2 Our environmental stewardship

The environmental operating context in South Africa is changing rapidly, reshaped by climate impacts, resource demand and evolving regulations.

For Exxaro, this context reinforces the need for proactive environmental management to ensure operational continuity, protect natural systems and support the country's transition to a low-carbon, climate-resilient economy.

Governance and oversight

Accountability and responsibility

- SERC and RBR committee provide board-level oversight
- Executive head: sustainability leads execution, supported by sustainability, technical and operational teams
- BU environmental teams execute site-specific plans and incident response

Regulatory compliance

- Adherence to NEMA, MPRDA, NWA, Climate Change Act, Air Quality Act and all site-specific licence conditions and rehabilitation requirements
- Preparations underway for future obligations under the Climate Change Act, including carbon budgets and GHG mitigation plans
- Annual independent liability assessments and third-party compliance verification
- Financial provisions for rehabilitation and closure independently reviewed and approved annually

Beyond compliance

- Voluntary participation in CDP (climate C, water B, forests B), regional air quality forums and Coaltech research, and exploring the TNFD recommendations
- Cennergi applies the Equator Principles and International Finance Corporation (IFC) Performance Standard 6 (no net loss commitment)
- Active collaboration with DFFE, DWS, Eskom industry bodies and academia on emission reduction research and biodiversity offsets
- Integrating social impact opportunities into our environmental management strategies

Our strategic response

Our response is guided by the Sustainable Growth and Impact strategy, which embeds environmental considerations into planning, performance and long-term investment decisions. We implement responsible stewardship through a comprehensive environmental approach that includes:

- Environmental management programmes aligned to legislation, licence conditions and best practice
- A commitment to exceed minimum regulatory requirements, uphold human rights and maintain our social licence to operate
- Integrated group standards that guide environmental planning, controls and reporting
- Incident management and reporting systems that enable rapid response, corrective action and learning
- Precautionary principles, including NEMA requirements, to guide responsible environmental decision making
- Group energy management standards, GHG accounting guidance and decarbonisation-linked incentives
- STIs linked to environmental KPIs
- Monitoring networks across dust fallout, air quality, biomonitoring, and surface and groundwater
- Regular stakeholder engagement to support collaboration on socio-environmental risks and opportunities
- Independent third-party audits and annual compliance verification

Exxaro's wheel of excellence, detailed on the next page, provides a consistent framework for environmental stewardship across the group, ensuring alignment in compliance, implementation, monitoring and reporting at every level. It enables the seamless integration of new assets and guides BUs in building essential competencies to achieve high environmental standards.

Our environmental commitments are categorised into key focus areas, each underpinned by targeted strategies and policies:

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 (PM), 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.

We unpack our management approach and performance on each of these topics in this chapter.

2025 highlights

- Approved the decarbonisation roadmap and advanced site-specific climate change adaptation and resilience plans
- Updated the GHG accounting policy to reflect our revised approach to carbon accounting and reporting
- Established a dust fallout monitoring network at our mines-in-closure Hlobane site and upgraded the existing network at Durnacol
- Expanded Cennergi's portfolio to 437MW gross assets under construction and operations, and progress made in wind and solar developments
- Implemented our new mine closure and rehabilitation strategy and updated standard and KPIs across all BUs
- Maintained compliance with key environmental authorisations and recorded no environmental fines, complaints or penalties (2024: none)
- Successfully secured key environmental authorisations enabling the continued operations of mining activities

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/m²/day industrial limit at Grootegeluk linked to ash from the adjacent Eskom ash disposal facility
- Slight 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 and Mitigation Plan 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.

Refer to the databook for details of our level 1 environmental incidents.

Managing environmental complaints
Environmental complaints can be raised during stakeholder engagements, by phone, letter, or in the complaints book at each mine entrance. These are managed by environmental teams with support from head office specialists, who ensure corrective actions are implemented and monitored. Exxaro aims to implement a sustainability management system that will streamline the reporting and management of safety, health and environment-related complaints within the next two years.

2026 key actions

In 2026, we will focus on strengthening climate resilience and accelerating our decarbonisation journey. This includes:
- Scaling proven energy-saving initiatives across haulage, ventilation, compressors and conveyors
- Embedding the group energy forum to institutionalise energy management and strengthen performance oversight
- Finalising and implementing site-level climate adaptation and resilience plans
- Bringing the LSP to full operation
- Advancing research partnerships with Eskom and scientific institutions to pilot emerging emissions reduction technologies

Decarbonising our operations

Why this matters

The global transition to a low-carbon economy directly affects Exxaro's long-term viability. Exxaro takes pride in the opportunities to decarbonise as we contribute to a cleaner world. At the same time, the transition presents opportunities in renewable energy, energy efficiency and energy transition metals.

Exxaro is acting decisively to reduce emissions, diversify revenue streams and build resilience to climate change.

Governance and oversight

Board accountability	ESG committee	Executive oversight	Operational management
SERC, RBR and investment committee	Oversees planning, execution and performance of transition initiatives, supported by the decarbonisation technical working group and the ESG PMO, who track progress, escalate issues and align initiatives with Exxaro's emissions reduction roadmap	The executive head: sustainability leads decarbonisation execution and reports progress to the group executive committee	BU management teams manage on-site energy consumption, implement emission reduction projects and monitor performance against internal targets and regulatory requirements

Strategy and management approach

Exxaro is transitioning into a diversified metals and energy solutions business in line with our Sustainable Growth and Impact strategy. We guide this work through our Climate Change Response strategy and decarbonisation roadmap. These inform operational planning, capital allocation and long-term transition decisions.

Key elements of our approach include:

- Advancing the energy transition through our growing renewable energy portfolio and strategic investments in alternative energy technologies
- Implementing renewable energy solutions to support mining operations
- Pursuing opportunities in energy transition metals such as manganese and copper
- Embedding energy efficiency and emissions management across all BUs
- Embarking on a journey of continuous improvement, optimising our diesel consumption by implementing iterative fuel efficiency initiatives on our primary fleet
- Reducing emissions across our value chain, supported by stakeholder engagement and improved data transparency
- Managing exposure to climate-related risks by incorporating climate scenarios into planning and resilience assessments
- Aligning with global climate reporting frameworks and stakeholder expectations

Read our business for more details on our asset base (page 2).

Embedding climate change in decision making

Our board ensures that climate considerations are incorporated into strategic and operational decision making across the group. When evaluating strategy, capital allocation and operational planning, climate-related risks and opportunities are assessed to ensure long-term sustainability in a carbon-constrained economy. This includes considering the implications of evolving policy, technology shifts, changing market demand and the physical impacts of climate change.

Transition planning is integrated into operational plans and annual budgeting processes, where energy consumption, emissions performance and resilience requirements are assessed alongside financial and production metrics. Climate scenarios and emerging climate trends inform these reviews to support decisions that strengthen business resilience and maintain competitiveness.

To strengthen consistency in how we assess climate-related impacts across projects, the ESG PMO is embedding ESG performance considerations into early project design and feasibility assessments. This will support project managers in identifying, baselining and tracking relevant energy, emissions, water and waste indicators from inception. This ensures that projects, including those progressed through strategic partnerships and memoranda of understanding (MoUs), contribute meaningfully to our decarbonisation and sustainability ambitions.

Integrating climate change into our business strategy

Our Sustainable Growth and Impact strategy guides how we respond to the energy transition and position Exxaro for long-term resilience. The strategy recognises the need to balance energy security, economic development and environmental responsibility as global and domestic systems move toward a lower-carbon future.

In line with our purpose of powering better lives in Africa and beyond, our approach focuses on two strategic imperatives:

Energy transition	• The coal and energy solutions businesses continue to play a central role in supporting South Africa's energy security • Coal operations are responsibly optimised to extract remaining value while managing emissions and avoiding stranded assets • The business is being repositioned to capture opportunities in renewable energy and energy transition metals
Impactful transition	• The transition is designed to benefit workers, communities and value chain partners • Socio-economic resilience and regional sustainability are considered in portfolio and capital decisions • Engagement with stakeholders supports shared development outcomes in host regions

We use scenario analysis to test resilience against risks and opportunities, aligning with TCFD and ISSB recommendations. This includes lower-carbon pathways at 2°C or below, carbon pricing impacts and enhanced physical risk management.

The analysis informed our Climate Change Response strategy, which aligns with the TCFD recommendations and provides a structured approach for the delivery of our strategic outcomes, including decarbonising our operations, scaling renewable energy, diversifying into energy transition metals and enabling an inclusive transition that protects livelihoods while preparing the business to be carbon neutral by 2050.

Managing climate change-related risks

Climate-related risks and opportunities are integrated into our existing ERM processes and decision making. We are responding to climate-related risks and opportunities by implementing our Sustainable Growth and Impact strategy, Climate Change Response strategy and decarbonisation roadmap.

We conducted a detailed climate change scenario analysis in 2019 and 2020 and a water security study in 2025 to identify these risks and determine their relative significance.

In 2025, we began developing site-specific climate change adaptation and resilience plans to enhance operational resilience against climate risks. These plans will further identify the physical risks for each BU by creating adaptation pathways and identifying technological innovations to mitigate identified risks.

More detail regarding 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 top climate-related risks, as summarised below, remain relevant to our context.

- Physical risks are linked to changing climate patterns that may affect operational resilience. 100% of our assets are vulnerable to physical risks
- Transition risks relate primarily to regulatory changes, carbon pricing and market shifts as South Africa moves to a low-carbon economy. 100% of our assets are vulnerable to transition risks

Transition risks
Credit and insurance risk Increased cost or reduced availability of capital due to lenders and insurers reassessing climate exposure
Carbon pricing risk Financial exposure from rising carbon taxes and regulatory costs in a low-carbon economy
Market risk Shifts in commodity demand and pricing as global markets favour lower-carbon alternatives
Reputational risk Stakeholder pressure and loss of social licence from perceived slow transition pace

Physical risks
Water security risk Chronic water scarcity or acute shortages impacting operational continuity
Risk of heatwaves at our operations Extreme heat reducing workforce productivity and equipment efficiency
Risk of drought Prolonged dry periods affecting water supply and dust management
Risk of extreme rainfall days Intense storms causing flooding, infrastructure damage and operational disruptions

We also participate in policy and industry engagements to keep abreast of regulatory developments that could impact our operational planning and capital allocation.

Regulatory landscape developments

The draft National Greenhouse Gas Carbon Budget and Mitigation Plan Regulations were released and Exxaro is awaiting the group's carbon budget allocation from the DFFE. The carbon tax rate increased to R236 per tonne CO_2e in 2025. Our carbon tax liability for 2025 is R4.6 million. From 2026, the basic tax-free allowance is proposed to reduce from 60% to 50%, with incremental reductions of approximately 2.5 percentage points per year until 2030.

The carbon offset allowance for combustion emissions is expected to increase to 25% in 2026, providing a mechanism to mitigate a portion of carbon tax costs through qualifying offset projects. When mandatory carbon budgets are implemented, the existing 5% carbon budget allowance under the Carbon Tax Act will be phased out. Alignment between the carbon budget regulations, carbon tax and sectoral emissions targets remains an area of ongoing policy engagement and analysis.

Our decarbonisation approach

Our ambition

Carbon emissions	Renewable energy	Diversification
• Achieve carbon neutrality by 2050 through renewables, efficiency and offsets • Reduce scope 1 and 2 emissions by 40% by 2030 and 75% by 2040 (from a 2022 baseline) • Explore scope 3 emission reduction opportunities across the value chain	• Grow the energy business to 1 600MW (net) by 2030 • Reach 100% renewable energy consumption across operations by 2050	• Increase renewable energy contribution

Delivery of these targets is supported by the commissioning of the LSP, which was completed in December 2025 and is expected to reduce scope 2 emissions by approximately 25% and total scope 1 and 2 emissions by 17% once at steady-state operation. In December 2025, the solar PV plant reached full generating capacity and supplied early electrons to Grootegeluk mine. Grid code testing will be completed in the first half of 2026. Additional renewable energy deployments at Mpumalanga operations and ongoing energy efficiency interventions support progress toward the 2030 reduction target.

Our decarbonisation strategy

We leverage five interconnected pillars to balance emission reduction, feasibility and social impact:

Action area	Outcome	Focus areas
Assets reconfiguration	Reduce scope 1 and 2 emissions through operational efficiency and technology upgrades	• Renewable energy integration • Fleet and haulage optimisation • Energy management systems
Portfolio diversification	Transition the portfolio towards resilient metals and renewable energy	• Dispose of non-core assets • Diversify towards metals required for the just energy transition and renewable energy
Conscious scope 3 reduction	Work with value chain partners to reduce downstream emissions while supporting national energy needs	• Strategic partnerships with customers and logistics providers
Carbon offset	Use credible offsets where emissions are unavoidable	• Nature-based solutions • Regional renewable energy support
Impactful transition	Ensure workers, suppliers and vulnerable communities are supported through the transition	• Skills development and livelihood resilience

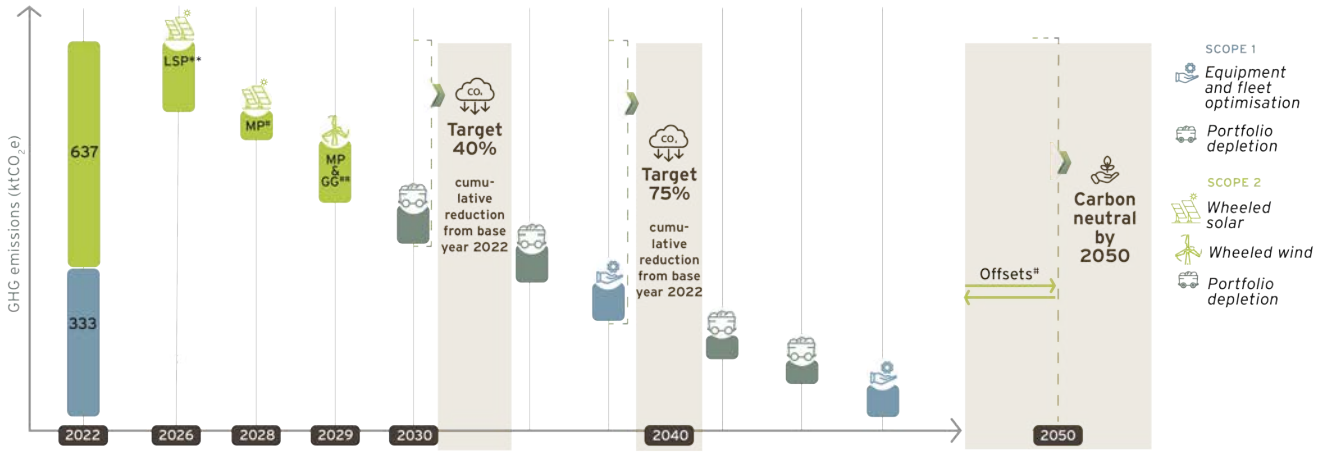
Our decarbonisation roadmap

Our approach to carbon neutrality prioritises practical, scalable interventions that balance technology readiness, operational feasibility and funding availability over time. Exxaro's decarbonisation roadmap, approved in March 2025, details our short, medium and long-term milestones and investment decisions to reduce emissions and achieve carbon neutrality by 2050. The roadmap will be reviewed periodically to reflect new developments, changing market conditions and portfolio acquisitions or divestments.

Guiding principles

- The roadmap applies to current coal operations, assuming assets continue to be mined until depletion (life of mine (LoM))
- Grootegeluk 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 ownership structure

Decarbonising today to secure a sustainable tomorrow



* Carbon offsets (nature-based and renewable) will be implemented to reach carbon neutrality by 2050.
** LSP (wheeled solar at Grootegeluk).
# Wheeled solar in Mpumalanga (Belfast, Mafube and Matla).
Wheeled wind in Belfast, Mafube, Matla and Grootegeluk.

Executing our decarbonisation roadmap

The roadmap directs BUs on how to plan operations, integrate renewable energy and implement efficiency measures to reduce scope 1 and 2 emissions. We prioritise high-impact efficiency projects through collaboration between our engineering teams and various stakeholders.

We classify our emissions as follows:
- Scope 1: Direct emissions from activities at our operations, including diesel, petrol, gas, explosives, limestone use and fugitive methane
- Scope 2: Indirect emissions from purchased electricity supplied by Eskom
- Scope 3: Indirect emissions from value chain activities, including the use of our coal by customers and other upstream and downstream activities

Decreasing scope 1 emissions

We reduce our diesel consumption through a phased fleet optimisation programme centred on hybrid technologies and fleet electrification.

At Grootegeluk, which accounts for 61% of total group diesel emissions, we are implementing optimisation solutions that address the logistics and equipment factors that drive lower-carbon intensity through:
- Digital mine planning and visualisation
- Fleet allocation and dispatch optimisation
- Truck speed optimisation and payload management
- Reducing shovel and truck cycle variability
- Haul road condition improvements
- Eliminating out-of-cycle waste

In 2025, we completed a desktop decarbonisation technology study that assessed fleet optimisation solutions and identified options with business case potential.

Going forward, technology selection will be based on site-specific operating data and alignment with industry OEM development pathways. Implementation will be integrated into each business unit's rebuild or replacement cycle, taking into account technology readiness and governance requirements.

Timeframe	Key initiatives
2026 to 2030	• Implement engine idling reduction initiatives to improve operational efficiency • Expand trolley assist systems to reduce diesel use • Initiate electrification through pilot implementations of electric drills, electric truck proof of concept and truck battery electric vehicle conversion
2031 to 2040	• Increase deployment of electric drills • Introduce electric dozers to replace diesel models • Expand trolley assist systems across eligible sites
2041 to 2050	• Full-scale deployment of truck battery electric vehicle conversion across operations • Complete fleet electrification and transition to a fully decarbonised mining fleet

Quick wins also include energy and water efficiency programmes (linked to performance incentives), and honing our compliance focus on the pollution prevention plans for operations.

Reducing scope 2 emissions

We are reducing coal-based electricity consumption by integrating renewable energy solutions across our operations. Our approach includes on-site solar generation where feasible, with solar photovoltaic (PV) projects at Tshikondeni and Grootegeluk, as well as wheeled renewable power solutions.

Timeframe	Description
2026: Initial solar energy replacement	The LSP at Grootegeluk is supplying renewable electricity to replace a portion of coal-fired power use. Full commercial operations (68MW) is expected in 2026. The plant was commissioned in December 2025 and will contribute to a 25% reduction in scope 2 emissions at the mine.
2027: Multi-site wheeled solar energy	Wheeled solar (approximately 50MW) is planned across multiple sites, including Matla, Belfast and Mafube, reducing reliance on grid-supplied coal-based power.
2029: Multi-site wheeled wind energy	Additional wheeled wind capacity (approximately 120MW) planned for Matla, Belfast, Mafube and Grootegeluk to further reduce scope 2 emissions.

The LSP and future investments in decarbonising Exxaro's mining operations represent a systematic and responsible approach to the energy transition without introducing additional risks to South Africa's electricity generation.

Case study

Diversifying into energy transition metals

In May 2025, Exxaro announced the acquisition of select manganese assets in the Kalahari Manganese Field in the Northern Cape. Manganese is essential in steel-making 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 strengthens the resilience of our portfolio and supports our ambition to grow revenue from energy transition metals. It also ensures that these strategic assets remain under South African stewardship, supporting continuity for employees and host communities.

Strategic benefits

- Diversifies earnings and reduces reliance on coal-based revenues
- Positions Exxaro in a mineral with long-term demand linked to global decarbonisation
- Enables deployment of Exxaro's bulk mining, logistics and stakeholder partnership capabilities to drive responsible value creation

The acquisition, concluded post-year end, 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.

Limiting scope 3 emissions

While reducing our direct scope 1 and 2 emissions remains a priority, most of our total emissions footprint sits in scope 3. Indirect emissions occur when the coal we sell is further processed or combusted by our customers and are the largest contributor to our total GHG footprint. Addressing these emissions requires coordinated action across the value chain, particularly with large partners whose operational activities are closely linked to our products.

We are pursuing strategic partnerships with key value chain stakeholders to support shared decarbonisation ambitions, improve data transparency and explore lower-carbon pathways. These partnerships are formalised through MoUs that commit parties to jointly identify and implement emissions reduction initiatives.

In 2025, we signed an MoU with Eskom to explore opportunities to address and improve transparency around value chain emissions, identify opportunities to reduce them and contribute to an impactful transition in South Africa. This includes collaboration on inbound and outbound logistics, green procurement practices and research into lower-carbon technologies. We also support lower-carbon development through our transition metals portfolio and the growth of our energy solutions business.

We are reviewing our scope 3 calculation methodologies and will develop and publish a methodology report that outlines how we quantify and disclose scope 3 emissions.

Scope 3 partnership reduction objectives

Carbon emissions reduction
- Identify opportunities to reduce scope 1, 2 and 3 emissions across shared operations
- Support operational efficiency improvements
- Support industry and government efforts to develop low-carbon technologies such as carbon capture and storage, which are critical for the removal of carbon emissions

Impactful transition
- Support reskilling and capacity building
- Encourage job creation in growing and transition industries
- Work collaboratively to mitigate socio-economic impacts of decarbonisation
- Aligning our portfolio towards low-carbon transition metals

We report on our energy and carbon data in terms of the GHG Protocol and participate in the CDP climate change and water programmes.

Carbon offset and nature-based solutions

We adopt nature-based solutions that enable biodiversity protection and restoration, positively contribute to our broader social impact and include benefits such as carbon offsetting and credits.

- At Hlobane, afforestation and rehabilitation activities contribute to carbon absorption while creating work opportunities for local people involved in planting and maintaining vegetation
- At Grootegeluk and Leeuwpan mines, we are conducting Spekboom planting trials to assess survival rates and sequestration potential in different conditions

Additional carbon offset opportunities across our operations are being assessed and will be guided by the carbon offset strategy. Work to establish a clear, evidence-based approach for quantifying and verifying sequestration from nature-based projects is still to be developed and will form part of the next phase of implementation.

We follow a leadership-driven process and provide decarbonisation training to enable employee participation.

2026 key actions

Our focus for 2026 is to consolidate progress made during the year and integrate newly acquired assets into our operational model and corporate culture. This includes:
- Finalising climate change adaptation and resilience plans for all BUs and defining practical adaptation pathways
- Developing new technical capabilities specific to manganese production and renewable energy
- Advancing the roll-out of ESG KPIs in early project feasibility and planning stages through the ESG PMO
- Balancing strategic capital allocation between maintenance of existing operations and growth investments

Responding to a changing climate

Why this matters

As a mining and energy business, we are exposed to physical and transition risks that affect our operating costs, production stability and long-term competitiveness. At the same time, the transition to a low-carbon economy presents opportunities to improve efficiency, invest in renewable energy and contribute to South Africa's energy transition.

Building resilience to climate change supports our commitment to secure long-term business continuity, protect our environment and communities and align with pressing global climate goals.

Governance and oversight

Board accountability	ESG committee	Executive oversight	Operational management
SERC and RBR committee	Oversees climate change response, aligns initiatives with our decarbonisation roadmap and tracks progress against group climate targets	The executive head: sustainability leads decarbonisation execution and reports progress to the group executive committee	The PMO coordinates project execution, while BU management teams implement emissions reduction projects, energy efficiency and resilience measures and track performance

Strategy and management approach

We take an integrated approach to climate change that addresses both emissions reduction and the need to strengthen the resilience of our operations and communities. Our Climate Change Response strategy and decarbonisation roadmap guide our planning as we prepare for more variable climate conditions.

Key elements of our approach include:

- Integrating climate-related risks into adaptation and resilience plans across our operations
- Embedding energy efficiency, emissions reduction and climate awareness across all BUs
- Increasing renewable energy through the LSP and Cennergi's wind assets
- Monitoring and reporting on scope 1, 2 and 3 emissions and improving accounting methodologies, data quality and transparency
- Compliance to climate legislation and policies
- Implementation of ISSB, Global Reporting Initiative, national climate reporting and carbon tax requirements
- Participating in CDP programmes to benchmark performance and inform disclosure practices
- Supporting research and innovation to advance decarbonisation and contribute to climate policy development
- Engaging in collaboration and partnerships to explore value chain emission reduction opportunities and empower communities for an impactful transition

Climate adaptation and resilience plans

We are strengthening our ability to anticipate and respond to the physical impacts of climate change, such as extreme heat, drought and severe weather. As we refine our understanding at a site level, we will use climate data and predictive tools to assess how changing climate conditions may affect our operations, communities and value chain partners. This will enable us to strengthen resilience measures in areas such as water management, infrastructure design, land rehabilitation and emergency response.

The Climate Change Response strategy will be updated and we are currently developing BU adaptation and resilience plans. This ensures that our strategic direction reflects site-level insight and remains aligned with our Sustainable Growth and Impact strategy.

The Climate Change Act came into effect in 2024 and draft regulations on carbon budgets and mitigation plans were released in 2025. We are assessing the implications of these developments to align our compliance, resilience planning, reporting and governance practices with national requirements.

Reducing emissions

A key part of our climate response is reducing the GHG emissions associated with our operations and value chain.

Our emissions reduction initiatives (page 26) are supported by our efforts in optimising energy efficiency (page 33) and implementing cleaner energy sources at our operations.

Pollution prevention plan

We submit an annual pollution prevention plan report to the DFFE, outlining initiatives to reduce diesel consumption and associated scope 1 emissions at our operations. The 2025 reporting year marks the final PPP cycle and from 2026 we will transition to the mandatory carbon budget and GHG mitigation plan system, pending finalisation of the National GHG Carbon Budget and Mitigation Plan Regulations.

		Achieved reduction				Anticipated reduction	Total
Project	Implementation	2021	2022	2023	2024	2025	Total
Grootegeluk in-pit crushing and conveying project	Ongoing	6 948	7 723	8 773	7 363	**6 050**	36 857
Road management and improvement	Ongoing	3 517	5 975	1 891	848	**684**	12 915
Pantograph utilisation optimisation	2021	2 199	2 337	1 359	2 689	**3 561**	12 145
Out-of-cycle time reduction	2021	(2 170)	624	398	(5 905)	**1 604**	(5 449)
Autonomous drilling	2021	47	50	52	220	**193**	562
Total		10 541	16 709	12 473	5 215	**12 092**	57 030

Assumptions used to estimate anticipated GHG emission reduction: electrical and diesel conversion factors, and the project scope, are consistent.

Exxaro's actual carbon emission reductions from 2021 to 2024 were 44 938tCO_2e. This is 10% lower than the originally projected savings of 49 786tCO_2e. The shortfall is largely attributed to lower-than-anticipated savings from certain projects, where actual performance did not meet initial estimates. Despite this, the reductions we achieved represent a significant contribution towards Exxaro's climate goals and highlight the importance of timely implementation and accurate forecasting for future initiatives.

Research, innovation and partnerships

We collaborate across sectors to support South Africa's transition to a low-carbon economy. These partnerships enable research, knowledge sharing and regional socio-economic development linked to climate mitigation and resilience.

MoUs and strategic partnerships	Supporting climate dialogue	Leveraging climate data and modelling
Our MoU with Eskom supports work to explore opportunities to reduce emissions in the power value chain and contribute to an impactful transition. We also collaborate with the Agricultural Research Council to advance sustainable land use management and socio-economic development linked to land rehabilitation and secondary agriculture. In addition, our memorandum of understanding with the Council for Geoscience supports research into carbon capture, utilisation and storage technologies that could contribute to emissions reduction in South Africa and across the value chain.	We participate in national and global climate discussions, including COP, where we engage with government, industry and civil society on mitigation, adaptation and resilience. These forums help align our work with national priorities and international climate commitments while strengthening collaboration across sectors.	Climate-related data and predictive modelling are used to assess the potential impacts of extreme weather on our operations, communities and value chain partners. This work helps identify where adaptation measures may be needed most and informs our climate adaptation and resilience planning.

Supporting research and development

We collaborate with research institutions, industry bodies and government stakeholders to expand climate knowledge, test emerging technologies and support sustainable development outcomes linked to the energy transition.

Focus area	Partners	Purpose	Outcomes
Climate science, adaptation and planning	• Wits Global Change Institute • Unisa	Strengthen climate change understanding and support adaptation planning, policy analysis and decision making	• Climate adaptation pathways • Climate governance research • Community engagement on climate impacts
Low-carbon technologies and operational solutions	• University of Pretoria (Energy, Water and Food) • Council for Geoscience	Develop and test technologies that support energy efficiency and emissions reduction within mining and energy value chains	• Energy efficiency toolkits • Belt and drive optimisation research • Exploration of carbon capture, utilisation and storage solutions
Shaping transition pathways	• Industry Task Team on Climate Change • National Business Initiative • Minerals Council South Africa • Energy Council of South Africa • Business Unity South Africa/Business Leadership South Africa • Government and community networks	Align with national climate priorities, contribute to policy discussions and support coordinated transition planning	• Input to national climate dialogues • Participation in multi-stakeholder reference groups • Regional air quality and water management initiatives

Education and awareness

Awareness and training are central to strengthening climate resilience in our business and communities. These initiatives support behaviour change and reinforce our ability to respond to the impacts of climate change over time.

Employee awareness and training

We run climate change awareness and training programmes that cover carbon pricing, carbon tax, adaptation, carbon budgets and mitigation from global, national and business perspectives. Climate change masterclasses have been delivered over the past four years and will continue into 2026 and beyond.

We piloted a carbon footprint calculator mobile app in 2023 to help employees track and assess their emissions. While uptake was limited due to privacy considerations, we are exploring tools that can support employees to understand and reduce their carbon emissions in a secure and practical way.

Community awareness and education

For the past five years, we have delivered community climate awareness campaigns focused on the environmental and health impacts of climate change. These programmes form part of our Social Impact strategy and support resilience in communities linked to our operations. Future campaigns will place greater emphasis on practical approaches to adaptation and improving access to renewable energy solutions.

Monitoring, measuring and reporting on our performance

We monitor energy and carbon performance across our operations to support informed decision making and continuous improvement. Our reporting practices align with recognised standards and national regulatory requirements.

Internal monitoring and performance management

We track monthly energy and carbon data at all BUs and monitor progress against our carbon intensity target.

We monitor scope 1, 2 and 3 emissions annually using the operational control accounting approach. We also track carbon and energy performance through our STI scheme at group and BU levels, which informs reward outcomes for employees and executives.

We are investigating data solutions that provide real-time feedback on carbon performance. These systems will support quicker response to emerging risks or opportunities to reduce emissions.

To improve the accuracy of emissions quantification and reporting, we are conducting a study to develop tier 3 production emission factors for Exxaro's coal characteristics and reviewing our scope 3 quantification methodologies.

Regulatory alignment and reporting standards

We align our climate reporting, emissions accounting and compliance activities with the Climate Change Act, the National Environmental Management: Air Quality Act, the Carbon Tax Act and the DFFE's GHG reporting regulations. Our emissions are measured and reported in line with the GHG Protocol's Corporate Accounting and Reporting Standard. Our GHG data is submitted annually to the DFFE in line with regulatory requirements.

We also participate in recognised external disclosure frameworks to support transparency and comparability. We have reported to the CDP climate change programme since 2008, providing information on our energy consumption, emissions and carbon performance at BU and group levels. We also participate in the CDP water programme and the supplier engagement programme to assess water security and supply chain risks in the context of climate change. These disclosures are subject to external assurance to support confidence in our reporting.

Annual scope 1, 2 and 3 emissions data is available on page 31.

Case study

Capturing opportunities in green energy

Exxaro is making substantial investments in renewable energy, as demonstrated through the commencement of construction on Cennergi's 140MW Karreebosch windfarm in partnership with G7 Renewable Energies.

The project will supply clean electricity to Northam Platinum's operations through a 20-year power purchase agreement, with power wheeled through the national grid. Karreebosch marks a major step in scaling our renewable energy portfolio and advancing South Africa's decarbonisation ambitions and the transition to a cleaner, more resilient energy system.

Strategic significance

- Adds 112MW of net renewable energy capacity to Cennergi's portfolio, increasing total managed capacity to 437MW gross
- Progresses our ambition to reach 1 600MW net of renewable energy capacity by 2030

Community impact

- Expected to create over 1 000 construction jobs and 17 permanent operational roles, driving local employment and skills development
- Community development programmes planned in Sutherland, Laingsburg and Matjiesfontein will focus on education, early childhood development (ECD), skills training and healthcare

The Karreebosch windfarm reached financial close in February 2025 and has an expected construction period of 24 months. The project supports decarbonisation and diversification as set out in our Sustainable Growth and Impact strategy and demonstrates our commitment to delivering reliable and sustainable energy solutions.

2025 performance

Improving energy efficiency

To enhance our performance, we completed a decarbonisation technology study that assessed fleet optimisation opportunities and is guiding the next phase of implementation planning.

The 14% increase in carbon intensity compared to 2024 is due to the decrease in annual RoM total tonnes mined (TTM) and the increase in Eskom's grid emission factor to 1.08tCO_2e/MWh (2024: 1.04tCO_2e/MWh). Our year-to-date carbon intensity is below the 2025 target of 4.83tCO_2e/TTM.

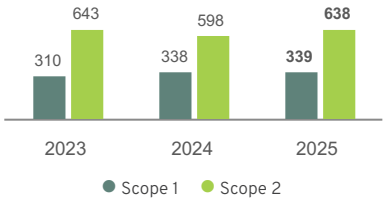
Emissions performance

metric	2025	2024	2023
Total carbon intensity (tCO_2e/ktTM)[RA]	4.71	4.12	4.41
Scope 1 emissions* (tCO_2e/ktTM)[RA]	1.64	1.49	1.41
Scope 2 emissions* (tCO_2e/ktTM)[RA]	3.07	2.63	2.96

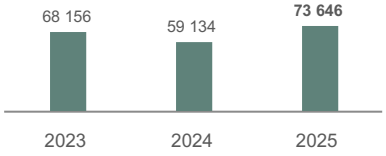
* *Only the operating mines' carbon emissions were taken into account for the intensity calculations. This excludes the ConneXXion, Durnacol, Hlobane, FerroAlloys, Tshikondeni and Ferroland Manketti.*
[RA] *Reasonable assurance provided.*

Absolute emissions for all operations

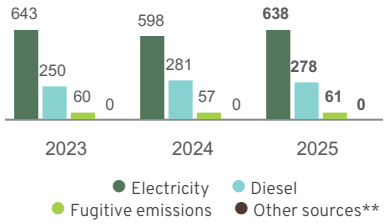
Scope 1 and 2 GHG emissions (ktCO_2e)



Scope 3 GHG emissions (ktCO_2e)*



Carbon emission by source (ktCO_2e)



* *Scope 3 emissions for 2023 and 2024 include domestic sales. 2025 also includes exports of 14 780ktCO_2e.*
** *Source proportion.*

Refer to the databook for more detail on our scope 1, 2 and 3 GHG emissions.

Advancing climate adaptation

Total spend on direct and indirect climate adaptation and mitigation efforts
R1.1 million

Supporting research and development in climate change
R0.3 million

Carbon tax liability
R4.6 million
for production-related emissions, ie fugitive methane emissions associated with the coal seams (2024: R3.3 million)

CDP scores
C for climate
B for water security

For more information on our CDP performance, please refer to www.cdp.net and the databook.

Monitoring, reporting and disclosure

In 2025, we amended our GHG accounting policy to confirm the operational control boundary for emissions reporting. This means we report emissions only from operations under Exxaro's management control, excluding joint ventures such as Mafube.

Our scope 3 accounting approach was also updated in line with the GHG Protocol. To ensure consistent and transparent disclosure, we assume that all coal sold annually is ultimately combusted and report this under scope 3 category 11 (use of sold product).

We also submitted the revised CDP questionnaire covering climate change, water and biodiversity for 2025. These disclosures are externally assured each year.

Climate adaptation and resilience

The board approved our decarbonisation roadmap in March 2025. The roadmap provides a detailed pathway towards being carbon neutral by 2050.

We have started developing climate change adaptation and resilience plans for each BU. These plans will identify site-specific climate risks, define adaptation pathways and consider technological solutions to support operational continuity. The plans are expected to be finalised in the first quarter of 2026.

Carbon offset strategy

We are developing a strategy to identify appropriate offset solutions, including nature-based carbon offset projects and to guide our participation in the carbon market. The strategy will outline the role of carbon offsets within our broader decarbonisation approach and define the principles that shape project selection and engagement.

Value chain collaboration

Addressing scope 3 emissions remains a shared priority across the power value chain. In 2025, we signed an MoU with Eskom to explore opportunities to jointly measure, manage and reduce scope 1, 2 and 3 emissions and other air pollutants.

The partnership focuses on identifying technology and operational interventions, supporting workforce transition opportunities, and strengthening transparent reporting to ensure accountability in advancing South Africa's climate transition. In addition, we collaborate with the Council of Geoscience on carbon capture, utilisation and storage for decarbonisation and the advancement of the impactful energy transition.

Participating in climate action dialogue

We participated in New York Climate Week, where discussions focused on policy developments, energy transition pathways, decarbonisation technologies, nature-based solutions and climate resilience. These insights inform our climate planning and support our approach to adaptation at site level.

We also sponsored and contributed to the South African Climate Summit to advance national dialogue on COP30 outcomes, climate transition and collaborating with industry, government and civil society on shared resilience and decarbonisation priorities.

Expanding renewable capacity

- Cennergi's portfolio expanded to 437MW gross of assets under construction and operations in 2025, with a technology mix of wind and solar assets
- The LSP, undergoing grid compliance testing, is set to offset 25% of Grootegeluk's scope 2 emissions
- The Karreebosch windfarm is advancing in the construction phase and will supply 140MW of clean electricity once operational
- Refurbishment of the 1MW Tshikondeni solar PV system was completed in the second half of 2025
- Planning for solar PV installation at Manketti is ongoing, with the RFQ expected in the first half of 2026

2026 key actions

In 2026, our focus will be to advance site-based resilience planning, strengthen emissions reporting methodology and enhance data credibility across the value chain. This includes:

- Developing and implementing climate adaptation and resilience plans for each BU
- Developing and implementing prioritised energy efficiency roadmaps for each operation
- Reviewing and refining scope 3 calculation methodologies
- Reviewing tier 3 emission factors to improve accuracy of production-related emissions data
- Finalising our carbon offset strategy and identifying viable offset solutions

Case study

Delivering our flagship solar project

The LSP is Exxaro's first large-scale solar energy facility developed to supply clean electricity directly to the Grootegeluk mining complex. The project reflects a major step in our decarbonisation roadmap that increases our energy security and reduces scope 2 emissions.

Located on Exxaro-owned land near the mine, the LSP will generate approximately 176GWh of renewable electricity each year once fully operational. This is expected to meet around 30% of Grootegeluk's electricity demand and reduce the mine's scope 2 emissions by approximately 25%. The project is owned by Cennergi and will supply energy under a long-term power supply agreement. Development of the project commenced in 2021, with construction starting in 2023 and the plant being commissioned in December 2025. Full commercial operation is expected in the first half of 2026, with green electrons already being delivered to Grootegeluk.

The LSP has also created socio-economic benefits for the Lephalale community. Local contractors and suppliers were prioritised during construction, supporting jobs and skills development linked to South Africa's growing renewable energy sector. As the facility becomes operational, ongoing maintenance and operational roles will continue to provide local economic opportunities.

The project marks the start of Exxaro's broader clean energy journey. Future phases are planned to explore storage solutions and additional renewable capacity to further increase the share of clean energy powering our operations.

Key outcomes

Decreased emissions	Increased energy security
Cost efficiency over time	Local economic development

Optimising energy efficiency

Why this matters

Improving energy efficiency reduces diesel and electricity consumption, lowering emissions while strengthening cost competitiveness and operational resilience. It is a critical enabler of a secure, sustainable energy future for our employees, host communities and customers.

Our structured approach to reducing energy consumption aligns with our Climate Change Response commitments and Sustainable Growth and Impact strategy.

Governance and oversight

Board accountability	ESG committee	Executive oversight	Operational management
SERC and RBR committee	Oversees implementation and monitoring of energy management plans and performance across the group	The executive head: sustainability oversees implementation of strategy and group-wide alignment with decarbonisation and energy efficiency objectives, supported by the general manager: technical support and optimisation and the group manager: engineering	BU managers are accountable for achieving energy management objectives, while engineering and optimisation teams support initiative planning, performance tracking and site-level implementation

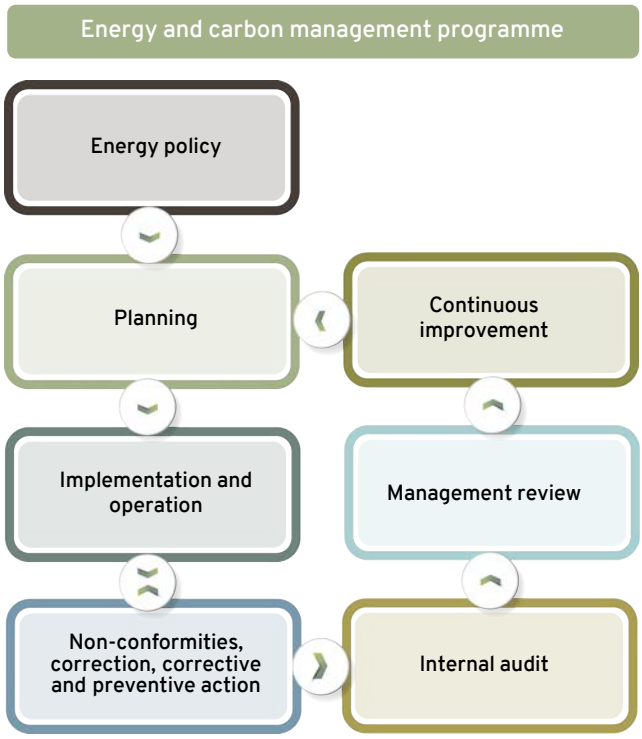
Strategy and management approach

We manage energy performance through our energy and carbon management programme, supported by a group energy efficiency and management standard that clarifies responsibilities and standardises processes across our operations. This framework guides how we identify, plan and implement initiatives that reduce diesel and electricity consumption and improve energy intensity performance at each BU.

Key elements of our approach include:

- Monitoring, measuring and reporting energy performance using defined intensity targets and enhanced data systems
- Implementing diesel and electrical efficiency initiatives that optimise plant throughput and reduce energy use across operations
- Leveraging technology, including smart metering, predictive analytics and machine-learning tools, to improve accuracy, visibility and decision making
- Creating awareness and building capability through targeted training, professional development and operational forums that drive energy-saving behaviour
- Ensuring alignment with relevant regulations, management standards and national energy efficiency requirements

Energy and carbon management is governed by internally developed standards and frameworks:



Reducing consumption

We reduce diesel and electricity use by optimising plant performance and improving the efficiency of our mobile fleet and fixed infrastructure. High diesel reliance in the mining fleet remains a core driver of emissions, informing our focus on operational efficiency, payload management and targeted fuel-saving interventions.

Collaboration between engineering, sustainability, technology and innovation teams ensures that opportunities are identified, tested and embedded to lower overall consumption.

Read page 26 for more detail on our diesel and electricity reduction initiatives.

Monitoring, measuring and reporting

We set energy intensity targets for each BU through annual current-state assessments and opportunity scoping reviews that inform site-specific efficiency goals. These targets form part of the group STI scheme and guide operational focus across the year.

We track energy performance monthly against a baseline calculated from prior year consumption and production data. This provides a steady-state reference that enables each BU to identify deviations, implement corrective measures and optimise the ratio of energy consumed to tonnes handled.

Our KPIs for energy efficiency are:
- Diesel energy intensity: total diesel energy consumed relative to total RoM material from plant and waste
- Electrical energy intensity: total electrical energy consumed relative to total RoM material from plant and waste

Under the energy management programme, progress on our operational initiatives, which are geared towards improving our efficiencies, are tracked and monitored towards supporting Exxaro's goal of improving operational efficiencies and supporting our decarbonisation objective of achieving carbon neutrality by 2050.

We benchmark our performance against other mining houses and recognised standards to maintain best practice and ensure readiness for evolving regulatory requirements, including ISSB-aligned disclosures. We also contribute to national benchmarking processes through the DMPR's review of the National Energy Efficiency Strategy to 2030.

Innovation and technology

Exxaro leverages data-driven technology to support real-time visibility, accurate reporting and informed decision making to help BUs achieve their energy intensity targets.

We optimise energy management across our operations by:
- Using dashboards and digital platforms to provide periodic insights that guide fuel and electricity practices
- Deploying FuelActive's fuel pick-up technology in pilot applications to support cleaner fuel delivery and enable more efficient engine performance
- Using Grootegeluk's analytical tool that links plant production throughput with electrical energy per module, allowing for enhanced monitoring and management of energy intensity across the plant
- Integrating advanced sensors, analytical tools and process control systems to track plant-level energy intensity and identify optimisation opportunities
- Expanding smart metering across plants and mining areas to improve measurement accuracy and transparency
- Implementing variable speed drives, which are a key energy efficiency intervention in Exxaro's underground mining operations, particularly for conveyor systems and ventilation fans, which are among the largest consumers of electrical energy

Many low-carbon technologies for heavy mining equipment remain pre-commercial, making digital optimisation and data-driven decision making essential for managing operational constraints.

Awareness, education and training

We build internal capability to support effective energy management across our operations:
- Our people and performance, business improvement and information management teams reinforce a culture of accountability through targeted awareness and engagement initiatives
- Engineering teams promote responsible energy use across BUs and lead operational efficiency practices
- Specialist training, including certified energy management and carbon audit programmes, strengthens technical competence and enables employees to apply energy efficiency principles in their daily work

Monthly forums at each BU further support behavioural change by sharing performance insights and maintaining focus on energy intensity goals.

Case study

Developing a decarbonisation pathway for Grootegeluk

Grootegeluk completed a detailed group technology concept study in 2025 to identify credible, cost-effective ways to reduce diesel and electricity intensity at one of our most energy-intensive operations. The study produced a sequenced decarbonisation pathway that supports near-term efficiency gains and prepares the site for future low-carbon technologies.

What the study delivered

- Identification of proven efficiency opportunities, including payload optimisation, cycle variability management, idle reduction and enhanced plant controls
- Assessment of emerging technologies such as trolley assist expansion and battery electric haulage readiness
- A prioritised set of behavioural, process and technology interventions to reduce diesel use and electrical intensity
- Clear sequencing of near-term, medium-term and long-term measures, with quantified energy and emissions impacts

The study provides Grootegeluk with a credible, evidence-based plan to reduce energy intensity while maintaining operational stability. By identifying early wins and phasing in more complex technologies appropriately, the pathway strengthens decision making and directs resources to initiatives with the greatest impact. The digital backbone underpinning the work embeds consistent measurement and verification, enabling disciplined execution and transparent reporting.

Together, these elements position Grootegeluk to deliver sustained efficiency improvements and contribute meaningfully to Exxaro's longer-term decarbonisation goals.

2025 performance*

Electricity and diesel consumption	2025	Year-on-year change (%)	2024**	Year-on-year change (%)	2023
Electricity (MWh)	**562 366**	(1.19)	569 129	(3.69)	590 931
RoM (kt)	**180 489**	(9.18)	198 742	4.43	190 311
Electrical energy intensity (MWh/kt)	**3.116**	8.95	2.86	(8.04)	3.11
Diesel (kl)	**94 832**	1.91	93 051	11.27	83 629
Diesel energy intensity (l/t)	**0.525**	12.42	0.467	6.38	0.439

* *Performance includes 100%-owned operational mines only.*
** *2024 figures were restated to exclude Mafube JV.*

Refer to the databook for more details on our electricity, diesel, RoM and intensities.

Our primary energy sources remained split between electricity, which accounted for 36.61% (2024: 37%), and diesel at 63.39% (2024: 63%). Overall energy consumption increased by 0.71% 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). The group's energy intensity performance of 30.761GJ/kt outperformed our 2025 target of 32.589GJ/kt.

The Mpumalanga BUs, including Belfast, Matla and Leeuwpan, met their STI energy intensity targets in 2025. Grootegeluk mine achieved an energy intensity performance of 41.551GJ/kt compared to its target of 39.255GJ/kt.

Improving our energy efficiency management

Energy management standardisation

We strengthened the consistency and credibility of energy management across the group through the introduction of our group energy efficiency and management standard and its supporting energy initiatives tracking, reporting and monitoring guidelines. These tools establish a unified approach for planning, measuring and verifying efficiency initiatives across all operations.

The new guidelines set mandatory minimum requirements for the lifecycle management of energy and decarbonisation initiatives, including registration, baselining, measurement and verification, reporting and assurance. This replaces the previously fragmented site-level processes that tracked progress inconsistently across BUs.

Strengthening monitoring, verification and reporting

We require all BU energy reduction initiatives to be registered with traceable baselines and supported by documented measurement and verification plans. This ensures that savings claims are evidence-based, measurable and auditable. Standardised KPIs and reporting templates enable consistent performance tracking across operations, while the strengthened evidence base improves confidence in disclosed energy and emissions reductions and supports independent verification.

This approach enables informed investment decisions, faster replication of proven interventions and better readiness for evolving reporting requirements.

Group energy forum

We established the forum to strengthen coordination of energy management and provide a structured platform for our sustainability, engineering, technology and innovation teams. The forum helps teams align on priorities, share performance insights and resolve cross-functional challenges. This integration ensures that our energy-related decisions reflect operational realities and strategic requirements.

Internal energy management masterclass

To build capability across operational teams, we introduced an internal energy management masterclass. The programme equips employees with practical skills to identify, assess and implement energy reduction opportunities within their areas of responsibility.

CENNERGI

LSP

The plant is supplying renewable electricity directly to Grootegeluk. Construction progressed into a commissioning phase in late 2025. When fully operational, the plant will displace around 30% of Grootegeluk's grid consumption and reduce scope 2 emissions by an estimated 25%. We expect full commercial operation in the first half of 2026.

2026 key actions

Our focus for 2026 is to embed the new group energy efficiency and management standard into our culture and BU operations. This includes:

- Implementing the standard and supporting measurement and verification templates, reporting rules and dashboarding tools across all BUs
- Expanding proven optimisation initiatives, including haulage efficiency, variable speed drives and ventilation optimisation, to achieve sustained fuel and electricity savings
- Strengthening data quality and verification through consistent baselining, standardised KPIs and formal assurance processes

Protecting air quality

Why this matters

Mining activities such as drilling, blasting, hauling and materials handling can release dust and gaseous emissions that affect air quality and pose health and environmental risks to employees, host communities and surrounding ecosystems. Regulators and communities expect us to maintain air quality within prescribed limits and respond proactively to potential exceedances.

Strong air quality management supports our Climate Change Response and Sustainable Growth and Impact strategies by promoting safe, compliant and responsible operations.

Governance and oversight

Board accountability	ESG committee	Executive oversight	Operational management
SERC and RBR and committee	Oversees implementation and monitoring of air quality initiatives and dust suppression technologies	The executive head: sustainability approves air quality policies, procedures and mechanisms	Mine managers and BU specialists compile site-specific dust management plans, allocate capital and oversee monitoring and mitigation measures

Strategy and management approach

We manage air quality through a proactive, risk-based approach that prioritises prevention, monitoring and continuous improvement across all operations. Our aim is to limit pollution from dust fallout, ensure compliance with regulations and use technology to enhance control, performance and reporting.

Key elements of our approach include:

- Implementing and maintaining site-specific dust management plans across all BUs in alignment with the National Dust Control Regulations
- Maintaining continuous dust and particulate monitoring, supported by weather data and dispersion modelling to track performance
- Applying targeted dust suppression and road maintenance interventions to reduce emissions
- Expanding real-time monitoring and automated systems to improve responsiveness
- Conducting awareness and training programmes for employees and communities
- Collaborating with government, industry research partners and service providers to enhance regional air quality management

CENNERGI

Cennergi's windfarms are exempt from monitoring, measuring and reporting as they do not create dust and air pollution. However, water trucks are used for dust suppression during biannual road maintenance works.

Prevention and mitigation

Our air quality management measures focus on progressively reducing the occupational emissions associated with open-pit mining, which include dust and PM, sulphur oxides and nitrogen oxides. If not adequately managed, these can have a negative impact on ambient air quality, which in turn impacts the health of people and local ecosystems.

Our dust suppression and control measures are designed around health, safety and environmental considerations, and include:

- Applying environmentally friendly chemical and wet suppression to unpaved roads and open areas
- Managing vehicle speeds and drop heights to reduce particulate generation
- Controlling fugitive dust by stabilising haul road surfaces and applying surface-binding agents to exposed soil
- Vegetating stockpiles and overburden areas
- Planting trees at Belfast to serve as a natural windbreak
- Scheduling blasting in accordance with prevailing wind conditions

We intensify our dust management efforts during the dry winter months given the proximity of some operations to residential areas.

We are implementing environmentally friendly wet suppression technologies to limit chemical use and optimise water use. Matla introduced an automated fogging system with continuous real-time dust monitoring, while Leeuwpan uses Suppress-It as its primary dust suppression solution.

Monitoring, measuring and reporting

We monitor air quality through an extensive network of dust fallout buckets and meteorological stations across all operations. We also have PM_{10} sensors at Grootegeluk. These systems provide baseline data, support dispersion modelling and enable real-time reporting to internal and external stakeholders.

BUs follow defined procedures for measurement, mitigation and reporting, including response protocols for exceedances. We submit quantitative data to the National Atmospheric Emissions Inventory System in line with the National Environmental Management: Air Quality Act. We review results quarterly to identify trends and prioritise areas needing intervention.

Exxaro also contributes data to government monitoring in the highly industrialised Highveld and Waterberg-Bojanala areas, helping track cumulative regional impacts. We are actively aligning with the upcoming regulations for implementing and enforcing priority area air quality management plans for these regions, which propose expanded monitoring requirements, stricter compliance measures and measurable reduction targets for identified industries, including mining.

We regularly evaluate and expand dust management plans and monitoring networks to maintain 100% coverage across all operations and improve data granularity.

Technology and innovation

Advanced monitoring technology underpins real-time emissions monitoring. The multi-pollutant ambient monitoring station at Grootegeluk (Manketti game reserve) provides continuous real-time measurement of a wide range of emissions, including PM_{10}, $PM_{2.5}$ and sulphur dioxide (SO_2). Additionally, a low-cost station at Elandsbosch farm measures SO_2 and hydrogen sulphide (H_2S).

The system enables faster operational response and contributes to collective research and management efforts in the Waterberg-Bojanala priority area. Service-level agreements ensure regular calibration, maintenance and data integrity.

Awareness and education

We conduct awareness campaigns in host communities and across operations to promote an understanding of air quality impacts and dust mitigation practices. We host feedback sessions to promote responsible behaviour among employees and contractors, and give communities the opportunity to review monitoring results and discuss local interventions.

Stakeholder collaboration and continuous improvement

We collaborate with the Coaltech Research Association, the National Association for Clean Air and various government departments to advance national air quality standards, align with evolving regulatory expectations and improve emission quantification methods, particularly for dust from discard dumps.

Engagement with service providers encourages the testing and adoption of innovative technologies through pilot projects.

In addition, we continue to engage local suppliers through our ESD programme to build long-term capacity in dust suppression and environmental management. The Lubocon Dust Suppression Project JV, which grew through our ESD programme, remains an example of how collaboration with local partners can combine environmental stewardship with socio-economic development.

Case study

Partnering with Eskom to improve air quality

In April 2025, we signed an MoU with Eskom to collaborate on research and projects that address air quality challenges and reduce carbon emissions. The partnership builds on our shared commitment to operational sustainability, environmental stewardship and national air quality objectives.

Project benefits

Identifying and testing alternative, cost-effective technologies to reduce SO_2 and particulate emissions associated with power generation and coal supply.	Early work includes the joint assessment of flue gas desulphurisation technologies for Eskom's Medupi power station, as well as opportunities to improve emission controls and data monitoring across the coal value chain.	Initiatives support compliance with future national emission standards and help mitigate cumulative air quality impacts in the Waterberg-Bojanala and Highveld priority areas.

Through this collaboration, we aim to strengthen technical knowledge and support innovation in emission reduction technologies. The partnership also reflects our commitment to transparent data sharing and stakeholder engagement to ensure measurable progress in air quality management. By aligning research and operational expertise, Exxaro and Eskom are working to advance sustainable solutions that protect communities, sustain energy security and promote responsible resource use.

2025 performance

Dust fallout

	Maximum allowance	Limits	Highest recorded 2025	2024	2023
Non-residential dust fallout exceedances	Two exceedances per BU per year (not occurring in sequential months)	1 200mg/m²/day	**2 (Grootegeluk) 1 (Leeuwpan)**	1 (Matla) 2 (Belfast)	1 (Matla)
Residential dust fallout exceedances	Two exceedances per BU per year (not occurring in sequential months)	600mg/m²/day	**0**	0	2 (Matla)

Monitoring and mitigation measures remained effective during 2025. Overall performance remained within regulated limits, with two isolated exceedances at Grootegeluk in March and August, and one exceedance at Leeuwpan in September. These exceedances were observed as a result of land clearing activities occurring in close proximity to the sampling bucket position. The incidents were investigated and no consecutive exceedances occurred.

Other pollutants

	2025		
Pollutant	SO_2 (ppb)	$PM_{2.5}$ (µg/m³)	PM_{10} (µg/m³)
Annual National Ambient Air Quality Standards limits (24-hour)	**48**	**40**	**75**
Annual average (24-hour)	**13.48**	**4**	**24.47**

The source of these emissions is Exxaro's mining operations, including material handling, haulage activities and associated operational processes. We monitor ambient air quality impacts at locations within operational and nearby residential environments. We calculate the emissions using continuous, real-time ambient air quality monitoring in line with South Africa's National Ambient Air Quality Standards, using US Environmental Protection Agency and EU-approved analysers and low-cost electrochemical sensors.

Improving air quality management

Air quality compliance

- Dust management plans aligned with the draft National Dust Control Regulations were developed for all operations and will be finalised once the updated legislation is published

Enhancing monitoring

- We established a dust fallout monitoring network at our mine in closure, Hlobane and upgraded the existing network at Durnacol mine
- Grootegeluk maintained its ambient air multi-pollutant monitor and we are in the process of acquiring monitors for Matla, Belfast and Leeuwpan

Installing weather stations

- Weather stations have been installed at Grootegeluk, Matla, Leeuwpan and Belfast, supporting data collection for dispersion modelling and trend analysis

Technology and innovation

- Matla implemented a Conveyor Belt Automated Transfer-Point fogging dust suppression system and continuous real-time monitoring
- Leeuwpan is using Suppress-It, a chemical dust suppression solution that reduces both dust levels and water use

Awareness and training

- The KwaZulu-Natal mines in closure implemented the Build to Beat Pollution initiative as a community outreach campaign targeting schools in host communities near the Durnacol and Hlobane areas. The campaign aimed to promote environmental stewardship and awareness of pollution-related challenges through interactive participation
- Belfast mine advanced a community-based environmental engagement through the Belfast Rusoord arbour project. The project focused on tree planting and environmental stewardship

Collaborating with partners

- We signed a memorandum of understanding with Eskom to develop cost-effective technologies for reducing SO_2 emissions
- We also participated in the Highveld and Waterberg-Bojanala priority area air quality management plans to support regional emission reduction efforts

2026 key actions

Our focus for 2026 is to embed the improvements made during 2025, enhance regulatory readiness and expand real-time monitoring and awareness initiatives across our operations and host communities. This includes:

- Expanding continuous dust fallout monitoring across all operational and closure sites
- Installing additional PM_{10} monitors at Belfast, Leeuwpan and Matla to enhance particulate measurement and inform targeted mitigation strategies
- Reviewing dust monitoring networks at all operations undergoing pit expansion
- Finalising and implementing dust management plans once the revised National Dust Control Regulations are published
- Expanding air quality awareness and education programmes for employees, contractors and communities

Conserving ecosystems and biodiversity

Why this matters

Mining and windfarm operations can alter habitats, disturb ecosystems and affect species diversity. As such, responsible biodiversity management supports the natural resources that sustain our operations, surrounding communities and native flora and fauna.

By integrating biodiversity considerations into planning, operations and rehabilitation, we strengthen climate resilience and contribute to sustainable land use in line with our Sustainable Growth and Impact strategy.

Governance and oversight

Board accountability	ESG committee	Executive oversight	Operational management
SERC and RBR committee	Oversees biodiversity management plans and initiatives, including review of the updated biodiversity management standard	The executive head: sustainability monitors biodiversity management and stakeholder engagement. The senior biodiversity specialist oversees biodiversity conservation and compliance and leads the development and implementation of prevention and mitigation measures, policies and processes	Site management teams and environmental specialists implement action plans and monitor compliance with licence and permit conditions for each BU. Each BU ensures that the necessary permits for any removal and relocation of vulnerable plants or animals are in place

Strategy and management approach

We apply a holistic approach to conserving biodiversity that prioritises prevention, restoration and continuous improvement to strengthen ecosystem resilience within our operating footprints. Our strategy aligns with the National Environmental Management: Biodiversity Act, supported by site-specific biodiversity management plans that guide implementation and monitoring. These plans are informed by specialist studies, ecological assessments and continuous collaboration with conservation partners.

Key elements of our approach include:

- Conducting baseline impact assessments, ongoing ecological monitoring and research to strengthen conservation outcomes
- Aligning our group biodiversity management standard with evolving biodiversity reporting and risk management frameworks
- Integrating biodiversity considerations into mine planning, operations and closure
- Managing invasive alien plants and restoring indigenous vegetation to improve habitat quality
- Conserving wetlands, pans and catchments through ongoing rehabilitation and offset projects to protect critical habitats, support local water resources and sustain biodiversity
- Protecting vulnerable and protected species by implementing conservation programmes across our operations
- Contributing to Exxaro's social impact goals through local job creation and training opportunities
- Partnering with communities, conservation agencies and academic institutions to support shared biodiversity objectives
- Providing awareness, education and training on biodiversity management for employees and local communities

CENNERGI

Cennergi manages biodiversity through an environmental management programme. This approach aligns with the Equator Principles and the IFC's Performance Standard 6 (IFC PS6) guidelines on biodiversity conservation and sustainable management of living natural resources.

Cennergi's biodiversity monitoring and mitigation plan aims to achieve no net loss of biodiversity.

Monitoring, measuring and reporting

Each operation maintains a detailed biodiversity plan that defines inspection, auditing and biomonitoring procedures, with biodiversity KPIs tracked across BUs to ensure we honour our commitments.

Regular biomonitoring ensures mining activities do not negatively affect surrounding ecosystems. We employ external service providers to conduct regular aquatic, terrestrial habitat and wetland health monitoring as part of our WULs and environmental impact assessment conditions for Grootegeluk, Belfast, Matla, Leeuwpan, Tshikondeni and Thabametsi. This includes evaluating the physical and chemical characteristics of an ecosystem during both wet and dry seasons to capture variations.

Results from samples sent to independent labs for analysis inform management actions to improve wetlands and aquatic systems outcomes. We track subsequent initiatives to ensure improved compliance and ecosystems health.

Exxaro's operations go beyond regulatory biodiversity monitoring requirements:

Operation	Voluntary monitoring activities
Grootegeluk	Grootegeluk (through the Manketti game reserve) monitors cheetah and leopard population for a comprehensive understanding of population dynamics and informing the development of effective human-wildlife management strategies.
Belfast	Biannual monitoring of wetlands, vegetation and fauna in the sensitive Klein-Komati River headwaters (exceeding WUL recommendations).
Matla	Biannual aquatic, flora, fauna and wetland monitoring, including African grass owl (Tyto capensis) population surveys within the mining rights area.
Tshikondeni	Soil health and vegetation recovery assessments to evaluate post-mining rehabilitation success.
Mines in closure (Hlobane and Durnacol)	Voluntary monitoring of sensitive aquatic systems to assess long-term ecosystem recovery.

Indigenous revegetation and nature-based solutions

We enhance biodiversity and improve land stability by planting indigenous trees and shrubs across suitable operational and rehabilitated areas. These initiatives contribute to climate resilience by promoting soil health, carbon sequestration and ecological recovery on post-mining landscapes.

Invasive alien plant eradication

We aim to restore ecological balance by identifying, removing and controlling invasive alien species that threaten indigenous vegetation and disrupt water systems. All BUs have invasive species management plans, which aim to:

- Limit the spread and regrowth of invasive species that degrade soil and water quality
- Reduce habitat fragmentation, soil erosion and the displacement of indigenous flora and fauna
- Maintain healthy ecological function through ongoing rehabilitation and conservation initiatives

CENNERGI

Since 2016, two full-time local SMMEs have successfully managed Cennergi's invasive alien plant control programme. These partnerships continue to support local employment while maintaining healthy vegetation around the windfarms.

Wetland rehabilitation and pan research

Waterberg (Limpopo)

Grootegeluk pan rehabilitation and offset project

Ahead of mining activities, we have constructed six seasonal pans at Grootegeluk, using clay and biological material from natural pans within the mine impacted area. The project aims to maintain species diversity that would otherwise have been lost. A five-year monitoring programme, initiated in 2022, assesses the ecological recovery of these recreated systems and their potential integration into long-term rehabilitation and offset initiatives. Monitoring shows that biodiversity levels in the new pans are aligning with those of the source systems.

Mpumalanga

Belfast wetland rehabilitation

Belfast mine updated its wetland rehabilitation programme, incorporating smaller wetland systems within the mine's boundary to expand the restored area.

Leeuwpan wetland interventions

We maintain a wetland offset strategy to prevent net loss of functional wetland areas around Leeuwpan mine. The strategy was updated in 2024 to include revised rehabilitation measures, and implementation of selected recommendations started in 2025.

Awareness and education

Exxaro builds environmental awareness and strengthens biodiversity skills among employees, contractors and local communities through training, upskilling and educational campaigns.

At community level, we empower locally based companies to conduct invasive alien plant eradication across our sites. Participants receive training, equipment and capacity building support. This approach promotes environmental stewardship while creating local employment and business opportunities. We also partner with local schools to support environmental protection initiatives, including clean-up campaigns such as a wetland clean-up conducted in collaboration with a local school in Delmas.

Stakeholder collaboration

In addition to local communities, we collaborate with a range of stakeholders to support biodiversity research and monitoring, species conservation, wetland rehabilitation and alien plant eradication. Key relationships include:

- NGOs and conservation programme partners, as described on the page below
- National regulatory bodies, such as the DFFE and DWS
- Regional government departments, including the:
  - Mpumalanga Department of Agriculture, Rural Development, Land and Environmental Affairs
  - Limpopo Department of Economic Development, Environment and Tourism
  - Tourism and parks agencies in the Eastern Cape and Mpumalanga

Conservation programmes

Our mining right areas overlap sensitive environments that are home to threatened and protected species listed on the International Union for Conservation of Nature Red List and the National Environmental Management: Biodiversity Act protected species list. We take steps to protect these species and participate in various conservation programmes that align with regional biodiversity needs.

Waterberg (Limpopo)

Grootegeluk

Manketti game reserve
The 22 000ha game reserve serves as a critical conservation buffer around Grootegeluk mine, balancing mining activities with ecological stewardship. The reserve supports diverse wildlife and protects indigenous trees. It provides safe habitat for more than 200 bird species and three vulture species.

Rhino rangeland extension project
Manketti has initiated a project to strengthen genetic diversity in isolated white rhino populations through translocation from our game farm in South Africa into a protected area within a national park in Mozambique.

Free-roaming cheetah tracking
A three-year cheetah monitoring project, conducted with the Cheetah Outreach Trust and the Endangered Wildlife Trust (EWT), is enhancing understanding of free-roaming cheetah populations in the region. Using camera traps, satellite-linked collars and scat analysis, the study tracks cheetah movement, behaviour and prey patterns to inform coexistence strategies between wildlife and human land use.

Leopard density study
To further reduce potential human-wildlife conflict near Grootegeluk, we are conducting a three-year leopard density study in partnership with the Sustainable Conservation initiative. Eighty camera traps have been deployed across the study area and are monitored on an eight-week cycle to inform wildlife management and promote coexistence with surrounding communities.

Eastern Cape

Cennergi

Preventing bird and bat fatalities
Cennergi's bat curtailment programme at Amakhala Emoyeni windfarm aims to reduce fatalities through proactive monitoring and adaptive turbine management. Operations are reduced or halted during low wind speeds when collisions are more likely, demonstrating our commitment to biodiversity alongside renewable energy generation. The programme also monitors fatalities in line with the South African bird and bat wind energy guidelines. We employ local carcass search teams to track fatalities and compile their findings in semi-annual reports, which are submitted to relevant authorities including BirdLife Africa, the EWT and the DFFE. We also appointed EkoVler Environmental Management to conduct live bat monitoring at Tsitsikamma community windfarm effective from February 2025 to February 2026.

Biodiversity offset: Cape vulture management
Cennergi and AE01 support the EWT's Limpopo Cape vulture nestling rescue and rehabilitation initiative to offset residual biodiversity impacts from Cape vulture fatalities in line with IFC PS6.

Read the case study on page 44 for details.

The Greater Kromme Stewardship initiative
The initiative helps landowners legally protect ecologically sensitive areas through the declaration of nature reserves and conservation servitudes. Since its launch seven years ago, 11 new protected areas have been declared, with four more in progress. The initiative has been widely recognised for securing more priority conservation land in the Kouga region than any other independent conservation body in the past 50 years.

Mpumalanga

Matla and Belfast

African grass owl protection
Exxaro partners with the EWT and Digby Wells Environmental on biannual monitoring of African grass owls. Now in its second year of wet and dry-season surveys, results confirm active nesting and breeding, demonstrating that the area remains suitable habitat for this vulnerable species. The project supports long-term species protection by maintaining open grassland habitat within the Matla mining right area.

Dullstroom Birds of Prey Centre

Read the case study on page 44 for details.

2025 performance

Advancing nature-based solutions

- Matla donated 100 trees to the DFFE's One Million Trees initiative in 2025. The donated saplings were planted at a community centre in Secunda
- An indigenous forest of 100 trees planted in 2023 near the new Mine 1 shaft at Matla continues to mature, serving as a wind break that improves air quality and provides habitat for local fauna
- The Spekboom trees planted at Leeuwpan within the rehabilitated sites continue to grow and thrive under the careful care and maintenance of the Leeuwpan team
- In 2025, Belfast planted 20 additional trees at a local old age home during Arbour Month, bringing the total to 40. The initiative supports the environment, the local community and future generations

Matla employees and community members at the One Million Trees planting ceremony in Secunda

Eradicating alien plants

We cleared invasive alien plant species across 949ha of land in 2025, a 4.33% increase compared to the prior year, especially for Tshikondeni. This shows an improvement in the indigenous vegetation regrowth within the cleared area. However, resourcing constraints delayed alien invasive species eradication activities at Belfast, Grootegeluk and Leeuwpan. This was resolved with a new service contract that increased staffing for Belfast to meet the required scope of work and by appointing alien invasive control contractors for Grootegeluk.

We also updated Belfast, Tshikondeni and Leeuwpan's alien invasive plant species management plans in accordance with section 76 of the National Environmental Management: Biodiversity Act. Plans for Grootegeluk and Matla remain current and aligned with regulatory and ecological requirements.

Eradication commenced at Grootegeluk and Tshikondeni in April and June respectively, with both sites undertaking phased clearing activities.

Land cleared of invader plants (ha)	2025	2024	2023
Limpopo			
Grootegeluk	**3**	0	0
Tshikondeni	**912**	0	1 430
Mpumalanga			
Belfast	**30**	52	29
Leeuwpan	**0**	94	77
Matla	**4**	32	102
Total	**949**	178	1 638

Invasive plant eradication programme	Belfast	Leeuwpan	Matla	Grootegeluk	Tshikondeni
Stage 1: Development of invader species management plan	✓	✓	✓	✓	✓
Stage 2: Physical implementation (removal of invader species)	✓	✓	✓	✓	✓
Stage 3: Maintenance (eradication of invaders on site)	→	→	→	→	→

✓ Completed → Ongoing

Wetland rehabilitation and pan research

Grootegeluk	Belfast	Leeuwpan
We began implementing additional mitigation measures this year to improve the Present Ecological State of natural seasonal pans identified in the offset area. The first phase of this work was completed, with the remaining interventions scheduled for 2026.	We completed the update of the phase 2 rehabilitation plan, with implementation planned for 2026. As part of the plan, we developed a long-term wetland management and maintenance plan to ensure interventions remain functional and effective after rehabilitation.	We implemented revised rehabilitation measures according to the mine's revised rehabilitation strategy and updated the alien invasive plant management plan.

Improving biodiversity management

Conservation

The rhino rangeland extension project experienced delays due to the permitting process. However, we received the required translocation permits and the project is ready to progress to the next phase following the rainy season. The rhinos are ready for translocation pending favourable weather conditions for transportation. Rhino conservation remains a core focus for Exxaro.

In 2025, Manketti donated a rhino cow and calf to a local private game reserve to further support conservation efforts.

Since 2020, Exxaro has contributed R5 million annually to rhino conservation.

Aligning with global and national frameworks

We initiated the update of our group biodiversity management standard in 2025 to align with global and national best practice, as well as Exxaro's operational requirements. The revised standard is undergoing internal review and is scheduled for formal roll-out across all BUs in 2026.

In parallel, and as part of our commitment to biodiversity conservation, we are preparing to adopt the TNFD framework. As a first step, this will include undertaking a biodiversity footprint assessment, alongside a review and alignment of our existing TCFD disclosures. The foundational work established through TCFD will support the deeper integration of biodiversity considerations into our broader sustainability reporting.

Awareness and education

Employees

We prioritised on-the-job training for employees during 2025, with environmental specialists and interns directly involved in technical biodiversity work at our operations.

Communities

During 2025, we celebrated World Wetlands Day at a school in Delmas, where grade 10 learners were introduced to the importance of wetland protection.

Exxaro also celebrated Biodiversity Day across operations, using social media and videos across BUs to showcase our ongoing work to protect and restore ecosystems within our areas of influence.

CENNERGI

Protecting bird and bat species

Amakhala Emoyeni windfarm

- Since operations began in 2016, 51 priority bird species fatalities have been recorded
- During 2025, one Cape vulture (2024: six) and two blue crane (2024: one) wind turbine fatalities were recorded, along with one immature Martial eagle fatality (2024: none)
- One secretarybird fatality was recorded (2024: one)
- The bat fatality threshold was not exceeded for the monitoring period and, as a result, no bat curtailment was conducted during the year

Tsitsikamma community windfarm

- No Red List bird species mortalities were recorded in 2025 (2024: none). However, 10 priority bird species fatalities occurred, including one species of conservation concern (yellow-billed duck, regionally near threatened). Four jackal buzzard turbine collisions mortalities were reported, with the latest mortality representing the 45th mortality record of this species at Tsitsikamma community windfarm
- We are collaborating with an Avifauna specialist to conduct satellite-tracking of multiple jackal buzzards to better understand collision risks and inform mitigation measures
- Cennergi appointed an external service provider to conduct a 12-month live bat monitoring programme aimed at assessing mitigation needs and proposing additional measures if required

Our databook includes information on regional and global classifications of endangered, threatened and vulnerable species fatalities.

2026 key actions

Our focus for 2026 is to consolidate biodiversity management plans for each BU and align operational implementation with updated reporting requirements. This includes:

- Rolling out the revised group biodiversity management standard and updating operational procedures accordingly
- Commencing our rescue and relocation programme ahead of pit advances at Grootegeluk
- Implementing phase 2 wetland rehabilitation interventions at Belfast, guided by the updated rehabilitation management and maintenance plan
- Completing soil and vegetation assessments at Tshikondeni to inform ongoing post-closure land restoration

Case study

Releasing raptors to the wilderness

Belfast mine partners with the Dullstroom Birds of Prey Centre to support the rehabilitation and soft release of injured raptors back into the wild.

Through this collaboration, Belfast has designated a protected release site within its conservation area, equipped with nesting boxes and safe perching zones to help birds regain natural behaviours before full release.

Project benefits

Supporting species recovery
Rehabilitated raptors, including spotted eagle owls and barn owls, are given the opportunity to return to natural habitats and re-establish stable populations

Creating safe release environments
The soft release site provides a secure transition space where birds can adjust, hunt and roost independently before full release

Strengthening conservation partnerships
Collaboration with an established conservation organisation ensures specialist care, community awareness and long-term ecological stewardship

Creating awareness
The programme raises awareness among local communities and visiting learners, highlighting the ecological importance of raptors in maintaining balanced ecosystems

Since establishing the partnership, 32 birds of prey have been successfully released into the Belfast conservation area.

Case study

Offsetting impacts on Cape vultures through conservation partnerships

Cennergi supports the EWT's Limpopo Cape vulture nestling rescue and rehabilitation initiative as a biodiversity offset to address residual impacts on Cape vultures associated with turbine and powerline collisions. While mitigation measures have been in place since 2017, including a Cape vulture food management programme, additional action is required to achieve no net biodiversity loss.

Since mid-2025, Amakhala Emoyeni windfarm has supported the initiative to address recorded and predicted project-related biodiversity impacts over its lifespan. The programme rescues, rehabilitates and releases Cape vulture nestlings from the Manoutsa breeding colony in Limpopo, one of South Africa's most significant Cape vulture strongholds. It targets the offset of approximately eight vulture fatalities per year over an 11-year period, addressing the 15 fatalities recorded to date and those anticipated in future.

Rehabilitated nestlings are reintroduced into the wild with post-release support to improve survival rates. The initiative also creates local employment through a dedicated, community-based Cape vulture ranger, strengthening conservation capacity at a local level. The EWT monitors implementation and reports on outcomes semi-annually, supporting transparent tracking of biodiversity performance.

Programme outcomes include:

- Strengthening Cape vulture populations in a priority conservation area
- Alignment with international biodiversity standards and no net loss commitments
- Improved chick survival rates through targeted rescue and rehabilitation
- Local employment and skills development linked to conservation monitoring

Integrating mine closure and rehabilitation

Why this matters

Our integrated closure planning and concurrent rehabilitation are essential to fulfilling Exxaro's environmental, social and financial responsibilities. Effective rehabilitation reduces long-term liabilities, protects ecosystems and supports sustainable land use that benefits employees, communities and future economic activity.

This work directly contributes to our Sustainable Growth and Impact strategy by integrating responsible land management into operational planning and enabling lasting value beyond mining.

Governance and oversight

Board accountability	ESG committee	Executive oversight	Operational management
SERC and RBR committee	Oversees the integration of mine closure planning into operations and monitors programme performance	The executive head: sustainability is accountable for the execution of the mine closure and rehabilitation strategy and monitors land use management. Our governance structure approves annual environmental liabilities through internal governance processes	Site environmental teams, rehabilitation specialists and BU management implement site-specific rehabilitation plans, coordinate land access and manage local stakeholder partnerships

Strategy and management approach

Our mine closure and rehabilitation plans integrate land management with ongoing operational planning, aiming to minimise closure costs and optimise sustainable post-mining land use. Exxaro's mine closure and rehabilitation policy, strategy and management standard define clear roles, responsibilities and metrics for consistent application across all BUs.

Key elements of our approach include:

- Developing and regularly reviewing mine-specific closure plans
- Proactively managing environmental effects to limit residual liabilities, particularly in relation to water quality, water retention and soil health
- Protecting rehabilitated areas from water ingress and other environmental risks
- Establishing financial provisions for all operational and closure sites, supported by annual assessments by sustainability, finance and independent specialists
- Updating and approving closure liabilities through structured internal governance processes
- Complying with all relevant legislation, including section 24P of the NEMA and MPRDA requirements
- Engaging with communities and regulators to align closure outcomes with future land use and post-mining economy opportunities

Closure and rehabilitation strategic objectives

Embedding concurrent rehabilitation and mine closure into daily operations at all BUs
Aligning with rehabilitation standards that promote sustainable post-mining land uses, including vegetation suitable for carbon sequestration
Setting specific, measurable targets for concurrent and continuous rehabilitation
Building accountability within operational management KPIs
Provisioning for closure costs in line with regulatory requirements
Lowering the environmental financial liability associated with mine closure

Integrated stages of mining and mine closure planning

We integrate land and liability management throughout the mining lifecycle to optimise social impact, stakeholder engagement and final land use after mine closure. Incorporating closure and rehabilitation planning into daily operations minimises final closure costs for each BU.

Monitoring, measuring and reporting	We apply a structured monitoring and reporting process to track rehabilitation progress and environmental liabilities across all BUs. Operations submit monthly reports on concurrent rehabilitation KPIs in line with the updated mine closure and rehabilitation standard, supported by advanced systems that consolidate data on rehabilitation volumes and liabilities. Regular environmental management programme assessments provide insight into performance and inform amendments to rehabilitation plans and closure objectives.
Post-mining land use	We manage Exxaro-owned land to support future operations, biodiversity offsets and sustainable post-mining economic opportunities. Land parcels are allocated for long-term agricultural use, community upliftment or operational protection. We actively manage operational land to prevent land grabs and safeguard access for future mining and rehabilitation activities.

Long-term agricultural leases	We support emerging farmers with funding, mechanisation, inputs and training delivered through three-year contracts with an external service provider through the minerals succession programme (MSP). Land under lease is used for diversified agriculture, including maize, soybean and livestock farming. Internal and external audits assess the success of land transfers.
	
	Available land for emerging farmers and communities:
	• **Mpumalanga**
	  • Strathrae: 6 474 ha (seven farmers on 4 495ha for crop and cattle farming)
	  • Sheepmore: 740ha (two farmers on 740ha for cattle farming)
	• **KwaZulu-Natal**
	  • Durnacol: 1 090ha (110ha leased to one female farmer for cultivation)
	• **Limpopo**
	  • Lephalale: 296ha (112ha leased to three entities for intensive vegetable farming)

Donations and community upliftment	Where appropriate, we donate land to achieve social impact or transfer it to government for redistribution. We support local government resettlement processes and livelihood restoration initiatives such as the Phumlani agri-village.
Infrastructure and assets	We assess existing infrastructure such as power lines, water pipes, buildings and dams to determine whether it can support sustainable post-mining land use. Infrastructure with long-term value is retained and incorporated into final closure environmental management plans and transferred to appropriate entities for ongoing management. Redundant but serviceable assets, including vehicles and furniture, are also retained where they can support social impact programmes and are transferred to suitable partners for use.
Financial provisioning	We conduct annual reviews of mine closure and rehabilitation obligations, updating plans and cost estimates based on environmental management programme assessments. These reviews ensure that financial provisions for concurrent and final rehabilitation are up to date and reflect operational conditions. Financial provisions for rehabilitation costs and effective mine closure are calculated in terms of Government Notice R1147 (GNR1147) regulations. Independent auditors provide additional assurance through biannual site visits, document reviews and environmental liability audits. Their assessments identify optimisation opportunities that can reduce long-term closure costs. Exxaro's environmental rehabilitation fund, supported by bank guarantees, addresses any financial provision shortfalls. We manage the fund using asset-liability modelling to ensure that investment growth aligns with projected liability profiles. An external specialist supports the trustees by advising on appropriate investment structures. Current implementation includes income-focused instruments benchmarked against cash and treasury rates, inflation-linked growth products and equity-based investments where volatility is actively managed through portfolio adjustments.

CENNERGI

An external consultant reviews Cennergi's financial provisions for facility closure and rehabilitation every three years. Cennergi reviews and adjusts cost estimates for concurrent and final closure rehabilitation programmes as needed.

Community resilience	We support community resilience throughout the closure process by aligning our approach with Exxaro's Social Impact strategy and SLP commitments. This ensures that socio-economic activity remains viable beyond mining and that communities are equipped to participate in post-closure opportunities. Key elements of our approach include: • Preparing host communities for post-closure land use by developing skills for commercial, agricultural and infrastructure-related activities • Supporting local job creation through programmes such as the MSP, which provide employment linked to rehabilitation and agricultural initiatives • Implementing communication plans that keep communities informed about closure timelines, impacts and opportunities • Engaging communities, government bodies and NGOs to ensure closure expectations are understood and to support a responsible, liability-free transition • Prioritising community safety, health and long-term wellbeing throughout the closure process
Employee development	We focus on preparing employees for the transition beyond active mining by: • Providing portable skills training, mentorship and agricultural training to support alternative employment options • Delivering specialised training that enables employees to implement and manage mine closure plans effectively • Using structured communication plans to ensure employees understand closure timelines, requirements and opportunities available during the transition
Mining plan	Concurrent rehabilitation is fully integrated into operational planning and tracking to support consistent progress across all sites. Each BU maintains a five-year conceptual concurrent rehabilitation plan that sets measurable targets, outlines schedules and includes the associated budgets. These plans help prevent backlogs that could increase rehabilitation liabilities and ensure that managers can implement rehabilitation strategies without cash flow constraints.
Safety and risk control	Health and safety at mines undergoing closure is as important as at operational sites and the same standards, policies and procedures apply across all operations. Closure environments can present heightened security risks and safeguarding of infrastructure and assets is essential to protect people, maintain compliance and prevent environmental harm. We monitor these risks closely and implement appropriate controls to ensure safe and orderly closure activities.
Environmental stewardship	We rehabilitate Exxaro's disturbed footprint, including buildings, roads and mining areas, in line with approved environmental management programmes and the final land use plan. This rehabilitation includes ongoing monitoring and maintenance to support long-term ecological stability. Our biodiversity and conservation activities focus on maintaining harmony between operations and the natural environment, such as at Manketti game reserve. Biodiversity management plans guide invasive alien plant control and the enhancement of sensitive ecosystems to meet environmental licence conditions. Removing invasive species improves water quality, vegetation cover, runoff and the health of indigenous vegetation, strengthening the ecological resilience of rehabilitated areas.

Stakeholder engagement

We engage a broad range of interested and affected parties to ensure that closure planning supports socio-economic continuity and helps create the conditions for responsible, liability-free closure.

Our approach includes:
- Identifying stakeholder needs and expectations to guide closure practices
- Working with host communities to build skills for commercial and infrastructure-related activities after closure
- Aligning closure planning with community expectations and SLP commitments
- Engaging communities, government and NGOs throughout the closure process to ensure transparency and shared understanding
- Collaborating with partners such as SE Holdings to support post-mining economic initiatives, including new engagements in KwaZulu-Natal and agricultural projects in Limpopo and Mpumalanga
- Supporting government through compliance with reporting requirements and participation in regulatory engagements
- Working with the Minerals Council to provide inputs on related legislation and policy development
- Drawing on guidance and benchmarking from Coaltech and the Land Rehabilitation Society of Southern Africa, including participation in its annual conference
- Assisting BUs to achieve liability-free closure within appropriate timeframes

2025 performance

	2025	2024	2023
Land rehabilitated (ha)	**2 639**	2 325**	2 132
Land disturbed (ha)	**9 739**	9 002**	11 028
Operational guarantees (Rm)	**3 504**	3 552	3 552
Unscheduled closure costs (Rm)	**9 191**	8 773	9 327
Returns on Exxaro and Matla rehabilitation trust funds including fair value adjustments (Rm)	**408.1**	240	244
Active closure sites*	**3**	4	4

** Tshikondeni, Durnacol and Hlobane.*
*** Restated: The definition of land disturbed and land rehabilitated was changed in a new management standard during 2025, which resulted in the statement of these figures.*

Refer to the databook for historic data related to the table above.

Rehabilitated land increased by 313.8ha due to Belfast and Matla rehabilitated areas being signed off. An overall increase of 739ha in land disturbed compared to 2024 is due to additional areas mined.

Improving our mine closure and rehabilitation management

Roll-out of new strategy

The board approved Exxaro's new mine closure and rehabilitation strategy in early 2025 and implemented the updated standard and KPIs across all BUs. All BUs now submit monthly KPI reports that give clear visibility of progress and movements in closure liabilities. Rehabilitation schedules align with mine plans and performance is reviewed consistently across operations.

BU teams are updating their closure liabilities and developing concurrent rehabilitation plans for implementation. While monthly liability updates are not yet in place, the KPI reporting process already provides insight into liability trends.

Durnacol**

Rehabilitation of discard dump 7 remains underway. Completion, originally scheduled for September 2025, has moved to March 2026 due to inclement weather, design changes and long-haul distances from borrow pits. The contractor has deployed additional equipment to mitigate delays. Rehabilitation activities for dump 3 are scheduled to begin in the first quarter of 2026, following completion of the adjudication process to appoint a contractor.

The water treatment plant at Durnacol performed efficiently, with the new reverse osmosis system increasing clean water production and improving effluent quality. The improved water treatment results strengthened relationships with affected stakeholders and authorities. Communication with surrounding communities also improved, with monthly meetings held to discuss rehabilitation progress and job opportunities linked to the site. These projects support poverty alleviation through local employment for general workers.

Grootegeluk^

The rehabilitation design process for Grootegeluk dumps 4 and 5 progressed during the year, with draft plans presented to the DWS for review. The DWS provided detailed feedback and the required changes are being incorporated into final designs that meet regulatory requirements and environmental best practice.

Fripp*

Engagements to transfer the box cut liabilities to the mining right holder progressed during the year and a final decision is still pending. The Fripp closure plan is complete, with further actions dependent on the outcome of these engagements.

Zwartkops*

An external consultant is developing the Zwartkops closure plan and the report was scheduled for completion in January 2026.

Tshikondeni**

Rehabilitation at Tshikondeni advanced, with construction of the stormwater management infrastructure still in progress. The project could not be completed in September due to onboarding delays and was then scheduled for completion by March 2026.

Hlobane**

An external party expressed interest in re-mining the Hlobane dumps and has signed a contract, with work scheduled to begin in the first quarter of 2026. This initiative is expected to create local employment opportunities and reduce long-term liabilities for the mine.

^ Active mine * Inactive site ** Closed mine

2026 key actions

Our focus for 2026 is to strengthen the implementation of concurrent rehabilitation and advance sustainable post-mining land use across all BUs. This includes:

- Starting the pilot project at Tshikondeni and Lephalale to determine suitable vegetation for carbon sequestration
- Finalising concurrent rehabilitation plans as BUs complete their updated closure liability assessments
- Enforcing and monitoring concurrent rehabilitation to drive measurable reductions in closure liabilities
- Progressing rehabilitation projects on Durnacol discard dumps, focusing on improving land stability, water management and long-term ecological recovery

Improving water security

Why this matters

Our operations span large geographical areas that face increasing water scarcity and climate variability, which heighten operational and environmental risks. Responsible water management is therefore a business necessity and a social obligation.

By improving water efficiency, protecting quality and maintaining the integrity of natural water systems, we ensure compliance with regulations and uphold our commitment to be a responsible steward of valuable shared resources.

Governance and oversight

Board accountability	ESG committee	Executive oversight	Operational management
SERC and RBR committee	Oversees water-related risks, management plans and implementation of initiatives	The executive head: sustainability oversees policy implementation, performance and compliance	Sustainability impact managers, supported by the corporate water team and on-site environmental specialists implement water management plans, maintain water treatment infrastructure and monitor water systems

Strategy and management approach

Our integrated water management across the mining lifecycle is supported by our group water policy and water management standard. These guide how each operation plans water use, manages withdrawal and discharge, maintains water systems and prepares for closure. Site-specific water management plans translate these requirements into operational controls, monitoring and improvement actions.

Key elements of our approach include:

- Reducing freshwater intake by increasing reuse, recycling and alternative water sources in line with the National Water Resource Strategy
- Maintaining and upgrading water treatment infrastructure to ensure effluent meets quality requirements
- Providing suitable barriers for our dirty water facilities to prevent groundwater contamination
- Monitoring surface water, groundwater and discharge against licence conditions and catchment limits
- Using risk assessments to identify and mitigate water-related operational and environmental risks
- Collaborating with external stakeholders to support sustainable mine water management and community water access

CENNERGI

Cennergi's wind and solar farms use licensed boreholes and rainwater. Facility site managers, supported by the head: corporate and social responsibility, oversee policy implementation and practice at wind and solar energy facilities.

Compliance and risk management

If not effectively managed, water-related risks can lead to production stoppages, financial loss and non-compliance with water authorisations. This can affect our licence to operate, increase competition for scarce resources and undermine our biodiversity efforts.

We mitigate these risks through water conservation and demand management, contamination prevention and treatment processes that ensure water discharged to the environment meets required standards. We apply water-related risk assessments, stormwater controls, water balance simulations and measures to secure operational and potable water supply. To strengthen resilience, we incorporate climate analytics, including South African Weather Services outlooks, into operational planning and decision making.

Our approach aligns with the NWA, the MPRDA, NEMA regulations and WULs. We also align with voluntary water reporting standards and are working towards full alignment with the Global Industry Standard on Tailings Management.

Monitoring, measuring and reporting

We track water use, reuse and discharge across all operations and report performance in line with the CDP water programme. We use a centralised system to consolidate data, and our water accounting methods compare consumption and quality against WULs, efficiency targets and internal benchmarks. We retain full records to support regulatory and internal compliance audits.

Water intensity and recycling metrics form part of our group STI scheme, reinforcing accountability for efficient water use in line with our Climate Change Response and Sustainable Growth and Impact strategies.

Tailings and dam management

Our tailings management system prioritises the safe operation, monitoring and decommissioning of tailings dams through a comprehensive, risk-based system aligned with recognised good practice. The facilities are fully equipped with operators and an engineer of record as part of the continuous drive to ensure regulatory compliance and safe management.

Our dams contain either clean or polluted water. Under South African dam safety legislation, a dam is classified as a safety risk if its wall height exceeds 5m and its storage capacity exceeds 50 000m^3. Safety risk dams are assigned a category (I, II or III) based on their potential hazard, with category III indicating the highest risk level. The DWS determines these classifications.

Regular assessments, structural inspections and maintenance programmes are in place to ensure dam integrity and compliance with licence conditions. Emergency preparedness and response plans for the dams are in place and aligned with the NWA and regulations regarding the safety of dams, supported by DWS best practice guidelines. The plans are actively tested to ensure they are fit for purpose.

Our dams with safety risk classifications are as follows:

	Category I	Category II
Grootegeluk	–	Cyclic ponds
Tshikondeni	Unwa Dam	–
Leeuwpan	–	Witklip Dam
Matla	–	Brine ponds
Durnacol	Durnacol Dam No 4	Durnacol Dam No 7 Langley Dam No 2 Langley Dam No 3

Exxaro has no category III dams.

Technology and innovation

We explore and implement innovative solutions that improve water management across our operations.

At Grootegeluk, a recycling project involving a desilting plant, upgraded channels and the refurbished Oliphantskop Dam increases water reuse within beneficiation processes, reducing the volume of water lost to the pit and supporting long-term water security. Approval for expanding the storage capacity will allow further development of an additional buffer dam to further enhance process water recovery for reuse.

We use internal shadow pricing to support water-related planning and decision making. The shadow price reflects the minimum cost of producing water from alternative sources such as reverse osmosis and is adjusted using the Aqueduct Water Risk Atlas to account for physical, chemical and regulatory risks at each location. This approach helps assess the true cost of water and guides more resilient operational and capital planning.

Stakeholder collaboration

Engagements with local water boards, municipalities and communities support shared water planning, infrastructure maintenance and responsible resource use. These partnerships ensure that operational water decisions align with regional priorities and community needs.

Exxaro also participates in industry forums and regulatory engagements to contribute to national water stewardship efforts.

Through the Coaltech research initiative, we work with other mining companies and academic institutions on projects that strengthen mine water management practices, inform mine closure planning and guide appropriate final land use.

Case study

Optimising water use and storage

At our Belfast operation, we were able to switch off the reverse osmosis plant in 2025 as we recycled all stored water either from pollution control facilities or mining voids. This enabled us to start the wet season at the end of 2025 with sufficient storage to allow for capturing all polluted runoff with minimal risk of spillage and keep our mining areas dry for safety purposes.

We will proactively manage our storage facilities and reduce any pressure on the system with the reverse osmosis plant on site.

We also investigated back-up supply through geophysical target areas and potential borehole abstraction should a drought event materialise.

2025 performance

Water reuse and recycling

Total water consumption (water withdrawals less water discharged) increased by 3.6%. The deterioration was mainly attributed to a lower recycling achieved in 2025.

Consumption (ML)	2025	2024	2023
Total water withdrawal	**10 385**	10 342	8 744
Surface water	**7 825**	7 776	5 834
Groundwater	**1 051**	1 149	1 487
Third-party water	**1 509**	1 417	1 423
Total water discharged	**(737)**	(1 033)	(1 314)
Surface water	**(737)**	(1 033)	(1 314)
Total water consumption	**9 648**	9 309	7 430

Our water recycling decreased this year by 6%, with an overall recycling ratio of 44% (2024: 50%). The lower performance is attributed to flooding conditions during the first quarter of 2025 at Grootegeluk.

Recycling ratio (%)	Target	2025	2024	2023
Grootegeluk		**44**	51	57
Belfast		**26**	40	62
Leeuwpan (estimated)		**30**	30	30
Matla		**44**	46	51
Total group	38	**44**	50	56

Our water recycling target (defined as the total water recycled divided by total water used including recycled water) is substantially higher than the coal industry average of 6%, as outlined in the national water use efficiency benchmarks of the DWS.

Water conservation

Our water intensity deteriorated by 1.9% (2024: -35%) to 145L/t RoM due to conditions mentioned above.

In 2025, we further lowered our water intensity target to 175L/t RoM from 180L/t RoM in 2024. Although our water intensity target is well below the coal industry average of 380L/t RoM, it aligns with our site-specific norms and supports our strategy to reduce water intake and increase water conservation and reclamation.

		Water intensity (L/t)			Water consumption (m^3)		
	Target (L/t)	2025	2024	2023	2025	2024	2023
Limpopo							
Grootegeluk	170	**154**	146	104	**7 979 374**	7 524 410	5 802 577
Tshikondeni	70 800kL	**n/a**	n/a	n/a	**57 693**	83 736	71 295
Mpumalanga							
Belfast	210	**93**	143	54	**376 037**	560 024	170 324
Leeuwpan	55	**54**	36	29	**202 634**	138 221	140 051
Matla	210	**155**	169	206	**1 021 845**	991 015	1 235 167
Gauteng							
FerroAlloys	15 000kL	**n/a**	n/a	n/a	**9 860**	10 567	9 841
KwaZulu-Natal							
Hlobane	390kL	**n/a**	n/a	n/a	**248**	291	408
Total group	175	**145**	142	105	**9 647 691**	9 308 265	7 429 662

Building climate change resilience

Following a 2024 water security study, which assessed climate-related risks to water supply and quality at each operation, we appointed EY to develop an adaptation strategy for the group that is expected to be completed in 2026.

These measures are designed to strengthen resilience, safeguard infrastructure and protect catchment health under changing climatic conditions.

Potential first phase objectives identified to improve resilience include:
- Updating water balance simulations with expected climate change variability
- A wet season preparedness programme
- A review of operational rules on storage facilities
- Monthly reporting of seasonal outlook changes to the coal executive committee

2026 key actions

- Develop Exxaro's climate change adaptation strategy
- Update Exxaro's water strategy and management standard

Managing waste responsibly

Why this matters

Mining processes generate a range of waste streams that can impact the environment and surrounding communities. If not managed responsibly, waste can contaminate soil and water, create health and safety risks and undermine our social and environmental licence to operate. Regulators and stakeholders expect compliance with waste management legislation, as well as efforts to move towards circular economy practices within and beyond our operations.

Through responsible resource use and environmental stewardship, we advance long-term operational resilience and support shared value creation.

Governance and oversight

Board accountability	ESG committee	Executive oversight	Operational management
SERC and RBR and committee	Oversees implementation and monitoring of waste policies and operational initiatives	The executive head: sustainability oversees procedures and mechanisms across operations, supported by the senior specialist: waste management who reviews compliance with waste licences, policies and group-wide recycling strategies	Sustainability managers and on-site environmental specialists oversee waste separation, recycling, collection and disposal through authorised service providers

Strategy and management approach

We follow a cradle-to-cradle approach that prioritises waste prevention, reduction, reuse and recycling before disposal. Our management system is guided by the National Environmental Management: Waste Act, 2008, and the principles of a circular economy that seek to extract value from waste materials.

Key elements of our approach include:

- Managing general, hazardous and mining waste according to Exxaro policy commitments, environmental standards and regulatory requirements
- Prioritising waste prevention, reuse and recycling to minimise landfill disposal
- Monitoring and reporting waste generation, recycling and disposal volumes
- Integrating waste reduction into SLPs to support enterprise development
- Embedding waste management in employee induction and training programmes
- Engaging in partnerships to ensure alignment with emerging legislation, advance waste research and support local enterprise development

CENNERGI

Cennergi's construction, operation and maintenance contractors are responsible for waste management at wind and solar energy facilities. The facility site manager supported by the head: corporate and social responsibility oversee policy implementation and practice at the wind energy and solar facilities.

Waste management streams

General waste

General waste includes recyclable domestic and industrial materials such as plastics, paper, scrap metal, rubber products and conveyor belts. Waste is separated at source and collected by authorised service providers for recycling or safe disposal.

Our target is to divert 80% to 85% of recyclable waste from landfill by 2025. BUs receive rebates from recycling scrap materials and several operations (including Belfast, Grootegeluk and Matla) maintain salvage yards for sorting and temporary storage before collection.

Hazardous waste

Hazardous waste, including contaminated soil, used oil, hydrocarbons and medical waste, is separated from general waste and handled by licensed service providers. Sites generating more than 20kg/day are registered on the South African Waste Information System. Medical waste from Matla and Grootegeluk clinics is managed in line with healthcare and environmental standards.

CENNERGI

Waste generated at Cennergi's facilities includes general waste, solar waste, oil rags and used oil. Cennergi implements waste separation at source to increase recycling where possible and minimise waste sent to landfill.

E-waste

The National Policy for the Management of Waste Electrical and Electronic Equipment establishes a framework for managing the end-of-life stage of electrical and electronic products in South Africa. It promotes prevention, minimisation, reuse and recycling in line with the National Waste Management Strategy 2020, and supports the transition to a circular economy through Extended Producer Responsibility regulations.

In line with this policy direction, Exxaro will conduct a group-wide assessment to identify, quantify and define the baseline of e-waste across operations. The study will guide collaboration with authorities and industry partners to explore beneficiation opportunities and align Exxaro's Corporate Waste Management Standard with the framework.

Mineral and rock waste

Our open-pit mining operations use strip-mining methods that generate waste rock and overburden. These materials are temporarily or permanently stored on approved facilities within the mining right area and are progressively used for landform reconstruction and rehabilitation of mined-out areas. The volumes and footprints of shale, subsoil and topsoil stockpiles are routinely measured to inform rehabilitation planning and compliance reporting.

Inert waste such as construction and demolition debris is separated at source where feasible and either recycled or disposed of safely by authorised service providers. At Grootegeluk mine, this material is stored on site in an authorised building rubble facility.

Monitoring, measuring and reporting

Internal and external audits verify compliance with our waste management licences conditions and commitments, and track licence renewal cycles.

All operations report monthly on waste generation, recycling and disposal volumes, as required by National Waste Information Regulations and the Environmental Management System. We consolidate waste data to track performance and ensure compliance. To align with best practice, we monitor waste management performance through KPIs aligned with the JSE/FTSE and ESG indices.

We are in the process of procuring an integrated sustainability information software solution to enhance data quality, trend analysis and performance tracking. The system will support environmental, health, safety and ESG functions across the group, enabling data integration and ensuring alignment with global sustainability frameworks.

Waste tyre management

We also collate data on our waste tyre stockpiles at BUs in support of the national drive to reliably quantify waste tyre data. On 2 June 2025, the DFFE withdrew the Industry Waste Tyre Management Plan prepared by the Council for Scientific and Industrial Research, citing misalignment with current sector realities and policy intent. The withdrawal will enable a focused review to ensure that the final plan is implementable, transparent and responsive to operational and governance complexities in the sector.

Despite the withdrawal, Exxaro continues to strengthen data accuracy, assess processing technology options and support the development of a sustainable national model for waste tyre management.

Research, innovation and partnerships

We collaborate with the Minerals Council South Africa, the Waste Management Bureau and the Council for Scientific and Industrial Research to advance sustainable waste management and circular economy solutions. Research includes energy recovery from tyre-derived fuel, pyrolysis, crumbing and material recycling. We also pilot recycling initiatives across our operations to connect research outcomes with practical implementation.

We integrate recycling initiatives into our SLPs to empower local communities through training and skills development. At Belfast, recyclable waste is sold to local recyclers, who benefit from lower financial and environmental costs by using fewer raw materials, water and energy in their production processes. A black youth-owned company, contracted by Exxaro, employs community members to sort and collect these recyclable materials.

In partnership with the Lephalale local municipality and Impact Catalyst, we are developing integrated waste management solutions that support local economic development. These initiatives are focusing on solutions to professionalise waste pickers, beneficiate coal fly ash, establish material recovery facilities and raise community awareness on sustainable waste practices.

Case study

Driving waste awareness and recycling at Matla

In August 2025, Matla launched a site-wide waste management clean-up and recycling awareness campaign to improve housekeeping and strengthen the culture of responsible waste handling. The initiative formed part of Matla's ongoing environmental stewardship drive and its commitment to continuous improvement in waste minimisation.

Campaign benefits

Strengthened waste management practices
A multidisciplinary team worked together to remove litter and improve waste segregation at source, encouraging ownership of environmental performance across departments.

Improved recycling access and participation
The environmental department installed new recycling stations in key operational areas, making segregation more accessible and boosting employee participation in recycling activities.

Increased awareness and shared responsibility
Awareness sessions and mass meetings reinforced the importance of proper waste disposal and recycling, fostering collaboration and pride in maintaining a cleaner, safer and more sustainable workplace.

Through initiatives such as these, Matla continues to embed environmental responsibility in daily operations while supporting Exxaro's Sustainable Growth and Impact strategy.

2025 performance

Indicator (t)	2025	2024	2023
Hazardous waste sent to landfill	**4 189**	2 662	3 186
Hazardous waste recycled (oil)	**511**	546	555
General (non-mineral) waste recycled	**2 434**	2 457	2 703
General waste to landfill	**953**	969	1 027
Total general waste generated	**3 443**	3 374	3 621
Waste rock generated (m^3)	**86 158 854**	73 138 314	103 529 750
Single-use plastic (see CDP report)	**4**	2	Not recorded

We improved waste management trends this year compared to 2024. We did this by enhancing waste separation and conducting employee awareness initiatives. Our general waste generation decreased by 1.1% and we diverted 71.9% of recyclable waste from landfill. Due to an increase in our mining fleet (haul trucks and light duty vehicles), we recorded an increase in coal residue material at Grootegeluk's fleet wash bay. This resulted in an increase of hazardous waste generation by 43%.

CENNERGI

Cennergi did not report any waste grievances, fines or penalties during the year.

Improving waste management

Waste management plans

Waste classification and downstream value creation
In line with the Waste Classification and Management Regulations, 2013, Exxaro completed the identification and classification of waste streams across all active and inactive mines. The appointed service provider is now mapping downstream value creation opportunities for each waste stream to enable BUs, including those in closure, to participate in circular economy initiatives. We are also defining environmentally responsible disposal methods for residual waste that cannot be diverted from landfill.

At Grootegeluk, a waste classification study undertaken in early 2025 analysed carbonaceous waste accumulated at silt traps. This material, previously disposed of as hazardous due to potential hydrocarbon content, was confirmed as non-hazardous waste. We will be submitting a formal application for declassification to the authorities, enabling the mine to reduce hazardous waste volumes.

We renewed waste management licences for Matla and Grootegeluk this year for 10 and 15 years respectively, confirming full regulatory compliance.

Recycling initiatives

Belfast salvage yard
Belfast submitted a proposal to design and construct a centralised salvage yard to improve the storage and sorting of spares, scrap metal, used oil and pallets. The facility will strengthen on-site control of recyclable waste and increase the volume of materials diverted from landfill.

Office waste recycling
Exxaro appointed a waste management service provider to improve general waste recycling at our corporate office. The contract includes waste sorting, collection by approved recyclers, data tracking and analysis and verification of regulatory compliance. This structured approach supports consistent waste reporting and responsible recycling across the group. The corporate office was able to divert 67% of recyclable waste from landfill (2024: 65%).

Partnerships and innovation

Repurposing mine and power station waste
In April 2025, Exxaro and Eskom signed an MoU to develop technology-based solutions for shared waste management challenges. The partnership focuses on reducing brine from the Matla water treatment plant and fly ash from Matla power station by repurposing these byproducts into an engineered paste for mine backfilling and construction use. The initiative aims to reduce environmental impact, support circular economy practices and strengthen research collaboration between the business partners. Stakeholders, including Eskom's ash beneficiation unit and local communities, will contribute to innovation, job creation and skills development.

Mineral beneficiation research
Exxaro is supporting Mintek's research into extracting rare earth and critical minerals from coal fly ash and discards. The collaboration explores alternative uses of coal while advancing environmental stewardship and mineral beneficiation innovation.

Awareness and education

Belfast waste champions
Mixing of general and hazardous waste remains a challenge despite ongoing awareness initiatives. To strengthen waste separation at source, Belfast introduced trained "waste champions" who act as on-site ambassadors for the mine's Integrated Waste Management Standard Operating Procedure. The champions promote proper segregation practices, support compliance in their work areas and help reduce environmental risk by improving overall waste management performance.

2026 key actions

In 2026, our focus will be to strengthen circular economy initiatives, improve data accuracy through digital systems and expand recycling capacity across operations. This includes:

- Progressing the brine and fly-ash repurposing research under the Eskom MoU
- Finalising the implementation of integrated ESG software for waste tracking
- Establishing a baseline of e-waste across the group
- Scaling up waste beneficiation projects, including coal ash and e-waste recovery
- Enhancing collaboration with local recyclers and SMEs to increase socio-economic value