership (VFL) to address this. The One Voice Safety strategy is being implemented across all business units through 19 weeks of activations, supported by zero tolerance rules and fatal risk protocols, to address priority unwanted events.
3	Cybersecurity attacks impacting business	3		The information management team continuously implements security controls and assesses their effectiveness to ensure a robust cybersecurity programme. Key controls include policies and standards, vulnerability management, endpoint detection and response solution. Focus is on implementing further treatments, including the vault project and network access control system. These controls will be assured in 2026.
4	Customer concentration risk	5		Eskom's financial position is a concern in the short to medium term as the government continues to reform South Africa's electricity sector and Eskom implements its turnaround strategy and restructuring. Coal demand could be affected by changes in the energy mix.  ArcelorMittal South Africa Limited (AMSA) continues to face a challenging operating environment, which is negatively affecting coal offtake.
5	Country risk (formerly country risk (geopolitical))	4		Country risk remains elevated but trending positive off the back of encouraging improvements in state utilities, structural reforms, stable macro-economic management and increased momentum in public-private collaboration, which is beginning to translate into positive business sentiment. However, the positive sentiment is outpacing economic reality, as fixed investment continues to be low amid a challenging economy. Continued execution of reforms and infrastructure recovery remain critical to further risk reduction over 2026. Further, the outcomes of local government elections, planned for the fourth quarter of 2026, are a focus. They may present some surprises in key municipal centres and possibly result in limited social unrest.
6	Adverse threat to licence to operate	6		We will continue to focus on delivering on our commitments in line with our licence to operate. Additional project management and technical and supply chain resources have been deployed to support the delivery of SLP commitments. Furthermore, the implementation of the Social Impact strategy is expected to deliver positive outcomes for the communities where we operate. Community members are kept updated through regular community engagements, and engagements with the Department of Mineral and Petroleum Resources (DMPR) are ongoing. The Matla mining right was approved.
7	Climate change and decarbonisation challenges (formerly decarbonisation challenges)	9		Phase 2 of the carbon tax was implemented on 1 January 2026. Proposed changes will increase Exxaro's carbon tax liabilities due to reductions in tax-free allowances. Our focus is on implementing the decarbonisation roadmap and energy-efficiency projects to reduce emissions. We also await a carbon budget allocation from the Department of Forestry, Fisheries and Environment.
8	Community unrest/ disruptions (formerly community unrest)	7		With the local elections in 2026 and associated risks, we will continue to intensify community stakeholder engagements and deliver on the Social Impact strategy and SLP commitments.
9	Geopolitical uncertainty	N/A		The heightened geopolitical tensions have not resulted in direct operational or trading disruptions for Exxaro. The group's supply chains and export corridors remain unaffected by sanctions or military activity, and its predominantly South African operating footprint provides a degree of insulation from global geopolitical shocks. Exposure remains concentrated in manganese exports, which are primarily sold into China, necessitating continued monitoring of trade policy and tariff developments. Overall risk remains manageable, with no immediate impact on operations or revenue streams.
10	Financial targets not met	10		Export coal prices continue to decline, placing pressure on revenue, profitability and EBITDA targets. The inability to move contracted volumes, due to AMSA and Eskom offtake constraint, has further impacted sales performance. Lower commodity prices are expected to negatively affect financial targets for the period. In response, a cost optimisation initiative was implemented, targeting a 10% reduction in non-labour costs to partially offset the revenue shortfall and protect margins. A short-term upside in coal prices is expected following the Middle East conflict and its impact on energy prices.

Ranking in the top 10 is higher compared to the previous year

Ranking in the top 10 remained unchanged compared to the previous year

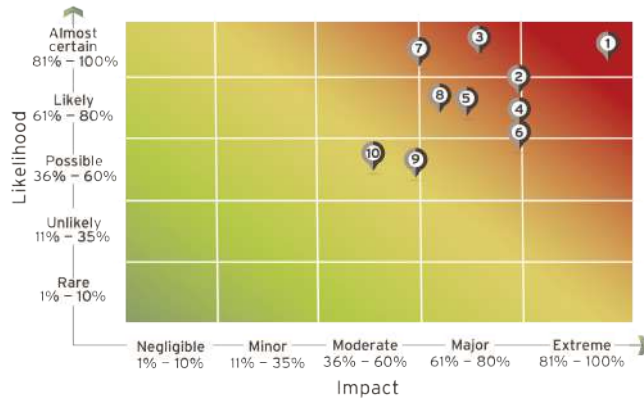
Ranking in the top 10 reduced compared to previous the year

New

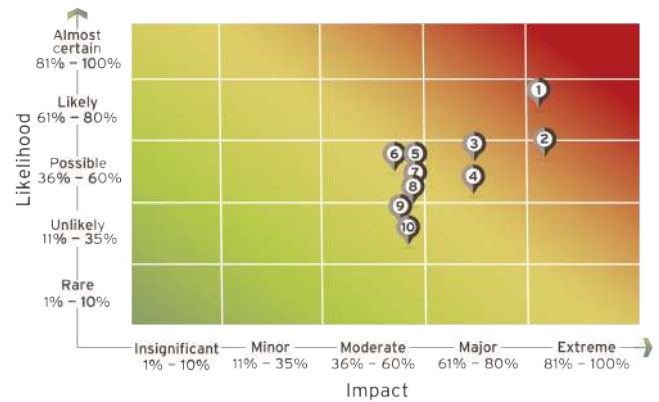
### Top 10 heat map

Exxaro's top 10 risks are plotted on an inherent basis (before controls) and a residual basis (after controls) on the heat maps below. We considered internal and external risks, with mitigation strategies dependent on the severity of impact and likelihood of occurrence.

#### Inherent risk



#### Residual risk



	Likelihood	Impact
1% - 10%	Rare	Insignificant
11% - 35%	Unlikely	Minor
36% - 60%	Possible	Moderate
61% - 80%	Likely	Major
81% - 100%	Almost certain	Extreme

### Managing our risks

Exxaro assesses a range of risk treatment strategies, including avoidance, reduction, sharing, acceptance, or transfer. In selecting the most suitable treatment option, we consider stakeholder expectations, organisational values and the most effective communication methods. Decisions to implement a specific treatment are guided by our defined risk tolerances, the expected influence on impact and likelihood ratings, and a cost-benefit evaluation. Once a treatment is applied, Exxaro establishes ongoing monitoring mechanisms to track its implementation and evaluate its effectiveness over time.

Lines of defence

- 1 Management
- 2 Specialist functions (eg risk and compliance)
- 3 Internal audit
- 4 External audit and regulators
- 5 Governance structures (board and board sub-committees)

Risk trend

- ▲ Residual risk increased compared to the previous year
- ▼ Residual risk decreased compared to the previous year
- ▶ Residual risk remained unchanged compared to the previous year
- ★ New

We unpack the top 10 risks, their main drivers, their potential impacts on Exxaro, controls, future treatments (where relevant) and outlook on the following pages.

## Risks and opportunities continued

### 1 Unavailability of logistics capacity (2025 risk ranking: 1)

#### Drivers

- TFR challenges, including locomotive availability, inadequate maintenance, financial difficulties and security issues
- Country risk (political), exacerbated by government not addressing root causes
- Cable theft, power failures and derailments
- Renegotiation of rail agreements
- Transnet's financial viability

#### Impacts

- Operational stoppages
- Financial loss
- Inability to meet contractual agreements and budget
- Inability to grow
- Increased demand on Exxaro for road capacity
- Impacts on margins due to higher cost of road transport

#### Controls

- Engaging with TFR to understand issues and provide assistance via RBCT (security, spares support, derailment recovery)
- Exploring options to evacuate export coal with domestic sales
- Influencing National Rail Policy reforms and funding secured from National Treasury through industry participation and support
- Focusing on optimisation, with Maputo port capacity unlocked
- The mining industry is providing financial support to TFR to obtain spares and other parts

#### Future treatments

- Ongoing support and assistance to TFR
- Optimising Maputo flows

#### Outlook

TFR's current leadership is expected to bring stability. Engagement between Transnet and the industry has improved.

Policy and legislative reforms towards an open rail regime are encouraging, with a milestone reached through the division of TFR into two functions: infrastructure management and operations. This enables access to the rail network for private operators.

#### Risk appetite statement

Exxaro maintains low tolerance for operational risks that could affect business performance.

Material theme	Capitals impacted	Strategic objectives impacted	Line of defence	Risk ranking trend
			1 2 3 4	

### 2 Safety risk (2025 risk ranking: 2)

#### Drivers

- Challenges in applying safety standards, including operational risk management, and adequacy of standards and training
- Lack of reporting, investigating and correctly classifying incidents, which prevents root cause identification and effectively benefiting from lessons learnt
- Health and safety requirements not being integrated into the sourcing process for mining equipment and services

#### Impacts

- Fatalities and serious safety incidents
- High insurance premiums
- Loss of productivity (deaths, medical incapacity or sick leave)
- Decrease in quality of life
- Fines and penalties (section 54(a) of Mine Health and Safety Act, 1996 (Act 29 of 1996))
- Reputational risk

#### Controls

- Implementing the One Voice Safety strategy across all business units, with zero tolerance rules and fatal risk protocols to address priority unwanted events
- Reinvigorating the VFL programme to coach employees on safe work practices and extract leading indicators to inform safety initiatives
- Instituting safety stand-downs where necessary, and VFL activities were intensified after the incidents in March 2025
- Hosting the CEO safety summit and leadership safety day as annual leadership engagement platforms for safety
- Exxaro health and safety policies were reviewed to reiterate the group's commitment to safety
- Rolling out operational risk management, critical control management, incident management and VFL, along with the One Voice Safety strategy

#### Outlook

Exxaro recorded seven LTIs and three HPs, primarily involving trackless mobile machinery and working at heights – two of our highest fatal risks. As a result, fatal risk exposure remains elevated. All line managers have been directed to intensify VFL and consistently reinforce the pillars of the One Voice Safety strategy in their engagements. Continued implementation of the One Voice Safety strategy across all BUs, supported by zero tolerance rules and fatal risk protocols, is essential to preventing priority unwanted events.

#### Risk appetite statement

Exxaro has zero tolerance for risks that endanger lives.

Material theme	Capitals impacted	Strategic objectives impacted	Line of defence	Risk ranking trend
			1 2 3 4	

3

Cybersecurity attacks impacting business (2025 risk ranking: 3)

Drivers

- Sophistication of global cyberattacks, driven by the growing adoption of digital business solutions
- Large number of devices connected to the Exxaro network that need to be managed
- Vulnerability due to lack of awareness, exposing Exxaro to cyberattacks
- Ability to protect against and detect global and local cyberattacks

Impacts

- Revenue loss and reputational damage
- Exposure of confidential information
- Business interruption
- Legal and regulatory impacts (Protection of Personal Information Act, 2013 (Act 4 of 2013) (POPIA) implications)

Controls

- Robust cybersecurity governance practices
- Vulnerability management to reduce exposure
- Regular security awareness programmes conducted to educate employees on emerging threats and promote a culture of security
- Incident response and disaster recovery capabilities to minimise operational disruptions
- Identity management practices
- Strengthened technology architecture to limit exposure and contain potential disruptions

Future treatments

- Enhancing network security
- Strengthening enterprise data resilience to safeguard critical information assets and minimise operational disruption
- Enhancing data protection capabilities
- Strengthening employee cybersecurity awareness capabilities

Outlook

Ransomware, unauthorised access to information systems and the availability of critical platforms remain key risks to Exxaro's operations. As digital transformation accelerates and AI is increasingly embedded in daily operations, exposure to cyber threats continues to rise. This highlights the need for a resilient cybersecurity programme and risk management strategies that balance innovation with operational stability and the achievement of business objectives.

Risk appetite statement

Exxaro has a low appetite for information security risks, mitigated by ensuring data privacy and maintaining strong governance over IT systems, in line with overall company goals and strategic objectives.

Material theme	Capitals impacted	Strategic objectives impacted	Line of defence	Risk ranking trend
			1 2 3 4	

4

Customer concentration risk (2025 risk ranking: 5)

Drivers

- Realisation of approved funding for capital requirements (Matla capital project programme)
- Eskom liquidity risk
- Commercial risk attached to long-term contracts
- Infrastructure challenges at power stations results in reduced offtake
- AMSA operating environment impacting coal demand

Impacts

- Operational constraints at Grootegeluk as a result of Eskom and AMSA's inability to offtake coal
- Cash flow constraints at Eskom and AMSA increasing credit risk for Exxaro
- CSA not renewed, impacting the Matla Colliery\*
- Loss of revenue
- Reputational damage

Controls

- Sustained engagement and collaborative planning with Eskom, enhancing alignment between power stations and the mines
- Enforce CSAs
- Debt relief package for Eskom and new management appointed
- National Energy Crisis Committee is effectively managed
- Enhanced demand planning in close alignment with AMSA

Outlook

AMSA has commenced the wind-down of its long steel business following the expiry of the IDC's due diligence period, with section 189 notices issued from 1 September 2025. The Newcastle blast furnace has been placed on care and maintenance. AMSA's coal demand has reduced significantly due to a challenging operating environment. The steel producer's outlook remains constrained and is highly reliant on broader structural changes within South Africa. Eskom continues to experience operational challenges at its power stations, which impacts coal offtake at Grootegeluk.

Risk appetite statement

N/A

Material theme	Capitals impacted	Strategic objectives impacted	Line of defence	Risk ranking trend
			1 2 3	

\* CSA signed in April 2026.

**5** Country risk (2025 risk ranking: 4)

**Drivers**

- Uncertain, inhibiting and inadequate policies for economic development and investment
- Crime and corruption in the private and public sectors
- High unemployment and poverty
- Lack of government service delivery
- Country credit rating (BB-; stable outlook)
- Constrained economic growth and limited tax base
- Global macro-economics and geopolitics
- Infrastructure constraints and supply chain disruptions
- Lack of innovation/research and development
- Rand volatility
- Exxaro's delivery on commitments

**Impacts**

- Community unrest
- Reduced opportunities for public-private partnerships
- Increased compliance burden
- High cost of capital
- Breakdown in relationships with government
- Reduced investment opportunities
- Higher expectations from society and government for Exxaro to contribute to addressing social issues and service delivery
- Stock devaluation

**Controls**

- Active participation in business and reform platforms (eg Business Leadership South Africa reform initiatives)
- Structured government and stakeholder engagement at national, provincial and local level
- Supporting a thriving democracy through deliberate and strategic donations and sponsorships
- Appropriate insurance coverage
- Proactive monitoring of policy and regulatory developments
- Community engagement and social investment aligned to operational and sustainability priorities
- Media and sentiment monitoring with escalation protocols
- Internal and external communications strategy to reinforce Exxaro's role in South Africa's growth and transition
- Support national investment narrative and ease-of-doing-business reforms

**Outlook**

Country risk remains elevated but trending positive off the back of encouraging improvements in state utility, structural reforms, stable macro-economic management and increased momentum in public-private collaboration, which is beginning to translate into positive business sentiment. However, the positive sentiment is outpacing economic reality, as fixed investment continues to be low amid a challenged economy. Continued execution of reforms and infrastructure recovery remain critical for further risk reduction over 2026. Further, the outcomes of the local government elections planned for the first quarter of 2026 are a focus area. They may present surprises in key municipal centres and possibly result in limited social unrest.

**Risk appetite statement**

Exxaro builds an ethical culture rooted in integrity, accountability and trust, ensuring transparency and fairness in all actions including dealing with fraud, bribery and corruption.

Material theme	Capitals impacted	Strategic objectives impacted	Line of defence	Risk ranking trend
			<b>3</b>	

## 6 Adverse threat to licence to operate (2025 risk ranking: 6)

### Drivers

- Not achieving SLP targets for annual and five-year projects
- Ineffective stakeholder communication about Exxaro's achievements
- High community expectations for social investments and procurement opportunities
- Delays in licence and authorisation approvals
- Inability to meet legislative targets, such as Mining Charter and B-BBEE
- BEE transaction unwind

### Impacts

- Production stoppages
- Reputational impacts (loss of business opportunities)
- Financial loss
- Community unrest
- Suspension/cancellation of mining right or directive issued by the DMPR
- Fines and penalties by regulatory authorities
- Protracted disputes with regulatory authorities

### Controls

- Fulfil regulatory requirements within reasonable costs
- Engage with stakeholders and regulators
- Supervise and report on the execution of projects in terms of SLPs
- Monitor compliance performance management with regard to SLPs and B-BBEE
- Empowerment transaction has been extended to 2027
- Assess the impact of new legislation and regulations on operations
- Conduct annual SLP internal audits before submission to DMPR

### Outlook

We will continue to focus on delivering on our commitments in line with our licence to operate. Additional project management, technical and supply chain resources have been deployed to support the delivery of SLP commitments. Furthermore, the implementation of the Social Impact strategy is expected to deliver greater impact to the communities where we operate. Community members are kept updated through regular engagements, and engagements with DMPR are ongoing.

### Risk appetite statement

Exxaro safeguards its reputation by ensuring full compliance with laws and regulations, with zero tolerance for non-compliance.



7

Climate change and decarbonisation challenges (2025 risk ranking: 9)

**Drivers**

- International and local investor sentiment against fossil fuels
- Increased stringent local and international legislation (eg Climate Change Act and associated regulations, carbon budgets and the Carbon Tax Act)
- Competition between operations and communities for water resources
- Lack of implementation of national climate policies resulting in failure to meet the national climate goals linked to the Paris Agreement (negative environment and social impacts)

**Impacts**

- Increased cost of doing business
- Community protest
- Non-compliance associated with GHG emissions
- Energy security and supply
- Loss of production
- Natural disasters
- Equipment/infrastructure damage
- Possible fatalities and increased occupational incident rate
- Restriction in allocation of water
- Legal claims against heavy polluters
- Unable to secure insurance cover for operations (higher premiums, reduced coverage availability, or even uninsurability)

**Controls**

- We have an ESG portfolio management office, with an ESG committee appointed to monitor portfolio management office activities and decarbonisation projects
- Invest in decarbonisation initiatives and projects through the ESG portfolio management office
- Diversify the portfolio into other metals in line with Exxaro's strategy
- Continuous engagement with government and other stakeholders to create partnerships for scope 3 emissions mitigation (eg, signed MoUs with the Council for Geoscience and Eskom)
- Ensure compliance with the Climate Change Act, 2024 (Act 22 of 2024) (Climate Change Act), Carbon Tax Act, 2019 (Act 15 of 2019) (Carbon Tax Act) and associated regulations
- Reduce our water intensity and carbon intensity per tonne of product to reduce carbon emissions and water consumption
- Ongoing monitoring of developments in carbon pricing
- Maintain and establish relevant public private partnerships
- Monitor infrastructure integrity by means of the structural integrity management systems programme
- Execute the decarbonisation roadmap
- Annually review the financial model to cost the impact of carbon tax
- Cennergi continues to reinforce our commitment to environmental stewardship and socio-economic development in the regions where it operates
- Capital allocation for decarbonisation and other ESG projects

**Future treatments**

- Conduct a climate adaptation and resilience study of our operations
- Leverage the opportunity to invest in self-generation facilities, which aligns with our energy growth strategy

**Outlook**

We continue to explore opportunities to lower carbon emissions in our operations and value chain, and contribute to an impactful transition.

**Risk appetite statement**

Exxaro is committed to environmental laws and decarbonisation. We accept minimal environmental risks to achieve our goals.

Material theme	Capitals impacted	Strategic objectives impacted	Line of defence	Risk ranking trend

8

Community unrest/disruptions (2025 risk ranking: 7)

**Drivers**

- Delayed implementation of SLPs and transformation initiatives, including local economic development, human resource development and local procurement, among others
- Lack of capability or capacity of companies and youth in local communities
- Influence of local community business forums on allocation of opportunities
- High unemployment rate
- Low economic growth
- Lack of municipal service delivery
- Increased climate change activism in host communities

**Impacts**

- Potential harm to mine employees, contractors and community members
- Disruptions to operations by preventing access to workplace
- Reputational damage
- Financial loss

**Controls**

- Enhanced monitoring of SLP implementation across the business
- Ongoing engagement with DMPR, Minerals Council South Africa, and local and district municipalities
- Ensure that strike emergency response plans are active and tested regularly
- Conduct regular community stakeholder engagement
- Support the development of post-mining economies and skills through programmes such as the MSP
- Communicate business opportunities and provide support through incubation and ESD programmes
- Ensure ongoing implementation of Social Impact strategy beyond compliance
- Leverage partnerships to increase social impact
- Leverage and repurpose Exxaro land to benefit communities
- Continue implementing the Social Impact strategy through an ecosystem approach
- Continue to develop post-mining economies and skills

**Outlook**

Critical infrastructure failures, specifically regarding the water and road networks in the Victor Khanye, eMalahleni and eMakhazeni municipalities, are driving community unrest. We anticipate these service delivery protests will escalate as the election period approaches, posing a direct risk to our local operations.

**Risk appetite statement**

Exxaro avoids actions that could harm our brand or stakeholder trust.

Material theme	Capitals impacted	Strategic objectives impacted	Line of defence	Risk ranking trend
			<b>1 2 3 4</b>	

9

Geopolitical uncertainty (2025 risk ranking: N/A)

**Drivers**

- Heightened trade protectionism, including tariffs, sanctions and strategic resource nationalism, which impacts global trade flows
- Escalating military action and prolonged conflicts (Ukraine-Russia, Middle East) increasing global uncertainty and volatility
- Uncertain global policy environment including regional positions on energy transition
- Deteriorating global geopolitical cohesion and weakening multilateral coordination
- Weaker influence of transnational organisations and institutions (eg UN)
- South Africa’s strained diplomatic positioning with key western partners, including tensions with the US and South Africa’s legal case against Israel, raising reputational and trade access risks
- Exposure of manganese exports to China, increasing sensitivity to bilateral trade dynamics and tariffs

**Impacts**

- Higher logistics, insurance and compliance costs under elevated global risk conditions
- Revenue decline from reduced demand or blocked access to strategic markets
- Disruption of export markets due to embargoes or sudden tariff hikes
- Loss of ability to participate in affected markets/politically unstable regions
- Increased costs from rerouting supply chains or complying with new foreign regulations
- Reputational damage if seen to be supporting politically controversial regimes

**Controls**

- Concentrated operating and revenue base in South Africa, reducing direct exposure to sanctioned jurisdictions
- Customer and logistics diversification within approved and stable trade corridors
- Ongoing geopolitical monitoring and scenario analysis integrated into strategy and risk reviews

**Future treatments**

- Continue active monitoring of South Africa-US relations and broader geopolitical developments and trade policy signals – ongoing
- Update stress-testing assumptions for tariffs, sanctions spillovers and logistics disruption scenarios – ongoing
- Strengthen strategic stakeholder and policy engagement to manage reputational and market access risks – ongoing

**Outlook**

Global geopolitical risk is expected to remain elevated through 2026 as military conflicts intensify, geopolitical tensions continue to be unpredictable, and trade protectionism increases. Ongoing conflicts in Eastern Europe and the Middle East, together with tariff wars and sanctions, are likely to sustain volatility in global commodity markets, logistics costs, and impact investor sentiment. South Africa’s geopolitical positioning and strained relations with certain Western partners may continue to create uncertainty around trade access and diplomatic alignment, particularly in an increasingly fragmented global environment.

**Risk appetite statement**

N/A

Material theme	Capitals impacted	Strategic objectives impacted	Line of defence	Risk ranking trend
			2	

10

Financial targets not met (2025 risk ranking: 10)

**Drivers**

- Macro-economic factors (commodity prices, exchange rates and inflation)
- Counterparties not meeting contractual obligations (Eskom, TFR and AMSA)
- Optimising operations
- Position of operations on cost curve
- Above inflationary cost pressure and supply chain disruptions
- Acquisitions not meeting the financial return targets in terms of investment criteria

**Impacts**

- Lower production and revenue
- Increased cost of production
- Increased head office costs
- Lower cash generation
- Inability to achieve budgeted returns
- Acquisitions not meeting hurdle rates
- Inefficient capital allocation

**Controls**

- Target for cost increases of mines to be below mining inflation and for Exxaro overall to be in the first quartile of the cost curve
- Operational effectiveness and digitalisation initiatives to reduce cost per tonne
- Monitor supplier financial health (critical and strategic suppliers)
- Cost, production and capex annually determined through target-setting process
- Quantifying and simulating the impact of drivers in the financial model and forecasts
- Enforcing Eskom “take or pay” provision
- Investment criteria for acquisitions with sensitivity analysis

**Future treatments**

- Optimise costs at Grootegeluk – ongoing
- Ongoing revision of the capital allocation framework once certainty on the size of the manganese acquisition is attained

**Outlook**

Exxaro’s financial performance will largely be influenced by the logistical performance and ability of Eskom to meet its contractual commitments, as well as the performance of our investment in SIOC. Coal prices are declining and the foreign exchange rate is strengthening.

**Risk appetite statement**

Exxaro proactively manages financial risk emanating from business decisions to remain liquid and solvent and meet our debt covenants and financial targets.

Material theme	Capitals impacted	Strategic objectives impacted	Line of defence	Risk ranking trend
				

# Our stakeholders

Our stakeholders influence and are affected by our decisions, performance and long-term sustainability. As such, we prioritise building stable, mutually beneficial relationships with them. Meaningful engagement helps protect our licence to operate and create shared value.

## Stakeholder engagement approach

Our approach is guided by our stakeholder management policy and engagement procedure. These are strategy led and outcomes based, enabling us to build and maintain intentional and meaningful relationships. We regularly review our stakeholder universe to understand how our activities affect stakeholders and how their expectations influence our strategic delivery. Regular and ad hoc in-person engagements, supported by social impact assessments and surveys, inform our understanding of our social impact and stakeholders' needs and concerns.

## Assessing effectiveness and relationship quality

Exxaro's board and executive committee assess engagement effectiveness. We monitor the effectiveness of engagement and quality of relationships through surveys, feedback platforms, structured review cycles and the outcomes of key interactions, which inform our adjustments and focus areas. These insights help strengthen mutual trust and reinforce our commitment to maintaining constructive, long-term stakeholder relationships.

### Stakeholder universe

We categorise our stakeholders into four key groupings and identify relevant engagement objectives and strategies as required.



## Our stakeholders and our response to their expectations and issues

### Employees | Quality of relationship: Although we have a solid relationship with our employees, there is room for improvement

Stakeholders include 21 297 Exxaro employees and 1 261 Cennergj employees.

#### Engagement purpose

We foster an engaged, resilient workforce by regularly communicating progress, co-creating solutions, developing capabilities, strengthening culture and trust, and ensuring open dialogue and employee feedback as part of our listening efforts.

#### How we engage

Through regular, multi-channel methods including structured meetings at various intervals, newsletters, roadshows, communication campaigns, digital communications and performance management processes. Our approach includes safety-focused initiatives, financial and operational feedback sessions, feedback on union meetings, active listening mechanisms that include employee surveys and anonymous reporting and feedback channels. We also support ongoing culture development through training and team journeys.



#### Stakeholder expectations and issues

While employees feel proud to work for Exxaro, they have concerns regarding insufficient communication, which creates a lack of clarity and uncertainty. There is also a strong need to strengthen psychological safety to enable employees to speak up. Leaders are also encouraged to be more deliberate about listening to employees and take visible action on their feedback. This includes enhancing focus on employee development and growth to support our talent pipeline.

#### Our response

- Strengthening leadership listening by:
  - Developing action plans to address employee concerns
  - Regularly conducting pulse checks to monitor progress against action plans
- Supporting the implementation of key initiatives:
  - Encouraging leaders and their teams to undergo team journeys to support team health and collaboration
  - Implementing FUNN@WORK to promote employee wellbeing and encourage fun in the workplace
  - Implementing Culture Live feedback sessions to focus on issues that are important to employees and promote the desired culture for Exxaro
  - Introducing our employee value proposition, supported by focus groups across the organisation, to ensure it reflects employees' lived experience
- Investing in and developing talent

#### Detailed disclosure:

-  [Human capital](#) (page 105)
-  Engaging our employees, developing future-ready talent and remuneration report ([ESG report](#), page 65 and 71)

#### Relevant material themes



#### Capitals impacted



#### Strategic objectives impacted



## Our stakeholders continued

### Investors | Quality of relationship: We maintain a good relationship with investors

Stakeholders include existing and potential shareholders, investment analysts and other capital providers with current and future interest in Exxaro's operational, financial and ESG performance, and long-term value creation. We also include ESG ratings agencies in the investor stakeholder group.

#### Engagement purpose

We proactively and consistently engage to build trust through transparency, provide clarity on our sustainable growth and impact strategy, capital allocation and long-term value creation to support fair valuation of the business. We also engage to gather investor insights and feedback to sharpen our strategy.

#### How we engage

Through financial results presentations, FD's pre-close messages, investor roadshows, annual general meetings, Capital Markets Day sessions, site visits and investor conference participation. We also conduct solicited meetings, participate in sell-side roundtables and gather feedback through investor perception surveys.


#### Stakeholder expectations and issues

Investors continued to seek clarity on Exxaro's growth and diversification plans and progress on manganese assets acquisition, growth areas, capital allocation framework and ESG issues related to Exxaro's transition. Company stability, organisational culture, employee morale and strategy during leadership transition were an area of interest. They are also interested in how we manage logistics and coal offtake risk, the sustainability of our coal business, as well as our capital allocation framework, shareholder returns and cash retention policy. Exxaro's B-BBEE structure beyond 2027 was also top of mind.

#### Our response

- Reaffirmed that Exxaro's Sustainable Growth and Impact strategy remained intact during leadership transition
- Articulated safety, organisational stability, succession planning, operational delivery and prudent diversification as key priorities during leadership transition
- Accelerated the prudent delivery of our diversification strategy by announcing the acquisition of select manganese assets from Ntsimbintle Holdings and OMH, and grew our energy solutions business through strategic acquisitions. We responsibly disposed of our entire shareholding in FerroAlloys, sharpening management focus and announced the Leeuwpan turnaround plan to return the mine to profitability
- We announced that the R12 billion to R15 billion cash buffer will no longer be required post manganese acquisition and that a review of our capital allocation framework was in progress
- Following the signing of a separate waiver by Eyesizwe to maintain its shareholding in Exxaro until 2027, Exxaro structure beyond 2027, actively evaluating options to maintain meaningful empowerment with community and employee participation in a manner that is compliant, value-preserving and creates long-term shareholder value. We are also monitoring the developments of the Draft Mineral Resources Development Bill of 2025
- Maintained proactive and consistent engagements with shareholders and analysts

**Detailed disclosure:**  [Chairman's statement](#) (page 8) and [our Sustainable Growth and Impact strategy](#) (page 16)

 Benchmarking our performance (page 19) and remuneration report ([ESG report](#), page 147)

#### Relevant material themes



#### Capitals impacted



#### Strategic objectives impacted



### Government | Quality of relationship: Our good relationship with this stakeholder has room for improvement

Government stakeholders include national, provincial and local government bodies that shape policy direction, socio-economic priorities and the broader operating environment in which Exxaro functions.

#### Engagement purpose

We build constructive partnerships with government by sharing strategic developments, collaborating on socio-economic solutions, contributing to national development, shaping policy, managing country risks, and engaging on ESG performance and community/environmental commitments.

#### How we engage


Through one-on-one, in-person and virtual engagements, as well as dialogue platforms, events and sponsorships, and quarterly reports.

#### Stakeholder expectations and issues

Government expects businesses to minimise negative environmental impacts, manage water responsibly and overcome climate change issues, while planning for post-mine closure and contributing to job creation and broader community upliftment.

#### Our response

- Reinforced a constructive, solutions-oriented approach by addressing key issues, such as logistics constraints, through industry platforms and direct engagements with government to improve infrastructure reliability
- Participated in provincial investment conferences in Mpumalanga and Limpopo
- The SERC engaged with Limpopo's premier and her delegates during Exxaro's Lephalale stakeholder engagement day
- Participated in Business Leadership South Africa G20 and B20 engagements
- Briefed the DMPR minister on Exxaro's manganese acquisition
- Engaged the DMPR minister on Leeuwpan mine section 189 processes
- Supported grade 12 results announcements in Limpopo and Mpumalanga, and supported the DMPR minister's Back to School campaign
- Supported the Department of Women, Youth and Persons with Disabilities by joining the South African delegation as a business representative at the 69th meeting of the UN Commission on the Status of Women in March 2025, leading to Exxaro initiating a potential strategic partnership with UN Women to advance women's empowerment through Exxaro's ESD programme
- Provided business input at a Cooperative Governance, Human Settlements and Traditional Affairs ministerial roundtable, shaping the review of the white paper on local government and strengthening Exxaro's role as a key partner in local economic development and infrastructure

**Detailed disclosure:**  Empowering people and communities ([ESG report](#), page 55).

#### Relevant material themes



#### Capitals impacted



#### Strategic objectives impacted



## Regulators | Quality of relationship: Our good relationship with this stakeholder has room for improvement

Regulators include specialised regulatory authorities responsible for enforcing mining, environmental, water, safety and other compliance requirements across Exxaro's operations.

### Engagement purpose

We maintain constructive compliance relationships, engage on licensing, mine closure and environmental requirements, align on regulatory expectations and ensure transparent reporting and assurance. Our engagements assist with applications to secure our licence to operate and enable us to collaborate in shaping policies.

### How we engage


Through one-on-one, in-person and virtual engagements, as well as dialogue platforms and quarterly reports.

### Stakeholder expectations and issues

Regulators expect updates on Exxaro's plans and strategies in addition to receiving submissions for licences and authorisations.

### Our response

- Engaging regularly with the DMPR on SLP initiatives, including planning and reporting
- Reporting quarterly as required by regulatory bodies
- Ensuring robust internal auditing processes, strategies and management controls to improve compliance and risk mitigation
- Regularly reviewing and addressing complaints received
- Processing information requests through the Promotion of Access to Information Act, 2002 (Act 2 of 2002) and managing them accordingly
- Proactively engaging with the Department of Water and Sanitation and Department of Forestry, Fisheries and Environment on water issues at our Durnacol and Hlobane mines in closure
- Successful engagements with the DMPR on the renewal of our Matla mining right, and the Department of Water and Sanitation on the Matla water use licence renewal

**Detailed disclosure:**  Our environmental stewardship and empowering people and communities ([ESG report](#), page 21 and 55)

#### Relevant material themes



#### Capitals impacted



#### Strategic objectives impacted



## Labour unions | Quality of relationship: We have a very strong relationship with this stakeholder based on mutual trust and respect

Stakeholders include recognised labour unions that represent employees' interests and participate in collective bargaining and workplace forums.

### Engagement purpose

We aim to ensure constructive dialogue, fair labour practices, minimise labour unrest risks and maintain workplace stability through transparent engagement, formal structures and collaborative problem solving.

### How we engage


We formally engage with unions that have recognition agreements and uphold their collective bargaining rights. We maintain positive employee relations through ongoing monthly engagements at BUs and quarterly engagements at an employer level (Exxaro Coal and Exxaro Coal Mpumalanga) and with Exxaro Resources Limited. These engagements are supported by issue-driven union and management discussions, including engagements on interim and annual results.

### Stakeholder expectations and issues

Unions expect Exxaro to finalise issues that emanated from 2024 wage negotiations.

### Our response

- We strive to proactively communicate updates on business or financial performance, social impact and people initiatives as they become available
- We provided an opportunity for our CEO to engage with national trade union leadership on issues pertaining to the business and our relationship

**Detailed disclosure:**  Engaging our employees ([ESG report](#), page 65).

#### Relevant material themes



#### Capitals impacted



#### Strategic objectives impacted



## Our stakeholders continued

### Communities | Quality of relationship: Our established relationship with this stakeholder can be improved

Communities include those living in and around our operations who are affected by Exxaro's activities and rely on us for social, economic and developmental opportunities.

#### Engagement purpose


We engender trust and strengthen our social licence to operate by sharing our strategy and purpose, responding to community needs, practising open communication, supporting economic upliftment and creating opportunities to co-create solutions.


#### How we engage

Primarily through stakeholder engagement forums and sessions with ecosystem partners.

#### Stakeholder expectations and issues

Ongoing issues include a lack of skills, limited access to procurement, funding and employment opportunities, and infrastructure development challenges.

**Detailed disclosure:**  [Social and relationship capital](#) (page 110)

 Empowering our communities ([ESG report](#), page 77).

#### Our response

- Exxaro's proactive and consistent community engagements are ongoing, with their effectiveness demonstrated during community protests in eMalahleni and targeted action at Matla mine. Both incidents were successfully managed with minimal disruption to production, reflecting the organisation's strategic community relations
- Delivering [SLPs](#) (page 111), which detail our commitments to skills development programmes and infrastructure development, including the resuscitation of boreholes in Leeuwpan, the Marapong sport, arts and culture precinct in Lephalale, and substation and roads projects in Matla and Belfast
- Leveraging Exxaro's land resources to create sustainable socio-economic value through concessional land leases for agriculture and land donations
- Planning future SLPs in accordance with social impact principles and impact areas, in consultation with communities and government
- Providing and allocating funding to community development initiatives, socio-economic development, local ESD initiatives, charitable organisations and youth upskilling
- Holding the board's annual stakeholder days in Lephalale in November 2025, featuring high-level engagement with the DMPR regional manager, Limpopo premier Dr Phophi Ramathuba and the members of the executive council for education, health, and sport, arts and culture. While government leadership provided largely positive feedback regarding Exxaro's performance, community representatives raised ongoing concerns regarding procurement and employment opportunities

#### Relevant material themes



#### Capitals impacted



#### Strategic objectives impacted



### Customers | Quality of relationship: Our good relationship with this stakeholder has room for improvement

Stakeholders include domestic and offshore customers in Europe, Asia and other markets. Eskom is our largest customer, making up 71% of our coal sales (per product tonnes) (2024: 72%).

#### Engagement purpose

We engage with customers to understand their requirements and collaborate on environmental priorities, market trends, future opportunities and performance improvements.

#### How we engage

Through outbound marketing, email correspondence and meetings at different customer organisation levels. This is complemented by participation in marketing and industry conferences.

#### Stakeholder expectations and issues

Customers expect high-quality, reliable product supply and responsive service, supported by clear communication. They are also interested in how we address societal challenges, uplift our communities, minimise our environmental impact, build climate resilience and address climate change issues.

#### Our response

- Increasing engagement with customers about their challenges
- Facilitating strategic discussions to strengthen relationships in the longer term
- Signing the Matla CSA with Eskom post-year end, reinforcing our strategic partnership

**Detailed disclosure:**  [Manufactured capital](#) (page 101).

#### Relevant material themes



#### Capitals impacted



#### Strategic objectives impacted



**Suppliers | Quality of relationship: We have a good relationship with these stakeholders, with room for improvement**

Stakeholders include partners who render services and supply goods to execute strategic, transformational, ESG, security of supply and localisation of supply objectives at our operations.

**Engagement purpose**

We aim to build strategic, resilient relationships, promote local participation, support supplier development, and advance transformation and local economic development commitments.

**How we engage**


Through interaction via our vendor services helpdesk and direct, proactive engagements that focus on category management, capital sourcing and contract lifecycle.

**Stakeholder expectations and issues**


Suppliers seek long-term, sustainable relationships supported by active contract management, timely communication and collaboration to create shared value. They also expect increased local procurement and employment opportunities, and visible, meaningful demonstration of good corporate citizenship.

**Our response**

- Engaging regularly with strategic suppliers as part of our supplier relationship management programme to address key issues such as cost savings, diversity and transformation (black ownership and participation), supply security, risk management, and decarbonisation strategies
- Communicating our local procurement strategy and progress at regular BU stakeholder engagement forums and educating local suppliers about accessing business and funding opportunities
- Securing local economic development commitments from our suppliers
- Setting annual progressive targets, going beyond compliance with regulatory requirements, for preferential, local and green procurement
- Hosted a CEO Supplier EthiXX Day, reinforcing ethical conduct and transparency

**Detailed disclosure:**  Driving supply chain sustainability (ESG report, page 91).

Relevant material themes	Capitals impacted	Strategic objectives impacted
   	 	 

 Refer to the [ESG report](#) (page 14) for more information, including the 2025 and 2026 stakeholder focus areas.



# Our material matters

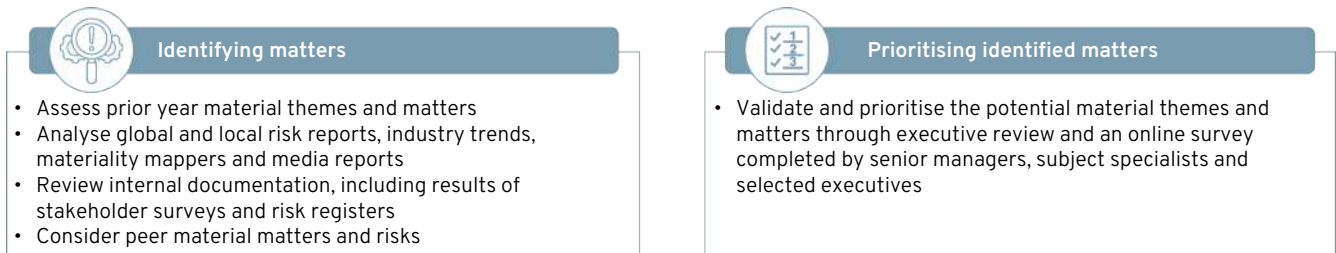
Materiality considerations guide the focus of our reporting. We apply a double materiality lens to identify matters that significantly influence our ability to create and sustain value, not only for our business, but also for our stakeholders and the natural environment.

## Materiality approach and process

Our materiality approach is guided by impact materiality (our outward impact on society, communities and the environment) and financial materiality (matters that impact our ability to generate revenue and preserve stakeholder value over time). This approach reflects the combined guidance of the Integrated Reporting Framework and GRI.

We conduct a materiality review annually, taking into account the dynamic nature of our material matters. This allows us to reflect on matters that may evolve from being material from an impact perspective to being financially material.

The review process involves:



Our materiality review results in matters that inform our integrated and ESG report content. The information provided in this report focuses on issues that have a greater impact on Exxaro's ability to create value over time. Matters that have a higher impact on society, communities and the environment are discussed in detail in our ESG report.

This year's materiality review resulted in 25 material matters across the same seven material themes. The matrix below depicts the prioritisation of our material themes, and our material matters are on the pages that follow, with changes indicated in footnotes.

## Materiality matrix



## Our material themes and matters

	Theme materiality	Capitals	SDGs	Strategic response
<p><b>Adapting to a changing context</b></p> <p>We operate in a dynamic environment, shaped by social, political and economic issues. Globally, we are exposed to fluctuations in commodity prices, which impact the revenue generated from our resources. We are also affected by South African country risks, including policy uncertainty, inflation, stagnant economic growth, and infrastructure and service delivery challenges. To remain resilient, we must respond to these factors with agility while anticipating the future.</p> <p><b>Material matters:</b></p> <ul style="list-style-type: none"> <li>• Macro-economic and geopolitical environment</li> <li>• South African infrastructure and service delivery challenges<sup>^</sup></li> <li>• Commodity price fluctuations</li> </ul> <p> <a href="#">Operating context</a> (page 32) and <a href="#">intellectual capital</a> (page 103)</p>	Financially material			
	<b>Related risks:</b>			<ul style="list-style-type: none"> <li>• Unavailability of logistics capacity, country risk, customer concentration risk, geopolitical uncertainty</li> </ul>
				<b>Year-on-year theme movement on materiality matrix:</b>
				<ul style="list-style-type: none"> <li>• Upward movement on impact materiality scale compared to 2024. However, this theme still skews mostly towards financial materiality</li> </ul>
<p><b>Building sustainable communities</b></p> <p>Maintaining our social licence to operate depends on the strength of our relationships with host communities. We aim to foster mutually beneficial relationships with our communities, and invest in community development and sustainable job creation. As we diversify our business and contribute to the transition to a low-carbon economy, we are committed to ensuring our communities' long-term sustainability.</p> <p><b>Material matters:</b></p> <ul style="list-style-type: none"> <li>• Social licence to operate</li> <li>• Upholding human rights<sup>^</sup></li> <li>• Sustainable job and business creation</li> <li>• Supporting an impactful transition to a low-carbon economy<sup>^</sup></li> </ul> <p> <a href="#">Social and relationship capital</a> (page 110),  <a href="#">Empowering our communities</a> (<a href="#">ESG report</a>, page 77)</p>	Impact and financially material			
	<b>Related risks:</b>			<ul style="list-style-type: none"> <li>• Adverse threat to licence to operate, community unrest/ disruptions</li> </ul>
				<b>Year-on-year theme movement on materiality matrix:</b>
				<ul style="list-style-type: none"> <li>• No significant movement</li> </ul>
<p><b>Driving business resilience</b></p> <p>Business resilience supports the execution of our strategy. We reinforce our resilience through solid financial performance, supply chain management, effective capital allocation, responsiveness to logistical impediments, and private-public partnerships. Our innovation mindset and adoption of emerging technologies mean that we increasingly face cybersecurity risks. Cybersecurity measures are essential to mitigate these risks and protect our data assets.</p> <p><b>Material matters:</b></p> <ul style="list-style-type: none"> <li>• Strong financial performance and capital excellence<sup>^</sup></li> <li>• Logistical impediments</li> <li>• Supply chain management</li> <li>• Innovation and digitalisation</li> <li>• Cybersecurity*</li> </ul> <p> <a href="#">Upholding good governance</a> (page 63), <a href="#">financial capital</a> (page 91), <a href="#">intellectual capital</a> (page 103),  <a href="#">Driving supply chain sustainability</a> (<a href="#">ESG report</a>, page 91)</p>	Financially material			
	<b>Related risks:</b>			<ul style="list-style-type: none"> <li>• Unavailability of logistics capacity, cybersecurity attacks impacting business, country risk, customer concentration risk, geopolitical uncertainty, financial targets not met</li> </ul>
				<b>Year-on-year theme movement on materiality matrix:</b>
				<ul style="list-style-type: none"> <li>• No significant movement</li> </ul>
<p><b>Enabling a thriving workforce</b></p> <p>Our employees are central to our business, driving our strategy and enabling our performance. We ensure a safe working environment, promote health and wellness, and maintain labour relations based on open communication and respect. Employee attraction and retention are vital to our growth and sustainability. Developing employees' skills and creating an inclusive workplace empowers employees to grow and contribute to our business.</p> <p><b>Material matters:</b></p> <ul style="list-style-type: none"> <li>• Health, safety and wellness</li> <li>• Employee attraction, retention, development and DEI<sup>^</sup></li> <li>• Labour relations</li> </ul> <p> <a href="#">Human capital</a> (page 105),  <a href="#">Empowering people and communities</a> (<a href="#">ESG report</a>, page 55)</p>	Impact and financially material			
	<b>Related risks:</b>			<ul style="list-style-type: none"> <li>• Safety risk</li> </ul>
				<b>Year-on-year theme movement on materiality matrix:</b>
				<ul style="list-style-type: none"> <li>• Upward movement on impact and financial materiality scales compared to 2024</li> </ul>

<sup>^</sup> Matter renamed or expanded.

\* New matter.

Our material matters continued

	Theme materiality	Capitals	SDGs	Strategic response
<p><b>Executing our strategy</b></p> <p>Climate change presents significant risks for organisations that do not adapt. Furthermore, the transition to a low-carbon economy brings opportunities for organisations to evolve their business models. Our response includes diversifying our assets, growing our energy solutions business and optimising our coal portfolio by disposing of non-core assets.</p> <p><b>Material matters:</b></p> <ul style="list-style-type: none"> <li>Diversify responsibly into energy transition metals while optimising our coal business<sup>^</sup></li> <li>Build a leading energy solutions business</li> </ul> <p><a href="#">Our Sustainable Growth and Impact strategy, performance against our strategy</a> (page 16 and 21)</p>	Financially material			
			<p><b>Related risks:</b></p> <ul style="list-style-type: none"> <li>Unavailability of logistics capacity, country risk, climate change and decarbonisation challenges, geopolitical uncertainty</li> </ul> <p><b>Year-on-year theme movement on materiality matrix:</b></p> <ul style="list-style-type: none"> <li>No significant movement</li> </ul>	
<p><b>Principled governance</b></p> <p>We uphold good corporate governance principles to build stakeholder trust, enhance our reputation as a responsible corporate citizen and boost our resilience in a changing environment.</p> <p><b>Material matters:</b></p> <ul style="list-style-type: none"> <li>Transparency, ethics and integrity</li> <li>Embedding ESG</li> <li>Legal, regulatory, risk and compliance excellence</li> </ul> <p><a href="#">Upholding good governance</a> (page 63), <a href="#">Full governance report (ESG report, page 98)</a></p>	Impact and financially material			
			<p><b>Related risks:</b></p> <ul style="list-style-type: none"> <li>Unavailability of logistics capacity, cybersecurity attacks impacting business, country risk, customer concentration risk, climate change and decarbonisation challenges, geopolitical uncertainty</li> </ul> <p><b>Year-on-year theme movement on materiality matrix:</b></p> <ul style="list-style-type: none"> <li>Upward movement on impact and financial materiality scales compared to 2024</li> </ul>	
<p><b>Responsible environmental stewardship</b></p> <p>We are responsible stewards of the natural resources upon which our operations and communities rely. Not only do we aim to mitigate and manage our negative impact on natural resources, we also contribute to enhancing ecosystem resilience. Our goal is to ensure a sustainable future for our employees, communities and the planet.</p> <p><b>Material matters:</b></p> <ul style="list-style-type: none"> <li>Carbon emissions reduction and impact of climate change</li> <li>Water stewardship</li> <li>Waste and pollution management</li> <li>Biodiversity and rehabilitation management</li> <li>Environmental incidents</li> </ul> <p><a href="#">Natural capital</a> (page 113), <a href="#">Our environmental stewardship (ESG report, page 21)</a></p>	Impact and financially material			
			<p><b>Related risks:</b></p> <ul style="list-style-type: none"> <li>Country risk, customer concentration risk, climate change and decarbonisation challenges</li> </ul> <p><b>Year-on-year theme movement on materiality matrix:</b></p> <ul style="list-style-type: none"> <li>No significant movement</li> </ul>	

<sup>^</sup> Matter renamed or expanded.

Sound governance is the foundation of sustainable value creation. We uphold ethical leadership, clear accountability and disciplined oversight to strengthen stakeholder confidence and enable future readiness. Our streamlined executive leadership structure will enable us to manage risks more effectively, respond to opportunities faster and execute our strategy sustainably.



## 4

### Upholding good governance

- 64 Our leadership
- 69 Summarised governance report
- 88 Combined assurance for effective governance

# Our board of directors

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

**Mvuleni Geoffrey Qhena (60)**

Board chairman and independent non-executive director



Director since 19 April 2021 and board chairman since 27 May 2021

Senior Executive Programme (jointly offered by Harvard Business School and Wits Business School), Advanced Taxation Certificate (Unisa), CA(SA), BCompt (Hons), BCompt (Unisa)

Other JSE-listed boards: Investec Bank Limited, Telkom SA Limited

Executive directors

**Ben Magara (58)**

CEO, former independent non-executive director and investment committee chairperson

Director since 7 February 2022, and CEO from 1 April 2025

BSc (Hons) (Mining engineering), Advanced Management Programme (GIBS), Accelerated Development Programme (London Business School)

Other JSE-listed boards: WEIR Group plc

**Riaan Koppeschaar (55)**

FD

Executive director since July 2016

CA(SA), Advanced and Associate Programmes in Treasury Management (Unisa), Advanced Diploma in Taxation (Unisa), Advanced Management Programme (INSEAD), BCom (Hons) (University of Pretoria), Certificate in Theory of Accounting (University of Pretoria)

Other JSE-listed boards: None

Independent non-executive directors

**Geraldine Fraser-Moleketi (65)**

Lead independent non-executive director



Director since 18 May 2018

MPA (cum laude) (University of Pretoria), Leadership Programme (Wharton), Digital Savvy Board Member Certificate (MIT Sloan School of Management), Fellow of the Institute of Politics (Harvard). Awards: DPhil honoris causa (North-West University), DPhil honoris causa (Nelson Mandela University)

Other JSE-listed boards: Standard Bank Group Limited, The Standard Bank of South Africa Limited, Tiger Brands Limited

**Karin Ireton (70)**

Independent non-executive director



Director since 7 February 2022

MA (International political economy) (University of Leeds), International Programme for the Management of Sustainability (Netherlands), Environmental Impact Assessment and Management (University of Aberdeen)

Other JSE-listed boards: None

**Billy Mawasha (47)**

Independent non-executive director and chairperson of the investment committee from 1 April 2025



Director since 7 February 2022

BSc (Electrical engineering), Government Certificate of Competency for Engineers, Factories (Electrical), Government Certificate of Competency for Engineers, Mines and Works (Electrical), Global Leadership and Public Policy for the 21st Century (Harvard Kennedy School), Advanced Management Programme (Kellogg School of Management), Accelerated Development Programme (London Business School), Programme for Management Development (GIBS)

Other JSE-listed boards: AECI Limited

## Chairperson

- Audit committee
- Board
- Investment committee
- Logistics committee
- Nomination committee
- Remuneration committee
- RBR committee
- SERC

## Member

- Audit committee
- Investment committee
- Logistics committee
- Nomination committee
- Remuneration committee
- RBR committee
- SERC

Independent non-executive directors continued

**Nondumiso Ketwa (55)**

Independent non-executive director



Director since 3 January 2023

CA(SA) SAICA, PGDip (Accounting) (University of KwaZulu-Natal), BAcc (University of Durban Westville), Certificate in Sustainability Leadership and Corporate Governance (London Business School)

Other JSE-listed boards: Alexander Forbes Group Holdings, Daimler Truck Southern Africa, Metair Investments

**Dr Phumlá Mnganga (58)**

Independent non-executive director



Director since 7 February 2022

PhD (Entrepreneurship/entrepreneurial studies) (Wits Business School), MBL (Business management) (Unisa), BEd (University of KwaZulu-Natal), BA (University of KwaZulu-Natal)

Other JSE-listed boards: Adcorp Group SA, Adcorp Holdings, Altron

**Nosipho Molohe (61)**

Independent non-executive director



Appointed 3 January 2024

BSc (Medical sciences) (Wits), BCompt (Hons) (Unisa), CA(SA) SAICA

Other JSE-listed boards: Alexander Forbes Group Holdings Limited, MTN Group Limited

**Chanda Nxumalo (43)**

Independent non-executive director



Director since 1 February 2021

MEng (Economics and management) (University of Oxford)

Other JSE-listed boards: None

**Peet Snyders (65)**

Independent non-executive director



Director since 1 July 2016

BEng (Mining) (University of Pretoria), PGDip (Marketing management) (Unisa), MCom (Business management) (University of Johannesburg), Mine Manager's Certificate of Competency (Coal and metalliferous) (Government Competency Exams)

Other JSE-listed boards: None

Non-executive directors

**Isaac Malevu (52)**

Non-executive director



Director since 22 June 2021

BCom (Wits), PGDip (Accounting) (University of KwaZulu-Natal), CA(SA), South African Institute of Chartered Accountants member, Senior Executive Programme (London Business School)

Other JSE-listed boards: Industrial Development Corporation

## Board nominees for the upcoming 25th AGM

In accordance with the company's 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.

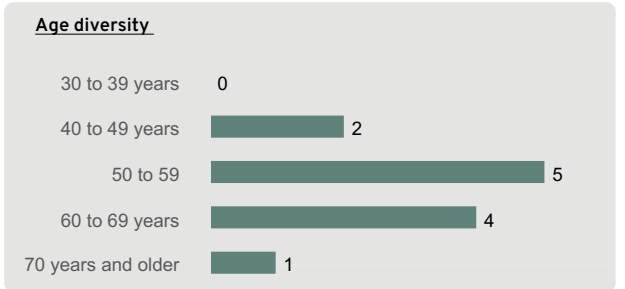
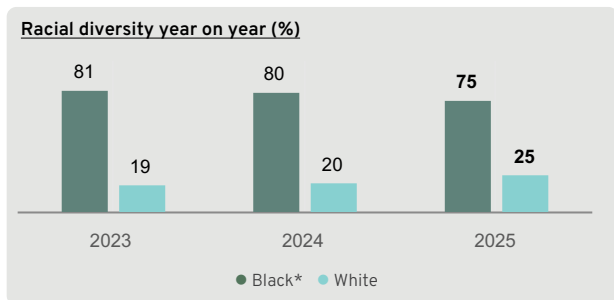
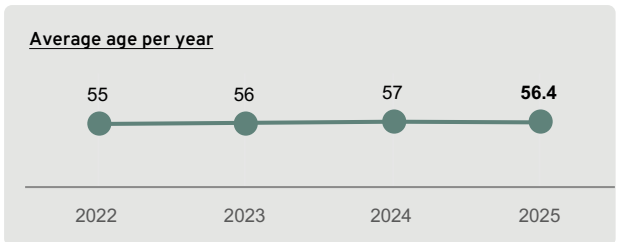
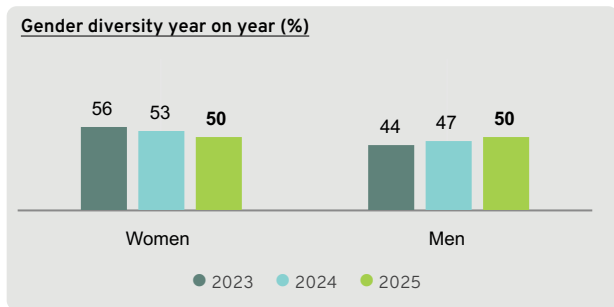
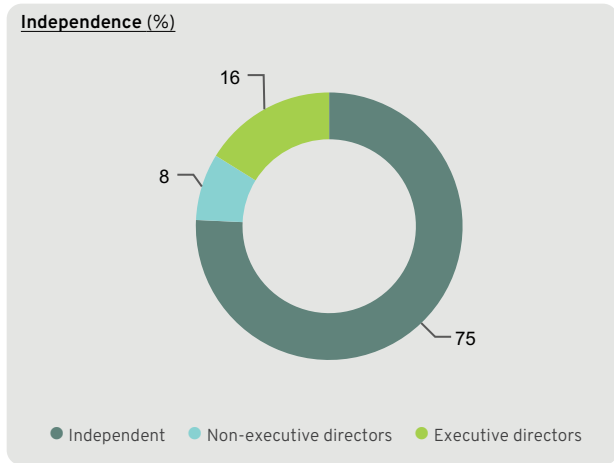
At the AGM, Ms Nondumiso Ketwa, Ms Chanda Nxumalo, Ms Karin Ireton and Mr Peet Snyders, are obliged to retire by rotation, age or tenure, whichever applies. Ms Karin Ireton is obliged to retire due to reaching the age of 70 years in accordance with Exxaro's MoI. Ms Nondumiso Ketwa, Ms Chanda Nxumalo, and Mr Peet Snyders indicated that they are available for re-election. The nomination committee has reviewed the composition, gender, and racial balance of the board and evaluated the independence, performance, and contribution of the directors listed above. In particular, the board considered the independence and ongoing contribution of Mr Peet Snyders, noting that his tenure will exceed nine years from 2026 and that, in accordance with King V, he may not be regarded as independent without a rigorous independence assessment being performed. This assessment, undertaken by the Institute of Directors South Africa (IoDSA), has confirmed the independence of Mr Peet Snyders.

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

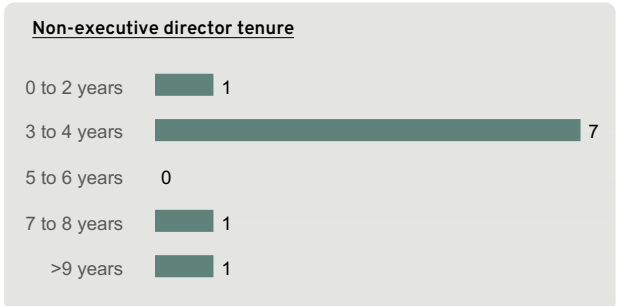
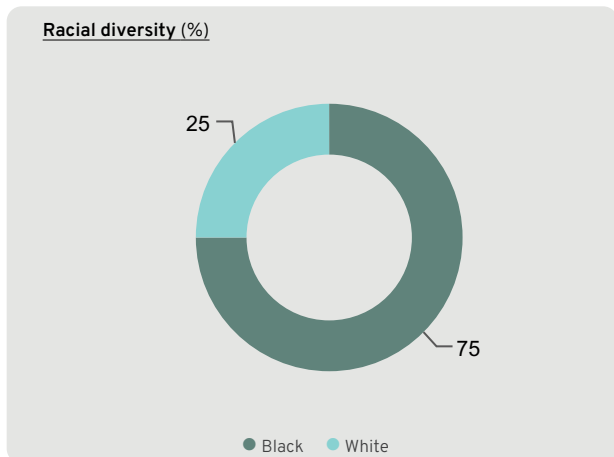
Re-election		Appointed
CJ Nxumalo	Independent non-executive director	1 February 2021
N Ketwa	Independent non-executive director	3 January 2023
P Snyders	Independent non-executive director	1 July 2016

Our leadership continued

Our board of directors as at 31 December 2025



\* Black refers to African, coloured and Indian.



Refer to the nomination committee report ([ESG report, page 133](#)) for details on how the board applied the diversity policy in the nomination and appointment of directors.

# Executive leadership

We maintain our conviction in Exxaro’s Sustainable Growth and Impact strategy. In the year ahead, we will focus on meeting customer demand, driving safe, disciplined and efficient production, and creating value for stakeholders.

Refer to the [ESG report](#) for details on our executive committee (page 120).

Ben Magara  
CEO

Riaan Koppeschaar  
FD

Mongezi Veti  
Executive head:  
sustainability

Richard Lilleike  
Executive head:  
strategy and  
business  
development

Fortune Ntlhoro  
Executive head:  
commercial

Caroline Shirindza  
Executive head:  
coal

Neo Monareng  
Designate executive  
head: sustainability

Joseph Rock  
Executive head:  
people and  
performance

Michelle Nana  
Group company  
secretary, governance  
and ethics

Leon Groenewald  
Executive head:  
energy

Johan Meyer  
Executive head:  
metals

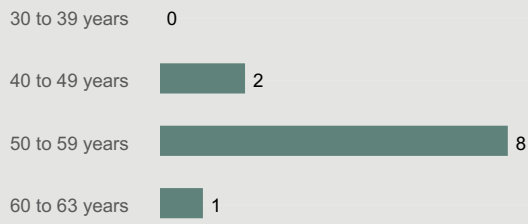
Mervin Govender  
Executive head:  
technical services

**Key**

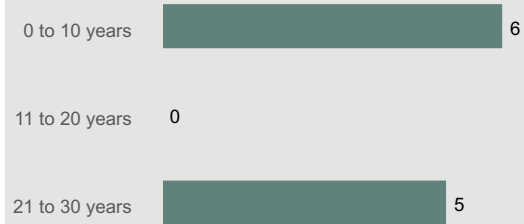
- Executive director
- Executive committee

## Executive leadership continued

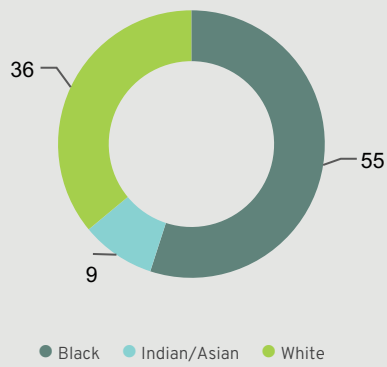
### Executive age diversity (an average age of 54.5)\*



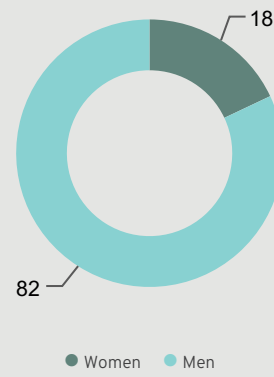
### Executive tenure at Exxaro\*\*



### 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:**

## Page Governance and leadership

70 to 73 [Key focus areas and outcomes of material focus areas](#)

74 to 80 [How we deliver the outcomes of good governance](#)

64 to 68 [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 98 to 123).

## Board sub-committees

81 to 87 [How our committees support our ability to create value](#)




Refer to the [ESG report](#) (pages 124 to 146).

## Remuneration report



Refer to the [ESG report](#) (page 147).

 In line with paragraph 11.38(a) of the JSE Listings Requirements and King IV's recommendation to apply and explain how Exxaro practices good governance, we include our detailed King IV application register on our website as well as in the [ESG 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 following [material themes](#) (page 60) throughout the year:



Adapting to a changing context



Executing our strategy



Building sustainable communities



Principled governance



Driving business resilience



Responsible environmental stewardship



Enabling a thriving workforce


# Board key matters in focus

## Strategic direction, risk and performance

Exxaro's Sustainable Growth and Impact strategy requires robust governance to ensure disciplined capital allocation, long-term value creation and responsible stewardship of stakeholder interests. Through active board oversight and clear decision-making frameworks, the group reshaped our portfolio by divesting from non-core assets while directing capital towards priority growth areas. These decisions reflect a governance approach that integrates strategic foresight, risk management and ESG considerations, repositioning Exxaro for resilience, sustainability and relevance in a transitioning economy.

Sustained value creation relies on addressing material social and environmental challenges. Accordingly, our strategy is reviewed annually and submitted to the board for approval.

Following a two-day strategy session (themed "positioning Exxaro to lead") with the management team in June 2025, the board reaffirmed the Sustainable Growth and Impact strategy. The ESG framework continues to shape how this strategy is viewed and monitored. The strategy development and review process follows a risk and opportunity assessment, including emerging risks and material sustainability issues. Our strategic performance management dashboard enables visibility of strategy execution. KPIs are cascaded from the board through sub-committees to facilitate strategic and timely discussions.

 Refer to [risks and opportunities](#) (page 41) for detailed information about our top strategic risks for the year.

## 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
Dr Nombasa Tsengwa	Resigned 5 February 2025
Ben Magara	Appointed CEO 1 April 2025
Mandlesilo Msimang	Resigned 15 September 2025
Zwelibanzi Mntambo	Retired 15 May 2025

The board considered the independence and ongoing contribution of Mr Peet Snyders, noting that his tenure will exceed nine years from 2026 and that, in accordance with King V, he may not be regarded as independent without a rigorous independence assessment being performed. This assessment, undertaken by the Institute of Directors South Africa (IoDSA), has confirmed the independence of Mr Peet Snyders.

 [Board composition, diversity and experience](#) (page 64)

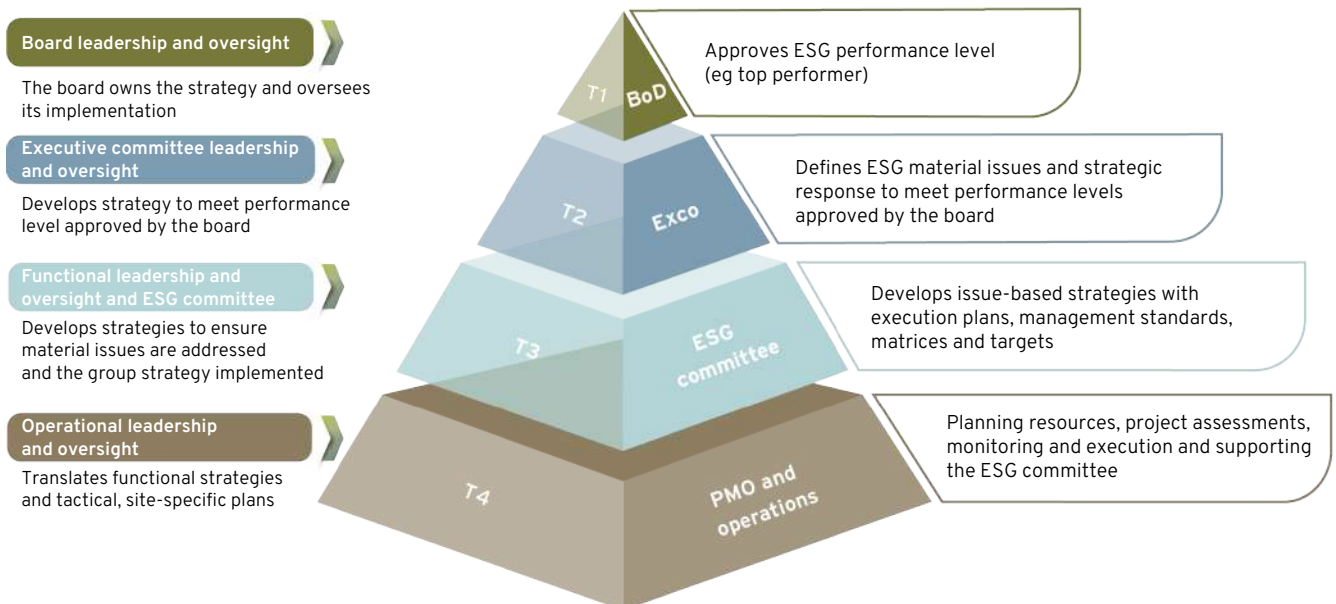
## ESG governance

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 the implementation, management, and ongoing monitoring of ESG risks and impacts, supported by relevant management structures and committees.

The ESG 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.



## 2025 key highlights

### Management transition

Shareholders were informed on 6 February 2025 of Dr Nombasa Tsengwa's resignation, in terms of paragraph 6.71(b) of the JSE Listings Requirements. A targeted selection process resulted in the board appointing Ben Magara as incoming CEO, effective 1 April 2025. Ben stepped down as an independent non-executive director, succeeding the acting CEO, Riaan Koppeschaar, who continues as FD.

In August 2025, the CEO announced changes to the group management structure to support a growing and diversified portfolio, strengthen business stability and enhance agility, collaboration and responsive decision making. This enables accelerated execution of the Sustainable Growth and Impact strategy.

The restructure included three new appointments namely: executive head: coal, executive head: sustainability (designate) and executive head: commercial.

### Governance roadshow

As part of our ongoing investor engagement initiatives, the chairman of Exxaro's board, together with the chairs of the remuneration, RBR and investment committees held Exxaro's 2025 governance roadshow from 29 to 30 September 2025, engaging investors in Cape Town and Johannesburg. This year's roadshow included BlackRock, one of Exxaro's offshore shareholders. At the time of the roadshow, the represented organisations had a cumulative holding of 79.76% in Exxaro shares.

Shareholder discussions focused on seven key themes, with remuneration, CEO/leader transition, strategy and capital allocation, and B-BBEE structure post-2027 leading the discussion.

Progress on Exxaro's vertical and horizontal wage gaps was also discussed, along with the potential impact of the recently promulgated legislative disclosure requirements. The company is confident that work in this area is well advanced and will consider commencing disclosure on the wage gap.

## Key challenges

### Coal mine dust class action

As reported previously, a coal mine dust class action litigation was initiated against Exxaro on 23 November 2023. The action involves mineworkers who contracted pneumoconiosis caused by exposure to coal mine dust at various Exxaro mines and dependents of deceased mineworkers whose deaths are likely attributable to the disease.

Exxaro completed the Rule 35 discovery process for documents received from the claimants and appointed independent administrative, medical, occupational hygiene and legal experts to support the assessment. Exxaro is defending the certification application and will continue to act in accordance with legal advice.

Exxaro is committed to health and safety, and on the SERC's recommendation, the board approved the revised health and safety policy. Management continues to identify health and safety risks and implement appropriate preventive measures, including medical surveillance programmes and occupational hygiene programmes, to reduce the risk of occupational health diseases across our operations.

## 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.

	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> <li>Approval of year-end results</li> </ul>	<ul style="list-style-type: none"> <li>Second quarter board meeting</li> <li>Annual strategy sessions with executive and management: Positioning Exxaro to lead; Sustainable Growth and Impact strategy</li> </ul>	<ul style="list-style-type: none"> <li>Third quarter board meeting</li> <li>Approval of half-year results</li> </ul>	<ul style="list-style-type: none"> <li>Fourth quarter board meeting</li> <li>Budget review</li> </ul>	
<b>Stakeholder engagement</b>	<ul style="list-style-type: none"> <li>Approved and presented the 2024 financial results, demonstrating resilience in a dynamic industry and reinforcing value creation for stakeholders</li> <li>Approved a dividend of R8.66 per share</li> </ul>	<ul style="list-style-type: none"> <li>New CEO's engagements with investors, unions, and major stakeholders</li> <li>AGM: shareholder election of audit committee and SERC members, auditor appointment, and approval of the remuneration policy and implementation through the non-binding advisory vote</li> </ul>	<ul style="list-style-type: none"> <li>Approved and presented the 2025 interim results, confirming a robust performance and strong financial results</li> <li>Approved a dividend of R8.43 per share</li> <li>Engaged with shareholders and investors during the 2025 governance roadshow</li> <li>Initiated two projects to unify shareholders with unclaimed dividends</li> </ul>	<ul style="list-style-type: none"> <li>Held a two-day investor roadshow</li> </ul>	
<b>Board performance</b>	<ul style="list-style-type: none"> <li>Reviewed directors' declarations of interests</li> <li>Reviewed board and committee performance evaluations from 2024</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed board and committee composition for size, tenure, adequacy, compliance and skills</li> <li>Reviewed performance against DEI targets</li> <li>Noted the light-touch review of non-executive director remuneration benchmarking</li> <li>Reviewed the structure and composition of subsidiary boards in line with a group governance framework</li> </ul>		<ul style="list-style-type: none"> <li>Reviewed the post-2027 BEE structure, considering the promulgation of the draft Minerals Bill that may impact the structure</li> <li>Reviewed non-executive director independence categorisation</li> <li>Conducted internal board performance evaluation interviews</li> <li>Evaluated the performance of the FD and group company secretary, governance and ethics</li> <li>Commenced the board committee performance evaluations</li> <li>Reviewed directors' declarations of interests</li> </ul>	
<b>Continuous development of the board</b>		<p>Governance session:</p> <ul style="list-style-type: none"> <li>Geopolitical landscape</li> <li>JSE debt and specialist security listings requirements</li> <li>Takeover defence manual and Exxaro's defence strategy</li> </ul>	<p>Governance session:</p> <ul style="list-style-type: none"> <li>JSE simplification project</li> <li>Introduction to King V</li> <li>Ethics at Exxaro, including AI</li> <li>Exxaro compliance universe</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed the rehabilitation provisions</li> </ul>	
<b>Safety</b>	<ul style="list-style-type: none"> <li>All meetings commence with a safety moment, monitoring the frequency of safety incidents and occupational health incidents within the organisation and industry</li> </ul>	<ul style="list-style-type: none"> <li>CEO safety summit</li> <li>Launch of Exxaro's strengthened One Voice Safety strategy</li> </ul>		<ul style="list-style-type: none"> <li>Conducted leadership safety days at all sites to ensure VFL</li> <li>Achieved an LTI-free year at flagship mine, Grootegeluk</li> <li>Belfast was recognised as the "most improved mine" for safety by the Mine Health and Safety Industry platform</li> </ul>	
<b>Ethics</b>	<ul style="list-style-type: none"> <li>Monitored, through SERC, the progress of initiatives under the ethics implementation plan</li> </ul>	<ul style="list-style-type: none"> <li>Monitored conflicts of interest reporting and compliance with the gifts and entertainment policy</li> <li>Appointed a chief ethics officer</li> </ul>	<ul style="list-style-type: none"> <li>Implemented an ethics moment at the beginning of all formal meetings</li> <li>Hosted a successful Supplier Ethixx Day</li> <li>Launched the supplier Ethixx pledge</li> </ul>	<ul style="list-style-type: none"> <li>Noted the review of the ethics strategy and key strategic objectives</li> </ul>	

	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> <li>Approved, through the audit committee, the combined assurance model and proposed audit focus areas for 2025</li> </ul>	<ul style="list-style-type: none"> <li>Considered, together with the audit committee, whether there was any material or reportable risk within the company</li> </ul>	<ul style="list-style-type: none"> <li>Through the RBR committee, considered the strategic and tactical risk profiles, the interconnectedness of risks, and key risk indicators</li> <li>Monitored, through the RBR committee, strategic litigation matters</li> <li>Monitored, through the RBR committee, information management, including public-to-private cloud migration and data integrity post migration</li> <li>Monitored the 2025 cybersecurity roadmap and programme initiatives</li> </ul>	<ul style="list-style-type: none"> <li>The risk committee noted five emerging risks, emphasising the importance of addressing AI</li> <li>Key material matters identified through the comprehensive research and prioritisation process are included in the 2025 ESG and integrated reports</li> </ul>	
<b>Growth performance</b>	<ul style="list-style-type: none"> <li>Approved the due diligence and bilateral engagement for a manganese investment</li> <li>Approved the replacement of 48 Grootegeluk motor control centres over five years at R530 million</li> <li>Approved the Resource and Reserve statement</li> <li>Approved the Cennergi Holdings and G7 Renewable Energies 20-year power purchase agreement for wind power supply from the 140MW Karreebosch windfarm to Northam Platinum</li> </ul>	<ul style="list-style-type: none"> <li>Approved the transformational acquisition of manganese assets for R11.6 billion from Ntsimbitle Holdings and OMH</li> <li>Approved the capital release of funds for the Grootegeluk truck and shovel strategies of R9.3 billion and R2.7 billion, respectively</li> <li>Approved the Leeuwpan turnaround plan, subject to relevant regulatory requirements</li> <li>Supported coal life extension projects</li> <li>Reviewed, through the logistics committee, execution of the logistics strategy and focus areas</li> </ul>	<ul style="list-style-type: none"> <li>Energy and metals pipelines are reviewed quarterly by the investment committee</li> </ul>	<ul style="list-style-type: none"> <li>Approved the divestment of FerroAlloys, supporting a strong coal base, growing energy solutions and growth ambitions in energy transition metals</li> <li>Approved the acquisition of majority interests in two fully operational renewable energy assets: the 138MW Gouda windfarm and the 75MW Sishen solar facility</li> <li>Approved the procurement of 100% of Acciona Energy SA's issued share capital and an 80% stake in Acciona Energy SA's operations and maintenance</li> </ul>	
<b>Environmental sustainability</b>	<ul style="list-style-type: none"> <li>Committed to developing a comprehensive decarbonisation plan to achieve carbon neutrality by 2050 as part of Exxaro's Sustainable Growth and Impact strategy</li> <li>Approved, through SERC, sustainable impact targets for 2025</li> </ul>	<ul style="list-style-type: none"> <li>Signed an MoU with Eskom to collaborate on strategic initiatives, research and projects in air quality and the inclusive transition</li> <li>Reviewed offset plans, including an initiative to rescue Cape vulture nestlings</li> </ul>	<ul style="list-style-type: none"> <li>Noted the progress on the decarbonisation plan and roadmap</li> </ul>	<ul style="list-style-type: none"> <li>Monitored the performance of the Amakhala Emoyeni and Tsitsikamma community windfarms, noting consistent compliance with economic development obligations over the past five years and no termination points</li> <li>Noted no significant environmental incidents at the three windfarms or the LSP</li> </ul>	
<b>Social sustainability</b>	<ul style="list-style-type: none"> <li>Handed over new classrooms and a school hall valued at R7 million at Nelsonskop Primary School in Limpopo as part of ongoing host community upliftment</li> <li>Considered the coal mine dust class action litigation matter filed in 2023</li> </ul>	<ul style="list-style-type: none"> <li>Considered, through SERC, the occupational health management report</li> </ul>		<ul style="list-style-type: none"> <li>SERC held stakeholder engagement days in Modimolle and Lephalale, Limpopo</li> </ul>	

# Ethical culture

We aspire to promote a workplace culture that prioritises ethical behaviour across Exxaro and empowers our people to apply an ethical lens in daily decision making and actions.

## Exxaro's ethical commitment

In 2025, Exxaro reviewed the ethics strategy and implementation plan to evaluate continued relevance and effectiveness. The review aimed to confirm that the ethics strategy remains fit for purpose in supporting Exxaro's goal of becoming a diversified natural resources champion while fostering a sustainable, resilient and trusted organisational culture. A new strategy was subsequently adopted.

The new strategy reinforces Exxaro's commitment to embedding ethical conduct as a core organisational value. It reflects a culture where ethical considerations guide daily decision making and where employees are empowered and accountable to act with integrity at all levels of the business.

This renewed focus recognises that diversification, growth and increased organisational complexity require a strong, values-driven culture underpinned by ethical decision making.

## Ethics governance

The board sets the ethical tone for Exxaro, ensuring that the company operates as a responsible corporate citizen. Through its commitment to ethical and effective leadership, the board fosters a strong ethical culture and positions ethical conduct as the foundation for the group's operations and stakeholder value creation. This commitment is embedded through the group's code of ethics, supporting policies and comprehensive culture programmes.

Exxaro's code of ethics promotes values such as trust, integrity and fairness, guiding our interactions within the company and with stakeholders. As a responsible corporate citizen, the board acts decisively when ethical principles are breached by ensuring that appropriate sanctions and remedial actions are applied consistently while providing clear, strategic direction to management to support long-term sustainable value for shareholders and society.

Ethical conduct is a shared responsibility. Employees are accountable for safeguarding trust and confidence and for doing the right thing, whether required by law or policy or when no one is watching. Sound judgement, integrity and the courage to act in accordance with our values are non-negotiable.

Our management ethics committee ensures that high ethical standards are maintained in Exxaro's business conduct. It is responsible for evaluating all instances of alleged misconduct, including fraud, extortion, bribery, corruption, potential conflicts of interest, violations of the code of ethics and related ethics matters. The committee also oversees anti-fraud and anti-bribery initiatives as part of a comprehensive fraud prevention programme, ensuring compliance with both local and international laws and regulations.

## Our values

To support Exxaro's vision of becoming a diversified natural resources champion that creates value for all stakeholders through exceptional people and superior processes, Exxaro's business conduct and that of our employees must be characterised by the following fundamental values:

- Empowered to grow and contribute, enabling every individual to make a meaningful impact
- Committed to excellence, delivering the highest quality of work through continuous improvement
- Teamwork, fostering collaboration and collective success
- Honest responsibility, acting with integrity and consistently doing the right thing

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

Exxaro applies the Organisation for Economic Co-operation and Development recommendations on ethical behaviour through a risk-based due diligence framework covering suppliers, customers, employees and business partners. This framework supports the identification, prevention and mitigation of ethical, legal and human rights risks and reinforces responsible business conduct across the group's operations and value chain.

## Ethics management framework

A successful ethics management framework comprises four key elements: ethical leadership; governance structures that set the strategy and policies guiding the organisation's ethical performance; personnel and structures responsible for managing and implementing the organisation's ethics initiatives; and independent assurance, such as internal audit evaluations.

At Exxaro, the board monitors the group's ethical culture through reporting structures, including two board committees (SERC and audit), a management ethics committee, the internal audit function, head of internal audit and our newly appointed chief ethics officer.

Guided by the ethics management strategy, the chief ethics officer is responsible for ensuring that there are appropriate systems, processes and controls to support and sustain integrity across the group. An ethics implementation framework outlines 18 interventions to address three focal areas: ethical culture; governance structures and frameworks; and ethics-related risk mitigation.

These efforts reinforce "The Exxaro Way" – a living set of shared values, beliefs and practices that guide how we do things.

## Ethics training and awareness

Exxaro's first intervention in fostering an ethical culture is a targeted ethics training plan that provides tailored awareness and capacity building for employees at all levels. This includes an ethics onboarding module for new joiners, everyday ethics training for all employees and guidance for leaders to demonstrate ethical intent in their decisions and show empathy in their conduct to build legitimacy with stakeholders.

"Mining with morals" training continued in 2025, deepening employees' understanding of ethical decision making and reinforcing a strong speak-up culture across the organisation using interactive case studies. Conflicts of interest awareness also featured prominently on the 2025 agenda, with mandatory training conducted across all sites. This was supported by a digital conflict of interest register and management system, along with a comprehensive review of the conflict of interest policy to ensure alignment with the applicable legal, regulatory and ethical governance standards. Similarly, management and logging of gifts and benefits continued to promote transparency and prevent potential conflicts.

Ethics awareness extends beyond our organisation to our valued stakeholders. On 30 September 2025, Exxaro hosted the inaugural Supplier Ethixx Day under the theme "Ethical partnerships for lasting impact" to engage suppliers on ethical conduct. We believe this is a milestone in our shared journey towards ethical relationships, responsible sourcing and sustainable partnerships.

The Supplier Ethixx Day provided a platform for collaboration, reflection and commitment to the values that define Exxaro's supply chain. At the end of the event, management and suppliers signed a pledge to work 'The Exxaro Way,' reinforcing a shared commitment to building a supply chain founded on ethical conduct.

## Fraud and ethics hotline

We encourage employees and stakeholders to report suspected fraud, corruption or human rights violations through our fraud and ethics hotline. The hotline is independently managed, with clear escalation protocols in place. To maintain the hotline's integrity, we protect the interests of disclosing parties as far as 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)

## Board charter and nominations

Our board charter regulates the parameters within which the board operates and ensures that good corporate governance principles are applied in all dealings in respect of the company and group.

The board charter and directors' nomination and appointment policy require that board members are individuals of calibre, integrity and credibility, possessing the requisite skills and experience.

The nomination committee ensures continuity of directorships and is responsible for conducting independent background checks on all proposed candidates, including assessments for potential conflicts of interest, prior to recommending appointment to the board.

The board charter was reviewed and approved in the fourth quarter of 2025.

## Family code of conduct

We developed a family code of conduct that sets out 10 principles to clearly define acceptable behaviour encouraged at Exxaro and unacceptable behaviour that we will not tolerate.

Employees are encouraged to speak out on issues of discrimination, harassment and poor leadership without fear of reprisal.

## Honesty boxes

Honesty boxes are an additional communication channel for employees to share innovative ideas or unresolved matters of concern that have not been addressed through the existing conflict resolution mechanisms. Formal feedback is provided to individuals who request it, and concerns raised anonymously are addressed through site-specific communication channels.

## Avoiding conflicts of interest

In terms of the Companies Act and King IV, directors and prescribed officers have a duty to disclose actual (direct and indirect) conflicts of personal financial interest, or perceived conflicts of interest, including those of related parties. The conflict of interest policy also requires annual declarations from all group employees.

The management of conflicts of interest is addressed through:

- A conflict of interest policy
- A conflict of interest digital register and management system
- A declaration of interest agenda item at the beginning of each formal board, executive, or management meeting
- The inclusion of a summary of Exxaro's conflict of interest disclosure requirements, prohibitions and the definition of related persons in all board and committee packs
- Recusal of any director or attendee who declares a conflict of interest or a personal financial interest for the duration of the relevant matter being considered
- Confirmation by a director or prescribed officer to the group company secretary, governance and ethics, to indicate a personal financial interest in a matter to be decided through written resolution

Exxaro's electronic platform facilitates annual reporting and, workflow approvals, and provides an auditable communication trail for disclosures by directors and employees. This is supplemented by a gifts and benefits register and a director trade register and approval process.



**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 code of conduct

Exxaro's supplier code of conduct assists in selecting suppliers who operate in line with our values. The code communicates our mandatory selection standards to prospective suppliers and promotes commitment to ethical conduct, including respecting human rights.



**Embedding human rights** (page 111)

As part of the vetting 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. Supplier companies connected to any person with a conflict of interest may be red-listed for doing business with Exxaro.

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.

Supply chain management and vendor risk are further examined through technology-enabled screening, due diligence analysis and audits to identify business relationships and connections that could potentially expose the organisation to conflicts of interest or reputational risk.



**Supplier code of conduct** (supplier tab)

## Supplier conduct

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 are considered material to the relevant agreement.



**Driving supply chain sustainability** ([ESG report](#), page 91)

Action guidelines have been established to address instances where suppliers or service providers are adversely mentioned in the media or where Exxaro becomes aware that a supplier is under investigation or involved in actual or alleged conduct that may bring Exxaro into disrepute. Where a supplier providing critical services is formally charged, Exxaro may issue a holding statement and continue with the existing contractual arrangements, subject to ongoing risk assessment, but will not enter into any new contracts with the supplier.

## Political contributions

Exxaro has a formal policy on political funding. In support of a transparent and effective multi-party democracy, any political donations are directed through the Independent Electoral Commission. The last donation was made in 2024.

## Anti-bribery and anti-corruption

The board has expressed a zero-tolerance stance on 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, including the detection of and response to fraud and corruption. The RBR and audit committees oversee risks, including controls and fraud risks. The SERC receives quarterly reports on forensic investigation statistics and progress on initiatives under the fraud prevention and anti-bribery and corruption programme.



**SERC report** (page 87)

## Monetary loss from unethical behaviour

The board is satisfied that the group has not suffered any monetary loss from 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.

# Performance and value creation

## Strategic direction

King IV articulates the board's responsibility, which is to steer an organisation strategically in line with its core purpose and values by approving and monitoring informed short, medium and long-term strategies while considering sustainability-related impacts, risk and opportunities.


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

The board supports King IV strategy-setting principles through an iterative process. Before executive management presents the strategy to the board, iterative strategy workshops – which follow a bottom-up process – and board governance sessions ensure input is appropriately 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 underwent an independent peer review to confirm its credibility and implementation readiness.

During the year, the board reviewed and was satisfied with the key macro-economic indicators and assumptions used to compile the 2026 budget.


 [Decarbonising our operations and responding to a changing climate](#) (page 114)

## Performance monitoring

As part of integrated 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 and group executive committee, in line with our tiered governance approach.

We use a strategic performance monitoring dashboard to report on the achievement of these KPIs, which are cascaded to the various board committees to ensure focused oversight and accountability. For more on our performance, see:


 [Performance against our strategy](#) (page 21)

 How we measure our progress and impact ([ESG report](#), page 16)

## Performance targets to support our climate change response

To strengthen GHG mitigation and business resilience efforts, we included water and energy intensity targets in the group-wide group incentive scheme in 2022. Total carbon emissions and energy intensity are also included in Exxaro's strategic performance monitoring dashboard.

Reducing absolute emissions is central to our commitment to achieving carbon neutrality by 2050. We track scope 1 and 2 emissions to measure progress in minimising our carbon footprint, while lower energy intensity reflects improved operational efficiency, supporting our decarbonisation targets and reducing our environmental impact.

 [Decarbonising our operations and responding to a changing climate](#) (page 114)

## 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 practice and regulatory requirements.

Exxaro is committed to building organisational resilience. By maintaining a strong business resilience programme aligned with our ERM programme, we protect stakeholder interests and ensure that we can continue to deliver on our commitments, regardless of challenges.

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

In November 2025, the RBR committee recommended the crisis management policy to the board for approval.


## Strategy-aligned internal reporting


Internal reporting requires management to detail the outcomes of proposed recommendations to the board.

## 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. It ensures that reports issued by the company enable stakeholders to make informed assessments of the group's performance and our short, medium and long-term prospects.

## Assurance

 Refer to the assurance report ([ESG report](#), page 175) for details on assurance of key sustainability information.

 Refer to [combined assurance for effective governance](#) (page 88) for details on our combined assurance approach.

## Creating value for our stakeholders

 For more on how Exxaro created value for our stakeholders, including government, employees, communities, investors and customers, refer to [our stakeholders](#) (page 54).

# Adequate and effective control

## Group governance framework

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

The group governance framework applies to Exxaro Resources Limited and all our subsidiaries, including entities where Exxaro exercises control. It guides the application of governance practices at group, subsidiary and operational levels, ensuring that governance arrangements align with Exxaro's values and risk profile.

This framework is fit for purpose for Exxaro as a South African listed group with significant and geographically diverse operations. It supports Exxaro's listing on the JSE by explaining how the group board executes its direction and oversight responsibilities, and what it expects from subsidiary boards.

The framework establishes the minimum group-wide governance requirements each entity must comply with to ensure that the group meets Exxaro's governance obligations. Each entity's board is responsible for discharging its fiduciary duties at the individual entity level. Achieving the intended outcomes of the group governance framework requires appropriate governance structures and behavioural and cultural alignment across the group.

Exxaro's governance approach is grounded in accountability, transparency, fairness and responsibility, reflecting the group's commitment to ethical leadership and sustainable value creation. It is informed by King IV and international best practice and adopts an integrated approach that balances compliance obligations with performance objectives.

Management reviewed the group governance framework, which is scheduled for submission to the board for approval in 2026.

## 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. They also define commitments and transactions that may include capital amounts approved by individuals on our behalf. Final approval of commitments and transactions outlined in the policy must always be made by parties with designated authority.

In 2025, the group's delegation of authority policy and framework were reviewed through consultations with executive heads and key stakeholders across the group. These engagements assessed current delegations and accountabilities, with feedback used to refine authority levels, clarify responsibilities under the new management structure and align the framework with Exxaro's governance principles and operating model.

In November 2025, following the recommendation of the RBR committee, the board approved the revised delegation of authority policy and framework.

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 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, with the board charter setting out the required protocols for such requests.

## Board committees

Exxaro's 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 safeguards the organisation's reputation and legitimacy. Good corporate governance is the responsibility of our board, executive management, senior management and all 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 enhance the objectivity of the board's judgement. To facilitate the execution of its functions, the board delegates activities to board committees through formal terms of reference.

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

## Chairpersons

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

## Terms of reference

The board approved its committees' terms of reference and annual work plans in November 2025, and the 2026 key focus areas in the first quarter of 2026.

## Board confirmation

The board confirms that it is satisfied that the board committees executed their roles and responsibilities. In this regard, the board confirms that the audit committee executed the responsibilities set out in paragraph 5.7(h) of the JSE Listings Requirements.

## Adequate and effective control continued

### Subsidiary companies

The board recognises the statutory and fiduciary duties of directors of subsidiary companies. Directors must always act in the best interest of the subsidiary company, irrespective of their nomination by the company in its capacity as the holding company. If a conflict arises between a director's duties to a subsidiary company and the interests of the holding company, the director's duties to the subsidiary company prevail.

The group governance framework mitigates potential tension between the holding company and subsidiary boards. Subsidiary directors must adhere to the framework and adopted group policies, however, this does not absolve them from exercising their fiduciary duties. Directors who breach their fiduciary duties may be held liable under section 77 of the Companies Act. This responsibility is clearly articulated to all subsidiary directors.



[Ownership structure](#) (page 13)

### 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 include:

- Governance and reporting
- Corporate secretariat
- 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 these oversight functions and ensuring an effective internal control environment within the group.

### Integrated ERM

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 accurately reflect Exxaro's current risk exposures and to outline the mitigation actions taken to address identified risks. The strategic risk profile, which outlines the group's key risks – along with Cennergji's top risks – is reported quarterly to the RBR committee and the board.

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 framework's effectiveness, making improvements where necessary.



[Risks and opportunities](#) (page 41)

### Technology and information management

The board governs technology and information management to support the organisation in setting and achieving its strategic objectives.

The board mandated the RBR committee to oversee Exxaro's information management strategy, including governance, the integration of the improvement programme's direction and objectives, and alignment with the enterprise business strategy, governance framework and risk management.

In addition to the RBR committee's oversight, the audit committee is responsible for ensuring adequate information management governance.

Our governance structures are supported by key ICT policies that guide the use, management and security of technology across the organisation. The board reviewed and approved the acceptable use of ICT systems and services policy and security policy to ensure they remain aligned with current regulatory requirements, risk considerations and evolving operational needs.

### 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 a material risk in the organisation due to the rapidly changing threat landscape. We enhanced our cybersecurity posture through targeted improvement initiatives, and the enterprise information management risk register was reviewed and refreshed to ensure emerging cyber and technology risks are actively managed. Several cybersecurity awareness campaigns were held across the organisation to reinforce employee awareness and encourage safer digital behaviours, recognising that informed employees are a critical line of defence against cyber threats.

### Information management disaster recovery

Disaster recovery preparedness remains a priority. Continuous testing is conducted to ensure that critical systems and services can be effectively restored in the event of failure, thereby enhancing organisational resilience and continuity.



## Beyond compliance culture

The group is committed to:

**Maintaining high standards of integrity, professionalism and ethical behaviour in our relationships**

**Conducting our business in adherence to statutory, supervisory and regulatory requirements**

**Complying with the letter and spirit of the law and regulations governing our conduct by ensuring the organisation acts with due skill and diligence**

While we ensure 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 board-approved group compliance policy, which supports ethical and responsible corporate citizenship and seeks to create sustainable value for all stakeholders by promoting operational efficiency, growth and regulatory compliance with applicable laws. The group compliance policy was approved by the board in 2025.

The board is responsible for ensuring that the group and our employees comply with all applicable laws and regulations and considers non-compliance a key risk. Accordingly, the board delegated 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 FD is responsible for providing a compliance and regulatory compass to the group by promoting a culture of compliance and regularly reviewing the regulatory environment.

### Optimised combined assurance

Exxaro applies a combined assurance model, while fostering a strong ethical climate and effective compliance mechanisms.



Read [combined assurance for effective governance](#) (page 88) for details on our combined assurance approach

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 the combined assurance model to achieve the following objectives:

- 1 Enabling an effective internal control environment
- 2 Ensuring the 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, based on the five lines of assurance, functions through 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's focus areas align with the group's strategic risk profile, with input from assurance providers. The plan considers the assurance level provided in giving the audit committee and board confidence regarding the effective functioning of the internal control environment. Executing the assurance plan ensures the audit committee receives the assurance required to assess the effectiveness of the risk management function and the control environment.

### Overdue and repeat findings

Exxaro uses an issue tracking management system to capture and track the status of audit 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 the PwC consortium under the management control of Exxaro's head of internal audit. The internal audit function's responsibilities are detailed in the internal audit charter, which the audit committee reviews and approves annually. The charter informs the role and scope of work of the internal audit function.



[Audit committee report](#) (page 81)

### 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 15 May 2025 through a separate resolution of shareholders in terms of the JSE Listings Requirements paragraph 5.7(h)(iv))
- Under the management of Exxaro's head of internal audit, PwC and its service delivery partner, Ngubane Management Consultants Proprietary Limited, 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. In alignment with the policy, we confirm that KPMG 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 2025. This conclusion is supported by a formal combined assurance model, which is designed to optimise the assurance obtained from management, internal audit, external audit and other assurance providers.

The combined assurance approach enables a coordinated and integrated assessment of significant risks and controls, enhances assurance coverage and supports the integrity of the group's reporting. Based on the results of the combined assurance processes and the information presented, the board and audit committee did not identify any material breakdowns in the system of internal control during the reporting period.

# 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 2025. The required compliance certificate is submitted annually to the JSE through the group's sponsors.

## 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. It 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.

## No insider dealing

The RBR committee reviewed the company's insider dealing policy in 2025 to ensure it complies with the JSE Listings Requirements, Financial Markets Act, 2012 (Act 19 of 2012) and Companies Act, and aligns with the company's code of ethics. The policy applies to directors, prescribed officers, employees and consultants.

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

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



[Stock Exchange News Service announcements](#)

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

## Sponsors

The company's lead equity 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 in 2025.

## Stakeholder inclusivity

Exxaro's board applies a stakeholder-inclusive approach in accordance with King IV, supporting governance outcomes, including ethical culture, sustainable performance, effective control and organisational legitimacy.

The legitimate and reasonable needs, interests and expectations of material stakeholders are considered through structured engagement processes and monitored via prioritised stakeholder and ESG-related KPIs, which are incorporated into the group's strategic performance dashboard.

Oversight of these KPIs is delegated to the relevant board and executive committees, enabling focused monitoring, accountability and transparent disclosure of stakeholder relationship management outcomes.



[Our stakeholders](#) (page 54)

## Responsible corporate citizenship

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

Exxaro is an integral part of society, and, as such, 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 our 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 its focused activities. The committee's roles and responsibilities include overseeing the impact of the group's activities and outputs on our status as a responsible corporate citizen in:

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

## Commitments

Fundamental to Exxaro's purpose of powering better lives in Africa and beyond 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 within our sphere of influence, where the company has the power to effect investment and development.



[Embedding human rights in our business](#) ([ESG report](#), page 94)

Exxaro remains committed to supporting the 10 principles of the UNGC. These principles are embedded in our Sustainable Growth and Impact strategy, values, operations and stakeholder engagements, reinforcing our commitment to uphold them. 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.

## Health and safety

The importance of workplace safety receives focused attention at each board, board committee and executive committee meeting. This is achieved through a standing safety moment on all agendas, allowing 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 monitors occupational health and notes the processes that may detect potential deterioration of certain organs and assist in reversing some diseases.



[Human capital](#) (page 105)

# Committee reports

## Audit committee

### Composition as at 1 April 2026

Chairperson	Members	Number of meetings held in 2025
Nondumiso Ketwa	<ul style="list-style-type: none"> <li>Billy Mawasha</li> <li>Nosipho Molohe</li> <li>Chanda Nxumalo</li> </ul>	5 scheduled 1 special



Audit committee report ([ESG report](#), page 125)

### Role and purpose

The committee is an independent, statutory committee whose members are appointed annually by Exxaro's shareholders in compliance with section 94(2) 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 management functions, 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 paragraphs 5.7(g) and (h) of 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
- Scope and effectiveness of the external audit process
- 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
- Compliance with legal and regulatory requirements to the extent that these might have an impact on financial statements

### Terms of reference

The committee's terms of reference are reviewed and approved annually by the board.

The November 2025 review ensured alignment of the terms of reference with the current status of the business. As King V was implemented on 31 October 2025, any changes required to align the terms of reference with King V will be presented to the committee in the first quarter of 2026.

### 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 5.7(h)) in particular) and King IV.



2026  
focus areas

- Monitor the progress and implementation of the strategy for deploying new post-modern enterprise resource planning solutions to ensure acceptable cost and risk, and alignment with Exxaro's strategy
- Evaluate whether the company has incorporated digitalisation and utilisation of advanced technologies, eg AI
- Review Exxaro's future strategy on insurance cover and self-insurance, considering global resistance to thermal coal and insurance markets
- Monitor the impact of cybersecurity risks in the finance function and internal control environment
- Financial integration of manganese and energy assets acquisitions

## Investment committee

### Composition as at 1 April 2026

Chairperson	Members	Number of meetings held in 2025
Billy Mawasha from 1 April 2025	<ul style="list-style-type: none"> <li>Isaac Malevu</li> <li>Chanda Nxumalo</li> <li>Peet Snyders</li> </ul>	<p>4 scheduled</p> <p>2 special</p>

### Changes

Following Ben Magara's appointment as CEO, he stepped down as chairperson and member of the committee. The board appointed Billy Mawasha as committee chairperson, effective 9 May 2025. Mandlesilo Msimang resigned as a director on 15 September 2025.

Investment committee report ([ESG report](#), page 129)

### Role and purpose

This committee plays a key role in the execution of Exxaro's 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 metals 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 metals opportunities throughout 2025. 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 and approved annually by the board. The November 2025 review ensured alignment with the current status of the business.

King V was implemented on 31 October 2025. Any changes required to align the terms of reference with King V will be presented to the committee in the first quarter of 2026.

### 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.

### 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.



- Oversight of the completion and disciplined integration of manganese and energy acquisitions to achieve operational synergies and sustainable value creation
- Review and enhancement of the group capital allocation framework to strengthen capital discipline, optimise returns and balance growth with resilience
- Evaluation of manganese, energy and coal strategies, including LoM extension and portfolio optimisation opportunities, to support long-term competitiveness and responsible resource stewardship
- Oversee divestments and acquisitions, including guidance on and recommendation of participation in transactions aligned to the group's long-term metals strategy
- Review and recommend for approval the business development framework to enhance pipeline governance, investment screening rigour and strategic execution capability
- Monitor portfolio performance, capital deployment and post-investment reviews to ensure strategic alignment, disciplined execution and value realisation
- Approval and ongoing monitoring of the group capital budget to ensure alignment with strategy, risk appetite and long-term value creation objectives
- Continue to evaluate strategic options in relation to investments in SIOC and Black Mountain Mining Proprietary Limited

## Logistics committee

### Composition as at 1 April 2026

Chairperson	Members	Number of meetings held in 2025
Isaac Malevu	<ul style="list-style-type: none"> <li>• Dr Phumla Mnganga</li> <li>• Mvuleni Geoffrey Qhena</li> <li>• Peet Snyders</li> </ul>	3

### Changes

From 1 April 2025, Ben Magara stepped down as committee member. However, as CEO, he holds a standing invitation to attend the committee's meetings.

Logistics committee report ([ESG report](#), page 131)

### 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 metals
- 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 and approved annually by the board. The November 2025 review ensured alignment with the current status of the business.

King V was implemented on 31 October 2025. Any changes required to align the terms of reference with King V will be presented to the committee in the first quarter of 2026.

### 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.



### 2026 focus areas

- 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
- Advance power supply project request for proposal readiness by leveraging the independent technical assessment outcome and translating outputs into a clear restoration and upgrade scope, capex baseline and concession-ready design
- Progress consortium formation through MoUs with freight players
- Deliver the critical 2026 focus by securing internal alignment and engaging key government stakeholders to position Exxaro as a credible early-stage partner
- Advance coal corridor programme participation by identifying collaboration projects and aligning with Transnet on collaboration principles and Transnet rail infrastructure management-style, customer-funded models
- Prepare for manganese integration into the Logistics Programme and strengthen Exxaro's positioning with Transnet and Transnet rail infrastructure management as a potential top-tier rail player

## Nomination committee

### Composition as at 1 April 2026

Chairperson	Members	Number of meetings held in 2025
Mvuleni Geoffrey Qhena	<ul style="list-style-type: none"> <li>Geraldine Fraser-Moleketi</li> <li>Dr Phumla Mnganga</li> <li>Billy Mawasha</li> </ul>	<p>3 scheduled</p> <p>2 special</p>

### Changes

On 15 May 2025, Zwelibanzi Mntambo retired. Billy Mawasha was appointed on 5 June 2025.

Nomination committee report ([ESG report](#), page 133)

### 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

### Terms of reference

The committee's terms of reference are reviewed and approved annually by the board. The November 2025 review ensured alignment with the current status of the business. King V was implemented on 31 October 2025. Any changes required to align the terms of reference with King V will be presented to the committee in the first quarter of 2026.

### 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.



**2026**  
focus areas

- Monitor the framework for a future optimal board structure and size to support Exxaro's strategy
- Continue to oversee director induction and ongoing director development
- Monitor board and executive leadership succession planning
- Consider 2025 board internal assessment outcomes and recommend matters for continuous improvement
- Report on annual board governance roadshow outcomes and oversee matters for implementation


## Remuneration committee

### Composition as at 1 April 2026

Chairperson	Members	Number of meetings held in 2025
Dr Phumla Mnganga	<ul style="list-style-type: none"> <li>Geraldine Fraser-Moleketi</li> <li>Billy Mawasha</li> <li>Mvuleni Geoffrey Qhena</li> </ul>	4 scheduled 1 special

### Changes

On 15 May 2025, Zwelibanzi Mntambo retired. Billy Mawasha was appointed on 5 June 2025.

 Remuneration committee report ([ESG report](#), page 136)

### 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 paragraph 5.7(g) of the 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 and approved annually by the board. The November 2025 review ensured alignment with the current status of the business.

King V was implemented on 31 October 2025. Any changes required to align the terms of reference with King V will be presented to the committee in the first quarter of 2026.

### 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 it committed itself to for 2025 has either been successfully completed or is on track.



**2026**  
focus areas

- Implement the LTI plan with revised performance conditions, and finalise and implement the deferred bonus scheme
- Complete the redesign of the employee share ownership plan and Cennergi LTI schemes
- Implementation of the revised STI metrics
- Review and update the minimum shareholding requirement policy
- Develop a remuneration framework for corporate actions
- Review and implement selected enhancements to employee benefits and related policies
- Continue monitoring vertical and horizontal wage gap trends
- Align and refine the energy business incentive schemes
- Review and align the manganese business remuneration portfolio

## Risk and business resilience committee

### Composition as at 1 April 2026

Chairperson	Members	Number of meetings held in 2025
Peet Snyders	<ul style="list-style-type: none"> <li>• Karin Ireton</li> <li>• Nondumiso Ketwa</li> <li>• Chanda Nxumalo</li> <li>• Isaac Malevu</li> </ul>	4

### Changes

Following Ben Magara's appointment as CEO on 1 April 2025, he stepped down as a committee member but has a standing invitation to all meetings as the new CEO. To ensure adequate succession and continuity of knowledge, Isaac Malevu was appointed as member of the committee on 5 June 2025. Mandlesilo Msimang resigned on 15 September 2025.

RBR committee report ([ESG report](#), page 139)

### 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 BCM 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.

#### Terms of reference

The committee's terms of reference are reviewed and approved annually by the board. The November 2025 review ensured alignment with the current status of the business.

King V was implemented on 31 October 2025. Any changes required to align the terms of reference with King V will be presented to the committee following a gap analysis.

#### 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.



### 2026 focus areas

- Monitor the class action served on Exxaro in November 2023 and its impacts on the group as a responsible corporate citizen, while ensuring preventive measures regarding occupational diseases are properly implemented
- Oversee the implementation of the water management plan at all Exxaro mines, including closed mines, and any plans to mitigate these, including an update to the groundwater analysis model to include climate change impact 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)
- 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 IR) based on key risks
- Oversee the implementation of the revised governance of technology and information plan, ensuring technology and information risks are appropriately incorporated to support strategy delivery and business resilience
- Oversee digital transformation, including AI
- Review business resilience key elements to ensure business strategy compliance
- Oversee implementation of the decarbonisation plan
- Oversee the risks related to acquisitions and diversification

## Social, ethics and responsibility committee

### Composition as at 1 April 2026

Chairperson	Members	Number of meetings held in 2025
Geraldine Fraser-Moleketi	<ul style="list-style-type: none"> <li>Karin Ireton</li> <li>Dr Phumla Mnganga</li> <li>Nosipho Molope</li> <li>Peet Snyders</li> </ul>	4

### Changes

Prior to 1 February 2025, the CEO and FD were members of the committee.

 SERC report ([ESG report](#), page 143)

### Role and purpose

The committee's 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, paragraph 5.7(g) of the JSE Listings Requirements 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 and approved annually by the board. The November 2025 review ensured alignment with the current status of the business.

King V was implemented on 31 October 2025. Any changes required to align the terms of reference with King V will be presented to the committee in the first quarter of 2026.

### Confirmation

The SERC is pleased to confirm that, in carrying out its duties, it regarded King IV principles and recommended practices, and discharged its responsibilities in accordance with its terms of reference and the Companies Act. Beyond mere 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.



- Continue to monitor the coal mine dust class action litigation filed against Exxaro in November 2023 to ensure our conduct aligns with being a responsible corporate citizen
- Monitor the progress on the decarbonisation roadmap to support Exxaro's strategy to decarbonise and build resilience to the impacts of climate change
- Monitor and review ongoing anti-bribery and anti-corruption programme implementation, ensuring an ethical culture, respect for human rights and the effectiveness of whistleblowing mechanisms
- Continue to oversee the implementation of the DEI strategy, including the ESD programme, in support of the overall Exxaro strategy as a key business value driver
- Ensure stakeholder engagement sessions occur within the communities that Exxaro and its subsidiaries operate
- Oversee sustainability-related disclosures in line with IFRS Sustainability Disclosure Standards
- Continue to oversee the implementation of employment equity plans as approved in 2025
- Continue to oversee the refresh of Exxaro's culture transformation journey
- Continue embedding action plans from the culture and engagement surveys
- Monitor the implementation of the ethics strategy, which seeks to embed ethics across Exxaro

# Combined assurance for effective governance

The board, supported by the audit committee, is ultimately responsible for Exxaro's system of internal controls, which were designed to evaluate, manage and provide reasonable assurance against material misstatement, loss and the failure to achieve strategic objectives. The system of internal controls supports the integrity of internal decision making and external reporting.

In line with King IV Principle 15, Exxaro applies a combined assurance model based on a five lines of defence approach to optimise assurance from management, internal functions and independent external providers. This approach promotes effective governance, supports a strong ethical culture, and strengthens mechanisms to ensure regulatory compliance and control effectiveness.

Using the board-approved ERM framework, management identifies and assesses the key risks facing the group and implements appropriate internal controls, supported by comparable information and trend analysis where possible. Combined assurance is embedded within the ERM framework and aligned to the strategic risk profile, ensuring that assurance activities are planned and executed with reference to the group's strategic, operational, compliance, sustainability and emerging risks.

## Five lines of defence and assurance coverage

Exxaro's combined assurance framework clarifies roles and responsibilities across the following five lines of defence:

- Line 1 – Management: Owns and manages risks and controls within operations, supported by policies, procedures, KPIs, key risk indicators and management self-assessments
- Line 2 – Oversight and specialist functions: Provide guidance, monitoring and challenge through risk management; compliance; BCM; safety, health and environment and other oversight activities
- Line 3 – Internal audit: Provides independent and objective assurance on the effectiveness of governance, risk management and internal controls processes
- Line 4 – External assurance providers: Includes external audit, regulators and other independent assurance providers
- Line 5 – Governance and oversight structures: Executive committee, board committees and the board provide strategic oversight and accountability

## Assurance review

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
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 Occupational Health and Safety Assessment Series certifications	Various	4		Yes
IT general controls	Internal audit	3	Yes	

\* Level of assurance refers to independent external assurance.

This integrated approach ensures that material risks are adequately covered by assurance activities, critical controls are monitored and tested, and assurance outcomes inform management actions and governance oversight, supporting confidence that risks are managed within approved risk appetite and tolerance levels.

## Approach, governance and reporting

Exxaro defines assurance broadly to include management oversight, internal audit, external assurance and regulatory inspections. The combined assurance model seeks to optimise all assurance activities to collectively support:

- The integrity of internal decision making by management, the board and its committees
- The reliability of external disclosures, including:
  - Corporate governance disclosures in terms of King IV
  - The IR, financial statements and ESG reporting

The combined assurance model is operationalised through the combined assurance forum, which facilitates coordination and alignment across assurance providers, reduces duplication of effort, and minimises operational disruption and audit fatigue. The activities of the combined assurance forum, together with key assurance outcomes, are reported to the audit committee quarterly.

## Assessment of control effectiveness

The board and the audit committee assessed the effectiveness of Exxaro's system of internal controls for the year ended 31 December 2025 as satisfactory. This assessment was informed by:

- Management self-assessments and formal confirmations by executive management
- Reports from internal audit
- Independent external audit outcomes
- Regulatory inspections
- Reports from other assurance providers

## Outcome of assurance

As at 31 December 2025, there were 272 (2024: 375) open findings, reflecting a decrease of 103 (27%) open findings in the year. Of the 272 open findings, 81 (30%) 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	103
Ready for audit	81
Within timelines	88
Overdue	0
<b>Total</b>	<b>272</b>

Driven by our strategy and guided by our values, we create sustainable value and measurable impact across our capitals. Our performance reflects disciplined delivery, resilience and a clear commitment to long-term stakeholder value.



exxaro



GROVOS  
TRADES  
TRAINING  
CENTRE



## 5

### Value creation and performance

- 91 Financial capital
- 101 Manufactured capital
- 103 Intellectual capital
- 105 Human capital
- 110 Social and relationship capital
- 113 Natural capital

# Financial capital











Managing and enhancing financial capital is essential to advancing sustainable growth, delivering against our strategy and creating long-term value for stakeholders.

## Understanding financial capital at Exxaro

Our financial capital is the financial resources we generate and manage that enable us to execute our strategy. It is the foundation of our ability to drive sustainable growth and achieve our purpose of powering better lives in Africa and beyond.

## How we deliver value through our financial capital

Financial capital supports our operations, fuels innovation and allows us to invest in portfolio diversification. By maintaining a balanced approach to capital allocation, we generate shareholder returns while investing in initiatives that create long-term economic, environmental and social value.

Material theme	Matters	Strategies to achieve our objectives	Related strategic objectives	Our broader impact
 <p><b>Adapting to a changing context</b></p>	<ul style="list-style-type: none"> <li>Macro-economic and geopolitical environment</li> <li>South African infrastructure and service delivery challenges</li> <li>Commodity price fluctuations</li> </ul>	<ul style="list-style-type: none"> <li>Delivering on our <a href="#">market-to-resource optimisation strategy</a> (page 102)</li> </ul>		
 <p><b>Driving business resilience</b></p>	<ul style="list-style-type: none"> <li>Strong financial performance and capital excellence</li> <li>Logistical impediments</li> <li>Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring efficient <a href="#">capital allocation and capital excellence</a> (page 20)</li> <li>Maintaining a resilient coal business through cost efficiency, price optimisation and market-to-resource optimisation</li> </ul>		
 <p><b>Executing our strategy</b></p>	<ul style="list-style-type: none"> <li>Diversify responsibly into energy transition metals while optimising our coal business</li> <li>Build a leading energy solutions business</li> </ul>	<ul style="list-style-type: none"> <li>Contributing to the country's low-carbon transition through our energy solutions business</li> </ul>	 	

## Looking ahead

As we enter 2026, we remain focused on navigating global uncertainties while strengthening our operational resilience.

Global coal demand will be shaped by geopolitical factors and energy security needs, while domestic demand may strengthen as Eskom addresses operational challenges. Infrastructure constraints persist, but we are actively exploring alternative routes to market. Iron ore prices remain under pressure due to rising supply, though early signs of recovery in Chinese demand offer a potential upside.

The commissioning of the LSP, as well the forecast contribution from the Gouda windfarm and Sishen solar plant, will expand our renewable energy capacity, reinforcing our commitment to a low-carbon future.

Amid shifting commodity markets and geopolitical pressures, we will prioritise cost efficiency, supply chain agility and strategic diversification to drive long-term growth and stakeholder value.

### Detailed disclosure

 Read our [annual financial statements](#) for details about our financial performance.

## FD's overview

In 2025, Exxaro delivered a strong financial performance, driven by operational, cost and marketing efficiencies, despite facing a challenging macro-economic environment. Group revenue increased to R41.8 billion (2024: R40.7 billion), mainly driven by a 3% rise in coal revenue. Our disciplined approach to cost management limited coal production cost increases to 0.4%. As a result, group EBITDA declined marginally by 2% to R10.2 billion (2024: R10.4 billion), delivering an EBITDA margin of 24%. The contribution from our non-controlled operations increased by 5% to R4.5 billion (2024: R4.3 billion). This translated into basic HEPS of R32.47 compared to R30.16 in 2024. In line with our revised dividend policy, we are pleased to have declared a final cash dividend to shareholders of R10 per share.



Riaan Koppeschaar  
Financial Director

Exxaro's portfolio of high-quality, well-capitalised assets, supported by disciplined operational execution and effective working capital management, continues to deliver strong and consistent performance and cash generation.

<b>Revenue</b> R41.8 billion up 3%	<b>EBITDA*</b> R10.2 billion down 2%	<b>Income from equity-accounted investments</b> R4.5 billion up 5%
<b>HEPS</b> R32.47 per share up 8%	<b>Cash generated by operations at</b> R10.0 billion down 4%	<b>Final dividend</b> R10 per share up 15%

\* EBITDA is calculated by adjusting net operating profit before interest, tax, depreciation, amortisation, impairment charges or impairment reversals and net losses or gains on disposal of assets and investments (including translation differences recycled to profit or loss).

### Global economy and commodity prices

Since taking office in January 2025, US President Donald Trump implemented a series of tariffs and trade measures following multiple rounds of escalation and subsequent easing. These policy shifts reshaped global trade dynamics, weighing on international sentiment and contributing to heightened financial market volatility and the weakening of the US dollar. Despite these headwinds, overall global economic activity maintained positive momentum through 2025.

### Coal markets and commodity price

In 2025, the thermal coal market faced lower seaborne demand, ongoing oversupply, and pricing pressure, with benchmark prices falling below US\$80 per tonne. Weak import demand, especially from India, reflected slower industrial activity, stronger renewables, and ample domestic supply, while demand across Asia and Europe generally softened as gas, nuclear, and clean energy gained ground.

Domestically, coal demand remained stable, with resilience supported by premium coal demand and flexible redirection to local markets. In the Waterberg, coal offtake from Grootegeluk remained subdued due to operational constraints at the Matimba power station. This was partially offset by the successful return of Unit 4 at the Medupi power station.

### Energy market environment

South Africa accelerated its renewable energy transition in 2025 through firm policy execution and market reform. Cabinet approved the South African Renewable Energy Masterplan, targeting 3GW to 5GW of new renewable capacity annually by 2030, while the IRP 2025 outlines large-scale capacity expansion through to 2039. Private sector offtake remains the primary driver of new generation despite regulatory and grid constraints.

To address grid-access limitations, the National Energy Regulator of South Africa approved a temporary congestion curtailment mechanism (1 April 2025 to 31 March 2028), enabling approximately 3.4GW of wind capacity.

Transmission expansion progressed via the Independent Transmission Programme, with seven consortia selected to develop 1 164km of new 400kV lines across key provinces. Market reforms also advanced with preparations for the South African Wholesale Electricity Market. These developments support Exxaro's low-carbon growth opportunities.



## Extract of the statement of comprehensive income

	2025 Rm	2024 Rm
<b>Revenue</b>	<b>41 771</b>	40 725
Operating expenses	(34 656)	(33 118)
<b>Operating profit</b>	<b>7 115</b>	7 607
Gain on disposal of subsidiary	32	
<b>Net operating profit</b>	<b>7 147</b>	7 607
Finance income	1 739	1 786
Finance costs	(1 124)	(1 216)
Share of income of equity-accounted investments	4 488	4 270
<b>Profit before tax</b>	<b>12 250</b>	12 447
Income tax expense	(2 390)	(2 377)
<b>Profit for the year</b>	<b>9 860</b>	10 070
<b>Other comprehensive income/(loss), net of tax</b>	<b>(547)</b>	(99)
<b>Total comprehensive income for the year</b>	<b>9 313</b>	9 971

### Revenue

Group revenue increased to R41 771 million (2024: R40 725 million), mainly driven by a 3% rise in coal revenue, from higher sales volumes to Eskom from Matla. This was partly offset by lower demand from AMSA and reduced export prices with a stronger Rand to US dollar exchange rate. Our realised average export price decreased by 14% to US\$86 per tonne (2024: US\$100 per tonne), in line with the decrease in the average API4 coal benchmark price. We achieved a 96% price realisation compared to 95% in 2024.

Cennergi's assets generated 703GWh of renewable energy for 2025 (2024: 725GWh). Although the average plant availability of 98% exceeded the contracted levels of 97%, wind conditions were weaker than in the prior year. As a result, revenue remained largely unchanged at R1 410 million (2024: R1 411 million).

### Operating expenses

Group operating costs increased 5% to R34 656 million (2024: R33 118 million). Across the mining industry, inflation continued to elevate our cost base with electricity increasing by 12.7%, labour costs rising by 6.7% on average, and other costs tracking

Producer Price Index at 1.5%. Diesel was the exception, helping to offset some of the inflationary impacts with a 7% decrease. Despite inflationary pressures, coal production costs (excluding Matla and Mafube) increased marginally by only 0.4%, reflecting the group's continued focus on disciplined cost management. Matla is excluded as it is a tied mine, while Mafube buy-ins are priced with reference to the API4 coal benchmark. In addition to the energy operational costs, the group incurred costs associated with its energy acquisitions. Transaction costs of R178 million was also recognised in relation to the manganese acquisition. The stronger rand to US dollar exchange rate also resulted in realised and unrealised foreign exchange losses on foreign debtors and cash balances.

### Finance costs

We incurred an increase in borrowing costs, mainly relating to specific borrowings utilised by the LSP and Karreebosch windfarm, which is in the construction phase.

### Share of income of equity-accounted investments

Income of equity-accounted investments has been adjusted for headline earnings adjustments in the table below.

	Income from equity-accounted investments			Dividends received		
	2025 Rm	2024 Rm	Change %	2025 Rm	2024 Rm	Change %
<b>Coal: Mafube</b>	<b>66</b>	234	(72)	<b>100</b>	130	(23)
<b>Coal: RBCT</b>	<b>(21)</b>	(7)	<100			
<b>Metals: SIOC</b>	<b>3 954</b>	3 979	(1)	<b>3 267</b>	3 741	(13)
<b>Metals: Black Mountain</b>	<b>489</b>	64	>100			
<b>Total</b>	<b>4 488</b>	4 270	5	<b>3 367</b>	3 871	(13)

Income from equity-accounted investments increased to R4 488 million (2024: R4 270 million), driven by:

- Black Mountain: Improved financial performance was primarily attributable to higher zinc production and sales volumes, partially offset by weaker commodity prices
- SIOC: Financial performance remained broadly unchanged, supported by stronger realised iron-ore prices and continued operational stability
- Mafube: Financial performance declined, mainly due to lower coal export prices, despite an increase in sales volumes.

### Income tax expense

The group's effective tax rate increased to 30.8% (2024: 29.1%).

## Financial capital continued

### Key sensitivities on net operating profit

Net operating profit is sensitive to a number of key variables relating to our coal business, primarily commodity prices, exchange rates, input costs and discount rates as outlined below:

	Sensitivity	Net operating profit impact Rm
Environmental rehabilitation discount rate decrease	1%	(237)
Environmental rehabilitation discount rate increase	1%	217
Domestic sales volume increase <sup>1</sup>	1%	391
Royalty cost increase <sup>1</sup>	1%	(278)
Production cost increase <sup>1</sup>	1%	(174)
Export price per tonne increase <sup>1</sup>	US\$1	128
Export sales volumes increase <sup>1</sup>	1%	59
Exchange rate increase <sup>1</sup>	10 cents	46
Labour increase <sup>1</sup>	1%	(42)
Logistics increase <sup>1</sup>	1%	(37)
Fuel increase <sup>1</sup>	1%	(17)
Energy increase <sup>1</sup>	1%	(9)

<sup>1</sup> An increase/decrease has equal and opposite impact on the net operating profit.






## Extract of the statement of financial position

The group's statement of financial position provides the foundation for disciplined capital allocation, ensuring that investments, returns to shareholders and growth initiatives are pursued within clearly defined financial parameters.

	2025 Rm	2024 Rm
<b>Assets</b>		
<b>Non-current assets</b>	<b>70 547</b>	66 799
Property, plant and equipment	39 667	37 292
Intangible assets	2 613	2 598
Right-of-use assets	626	281
Equity-accounted investments	21 592	20 596
Financial assets	5 015	5 266
Deferred tax	388	197
Other assets	646	569
<b>Current assets</b>	<b>32 663</b>	27 917
Inventories	2 790	2 427
Financial assets	1 259	159
Trade and other receivables	4 283	4 230
Cash and cash equivalents	23 690	20 630
Current tax receivables	86	15
Other assets	555	456
<b>Total assets</b>	<b>103 210</b>	94 716
<b>Equity and liabilities</b>		
<b>Capital and other components of equity</b>		
Share capital	952	983
Other components of equity	834	1 119
Retained earnings	54 189	51 885
<b>Equity attributable to owners of the parent</b>	<b>55 975</b>	53 987
Non-controlling interests	15 275	14 563
<b>Total equity</b>	<b>71 250</b>	68 550
<b>Non-current liabilities</b>	<b>25 555</b>	20 351
Interest-bearing borrowings	11 259	7 344
Lease liabilities	675	334
Other payables	11	40
Provisions	3 681	3 359
Retirement employee obligations	191	181
Financial liabilities	398	129
Deferred tax	9 301	8 926
Other liabilities	39	38
<b>Current liabilities</b>	<b>6 405</b>	5 815
Interest-bearing borrowings	938	876
Lease liabilities	104	96
Trade and other payables	3 897	3 351
Provisions	355	282
Financial liabilities	22	22
Current tax payables	77	214
Other liabilities	1 012	974
<b>Total liabilities</b>	<b>31 960</b>	26 166
<b>Total equity and liabilities</b>	<b>103 210</b>	94 716

## Financial capital continued

Our balance sheet remains strong and flexible, underpinned by robust cash generation and prudent capital allocation. Strong operational cash generation increased the group's net cash position (excluding energy's net debt) to R17 641 million as at 31 December 2025. Energy's net debt amounted to R6 927 million, with limited recourse to Exxaro's balance sheet and hedged through interest rate swaps.

 For more details on specific line items, refer to the group and company [annual financial statements](#) for the year ended 31 December 2025.

Despite the operational challenges experienced in 2025, all internal KPIs are well within target, indicating a healthy balance sheet and strong cash flow generation. The group has complied with all the bank covenants for the year ended 31 December 2025.

### Capital management and shareholder return

The diagram below illustrates how the group's strong statement of financial position informs and supports its capital allocation framework. In applying it, we aim for a gearing ratio of below 1.5 times net debt (excluding ring-fenced project financing) to EBITDA. The framework aligns with our commitment to sustainably return cash to shareholders through the cycle while retaining a strong financial position.



Following the completion of the acquisition of the select manganese assets from Ntsimbintle Holdings and OMH, the group will no longer maintain the previously targeted cash buffer of R12 billion to R15 billion and has reviewed its capital allocation framework. Consequently, the dividend cover ratio range has been revised from 2.5 times to 3.5 times Adjusted Group Earnings to a range of 1.5 times to 2.5 times, while the 100% pass-through of the SIOC dividend remains unchanged.

In line with the revised lower dividend cover range, the board has declared a final gross cash dividend of 1 000 cents per share, amounting to approximately R3.4 billion. Including the interim dividend of R2.9 billion paid in October 2025, total dividends for 2025 amount to R4.1 billion. This reflects our ongoing commitment and consistency in delivering superior and consistent returns to our shareholders.

Refer below to our capital funding structure for Exxaro (excluding energy) as well as energy on a standalone basis:

### Capital funding structure

During the year, we successfully concluded the refinancing of R13 billion in term loan facilities. The transaction strengthens the group's liquidity position, extends debt maturities and enhances balance sheet flexibility, supporting the execution of our strategic objectives.

#### Exxaro (excluding energy)

	Facilities available				
	Drawn Rm	Undrawn/ committed Rm	Uncommitted Rm		
Term loan and revolving facility	4 500	5 500	3 000 <sup>1</sup>		
Domestic medium-term note programme			5 000 <sup>2</sup>		
<b>Interest-bearing borrowings</b>	<b>4 500</b>				
Interest capitalised	29			<b>Maturity profile of debt</b>	
Lease liabilities	686				
Capitalised transaction costs	(23)			<b>Repayment period</b>	<b>Rm</b>
<b>Total interest-bearing debt</b>	<b>5 192</b>			Less than six months	5 192
Current	515			Six to 12 months	272
Non-current	4 677			One to two years	243
Net cash and cash equivalents	(22 833)			Two to three years	485
<b>Net cash</b>	<b>(17 641)</b>			Three to four years	485
				Four to five years	477
				More than five years	2 977
					253

<sup>1</sup> Uncommitted Accordion facility.

<sup>2</sup> Uncommitted but available on market take-up.

#### Energy

	Facilities available			
	Drawn Rm	Undrawn/ committed Rm		
Project financing	7 675	2 135		
<b>Interest-bearing borrowings</b>	<b>7 675</b>			
Interest capitalised	60		<b>Maturity profile of debt</b>	
Lease liabilities	93			
Capitalised transaction costs	(44)		<b>Repayment period</b>	<b>Rm</b>
<b>Total interest-bearing debt</b>	<b>7 784</b>		Less than six months	7 784
Current	527		Six to 12 months	279
Non-current	7 257		One to two years	248
Net cash and cash equivalents	(857)		Two to three years	568
<b>Net debt</b>	<b>6 927</b>		Three to four years	691
			Four to five years	817
			More than five years	952
				4 229

## Financial capital continued

Building on the Group's balance sheet position, the statement of cash flows outlines the movements in cash during the year and how cash generation was deployed to support operations, strategic investments and capital management priorities

### Extract of the statement of cash flows

	2025 Rm	2024 Rm
<b>Cash flows from operating activities</b>	<b>8 380</b>	<b>8 425</b>
Cash generated by operations	10 040	10 432
Interest received	1 680	1 720
Interest paid	(1 059)	(1 095)
Tax paid	(2 281)	(2 632)
<b>Cash flows from investing activities</b>	<b>(1 867)</b>	<b>1 084</b>
Property, plant and equipment acquired	(5 099)	(2 448)
Intangible assets acquired	(33)	(27)
Proceeds from disposal of property, plant and equipment	1	
Cash received from other financial assets at amortised cost	141	111
ESD loans granted	(76)	(130)
ESD loans settled	117	84
Intervention receivable granted	(57)	(33)
Deposit facilities placed	(360)	(360)
Lease receivables settled	16	16
Proceeds from disposal of subsidiary	116	
Dividends received from equity-accounted investments	3 367	3 871
<b>Cash flows from financing activities</b>	<b>(3 192)</b>	<b>(8 742)</b>
Interest-bearing borrowings raised	7 365	705
Interest-bearing borrowings repaid	(3 375)	(1 397)
Transaction costs paid on interest-bearing borrowings raised	(57)	
Acquisition debt settled	(180)	
Lease liabilities	(62)	(50)
Dividends paid to owners of the parent	(4 071)	(5 744)
Dividends paid to non-controlling interest BEE Parties	(1 382)	(1 893)
Dividends paid to non-controlling interest of Tsitsikamma SPV and Amakhala SPV	(37)	(42)
Shares acquired in the market to settle share-based payments	(173)	(321)
Shares repurchased including transaction costs	(1 220)	
<b>Net increase in cash and cash equivalents</b>	<b>3 321</b>	<b>767</b>
Cash and cash equivalents at beginning of the year	20 630	19 859
Translation difference on movements in cash and cash equivalents	(261)	4
<b>Cash and cash equivalents at end of the year</b>	<b>23 690</b>	<b>20 630</b>

### Property, plant and equipment acquired

Total capex increased to R5 099 million (2024: R2 448 million), comprising:

- R2 295 million (2024: R2 146 million) sustaining capital, primarily in the coal business
- R2 804 million (2024: R302 million) expansion capital, mainly for the construction of the 140MW Karreebosch windfarm project in the energy portfolio which was funded through project financing

### Dividends received from equity-accounted investments

The group received R3.3 billion (2024: R3.7 billion) from SIOC for dividends.

### Dividends paid

The group paid R5.5 billion (2024: R7.7 billion) in dividends, including the R3.3 billion (2024: R3.7 billion) passed through from SIOC, and R2.2 billion (2024: R4.0 billion) from our managed operations.

### Shares repurchased

A total of 7 391 418 shares were repurchased and cancelled, representing 2.1% of Exxaro's issued share capital prior to the repurchase.

## Key financial risk factors affecting our performance

The group's strategic treasury function predominantly provides financial risk management services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the group through internal risk reports that analyse exposure by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

In managing its capital, the group focuses on a prudent gearing position, return on shareholders' equity (or ROCE) and the level of dividends to shareholders. The group's policy is to cover its annual net funding requirements through long-term loan facilities with maturities spread over time. Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

### Market risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect profit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return on risk.

The group's activities expose it primarily to the financial risks of changes in the environmental rehabilitation funds, portfolio investment and deposit facilities quoted prices, foreign currency exchange rates and interest rates. The group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risks, including:

- Currency forward exchange contracts (FECs), currency options and currency swap agreements to manage the exchange rate risk arising on the export of coal and import of capex
- Interest rate swaps and forwards to manage interest rate risk on the interest-earning borrowings

### Price risk management

The group's exposure to equity price risk arises from investments held by and classified as at fair value through other comprehensive income or at fair value through profit or loss. The group's exposure to price risk in relation to quoted prices of the environmental rehabilitation funds, portfolio investments and deposit facilities is not considered a significant risk as the funds are invested with reputable financial institutions in accordance with a strict mandate to ensure capital preservation and growth. The funds are held for strategic purposes rather than trading purposes.

### Foreign currency risk management

Certain transactions are denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The currency in which transactions are entered into is mainly denominated in US dollar, euro, and Australian dollar. Exchange rate exposures are managed within approved policy parameters utilising FECs, currency options and currency swap agreements.

The group maintains a fully covered exchange rate position in respect of foreign balances (if any) and imported capital equipment resulting in these exposures being fully converted to rand. Trade-related import exposures are managed through the use of economic hedges arising from export revenue as well as through FECs. Trade-related export exposures are hedged using FECs and currency options with specific focus on short-term receivables. Any open exposure to foreign currency risk on these balances is insignificant as the turnaround time is generally less than 30 days. Foreign denominated capital purchases funded by rand-denominated project financing arrangements are hedged using FECs.

Monetary items have been translated at the closing rate at the last day of the reporting period.

The FECs that are used to hedge foreign currency exposure mostly have a maturity of less than one year from the reporting date. When necessary, FECs are rolled over at maturity.



For more details, refer to note 16.3.3.2.2 of the group and company [annual financial statements](#) for the year ended 31 December 2025.

## Interest rate risk management

The group is exposed to interest rate risk as it borrows and deposits funds at floating interest rates on the money market and extended bank borrowings. The group's main interest rate risk arises from long-term borrowings with floating rates, which expose the group to cash flow interest rate risk. The risk is managed by undertaking controlled management of the interest structures of the investments and borrowings, maintaining an appropriate mix between fixed and floating interest rate facilities in line with the interest rate expectations. The group also uses interest rate swaps and interest rate forwards to manage the interest rate risk exposure.

When the contractual terms of the borrowings and covenants thereof require the use of hedging instruments to mitigate the risk of fluctuations of the underlying interest rate risk cash flow exposure and the impact on profit or loss of specific projects being financed, the group looks to apply hedge accounting where an effective hedge relationship is expected and to the extent that such exposure poses a real risk to the achievement of the loan covenants.

The financial institutions chosen are subject to compliance with the relevant regulatory bodies.

### Loan facility and bonds



For details on loan facility and bonds, refer to note 16.3.3.2.3.1 of the group and company [annual financial statements](#) for the year ended 31 December 2025.

### Project financing (energy)

The group is exposed to the risk of variability in future interest payments on the project financing, attributable to fluctuations in the three-month Johannesburg Interbank Average Rate during the operations phase, and the one-month Johannesburg Interbank Average Rate during the construction phase. The designated hedged item is the group of expected floating interest rate cash flows arising from the project financing, up to the notional amount of each interest rate swap, over the term of the hedging relationship. The notional amounts per interest rate swap match up to the designated exposure being hedged.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising interest expense at a fixed interest rate for the hedged project financing.



For details on project financing, refer to note 16.3.3.2.3.2 of the group and company [annual financial statements](#) for the year ended 31 December 2025.

### Liquidity risk management

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the group's short, medium, and long-term funding and liquidity management requirements.

The group manages liquidity risk by monitoring forecast cash flows in compliance with loan covenants and ensuring that adequate unutilised borrowing facilities are maintained.

## Financial capital continued

Borrowing capacity is determined by the board of directors, from time to time.

	2025 Rm	2024 Rm
Amount approved	69 969	67 484
Total borrowings	(12 197)	(8 220)
<b>Unutilised borrowing capacity</b>	<b>57 772</b>	<b>59 264</b>

The group's capital base and the borrowing powers of the company and the group were set at 125% of shareholders' funds (equity attributable to owners of the parent) for both the 2025 and 2024 financial years.

To avoid incurring interest on late payments, financial risk management policies and procedures are entrenched to ensure the timely matching of orders placed with goods received notes or services acceptances and invoices.

### Credit risk management

Credit risk relates to potential default by counterparties on cash and cash equivalents, loans, investments, trade receivables and other receivables.

The group limits its counterparty exposure arising from money market and derivative instruments by only dealing with well-established financial institutions of high credit standing. The group's exposure and the credit ratings of its counterparties are continuously monitored. The aggregate value of transactions concluded is spread among approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the audit committee annually.

Trade receivables consist of a number of customers with whom Exxaro has long standing relationships. A high portion of term supply arrangements exists with such customers resulting in limited credit exposure which exposure is limited by performing customer creditworthiness or country risk assessment.

The group strives to enter into sales contracts with customers which stipulate the required payment terms. It is expected of each customer that these payment terms are adhered to. Where trade receivable balances become past due, the normal recovery procedures are followed to recover the debt, where applicable new payment terms may be arranged to ensure that the debt is fully recovered.

Exxaro has concentration risk as a result of its exposure to one major customer. This is, however, not considered significant, as the customer adheres to the stipulated payment terms.

Exxaro establishes an allowance for non-recoverability or impairment that represent its estimate of expected credit losses in respect of trade receivables, other receivables, loans, cash and cash equivalents and investments.



For Exxaro's exposure to credit risk, refer to note 16.3.3.4.1 of the group and company [annual financial statements](#) for the year ended 31 December 2025.

## Outlook for the first half of 2026

### Economic context

The current year commenced against a backdrop of heightened geopolitical and related risks. Global uncertainty increased meaningfully due to evolving developments in Venezuela, Iran and Greenland, alongside the continued unpredictability surrounding the US's trade policy.

Domestically, South Africa recorded modest real GDP growth in 2025, with this positive momentum expected to extend into 2026. Structural reforms across the energy, water, ports, and rail sectors progressed steadily, supported by a strong emphasis on public-private partnerships aimed at strengthening public sector infrastructure.

South Africa's removal from the Financial Action Task Force grey list in October 2025, coupled with S&P Global Ratings' upgrade of the foreign currency sovereign credit rating from BB- to BB in November 2025, while maintaining a positive outlook, represents significant progress toward regaining an investment-grade rating.

### Commodity markets and price

Adequate thermal coal and gas inventories, combined with a milder Northern Hemisphere winter, limited the typical year-end price uplift in 2025. However, reduced nuclear availability in South Korea, cutbacks in Colombia's thermal coal supply, and the potential for restricted US export availability provided a more supportive backdrop heading into 2026.

Looking ahead, China and India's increasing focus on domestic coal production, rising renewable energy penetration and expectations of stronger gas price competition in key markets, are likely to shape market dynamics in 2026. The global transition towards renewables continues to define longer-term trends. Short-term supply constraints, the expansion of electrification, and broader global economic and geopolitical developments will remain important drivers of thermal coal demand and pricing.

The Middle East conflicts present a material risk to global energy security and freight markets. Any prolonged or broader regional destabilisation would disrupt energy security and bulk shipping, tightening global oil and LNG supply. This would likely increase reliance on alternative fuels, supporting higher thermal coal demand and prices.

Domestically, improved economic activity may stimulate coal demand, particularly as Eskom advances in resolving operational challenges. In spite of TFR's improving performance, it remains well below RBCT's port capacity. Therefore, Exxaro continues to pursue all commercially viable routes to meet customer needs and unlock value.

In the iron ore market, rising supply is returning, with the commissioning of the Simandou project, Africa's largest greenfield integrated mining and infrastructure development in Guinea, together with the subdued demand from China.

### Operational performance outlook

Our business is still impacted by commodity prices, domestic structural challenges, coal offtake and both the global and domestic geopolitical environment.

We provide the following guidance for the 2026 financial year:

- Coal production 39.4Mt to 42.8Mt
- Coal sales 39.4Mt to 42.8Mt
- Coal exports sales to be between 7.3Mt to 8.0Mt
- Our coal sustaining capital is guided to be within R4 billion and R4.5 billion. The increase is mainly driven by our truck and shovel replacement programme at Grootegeeluk mine to maintain production levels, drive operational efficiency and to improve reliability, availability and sustainability
- With the commissioning of the LSP, as well the forecast contribution from the Gouda windfarm and Sishen solar plant, our energy generation guidance increases, and we expect it to be within the range of 1 050GWh and 1 150GWh of full-year wind and solar energy generation

Riaan Koppeschaar  
Finance director

29 April 2026

# Manufactured capital









Operational excellence and ongoing investment in our manufactured capital drives strategy execution and enhances the resilience of our business model.

## Understanding manufactured capital at Exxaro

Exxaro's manufactured capital comprises the physical mining, energy and property assets we use to deliver our products. The quality of these assets and how effectively we use them impact our operational performance and overall value creation.

## How we deliver value through our manufactured capital

We invest in our assets to preserve their long-term value and ensure reliable performance, while optimising their use to deliver high-quality products. Portfolio optimisation, together with effectively using our invested capital, support value creation and preservation across the other five capitals.

Material theme	Matters	Strategies to achieve our objectives	Related strategic objective	Our broader impact
 <b>Adapting to a changing context</b>	<ul style="list-style-type: none"> <li>Macro-economic and geopolitical environment</li> <li>South African infrastructure and service delivery challenges</li> <li>Commodity price fluctuations</li> </ul>	<ul style="list-style-type: none"> <li>Delivering on our <a href="#">market-to-resource optimisation strategy</a> (page 102)</li> </ul>		
 <b>Executing our strategy</b>	<ul style="list-style-type: none"> <li>Diversify responsibly into energy transition metals while optimising our coal business</li> <li>Build a leading energy solutions business</li> </ul>	<ul style="list-style-type: none"> <li>Enabling a transition to a low-carbon world through <a href="#">our coal and metals business approach</a> (page 18) and <a href="#">energy solutions business</a> (page 19)</li> </ul>	 	

## Performance snapshot

- Coal** ➤ Delivered coal to customers effectively and efficiently through continuous process improvements, strengthening operational performance while optimising value across the value chain
- Metals** ➤ Received dividends amounting to R3.3 billion from our investment in SIOC. SIOC and Black Mountain also achieved a year-on-year increase in adjusted equity-accounted income.
- Energy solutions business** ➤ Announced the acquisition of majority interests in two operational renewable energy assets, which will contribute an additional 213MW of generation capacity to Cennergi's portfolio once the transaction is finalised in 2026. Cennergi was also awarded preferred bidder for the 240MW Corona solar project.

## Diversifying our metals asset portfolio

In May 2025, Exxaro announced the acquisition of select manganese assets in the Kalahari Manganese Field in the Northern Cape. Manganese is essential in steelmaking and is increasingly important in battery and renewable energy technologies, making it a key mineral in South Africa's industrial and energy transition. The acquisition aligns directly with our Sustainable Growth and Impact strategy by diversifying earnings, reducing reliance on coal and positioning the business to participate in long-term growth markets linked to the global energy transition. The transaction was concluded post-year end.



We will continue to prioritise safety, portfolio optimisation, cost efficiency and continuous improvement across our coal, metals and energy solutions businesses.

## Manufactured capital continued

### Achieving optimal performance

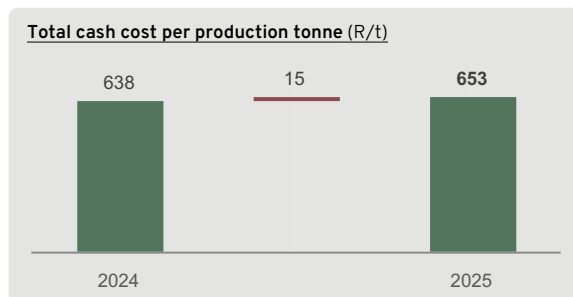
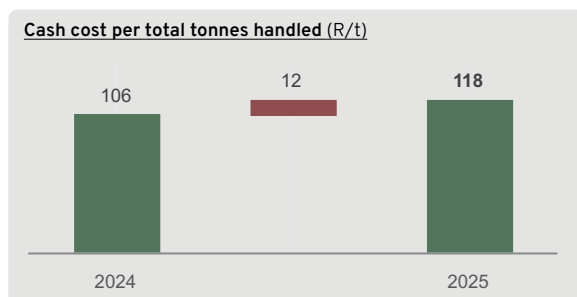
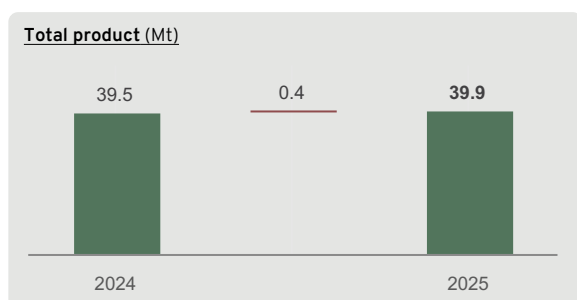
Exxaro's coal and metals business approach supports the transition to a low-carbon world while leveraging our core mining and logistics competencies. Guided by comprehensive screening criteria, we identify key energy transition metals that position us for future growth.

In parallel, we focus on enhancing our ability to fulfil current energy demands. Our market-to-resource optimisation strategy incorporates market insights and dynamics into operational and strategic planning to produce coal products that meet customers' requirements and changing market demands.

By integrating these strategies, we balance optimal performance with advancing our growth ambitions.

### Our performance

#### Coal



International thermal coal pricing (API4) averaged US\$90/t in 2025 (2024: US\$105/t). Prices declined from 2024 levels, as the coal market remained well supplied through the year. Other drivers included stable stock levels in South Africa's key markets, lower gas pricing, growth in renewables and increased nuclear energy generation.

In line with our market-to-resource optimisation strategy, production was aligned to market demand. The business was mainly impacted by lower demand from Eskom. Export sales performed well, with an increase of 2% from 2024.

Our continuous cost optimisation focus delivered results and will remain a pivotal element in achieving operational efficiencies, ensuring resources are utilised effectively and that performance aligns with our goals.

Total cash cost in absolute terms increased by 0.04% year on year, delivering on our improvement and efficiency projects and absorbing mining inflation currently at 1.1%.

In absolute cash cost terms, we experienced cost savings on all levels, except on employee cost due to filling of vacancies and annual salary increases, a once-off credit in the second half of 2024, which did not recur in 2025, and increased service level costs.

Total cash cost per tonne was impacted by lower volume offtake from Eskom.

Total volumes handled decreased in line with the expected mining geographical landscape from the various operations, resulting in an increased cash cost per total tonnes handled.

EBITDA remained stable despite a 14% decline in the API4 price, supported by lower operating costs.

In the context of a challenging macro-economic environment, we are strengthening business resilience through disciplined cost optimisation and efficiency gains across the value chain, positioning the business for sustained, consistent performance.

#### Metals

##### SIOC

SIOC's adjusted equity-accounted income increased to R3 989 million (2024: R3 383 million), mainly due to higher realised iron ore prices and improved operational stability across the value chain. In July 2025, Exxaro received an interim dividend of R1 535 million from SIOC. In February 2026, SIOC declared a final dividend of R1 344 million to Exxaro.

##### Black Mountain

Adjusted equity-accounted income from Black Mountain increased to R490 million (2024: R65 million), driven by higher zinc production and sales volumes resulting from more favourable mining conditions, partially offset by lower commodity prices relative to 2024.

#### Energy solutions business

Cennergi's 2025 operational EBITDA margin was 79% (2024: 80%) and our windfarms generated 699GWh (2024: 725GWh), as a result of lower wind conditions in comparison to 2024. Our average equipment availability was 98% due to improved contractor performance.



# Intellectual capital

Strategically leveraging our intellectual capital enables us to respond to emerging opportunities, navigate a changing context and build a future-ready, resilient business.

### Understanding intellectual capital at Exxaro

Exxaro’s intellectual capital is the collective knowledge, experience, innovation and systems that differentiate us. We leverage these capabilities to respond to market challenges and position our business for the future.

### How we deliver value through our intellectual capital

Our operations must be able to manage frequent challenges and adapt to evolving global and local market conditions. We use our intellectual capital and differentiation to remain sustainable, growth-oriented and values-driven while increasing our competencies across mining and energy. We are focused on driving and leveraging changes to patterns of production, consumption and ways of working to positively impact our value and sustainability. By applying our collective knowledge, skills and resources, we stay responsive while safeguarding our people, assets and the business.

Material theme	Matters	Strategies to achieve our objectives	Related strategic objective	Our broader impact
<p><b>Driving business resilience</b></p>	<ul style="list-style-type: none"> <li>Strong financial performance and capital excellence</li> <li>Logistical impediments</li> <li>Supply chain management</li> <li>Innovation and digitalisation</li> <li>Cybersecurity</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring efficient capital allocation and capital excellence</li> <li>Enhancing operational efficiency enabled by the <a href="#">iNNOVAXXION strategy</a> (page 104)</li> </ul>		
<p><b>Executing our strategy</b></p>	<ul style="list-style-type: none"> <li>Diversify responsibly into energy transition metals while optimising our coal portfolio</li> <li>Build a leading energy solutions business</li> </ul>			

## Performance snapshot

We are enhancing our long-term resilience by maintaining a disciplined and responsible approach to our core coal portfolio, supporting energy security in markets where demand remains strong locally and internationally. Through targeted life extension initiatives, operational excellence, and infrastructure optimisation, we aim to sustain reliable cash generation and preserve value across commodity cycles.

This cash flow supports our strategy, enabling continued investment in decarbonisation, innovation and the progressive diversification of the portfolio towards energy transition metals. Capital allocation remains focused on balancing near-term performance with long-term strategic positioning to ensure sustainable value creation, market relevance and resilience in a changing energy landscape.

Exxaro’s business resilience encompasses capital allocation, energy investments, innovation, information management and reputational resilience ([our stakeholders](#), page 54).

<p><b>Capital allocation and energy investments</b></p>	<p>Maintained business resilience through prudent, strategic capital allocation aligned to long-term value creation. Advanced renewable energy with the LSP producing green electrons, Karreebosch windfarm under construction and progress towards 1 600MW net installed capacity, further supporting value creation</p>
<p><b>Cybersecurity and operational resilience</b></p>	<p>We further enhanced backup and recovery strategies to improve incident response, and implemented proactive measures to address cybersecurity-related risks. We also advanced cybersecurity awareness and data governance to protect our operations and reinforce stakeholder trust</p>
<p><b>Technology and innovation</b></p>	<p>We introduced a reliability engineering tool that automates critical processes, including real-time data capture, analysis and visualisation. The tool detects early warning signals, standardises reliability assessments across our operations and provides data-driven insights that improve decision making, reduce downtime and enhance asset performance.</p>

## Intellectual capital continued

### Our performance

#### Capital allocation

Project	Classification (growth/sustaining)	Product	Focus and performance	Capital expenditure
---------	------------------------------------	---------	-----------------------	---------------------

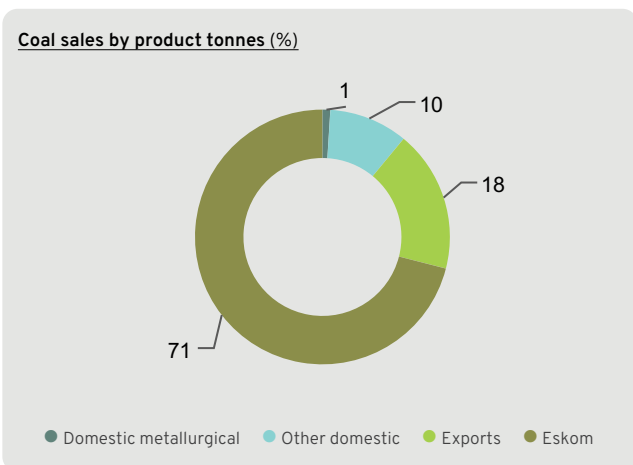
#### Location: Mpumalanga

The Matla Mine 1 relocation overland conveyor was successfully commissioned in the second half of 2025, as part of the approved infrastructure projects at Matla. The reaming ventilation shaft was completed in November 2025. The plant and the Matla LoM programme are expected to be completed during the first half of 2026.

Matla LoM programme	Sustaining	10.066Mtpa of thermal coal	Developing infrastructure to support LoM production	R5.24 billion
---------------------	------------	----------------------------	---	---------------

#### Coal portfolio

We are advancing capital excellence to ensure a resilient, high-performing coal portfolio that consistently generates strong cash flows. Our approach involves evaluating and optimising our portfolio, prioritising value-accretive assets, divesting non-core operations where appropriate and reinvesting in strategic growth and efficiency initiatives in our coal business. To support this, we maintain an average annual capital allocation of R2.5 billion and R3 billion in real terms, ensuring the long-term sustainability and competitiveness of our coal business.



	2025 actual	2025 previous guidance	2024 actual
<b>Sustaining</b>	<b>2 266</b>	<b>2 226</b>	2 080
Waterberg	1 843	1 834	1 812
Mpumalanga	423	392	268
<b>Total</b>	<b>2 266</b>	<b>2 226</b>	2 080

Capex in our coal business increased by 9% compared to 2024, reflecting our commitment to sustain our operational performance. This remains within our guidance provided for 2025.

The increase in sustaining capital is mainly due to our capital equipment replacement strategy at Grootegeluk. On average, we remain within the guidance provided.

#### Responding to supply chain and logistics challenges

Despite continued rail disruptions and ongoing logistics challenges, Exxaro's export evacuation via rail increased. However, our evacuation to alternative ports reduced due to coal prices and evacuation costs. We remain focused on harnessing our intellectual capital to develop innovative logistics solutions and corridors to fulfil market demand and optimise our value chain.

[Operating context](#) (page 32)

#### Energy investments

We are prudently scaling our energy solutions business to achieve 1 600MW (net) capacity by 2030. Using high-level assumptions, this could deliver an estimated EBITDA of approximately R6.4 billion by 2030.

Our ongoing energy investments include:

- The LSP, which will add 68MW to Cennergi's generation capacity. The plant was commissioned in December 2025. The revised estimated project total investment cost is R1.7 billion
- The Karreebosch windfarm project, which will add a further 140MW gross capacity and is expected to be operational in 2027
- Our acquisition of majority stakes in the 138MW Gouda windfarm in the Western Cape and the 75MW Sishen solar facility in the Northern Cape. The transaction is set to conclude in the first half of 2026. Lastly, financial close of the 240MW Corona solar project is expected by the end of 2026

#### Technology and innovation

Technology and innovation are strategic enablers that are critical to operational effectiveness and achieving our carbon neutral goal. We leverage technology to ensure our operations go beyond compliance and conventional mining practices, measuring and enhancing our social and environmental impact. This includes implementing innovative mining and processing technologies, which ensures that investing in energy transition metals remains financially viable and that new operations keep us positioned on the lowest cost curve.

#### Digital innovation

Our INNOVAXXION strategy integrates innovation into our entire business value chain to facilitate seamless decision making, optimise resource utilisation and minimise environmental impacts, supported by advanced data analytics and automation. The strategy covers operations, marketing and logistics, corporate innovation, and embracing disruptive innovation through data science and generative AI.

#### Fostering an innovation culture

We empower our people to create impact by fostering an innovation culture and embedding this in how we conduct business. This extends to creating a positive socio-economic impact in the communities where we operate, by integrating social innovation into our approach to addressing community challenges.

#### Cybersecurity

Data is a critical business asset, requiring strong governance and protection. We recognise that digitisation and interconnectivity across our operations elevates our vulnerability to cyberattacks. In addition, the adoption of generative AI introduces new risks, including AI-driven threats and increased data security concerns.

Our cybersecurity programme mitigates these risks and continues to evolve, underpinned by comprehensive prevention, detection, response and recovery strategies. We are also compiling a data governance framework which we expect to finalise in 2026. We remain committed to strengthening our cyber resilience while pursuing digitisation and innovation.

# Human capital




Our people are at the heart of our business. Empowering them to create impact is critical in building momentum and resilience as we pursue sustainable growth.

### Understanding human capital at Exxaro

Exxaro’s human capital comprises the people who manage our business and perform operational activities, including our employees and contractors, as well as their knowledge, skills, know-how, safety, health and wellbeing. It is central to our success and long-term resilience.

### How we deliver value through our human capital

We create value by investing in our people, protecting their safety, health and wellbeing, and fostering skills and capabilities aligned with our purpose. We prioritise zero harm, promote employee and community resilience through health and wellness programmes, uphold DEI to maintain a strong employee value proposition, and offer learning and skills development to ensure a robust talent pipeline for current and future needs. Our people strategy guides these efforts, ensuring we drive a people-fit organisation, develop capabilities and enable human resources.

Material theme	Matters	Strategies to achieve our objectives	Related strategic objective	Our broader impact
 <p>Enabling a thriving workforce</p>	<ul style="list-style-type: none"> <li>Health, safety and wellness</li> </ul>	<ul style="list-style-type: none"> <li>Advancing our <a href="#">One Voice Safety strategy</a> (page 106) to promote zero harm</li> <li>Embedding our <a href="#">health and wellness strategy</a> (page 107) for resilience</li> </ul>		
	<ul style="list-style-type: none"> <li>Employee attraction, retention, development and DEI</li> <li>Labour relations</li> </ul>	<ul style="list-style-type: none"> <li>Inspiring excellence and inclusion through our <a href="#">DEI strategy</a> (page 108)</li> <li>Driving growth through our <a href="#">talent management strategy</a> (page 109)</li> </ul>		

### Performance snapshot

Safety	As at 31 December 2025, the group marked 40 consecutive months without a fatality. Our LTIFR was 0.04 (2024: 0.06), below the annual limit of 0.05 (2024: 0.06). However, three HPIs (2024: one) were recorded during the year. An increase in the occurrence of HPIs demonstrates the importance of critical risk management.
Health and wellness	Wellness support expanded through awareness, screening and increased on-site psychological services. However, occupational disease cases rose from 23 to 40 with tuberculosis remaining the most prevalent condition.
Employee engagement and equity	We retained our Top Employer certification, improving our overall score to 89.40% (2024: 83.39%). Exxaro was certified as a level 2 B-BBEE contributor (2024: level 2), maintaining its position as one of South Africa’s leading black-empowered mining and energy companies.
Talent management	We invested R399 million (2024: R402 million) in training and development, with R364 million (2024: R363 million) directed to training for black employees. This investment strengthened succession depth, improved internal mobility and reduced reliance on external scarce skills.




### Looking ahead

Our focus in 2026 will include:

- Embedding the One Voice Safety strategy, strengthening fatal risk protocols and advancing data-driven safety insights through digital tools
- Expanding community and workforce health initiatives, including mental health support, and formalising key public health partnerships
- Embedding a culture that is reinforced through systems, modelled by leaders and sustained through rituals and measurement, setting the stage for a refreshed culture roadmap for 2027 to 2028
- Strengthening leadership capability, structured talent mobility and digital learning platforms to build future-ready skills aligned with evolving business and technology needs

### Detailed disclosure in our ESG report

 Empowering people and communities (pages 57 to 76)

## Human capital continued

### Our human capital commitments

Exxaro's ability to create sustainable value is driven by our people. By fostering a safe, healthy and inclusive working environment, we enable our workforce to perform, adapt and contribute to long-term business resilience in a changing operating landscape.

Our people strategy is at the centre of our people practices. Operating within our broader Sustainable Growth and Impact strategy, our people strategy guides our efforts to build a people-fit organisation by developing capability, strengthening wellbeing and creating a safe, inclusive and high-performance culture.

Exxaro's human capital initiatives align with ESG objectives that support our Sustainable Growth and Impact strategy:

ESG objectives		Supporting the achievement of our Sustainable Growth and Impact strategy	
<b>Health and safety</b>	Power zero harm through a risk-based mindset and boost our employees' and host communities' quality of life through integrated health and wellness programmes	Protects our people, supports workforce resilience and underpins operational continuity through safe, healthy working environments	
<b>DEI</b>	Be the industry leader in diversity and inclusion, developing capabilities and leaders, achieving compliance and fostering inclusion	Strengthens Exxaro's employee value proposition, supports labour stability and enables a capable, representative workforce aligned to transformation goals	

### Prioritising safety

Safety is fundamental to Exxaro's operational integrity and our licence to operate. Mining activities carry inherent risk, and unsafe practices can lead to injuries, production disruption, regulatory consequences and reputational harm. By preventing workplace incidents and embedding a proactive safety culture, we protect our people while supporting operational resilience and long-term value creation. We integrate proactive risk management, leadership accountability and enabling technology to drive consistent, high-performance safety practices in pursuit of zero harm across all operations.

#### Our performance

During 2025, Exxaro launched the One Voice Safety strategy, reinforcing a unified safety culture, strengthening leadership accountability and promoting consistent safety behaviours across operations and contractor networks. Fatal risk protocols and zero tolerance rules were also rolled out, further formalising expectations for managing the most critical risks across operations.

Safety performance strengthened during the year, with an improved LTIFR and seven LTIs (2024: 10 LTIs). Increased HPIs were associated with trackless mobile machinery, working at heights and a heavy-duty vehicle tipping incident. Inspectors issued one section 54(1)(b) stoppage during the year (2024: zero stoppages).

#### Fatality-free milestones across operations

Group	40 months fatality-free (as at 31 December 2025)
Grootegeluk	13 years
Belfast	Three years
Leeuwpán	35 years
Matla	Eight years
Mines in closure	15 years
FerroAlloys	28 years



Cennergi maintained a zero fatality incident rate in 2025 and recorded one LTI, when an LSP employee stepped into an unmarked trench while carrying PV panels and twisted his knee. No reportable health and safety incidents were submitted to the Department of Employment and Labour.

Quarterly external compliance audits scored Tsitsikamma and Amakhala Emoyeni at 99%, while Karreebosch contractors, Concor and Goldwind Africa, scored 97% and 99% respectively.

Cennergi	Nine years
----------	------------

#### Improving our safety management

<b>Governance strengthening</b>	The board approved a standalone health and safety policy in 2025, clarifying accountability and responsibilities across operations. The policy replaces the combined safety and sustainable development policy and reinforces safety as a non-negotiable part of daily work.
<b>Leadership safety day</b>	Our annual leadership safety day, held on 24 October 2025 under the theme #NotInMyName: Khetha Ukuphepha, reinforced VFL and shared accountability. Executive visits to business units focused on critical risks and alignment with zero harm expectations.

**Technology-enabled oversight** We launched the upgraded VFL app in September 2025, expanding leadership visibility, real-time reporting and analysis of leading indicators. The tool enables improved accountability and proactive risk management at operational level.

**Industry collaboration** Exxaro established a tripartite alliance with industry peers, organised labour and regulators to support shared learning, coordinated action and continuous improvement in safety performance across the sector.

**Future focus** Our priorities for 2026 are to:

- Host the 2026 CEO safety summit under the theme “Powering safety with One Voice”
- Review and update fatal risk protocols and implement critical controls
- Develop and implement a health and safety capability framework across the group

## Promoting health and wellness

Health and wellness underpin a resilient workforce and sustainable performance. Guided by our integrated health and wellness strategy, we take a preventive, employee-centred approach to managing occupational, non-occupational and psychosocial health risks. Growing demand for mental health support further shaped our health management priorities during the year. Through medical surveillance, wellness promotion and targeted support, we enhance workforce wellbeing, safety and productivity.

### Our performance

#### Occupational diseases

In 2025, we recorded 40 occupational disease cases (2024: 23), resulting in an occupational health incident frequency rate of 0.22 (2024: 0.14) against the target of 0.13. Tuberculosis remains the most prevalent condition. We monitor performance against the Mine Health and Safety Council occupational health milestones, with ongoing focus on dust suppression, noise mitigation and occupational hygiene controls to manage exposure risks.

#### Non-occupational diseases

We identified 30 new diabetes cases (2024: 39) and 148 hypertensive employees and contractors (2024: 122). We monitor lifestyle-related and chronic conditions through medical surveillance and wellness screening programmes, supporting early identification and long-term disease management.

In 2025, 13 257 employees and contractors attended HIV counselling sessions (2024: 14 143), and 1 576 individuals received antiretroviral treatment (2024: 1 548). HIV/Aids awareness remains integrated into medical inductions, with occupational health centres providing access to medication and continuity of care.

### Improving our health and wellness management

**Community health screenings** We strengthened our proactive health management approach by supporting our host communities through targeted partnerships and outreach initiatives. Working with the South African National Aids Council Private Sector Forum, we continued our community health screening programme in Limpopo and Mpumalanga. The co-funded initiative reached 11 136 community members in 2025 and is set to expand to mine closure communities in 2026.

Under our MoU with the Mpumalanga and Limpopo Department of Health, we also advanced several public health initiatives. These included medical circumcision campaigns, donations of HIV-related materials, rural health outreach efforts, community mammogram services and awareness campaigns on gender-based violence, breast cancer and mental health. Additional activities included oral health campaigns, participation in the Waterberg executive mayor’s integrated health screening initiative and ongoing “taking service to the community” programmes.

**Wellness programme roll-out** In 2025, we advanced our health agenda under the prevent, diagnose, manage framework through key wellness initiatives, including tuberculosis and flu campaigns, mental health and cancer masterclasses, cancer screenings, world Aids day activities, wellness and sports events, the peer educator and fatigue management programmes, and mobile community health outreach.

All BUs formally adopted Exxaro’s updated wellness programme in 2025, marking a shift from initiative-based activities to structured programme management across daily operations. Engagements with wellness coordinators ensured site-specific needs were reflected while supporting consistent implementation across the group.

**Mental health and on-site support** Increased demand for psychological support led several BUs to extend the operating hours of on-site therapists. This improved access to counselling, increased participation and strengthened referral pathways for employees requiring continued care.

**Data-driven health monitoring** Continuous real-time health and hygiene monitoring systems are now used across all BUs and tied into operational systems to improve risk tracking and enable data-driven decision making. Belfast began the first phase of wearable health device distribution, with dietician guidance linked to real-time health indicators.

**Future focus** Our priorities for 2026 are to:

- Expand community screenings for HIV, tuberculosis and non-communicable diseases
- Extend psychologist and counsellor hours at high-demand sites
- Finalise an MoU with the KwaZulu-Natal Department of Health to strengthen collaboration on health initiatives and inclusive access to care

## Engaging our employees

**Sustainable performance depends on an engaged, stable and values-driven workforce. In a complex operating environment, effective employee engagement and constructive labour relations help maintain operational continuity, support safe production and strengthen Exxaro's social licence to operate. Our employees and contractors expect fair processes, transparent communication and respectful workplace relationships that protect dignity and wellbeing.**

We promote engagement through open dialogue, consistent employee relations practices and a strong focus on organisational culture. Guided by our people, DEI and employee relations strategies, we foster inclusive leadership, address workplace concerns early and create an environment where employees can contribute meaningfully to performance and long-term value creation.

### Our performance

Employee relations remained stable during the year, underpinned by structured engagement mechanisms and formal representation. In 2025, 5 221 employees were represented by affiliated trade unions recognised by Exxaro (2024: 5 483), supporting ongoing dialogue and constructive labour relations across our operations. Structured engagement platforms and formal grievance mechanisms supported early identification and resolution of workplace concerns. We continue to seek opportunities to build strong relationships through engagement.

Workforce diversity indicators showed further progress. Women represented 35% of employees (2024: 33%), while people with disabilities accounted for 1.7% of our workforce (2024: 1.7%), with representation expected to increase to 3% by 2030. One discrimination-related grievance was recorded (2024: two) and managed through formal investigation and resolution processes.

We maintained our recognition as a Top Employer in 2025, achieving an overall score of 89.40%, up from 83.39% in 2024, and exceeding the certification threshold by 24.4% (2024: 18.39%). A targeted culture pulse survey conducted during the year achieved a 24% participation rate, providing early insight into employee sentiment during organisational transition. The culture pulse survey highlighted a number of areas of improvement, including clearer communication and stronger leadership visibility. In response, we prioritised leadership engagements, reinforced feedback mechanisms at team level and integrated listening as part of leadership accountability. Our employee turnover rate was 3.7% (2024: 3.6%), reflecting workforce movements such as retirement, resignation and contract completion.



Wind turbines are operated and maintained under contract by Nordex at Amakhala Emoyeni and by Vestas South Africa at Tsitsikamma. Cennergi and these contractors use sub-contractors for maintenance activities, employing 56 people (2024: 55) at Amakhala Emoyeni and 45 (2024: 37) at Tsitsikamma.

The LSP was constructed under contract by Elsewedy and Edison, employing 677 people throughout the year, while Karreebosch windfarm, with the main contractors being Concor and Goldwind, employed 438 people on site at year end.

## Improving our employee relations management

### Leadership capability

We strengthened leadership capability in 2025 to foster an inclusive, respectful and psychologically safe workplace. New development interventions focused on equipping leaders and employees with practical skills to manage difficult conversations, resolve conflict constructively and build stronger team dynamics. Team effectiveness diagnostic tools were introduced to deepen self-awareness, enhance empathy and help leaders better understand diverse motivations and perspectives within their teams.

### DEI e-learning programme

We launched a group-wide DEI e-learning programme in 2025 to support inclusive behaviours and strengthen day-to-day workplace interactions. The programme provides accessible, self-paced learning covering harassment and bullying awareness, diversity of thought, generational differences, respectful communication and practical strategies for sustaining inclusive work environments. The modules also include tools to build allyship, empathy and interpersonal understanding across teams.



### Future focus

Our priorities for 2026 are to:

- Prepare to roll out a refreshed culture roadmap for 2027 to 2028
- Conduct a follow-up culture pulse survey in February 2026, followed by a full culture and engagement survey to assess progress since the 2023 baseline
- Build employee capability on skills related to reporting and managing harassment in the workplace

## Developing future-ready talent

Delivering our strategy and sustaining operational performance depend on our ability to build and retain a workforce with the capabilities required for a changing metals and energy landscape. Skills shortages, evolving technologies and shifting business models make effective talent management critical to resilience, competitiveness and long-term value creation.

Our talent management strategy focuses on building robust talent pipelines, developing future-critical skills and supporting leadership capacity. Through integrated workforce planning, learning and employee experience initiatives, we foster a capable, engaged and representative workforce that can adapt to evolving business needs and support delivery of our Sustainable Growth and Impact strategy.



Cennergi prioritises internal recruitment of high-potential employees to retain talent and grow management expertise. Employees receive STIs based on individual and company performance. Line managers conduct performance appraisals twice a year to determine training and development needs.

### Our performance

Our total investment in training and development amounted to R399 million (2024: R402 million), representing 5.82% of payroll. Of this, R364 million was invested in training for black employees, supporting transformation and broad-based skills development.

Our training is balanced across building operational, pipeline and leadership capability. Functional and technical training totalled R174 million (2024: R200 million), while R180 million (2024: R173 million) supported bursaries, learnerships, internships and professional development to strengthen future talent pipelines. Leadership and management development accounted for R5 million (2024: R11 million).

Digital learning adoption increased, with 480 (2024: 108) employees registering for open-source online courses and 3 638 (2024: 6 788) voluntary learning interventions completed on the MyNexxt platform. The Powering Knowledge platform recorded 91% utilisation among youth development participants.

We strengthened our leadership bench through structured development programmes, with 144 (2024: 102) employees completing leadership programmes and 123 (2024: 153) enrolled in management development programmes. We also continued investing in scarce skills, supporting 80 (2024: 56) engineering and mining bursars and investing R10.8 million (2024: R9.3 million) in bursaries to address engineering skills shortages.

### Improving our talent management

#### Succession planning

Exxaro introduced a reimagined succession planning framework to improve the maturity and consistency of leadership pipeline processes. The framework integrates succession analysis with employee aspirations and organisational needs, strengthening alignment between talent, transformation and business strategy. A dedicated talent review committee was established to provide executive oversight of succession, talent mobility and leadership development. Talent reviews in 2025 improved visibility of bench strength and development needs for certain critical roles, strengthening succession readiness and targeted development planning.

#### Individual development planning

We rolled out a group-wide individual development plan dashboard to strengthen visibility and accountability for employee development. BU-specific dashboards were embedded to support consistent monitoring while enabling plans to reflect role-specific capability needs rather than compliance alone. Performance and career development reviews were aligned more closely to structured development planning.

#### Talent attraction and employer brand

Our refreshed LinkedIn Life Tabs aim to strengthen Exxaro's employer brand, providing a clearer view of our culture, values and employee experience. Curated employee storytelling supports candidate engagement and positions Exxaro as an employer of choice aligned with our long-term vision.

#### Mentorship

Mentorship training was introduced at Matla and Grootegeluk, equipping mentors to guide colleagues in taking ownership of their development. Based on strong uptake, mentorship training will expand across the business, strengthening knowledge transfer and supporting sustainable talent pipeline development.

#### Digital talent processes

We launched the ulwaXXi platform to modernise bursary and external training processes. The SAP-enabled system improves accuracy, transparency and turnaround times, streamlining undergraduate and postgraduate bursary applications and training requests.

#### Digital learning ecosystem

Our expanded digital learning ecosystem strengthens access to core and future-critical skills. Platforms, including Bookboon, EduMine and the Exxaro Academy, were introduced alongside existing LinkedIn Learning resources, supported by masterclasses and curated digital content to encourage continuous upskilling and reskilling.



#### Future focus

Our priorities for 2026 include:

- Rolling out a skills audit initiative to identify scarce and critical roles, alongside skills and proficiency levels
- Further embedding the talent mobility and growth strategy, supported by a unified mobility policy
- Introducing structured mobility programmes, including lateral transfers, stretch assignments, secondments, job shadowing and new roles
- Expanding mentorship training to all BUs, with full programme implementation from mid-2026
- Formalising the professional in training coach onboarding process to strengthen programme support, capability development and quality of guidance for all participants

# Social and relationship capital

We are committed to social responsibility, and to actively uplift and empower our host communities to build better futures. Our investment in our communities is guided by sustainability, stakeholder inclusiveness and collaboration.

### Understanding social and relationship capital at Exxaro

Our social and relationship capital encompasses the mutually beneficial relationships that provide our social licence to operate. We aim to have a holistic, positive and lasting impact on our people, communities and society at large. We conduct our business activities in a way that builds trust and promotes development and success for us and our stakeholders.


### How we deliver value through our social and relationship capital

Our Social Impact strategy strengthens our relationships with our communities through large-scale community development initiatives that deliver value and achieve tangible impact. The strategy focuses on land use management, education and SMME development. In this way, it aims to mitigate systemic social challenges in our communities through a long-term perspective. Aligned with the UN SDGs, the strategy combines multidimensional approaches that address education, economic wellbeing and access to land for economic activity. This approach also allows us to influence other areas of wellbeing without additional investment.

Material theme	Matters	Strategies to achieve our objectives	Related strategic objective	Our broader impact
 <p><b>Building sustainable communities</b></p>	<ul style="list-style-type: none"> <li>• Social licence to operate</li> <li>• Upholding human rights</li> <li>• Sustainable job and business creation</li> <li>• Supporting an impactful transition to a low-carbon economy</li> </ul>	<ul style="list-style-type: none"> <li>• Focusing on local economic upliftment and community-driven projects through our <a href="#">Social Impact strategy</a> (page 111)</li> </ul>		

### Performance snapshot

Community investment	R182.54 million invested in socio-economic development projects through SLPs and CSI (2024: R161.79 million)
Enterprise development impact	Surpassed R1 billion in approved grants and loan funding through the ESD programme since 2018
Education support	R45.75 million invested in community education initiatives (2024: R85.83 million)
Livelihood creation	139 jobs created through SLP-linked initiatives (2024: 51)
Local supplier inclusion	R1.3 billion in procurement spend directed to local black-owned SMMEs (2024: R1.2 billion)
Community stability	Four incidents of community unrest were recorded across business units (2024: four)




### Looking ahead

Our primary focus in 2026 will be to:

- Register 30 ECD centres to meet Department of Basic Education requirements and enable access to subsidies
- Strengthen sustainable SMME growth by embedding an ecosystem-based ESD model, aligning hubs with BU localisation plans and introducing a purchase order loan fund
- Expand post-mining agricultural livelihoods through new MSP partnerships, additional farmer participation and a beekeeping pilot
- Enhance programme effectiveness through stronger systems, data quality and operational efficiency

### Detailed disclosure in our [ESG report](#)

 Empowering our communities (page 77 to 97)

## Our social and relationship capital commitments

We build our social and relationship capital by enabling resilient, inclusive and self-sustaining communities that can participate meaningfully in economic development beyond the life of our operations.

Our approach is anchored in the Sustainable Growth and Impact strategy and directed by ESG objectives that focus on social impact, respect for human rights, responsible land stewardship and partnership-driven development.

ESG objectives		Supporting the achievement of our Sustainable Growth and Impact strategy	
<b>Social impact</b>	Contribute towards social cohesion and sustainable community development	Builds stable operating environments, strengthens social licence to operate and supports Exxaro's role as a catalyst for economic growth	
<b>Human rights</b>	Respect and uphold human rights policy provisions for all people in Exxaro's sphere of influence, ie where we have the ability to effect investments and developments	Reduces social and regulatory risk, reinforces ethical conduct and underpins responsible growth and transition	
<b>Land management</b>	Leverage Exxaro's land assets to support emerging farmers and create sustainable post-mining economies	Enables long-term economic resilience beyond mining, supports impactful transition outcomes and aligns with our environmental stewardship ambitions	
<b>Partnerships and funding</b>	Use Exxaro's capabilities and resources to attract partners and create impact at scale	Mobilises blended capital, strengthens delivery capacity and positions Exxaro as a development partner	

## Driving value creation through our Social Impact strategy

Our Social Impact strategy enables Exxaro to convert social investment into long-term shared value. It takes a systemic, future-focused approach to addressing the structural drivers of socio-economic vulnerability in our host communities, while strengthening the conditions required for stable operations, post-mining resilience and inclusive economic participation.

Rather than short-term or compliance-led interventions, the strategy prioritises sustainable solutions that address root causes such as education quality, constrained access to economic opportunity and productive land use. In doing so, it supports community self-sufficiency, reduces dependency and enables local economies to diversify beyond mining.

Our Social Impact strategy is implemented through three integrated pillars that address the foundations of long-term economic resilience in our host regions. Together, they strengthen current livelihoods while enabling future economic activity beyond mining.

Land use management (MSP)	Education	SMME development
<p><b>Enabling post-mining economies</b></p> <p>Our land use management approach transforms land from a mining asset into a long-term economic enabler. Through the MSP and related land programmes, we:</p> <ul style="list-style-type: none"> <li>• Support black emerging farmers with access to land, mechanisation, inputs, markets and technical assistance</li> <li>• Enable commercialisation through funding and skills development</li> <li>• Repurpose rehabilitated or surplus land for productive uses such as agriculture, enterprise activity, training centres and community infrastructure</li> <li>• Integrate biodiversity stewardship and climate-resilient practices into land use models</li> </ul>	<p><b>Building future economic participation</b></p> <p>Our education initiatives strengthen the long-term capabilities required for inclusive economic growth by improving the quality and continuity of learning in our host communities.</p> <p>We focus on:</p> <ul style="list-style-type: none"> <li>• ECD to build strong cognitive, social and physical foundations</li> <li>• Whole school development to improve sustained learning outcomes through primary and secondary schooling</li> </ul>	<p><b>Strengthening local enterprise ecosystems</b></p> <p>Our SMME and ESD interventions support the growth of black-owned enterprises and increase participation of host community businesses in regional value chains.</p> <p>We do this through:</p> <ul style="list-style-type: none"> <li>• Financial support, including loans, grants and blended funding models</li> <li>• Skills development, training and non-financial support to strengthen operational capability</li> <li>• Increased participation of black and women-owned suppliers from host communities in our supply chain</li> </ul>
<p>This pillar supports Exxaro's transition objectives by building sustainable post-mining economic activity, strengthening environmental stewardship and enabling host communities to participate in diversified local economies.</p>	<p>By strengthening foundational education, this pillar expands future access to employment, entrepreneurship and further learning. It supports social mobility, reduces long-term dependency and contributes to more resilient local labour markets.</p>	<p>This pillar strengthens local enterprise ecosystems, supports job creation and diversifies economic activity beyond mining. It reinforces Exxaro's role as a catalyst for economic growth while building more resilient and inclusive supply chains.</p>
<p> Creating post-mining economies (<a href="#">ESG report</a>, page 89)</p>	<p> Education initiatives (<a href="#">ESG report</a>, pages 79 to 84)</p>	<p> ESD (<a href="#">ESG report</a>, page 85)</p>

## Social and relationship capital continued



Our community investment programmes at Amakhala Emoyeni and Tsitsikamma support education and skills development, social welfare, healthcare access, community services and enterprise development within surrounding communities. In 2025:

- Tsitsikamma windfarm invested R12.5 million in host communities (2024: R12.3 million) reaching more than 10 000 (2024: 2 423) people and creating 140 (2024: 104) jobs
- Amakhala Emoyeni invested R17.2 million (2024: R15.5 million) in host communities, reaching more than 5 000 people (2024: 263) and creating 188 jobs (2024: 64)

Socio-economic development and ESD commitments for the LSP and Karreebosch windfarm will apply during the operational phase of the project.

### Holistic value creation

Our approach to social impact contributes to value creation in several interconnected ways:

<p><b>Strengthening our social licence to operate</b></p>	<p>By improving livelihoods, supporting local enterprise development and responding to community priorities, we foster trust-based relationships that underpin operational continuity and enable Exxaro's coal, metals and energy businesses to thrive.</p>
<p><b>Supporting an inclusive transition</b></p>	<p>Through land use planning, agricultural development and enterprise support, we help prepare host regions for economic activity beyond mining, aligning with Exxaro's transition objectives and long-term environmental stewardship.</p>
<p><b>Reducing social and operational risk</b></p>	<p>Investments in education, SMME capability and local economic participation help mitigate drivers of social instability such as unemployment, inequality and limited opportunity, contributing to more resilient operating environments.</p>
<p><b>Mobilising partnerships for scale</b></p>	<p>Our partnership model leverages Exxaro's funding, land assets and institutional relationships to attract co-funding and technical expertise, extending impact beyond what Exxaro could achieve independently.</p>

In addition, our Social Impact strategy integrates ESG considerations to ensure impact is delivered responsibly and at scale:

<p><b>Environmental value</b> is supported through responsible land management, rehabilitation-linked agricultural activity and climate-resilient livelihood models</p>	<p><b>Social value</b> is created through improved education outcomes, enterprise development and expanded access to economic participation</p>	<p><b>Governance value</b> is strengthened through transparent funding mechanisms, credible delivery partners and alignment with human rights principles</p>
---	---	--

Through this integrated approach, Exxaro's Social Impact strategy not only supports current communities but also lays the foundation for sustainable post-mining economies, ensuring that the value created through our operations continues long after mining activities cease.



# Natural capital



Responsibly managing and mitigating the negative impacts of our activities on the environment is not only critical to our success and sustainability as a business, but also to supporting a sustainable future for our employees, communities and the planet.

## Understanding natural capital at Exxaro

Exxaro's natural capital refers to the natural resources we use to run our business and create the products and services we deliver to our stakeholders. Our natural capital impact spans climate change mitigation, adaptation and resilience; air quality; energy; water; waste; biodiversity; environmental liabilities; land management; and rehabilitation.

## How we deliver value through natural capital

We are committed to being responsible stewards of the natural resources we rely on, understanding that mining can result in long-lasting environmental impacts if unmanaged. Our strategy guides our approach in managing these impacts, and we embed performance principles into our ESG management systems, environmental policies and practices. We also comply with local legislation, management standards, and current and future-based best practice.

Material theme	Matters	Strategies to achieve our objectives	Related strategic objective	Our broader impact
<p><b>Executing our strategy</b></p>	<ul style="list-style-type: none"> <li>Build a leading energy solutions business</li> </ul>	<ul style="list-style-type: none"> <li>Driving decarbonisation, including reducing scope 3 emissions across the value chain, through our <a href="#">Climate Change Response strategy and decarbonisation plan</a> (page 114)</li> <li>Ensuring long-term sustainability through our <a href="#">environmental stewardship</a> (page 117) initiatives</li> </ul>		
<p><b>Principled governance</b></p>	<ul style="list-style-type: none"> <li>Embedding ESG</li> <li>Legal, regulatory, risk and compliance excellence</li> </ul>			
<p><b>Responsible environmental stewardship</b></p>	<ul style="list-style-type: none"> <li>Carbon emissions reduction and impact of climate change</li> <li>Environmental incidents</li> <li>Water stewardship</li> <li>Waste and pollution management</li> <li>Biodiversity and rehabilitation management</li> </ul>			

## Performance snapshot

<p><b>Climate change mitigation, adaptation and resilience</b></p>	<p>Approved the decarbonisation roadmap and advanced site-specific climate change adaptation and resilience plans</p>
<p><b>Environmental stewardship</b></p>	<p>Progressed rehabilitation and biodiversity programmes while strengthening operational environmental controls, with nine level 1 incidents (2024: seven)</p>



In 2026, Exxaro will focus on strengthening climate resilience and accelerating emissions reduction. Priorities include achieving full commercial operations for the LSP, scaling energy efficiency across operations, finalising site-level climate adaptation plans and advancing renewable energy projects. We will also strengthen emissions reporting methodologies and embed energy management governance to support disciplined delivery of our decarbonisation roadmap.

## Detailed disclosure in our ESG report

Our environmental stewardship (pages 21 to 54)

## Our natural capital commitments

Exxaro's approach to natural capital preservation is guided by the Sustainable Growth and Impact strategy, which integrates environmental considerations into business planning, operational performance and long-term investment decisions. We focus on reducing emissions, protecting ecosystems, managing water and energy responsibly and ensuring effective rehabilitation and closure, so that natural systems continue to support both current operations and future economic activity.

Our response combines structured governance, regulatory compliance and proactive stewardship. Through group standards, monitoring systems and risk-based management, we aim to protect natural resources and strengthen climate resilience, while supporting South Africa's transition to a lower-carbon and more resource-efficient economy.

ESG objectives		Supporting the achievement of our Sustainable Growth and Impact strategy	
<b>Decarbonisation and resilience</b>	Implement cross-cutting measures to decrease carbon emissions from our operations and build on adaptation and resilience	Supports transition at speed and scale, strengthens operational resilience and advances Exxaro's pathway to carbon neutrality by 2050	
<b>Air quality</b>	Reduce air pollution, including dust fallout, particulate matter (PM) 10 and PM <sub>2.5</sub>	Protects community health, strengthens our licence to operate and supports responsible environmental stewardship	
<b>Rehabilitation programme</b>	Undertake rehabilitation programmes to ensure a positive social impact legacy and develop long-term closure strategies	Reduces long-term environmental liability, enables sustainable post-mining land use and supports regional economic resilience	
<b>Biodiversity management</b>	Protect and conserve biodiversity within our area of influence through management plans and initiatives that enhance biological diversity	Maintains ecosystem services, supports environmental stewardship and enables responsible land use over the LoM	
<b>Energy and water management</b>	Set water and energy targets aligned to national benchmarks, industry standards and site objectives, enabling future resilience of the business, environment and communities	Strengthens resource security, reduces operational risk and supports efficient, lower-carbon operations	
<b>Waste management</b>	Minimise environmental impact by applying the waste management hierarchy and transforming waste streams into circular economy opportunities	Reduces environmental footprint, supports resource efficiency and lowers compliance and disposal risk	
<b>Strategic partnerships</b>	Partner with stakeholders to enable successful delivery and broader positive impact of our ESG objectives	Mobilises expertise and co-funding, strengthens implementation capacity and supports systemic environmental impact	

## Decarbonising our operations and responding to a changing climate

Exxaro's Sustainable Growth and Impact strategy positions the business for long-term resilience in a lower-carbon economy. Our Climate Change Response strategy provides the structured framework for delivering this transition, guiding how we decarbonise operations, scale renewable energy, diversify into energy transition metals, and support an inclusive transition that protects livelihoods while progressing towards carbon neutrality by 2050.

Scenario analysis informs this approach, helping us assess resilience to climate-related risks and opportunities under lower-carbon pathways, carbon pricing and physical climate impacts. This work aligns with the TCFD framework and evolving ISSB expectations, ensuring that climate considerations are embedded in strategy, capital planning and operational decision making in support of our broader strategic objectives.

Refer to the [ESG databook](#) for our response to TCFD reporting requirements.

How we deliver our strategic transition		Detailed disclosure in our ESG report
<b>Governance oversight</b>	Our board and its committees retain oversight of climate-related risks, opportunities and performance. Climate considerations are integrated into executive oversight, strategic planning and capital allocation, ensuring alignment with our decarbonisation roadmap and long-term transition objectives.	ESG governance and risk (page 9)
<b>Strategy integration</b>	We are repositioning the business through investments in renewable energy and energy transition metals, while improving operational efficiency. This diversification strengthens resilience, reduces emissions intensity and aligns our portfolio with evolving market and policy conditions.	Embedding climate change in decision making (page 23)



**How we deliver our strategic transition** **Detailed disclosure in our ESG report**

<b>Implementing our decarbonisation roadmap</b>	In 2025, the board approved a group-wide decarbonisation roadmap that guides emissions reduction across scope 1 and 2 through energy efficiency, fleet optimisation and renewable integration, while supporting value chain collaboration and credible offsets to address scope 3 over time.	Decarbonising our operations (page 23) and responding to a changing climate (page 28)
<b>Measuring, managing and reporting on performance</b>	We monitor and report energy and carbon data in line with the GHG Protocol and regulatory requirements, participate in CDP (formerly the Carbon Disclosure Project) climate and water programmes and continue strengthening data quality, monitoring systems and emissions accounting methodologies.	
<b>Collaboration</b>	We partner with customers, suppliers, research institutions and industry bodies to support emissions reduction, technology innovation and coordinated transition planning across the value chain.	Research, innovation and partnerships (page 29)
<b>Addressing risks</b>	Climate-related risks and opportunities are embedded in ERM processes and resilience planning, supported by scenario analysis, adaptation planning and regulatory alignment under the Climate Change Act.	Managing climate change-related risks (page 24)

**Our decarbonisation approach**

**Our ambition**

<b>Carbon emissions</b>	<b>Renewable energy</b>	<b>Diversification</b>
<ul style="list-style-type: none"> <li>Achieve carbon neutrality by 2050 through renewables, efficiency and offsets</li> <li>Reduce scope 1 and 2 emissions by 40% by 2030 and 75% by 2040 (from a 2022 baseline)</li> <li>Explore scope 3 emission reduction opportunities across the value chain</li> </ul>	<ul style="list-style-type: none"> <li>Grow the energy business to 1 600MW (net) by 2030</li> <li>Reach 100% renewable energy consumption across operations by 2050</li> </ul>	<ul style="list-style-type: none"> <li>Increase renewable energy contribution</li> </ul>

**Our decarbonisation strategy**

We leverage five interconnected pillars to balance emissions reduction, feasibility and social impact:

Action area	Focus areas	Outcome
<b>Assets reconfiguration</b>	Renewable energy integration, energy management systems, as well as fleet and haulage optimisation	Reduce scope 1 and 2 emissions through operational efficiency and technology upgrades
<b>Portfolio diversification</b>	Disposal of non-core assets and diversification into metals required for the just energy transition and renewable energy	Transition the portfolio towards resilient metals and renewable energy
<b>Conscious scope 3 reduction</b>	Strategic partnerships with customers and logistics providers	Work with value chain partners to reduce downstream emissions while supporting national energy needs
<b>Carbon offset</b>	Nature-based solutions, alongside regional renewable energy support	Use credible offsets where emissions are unavoidable
<b>Impactful transition</b>	Skills development and livelihood resilience	Ensure workers, suppliers and vulnerable communities are supported through the transition

**Our decarbonisation roadmap**

Our roadmap, approved in 2025, prioritises practical and scalable interventions that balance technology readiness, operational feasibility and funding availability over time. It outlines short, medium and long-term milestones to achieve carbon neutrality by 2050 and will be reviewed periodically to reflect market developments, regulatory shifts and portfolio changes.

We started developing site-specific climate change adaptation and resilience plans that will identify climate risks, define adaptation pathways and consider technological solutions to support each operation.

**Guiding principles**

- Applies to current coal operations assuming assets are mined to depletion (LoM)
- Grooteeluk is prioritised for scope 1 decarbonisation due to its diesel profile
- Leeuwpan will not integrate renewable energy
- Mafube remains baselined at 50% in line with the ownership structure

## Natural capital continued

### Managing climate-related risks

Climate-related risks and opportunities are integrated into Exxaro's ERM processes and strategic decision making, ensuring transition and physical climate risks are addressed alongside emerging opportunities.

Our understanding of climate change-related risks is informed by a scenario analysis conducted in 2019 and 2020, a water security study completed in 2025, and the development of site-specific climate change adaptation and resilience plans now underway across business units. These plans strengthen operational resilience by identifying physical risk pathways and practical adaptation measures.

All Exxaro assets are exposed to both transition and physical climate risks, which remain material to our operating context.

#### Transition risks

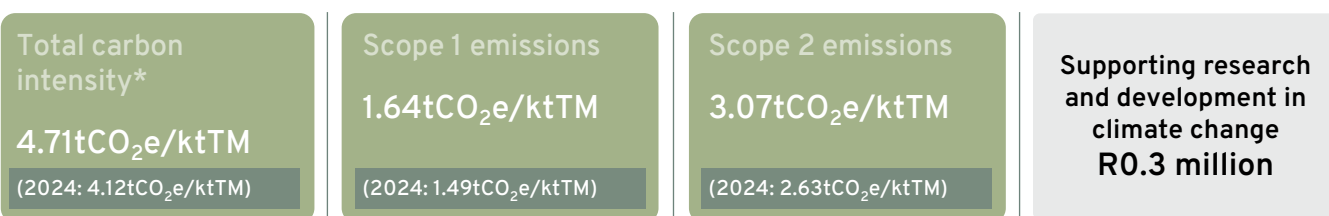
- Credit and insurance risk
- Carbon pricing risk
- Market risk
- Reputational risk

#### Physical risks

- Water security risk
- Risk of heatwaves at our operations
- Risk of drought
- Risk of extreme rainfall days


 Our response to these risks is unpacked in the [2020 Climate Change Response strategy report](#) (investor tab under integrated reports 2020) and [2020 Climate Change Position statement](#) (sustainability tab).

### Our performance



\* Only the operating mines' carbon emissions were taken into account for the intensity calculations. This excludes the ConneXXion, Durmacol, Hlobane, FerroAlloys, Tshikondeni and Ferroland Manketti.


The increase in carbon intensity reflects the decrease in annual RoM total tonnes mined, and the increase in Eskom's grid emission factor to 1.08tCO<sub>2</sub>e/MWh (2024: 1.04tCO<sub>2</sub>e/MWh). Despite this, our year-to-date carbon intensity is below the 2025 target of 4.83tCO<sub>2</sub>e/total tonnes mined. Delivery of the LSP and additional renewable and efficiency initiatives will support progress toward our 2030 reduction pathway.

 For information on our CDP performance, please refer to [www.cdp.net](http://www.cdp.net) and the ESG [databook](#).

### Improving our performance

<p>Scaling renewable energy and diversifying into energy transition metals</p>	<ul style="list-style-type: none"> <li>• Cennergi's portfolio expanded to 437MW gross of operating and construction assets, across wind and solar</li> <li>• Karreebosch windfarm entered construction, supplying clean electricity under a long-term power purchase agreement</li> <li>• LSP was commissioned in December 2025, delivering green electrons ahead of full commercial operation, and is expected to offset 25% of Grootegeluk's scope 2 emissions</li> <li>• Refurbishment of the 1MW Tshikondeni solar PV system was completed in the second half of 2025</li> <li>• Exxaro announced a R10.6 billion acquisition of select manganese assets in the Kalahari Manganese Field, positioning the portfolio in a mineral critical to steelmaking, batteries and renewable technologies</li> </ul>
--	---

<p>Value chain collaboration</p>	<p>We signed an MoU with Eskom to explore joint opportunities to measure, manage and reduce scope 1, 2 and 3 emissions across the power value chain. This collaboration supports technology deployment, reporting transparency and workforce transition initiatives in line with South Africa's decarbonisation pathway.</p>
----------------------------------	--

<p> Future focus</p>	<p>Our priority actions for 2026 include:</p> <ul style="list-style-type: none"> <li>• Bringing the LSP into full operation to deliver scope 2 emission reductions and support progress towards our 2030 intensity target</li> <li>• Scaling energy efficiency interventions across haulage, ventilation, compressors and conveyors through operation-specific energy roadmaps</li> <li>• Finalising and implementing site-level climate adaptation and resilience plans to define practical risk pathways and operational responses</li> <li>• Strengthening emissions data credibility by refining scope 3 methodologies, reviewing tier 3 emission factors and enhancing reporting systems</li> <li>• Advancing our carbon offset strategy by identifying viable nature-based and regional renewable solutions aligned to our decarbonisation roadmap</li> </ul>
---	---

## Environmental stewardship

Exxaro’s environmental stewardship approach is anchored in a group-wide framework that promotes consistent standards, accountability and performance across all operations. The wheel of excellence, shown below, provides a structured model for integrating environmental governance, operational implementation, monitoring and reporting, while supporting the effective integration of new assets and the development of environmental competencies across business units.

Our environmental commitments are organised into seven interconnected focus areas that together manage environmental risk, protect natural systems and strengthen operational resilience. Each focus area is supported by targeted strategies, standards and management practices that guide day-to-day performance as well as long-term environmental outcomes.

**1 Climate change adaptation and resilience:** We are building our climate resilience by enhancing the adaptive capacity of Exxaro and communities and capitalising on strategic opportunities presented by the transition to a low-carbon economy.

**2 Energy efficiency:** Our energy and carbon management programme drives efficiencies that support the transition to a low-carbon economy.

**3 Air quality:** We manage and mitigate the negative impacts of air pollution, including dust and particulate matter, emanating from our mining activities.

**4 Biodiversity:** Our low-impact, high-value approach supports ecosystem health to protect indigenous flora and fauna at our operations.

**5 Mine closure and rehabilitation:** Our mine plans consider land management, closure and concurrent rehabilitation with financial provision to ensure we honour our commitments. This, in turn, reduces long-term financial liabilities.

**6 Water security:** Our water security plan is based on efficient water consumption, reuse and recycling to protect natural resources.

**7 Waste management:** Our cradle-to-cradle approach minimises waste generation through recycling and reuse within a circular economy.



### Our performance

#### Energy performance

Energy mix and efficiency:

- Electricity accounted for 36.61% of energy use (2024: 37%) and diesel 63.39% (2024: 63%)
- Total energy consumption increased to 5 529 435GJ (2024: 5 488 093GJ)
- Electrical energy intensity increased by 8.95% (2024: 8.04% decrease), while diesel energy intensity increased by 12.42% (2024: 6.38% increase)
- Overall energy intensity of 30.761GJ/kt outperformed our 2025 target of 32.589GJ/kt

#### Air quality

Dust fallout:

- Performance remained within limits
  - Non-residential exceedances: two (Grootegeluk), one (Leeuwpan)
  - Residential exceedances: none
- No consecutive exceedances occurred

#### Land stewardship

Rehabilitation and disturbance:

- Land rehabilitated increased to 2 639 hectares (ha) (2024: 2 325ha\*)
- Land disturbed increased to 9 739ha (2024: 9 002ha\*), reflecting expanded mining areas

Invasive species control:

- 949ha cleared of invasive alien plant species (2024: 178ha), a 4.33% increase

*\* Restated: The definition of land disturbed and land rehabilitated was changed in a new management standard during 2025, which resulted in the restatement of these figures.*

#### Mine closure and provisioning

Closure funding:

- Operational rehabilitation guarantees decreased to R3 504 million (2024: R3 552 million)
- Unscheduled closure costs increased to R9 191 million (2024: R8 773 million)
- Returns on rehabilitation trust funds rose to R408.1 million (2024: R240 million)
- Active closure sites decreased to three (2024: four)

#### Water management

Water consumption:

- Total water consumption increased to 9 648 megalitres (2024: 9 309 megalitres), a 3.6% increase year on year

Water recycling:

- Group recycling ratio declined to 44% (2024: 50%). The lower performance is linked to flooding at Grootegeluk

#### Waste management

General waste:

- Total general waste generated amounted to 3 443t (2024: 3 374t)
- General (non-mineral) waste recycled reached 2 434t (2024: 2 457t)
- General waste sent to landfill totalled 953t (2024: 969t)

Hazardous waste:

- Hazardous waste sent to landfill totalled 4 189t (2024: 2 662t)

## Natural capital continued

### Key challenges

High reliance on diesel-powered mining fleets, with limited commercial availability of low-carbon alternatives for heavy mining equipment

Dust fallout and PM exceedances, including two exceedances of the 1 200mg/m<sup>2</sup>/day industrial limit at Grootegeluk linked to ash from the adjacent Eskom ash disposal facility

Delays in environmental licences, amendments and authorisations that affect planning certainty and project sequencing across operations

Ongoing alignment of operations with the Climate Change Act while the draft National GHG Carbon Budget Regulations and Mitigation Planning Regulations remain pending

### Environmental incidents

In 2025, Exxaro recorded 33 level 0 incidents (2024: 45), nine level 1 incidents (2024: seven) and zero level 2 and 3 incidents.



Cennergi did not record any significant environmental incidents during the year (2024: none).



Refer to the [ESG databook](#) for details of our level 1 environmental incidents.



Future focus

Key actions for 2026 include:

- Implementing the new group energy efficiency and management standard, supported by measurement and verification templates, reporting rules and dashboarding tools across all BUs
- Installing additional PM<sub>10</sub> monitors at Belfast, Leeuwpans and Matla to strengthen particulate measurement and inform targeted mitigation
- Rolling out the revised group biodiversity management standard and updating operational procedures
- Updating the group water strategy and water management standard
- Establishing a baseline of e-waste across the group

We maximise value from our strong coal asset base while growing our metals portfolio. This balanced approach positions Exxaro to drive sustainable growth and support South Africa's transition to a low-carbon economy.

## 6

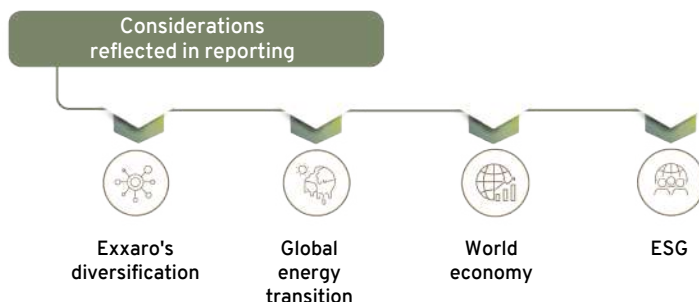
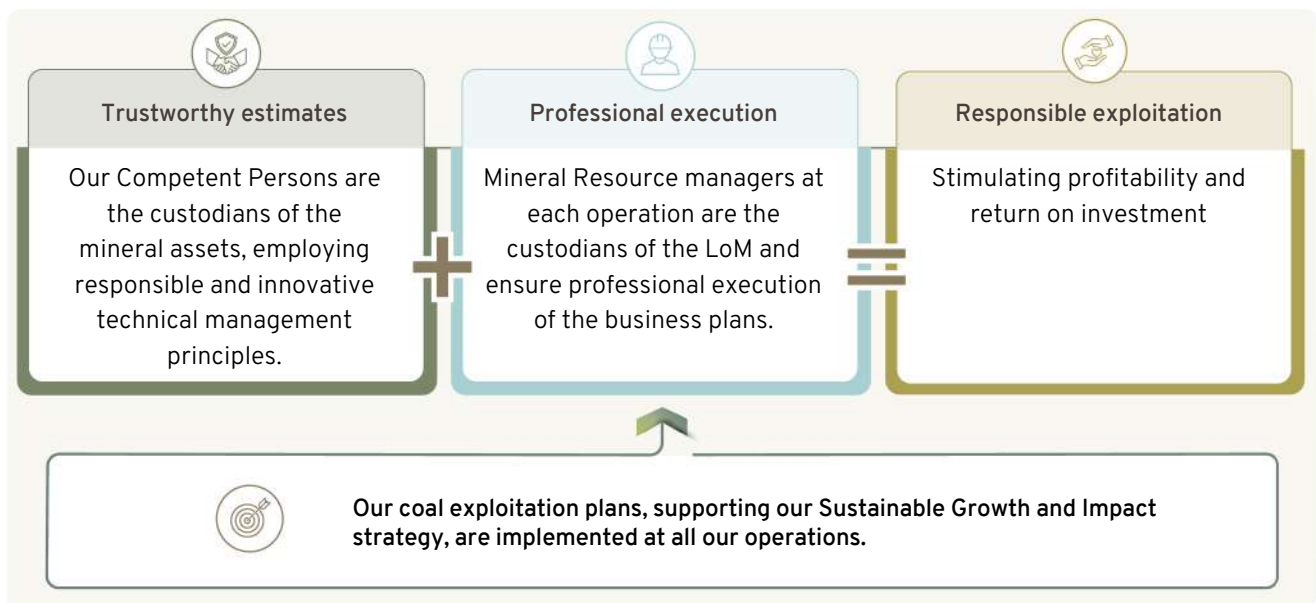
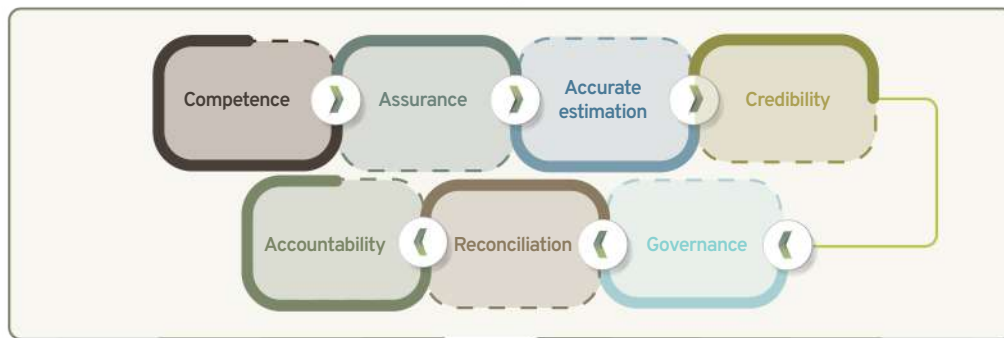
### Our Mineral Resources and Reserves

- 120 Our Coal Resource and Coal Reserve reporting strategy
- 121 Our operations and projects in review

# Our Coal Resource and Coal Reserve reporting strategy

**exxaro**  
POWERING POSSIBILITY

Exxaro continuously strives to enhance the estimation and reporting of Resources and Reserves through:





## Exxaro continuously strives to enhance the level of estimation and reporting of our Mineral Resources and Mineral Reserves.

### How we report

Our Resource and Reserve statements, explanations on how we report (governance, assurance, competence and estimation) and comprehensive descriptions of our coal operations are aligned with section 14.10 of the JSE Listings Requirements and captured in our CMRR report, a supplement to this report.

Our Coal Resources and Coal Reserves were estimated on an operational or project basis, and in line with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 edition for African coal properties and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2012 edition for the Australian coal property. The Exxaro annual estimation and reporting process is managed through the Exxaro mineral asset management, as well as LoM policies and associated Coal Resource and Coal Reserve reporting and estimation procedures.

### Operations we report on

Exxaro reports Resource and Reserve estimates directly under management's control and for entities in which we hold a minority interest.

### Competence

Exxaro's Coal Resources and Coal Reserves have been estimated or supervised by the Competent Persons, supported by technical specialists and guided by corporate-appointed lead Resource and Reserve Competent Persons.

The Competent Persons are full-time employees at their applicable operations and their names, affiliation and relevant experience are provided in the CMRR report.

### Assurance

Assurance is implemented in terms of a three-tier system. Tier 1 assurance is conducted in parallel with our estimation processes by internal/peer technical specialists to ensure estimates with integrity. Tier 2 assurance consists of internal reviews conducted on operations or projects, when deemed necessary, to ensure compliance. Tier 3 reviews are comprehensive independent Resource and Reserve estimation reviews conducted on a three-year operational cycle or at the discretion of the Competent Persons.

## Our operations and projects in review

Exxaro maintains a world-class Coal Resource portfolio, comprising fully owned operations and projects as well as jointly owned interests in South Africa and Australia. Our fully owned South African assets are strategically located in the highly prospective Waterberg coalfield in Limpopo and the mature Highveld and Witbank coalfields in Mpumalanga.

Our Coal Resource and Coal Reserve estimation strategy is focused on providing reliable and assured estimates through responsible and innovative technical management principles.

Our Competent Persons are the custodians of the mineral assets and are accountable for ensuring the integrity of our Resource and Reserve estimates by applying pioneering technology and trusted knowledge and experience. Our projects, operations and expansion initiatives are built on these assured Coal Resources and Coal Reserves, creating a platform for the LoM plan (LoMP) from which annual business plans are derived. The Mineral Resource managers at each operation are custodians of the LoM and ensure professional execution of business plans, stimulating profitability and return on investment while guarding against irresponsible exploitation.

We actively execute annual exploration programmes to investigate Resource potential outside our current LoMP and to increase confidence in those Resources that fall within the LoMP.

Using new geological information, we annually challenge the fundamentals of our exploitation plans and update our LoMPs where required. This continuous review process ensures optimal extraction of our Resources and enables technical teams to focus on maximum value extraction. The technical teams actively investigated opportunities to expand the LoM at all our operations. Some high-potential opportunities were identified and the teams are currently evaluating for potential implementation.

We made an adjustment on our LoM reporting. LoM presents the period in years during which the Ore Reserves can be economically exploited considering all modifying factors, with clear explanatory footnotes on regulatory approvals. The reported LoM years were previously constrained by the expiry of the mining right. The only exception is at our Grootegeluk mine, where the LoM is constrained by the lapse of the Eskom supply agreement.

#### Grootegeluk

We successfully implemented a new long-term geological zones model, which provides higher geological resolution and enhances mining bench quality flexibility for evaluating multiple exploitation scenarios. The unlocked value triggered a review of our exploitation strategy, and we subsequently updated the LoMP, resulting in changes to reported Coal Reserves.

A North Pit bench feasibility study is in progress, the outcome of which will guide the consideration of possible bench redefinition. New information on overburden material types has led to a consolidated plan that integrates strategic backfill and a sump strategy for effective in-pit water management. The strategic mine planning teams ensure that RoM and overburden scheduling, together with in-pit water management, remain key focus areas to support timely bench exposure for accurate product and backfill plan execution.

#### Thabametsi

The exploitation of the adjacent Thabametsi mining right is under review, and early results indicate clear synergies with the current Grootegeluk mine plan. We may potentially compile a consolidation plan of the two mining rights once the evaluation is concluded.

#### Belfast

The exploitation and LoM plans were updated following completion of a life extension feasibility study (Lifex), which demonstrated a positive financial outcome and resulted in the inclusion of the Coal Reserve base. The study focused on the key enablers needed to move the project into execution. The establishment of Pit 5 will further enhance our mine plan execution and contribute towards coal exposure. Both developments enhance the operation's Reserve base.

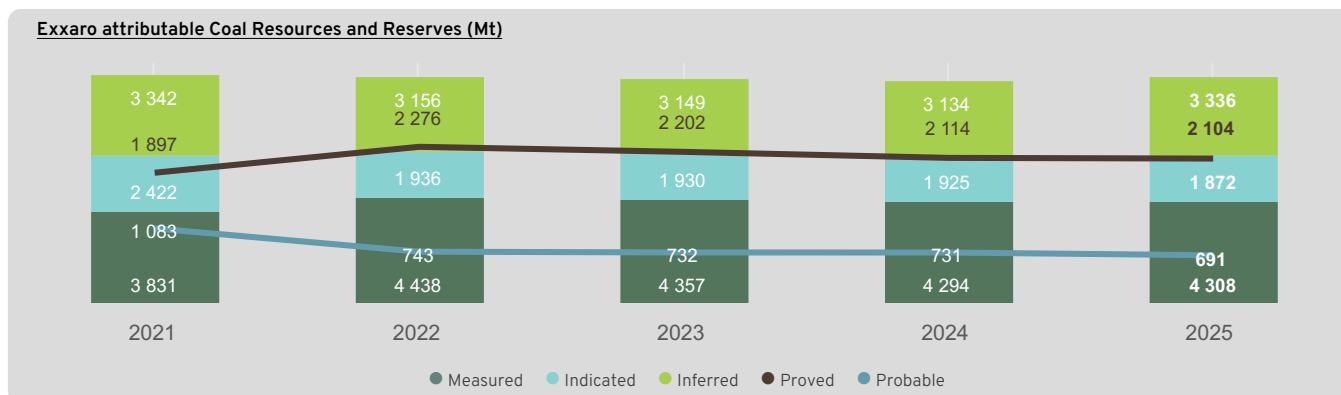
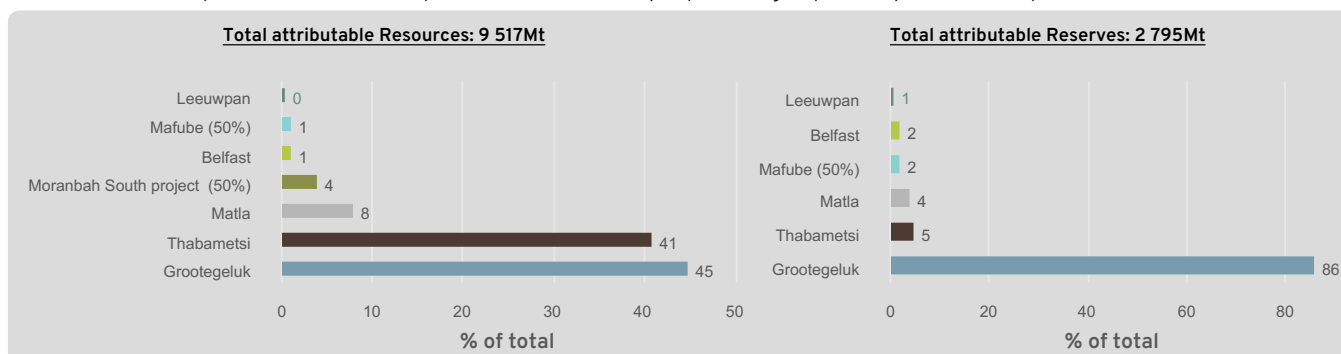
## Our operations and projects in review continued

<b>Leeuwpán</b>	The mine's turnaround programme is progressing. Challenging geological conditions, such as high seam thickness, coal quality variability, geological faults, irregular sill occurrence and weathering, have impacted coal extraction.
<b>Mafube</b>	Vital environmental approvals, including the water use licence and environmental impact assessment, enabled the reporting of the Nootgedacht North area as Proved Reserves. We reviewed the viability of all coal seams, considering exploitation, processing, product and market factors, and excluded some of the coal seams from the Reserve.
<b>Matla</b>	<p>We are addressing life extension project delays through innovative exploration and short-term mine planning to identify additional mining ground. Life extension projects at all three Matla mines are in progress.</p> <p>Matla Mine 1 relocation is scheduled for handover to the operational team in the first half of 2026. North-west access at Mine 2, to access Seam 2, will become fully operational following a belt extension scheduled for early 2026. Access to Seam 4 Resources at Mine 3 is expected to be concluded in the first quarter of 2026, with ventilation shaft development in progress. All three life extension projects are planned for completion in 2026.</p> <p>Focused annual exploration is a key enabler for mining operations and plans, as geological challenges related to coal seam proximity to basement, geological structures as well as sills and dykes, require timely and accurate information. Exploration results have contributed to a study investigating the benefits of coal washing at Matla. Exploration teams achieved more drilling metres than planned, despite higher-than-normal rainfall during the exploration window.</p>

### Governance and assurance

We conducted assurance during the execution of exploration plans and the update of Resource models at our various operations. We also undertook specific reviews at the conclusion of the updated exploitation and LoMP at Grootegeluk, Mafube, Matla, Leeuwpán and Belfast operations. A specific highlight of the Tier 3 level independent reviews was the audit of the newly optimised Grootegeluk geological model that was conducted by A&B Global, with no findings that would materially impact our reported estimates.

There are no other pertinent technical or operational risks that may impact the group's ability to mine or explore.



Our total attributable Coal Resource increased by ~2%, primarily due to the successful conclusion of on-mine drilling programmes at Grootegeluk, Belfast and Matla. The newly acquired information increased the level of geological confidence, as reflected in the movement between the various Resource categories. Material changes in the Coal Resource at individual operations are reported at Leeuwpán mine (11%), mainly the result of mining depletion and sterilisation of outlined Resource areas after consideration of geotechnical challenges and reasonable prospect of eventual economic extraction considerations.

Our total attributable Coal Reserve decreased by ~2%, primarily due to mining depletion and optimisation of mining plans including revised market assumptions. Material changes in Coal Reserves are reported at three of our operations. A decrease of 17% at Leeuwpán mine is primarily the result of depletion and changes within the Resource base. At Mafube mine, a decrease (14%) was reported due to mining and a review of market assumptions resulting in the exclusion of certain coal seams. The significant increase of 118% at our Belfast mine is due to the successful conclusion of the Belfast life extension (Lifex) feasibility study and subsequent inclusion as Probable Coal Reserves.

#### Notes:

- Resource estimations are based on the latest available geological models, which incorporate new validated geological information and, if applicable, revised seam, Resource definitions and Resource classifications. For the 2025 reporting cycle, reported estimates are derived from actual mining up to the end of September, incorporating the planned estimates for October to December
- Resource and Reserve estimates in our statements are quoted in full, irrespective of Exxaro's shareholding. Our attributable tonnage is clearly presented in the image above and, when used in our report, always clearly defined as such
- Rounding off of quoted figures may result in minor computational discrepancies, although these are not deemed significant



For further information, refer to the [CMRR report](#).



## 7

## Supplementary information

## Glossary

<b>API4</b>	Argus/McCloskey Coal Price Index
<b>AMSA</b>	ArcelorMittal South Africa
<b>APM</b>	Alternative performance measure
<b>BCM</b>	Business continuity management
<b>BEE Parties</b>	Eyesizwe's external shareholders
<b>Black Mountain</b>	Black Mountain Mining Proprietary Limited
<b>Board</b>	Exxaro Resourced Limited's board of directors
<b>BU</b>	Business unit
<b>Cennergi</b>	Cennergi group of companies
<b>CMRR</b>	Consolidated Mineral Resources and Mineral Reserves
<b>CSA</b>	Coal supply agreement
<b>CSI</b>	Corporate social investment
<b>DEI</b>	Diversity, equity and inclusion
<b>DMPR</b>	Department of Mineral and Petroleum Resources
<b>dtic</b>	Department of Trade, Industry and Competition
<b>EBITDA</b>	Net operating profit before interest, tax, depreciation, amortisation, impairment charges or impairment reversals and net losses or gains on the disposal of assets and investments (including transaction differences recycled to profit or loss)
<b>ECD</b>	Early childhood development
<b>ESD</b>	Enterprise and supplier development
<b>ERM</b>	Enterprise risk management
<b>Exxaro</b>	Exxaro Resources Limited
<b>FEC</b>	Forward exchange contract
<b>FTSE</b>	Financial Times Stock Exchange
<b>HEPS</b>	Headline earnings per share
<b>HPI</b>	High-potential incident
<b>IFRS</b>	International Financial Reporting Standards
<b>IRP</b>	Integrated Resource Plan
<b>JSE</b>	Johannesburg Stock Exchange
<b>King IV</b>	King IV Report on Corporate Governance™ for South Africa, 2016
<b>LNG</b>	Liquefied natural gas
<b>LoM</b>	Life of mine
<b>LSP</b>	Lephalale solar plant
<b>LTI</b>	Long-term incentive
<b>LTI</b>	Lost-time injury
<b>LTIFR</b>	Lost-time injury frequency rate
<b>Mining Charter III</b>	Broad-based Socio-economic Empowerment Charter for the Mining and Minerals Industry 2018
<b>Mol</b>	Memorandum of incorporation
<b>MSP</b>	Minerals succession programme
<b>POPIA</b>	Protection of Personal Information Act, 2013 (Act 4 of 2013)
<b>PV</b>	Photovoltaic
<b>RBCT</b>	Richards Bay Coal Terminal Proprietary Limited
<b>RBR</b>	Risk and business resilience committee
<b>ROCE</b>	Return on capital employed
<b>RoM</b>	Run of mine
<b>SDG</b>	Sustainable Development Goal
<b>SERC</b>	Social, ethics and responsibility committee
<b>SIOC</b>	Sishen Iron Ore Company Proprietary Limited
<b>SLP</b>	Social and labour plan
<b>SPV</b>	Special purpose vehicle
<b>STI</b>	Short-term incentive
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>TFR</b>	Transnet Freight Rail
<b>The group</b>	Exxaro Resourced Limited
<b>UNGC</b>	United Nations Global Compact
<b>VFL</b>	Visible felt leadership

# Administration

## Registered office

Exxaro Resources Limited  
The conneXXion  
263B West Avenue  
Die Hoewes, Centurion, 0157  
South Africa  
Telephone +27 12 307 5000  
Company registration number: 2000/011076/06

JSE share code: EXX  
ISIN code: ZAE000084992  
Bond issuer code: EXXI

## Group company secretary, governance and ethics

Michelle Nana

## Independent external auditor

KPMG Inc.  
KPMG Crescent  
85 Empire Road  
Parktown, 2913

## Commercial bankers

ABSA Bank Limited

## Corporate legal advisers

Inlexso Proprietary Limited

## Lead equity sponsor and debt sponsor

ABSA Bank Limited (acting through its Corporate and Investment Bank Division)  
ABSA Sandton North Campus  
15 Alice Lane  
Sandton, 2196

## Joint equity sponsor

Tamela Holdings Proprietary Limited  
First floor, Golden Oak House, Ballyoaks Office Park  
35 Ballyclare drive  
Bryanston, 2021

## Transfer secretaries

JSE Investor Services Proprietary Limited  
One Exchange Square  
2 Gwen Lane  
Sandown, Sandton  
2196

## Disclaimer

A range of financial and non-financial measures are used to assess our performance, including certain alternative performance measures (APMs) that are not defined nor specified in IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board<sup>®</sup>. Management uses APMs alongside IFRS Accounting Standard measures to improve comparability of information between reporting periods and business units. APMs are therefore not deemed to substitute nor replace reporting under IFRS Accounting Standards and may not fairly present the group's financial position, changes in equity, results of operations or cash flows. APMs are not uniformly defined by all companies, including those in Exxaro's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. The APMs are the responsibility of the Exxaro directors, are provided for illustrative purposes only and have not been reviewed nor reported on by Exxaro's external auditor.

The forward-looking statements are the responsibility of the Exxaro directors and have not been reviewed nor reported on by Exxaro's external auditor. These forward-looking statements are based on management's current beliefs and expectations, which are subject to uncertainty and changes in circumstances, and involve risks that may affect Exxaro's operational and financial information. Exxaro undertakes no obligation to update nor reverse any forward-looking statements, whether as a result of new information or future developments.



**exxaro**  
POWERING POSSIBILITY