

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



exxaro

GROVOS
TRADES
TRAINING
CENTRE

5

Value creation and performance

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

Financial capital










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

Understanding financial capital at Exxaro

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

How we deliver value through our financial capital

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

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

Looking ahead

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

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

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

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

Detailed disclosure

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

FD's overview

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



Riaan Koppeschaar
Financial Director

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

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

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

Global economy and commodity prices

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

Coal markets and commodity price

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

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

Energy market environment

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

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

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



Extract of the statement of comprehensive income

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

Revenue

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

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

Operating expenses

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

Producer Price Index at 1.5%. Diesel was the exception, helping to offset some of the inflationary impacts with a 7% decrease. Despite inflationary pressures, coal production costs (excluding Matla and Mafube) increased marginally by only 0.4%, reflecting the group's continued focus on disciplined cost management. Matla is excluded as it is a tied mine, while Mafube buy-ins are priced with reference to the API4 coal benchmark. In addition to the energy operational costs, the group incurred costs associated with its energy acquisitions. Transaction costs of R178 million was also recognised in relation to the manganese acquisition. The stronger rand to US dollar exchange rate also resulted in realised and unrealised foreign exchange losses on foreign debtors and cash balances.

Finance costs

We incurred an increase in borrowing costs, mainly relating to specific borrowings utilised by the LSP and Karreebosch windfarm, which is in the construction phase.

Share of income of equity-accounted investments

Income of equity-accounted investments has been adjusted for headline earnings adjustments in the table below.

	Income from equity-accounted investments			Dividends received		
	2025 Rm	2024 Rm	Change %	2025 Rm	2024 Rm	Change %
Coal: Mafube	66	234	(72)	100	130	(23)
Coal: RBCT	(21)	(7)	<100			
Metals: SIOC	3 954	3 979	(1)	3 267	3 741	(13)
Metals: Black Mountain	489	64	>100			
Total	4 488	4 270	5	3 367	3 871	(13)

Income from equity-accounted investments increased to R4 488 million (2024: R4 270 million), driven by:

- Black Mountain: Improved financial performance was primarily attributable to higher zinc production and sales volumes, partially offset by weaker commodity prices
- SIOC: Financial performance remained broadly unchanged, supported by stronger realised iron-ore prices and continued operational stability
- Mafube: Financial performance declined, mainly due to lower coal export prices, despite an increase in sales volumes.

Income tax expense

The group's effective tax rate increased to 30.8% (2024: 29.1%).

Financial capital continued

Key sensitivities on net operating profit

Net operating profit is sensitive to a number of key variables relating to our coal business, primarily commodity prices, exchange rates, input costs and discount rates as outlined below:

	Sensitivity	Net operating profit impact Rm
Environmental rehabilitation discount rate decrease	1%	(237)
Environmental rehabilitation discount rate increase	1%	217
Domestic sales volume increase ¹	1%	391
Royalty cost increase ¹	1%	(278)
Production cost increase ¹	1%	(174)
Export price per tonne increase ¹	US\$1	128
Export sales volumes increase ¹	1%	59
Exchange rate increase ¹	10 cents	46
Labour increase ¹	1%	(42)
Logistics increase ¹	1%	(37)
Fuel increase ¹	1%	(17)
Energy increase ¹	1%	(9)

¹ An increase/decrease has equal and opposite impact on the net operating profit.





Extract of the statement of financial position

The group's statement of financial position provides the foundation for disciplined capital allocation, ensuring that investments, returns to shareholders and growth initiatives are pursued within clearly defined financial parameters.

	2025 Rm	2024 Rm
Assets		
Non-current assets	70 547	66 799
Property, plant and equipment	39 667	37 292
Intangible assets	2 613	2 598
Right-of-use assets	626	281
Equity-accounted investments	21 592	20 596
Financial assets	5 015	5 266
Deferred tax	388	197
Other assets	646	569
Current assets	32 663	27 917
Inventories	2 790	2 427
Financial assets	1 259	159
Trade and other receivables	4 283	4 230
Cash and cash equivalents	23 690	20 630
Current tax receivables	86	15
Other assets	555	456
Total assets	103 210	94 716
Equity and liabilities		
Capital and other components of equity		
Share capital	952	983
Other components of equity	834	1 119
Retained earnings	54 189	51 885
Equity attributable to owners of the parent	55 975	53 987
Non-controlling interests	15 275	14 563
Total equity	71 250	68 550
Non-current liabilities	25 555	20 351
Interest-bearing borrowings	11 259	7 344
Lease liabilities	675	334
Other payables	11	40
Provisions	3 681	3 359
Retirement employee obligations	191	181
Financial liabilities	398	129
Deferred tax	9 301	8 926
Other liabilities	39	38
Current liabilities	6 405	5 815
Interest-bearing borrowings	938	876
Lease liabilities	104	96
Trade and other payables	3 897	3 351
Provisions	355	282
Financial liabilities	22	22
Current tax payables	77	214
Other liabilities	1 012	974
Total liabilities	31 960	26 166
Total equity and liabilities	103 210	94 716

Financial capital continued

Our balance sheet remains strong and flexible, underpinned by robust cash generation and prudent capital allocation. Strong operational cash generation increased the group's net cash position (excluding energy's net debt) to R17 641 million as at 31 December 2025. Energy's net debt amounted to R6 927 million, with limited recourse to Exxaro's balance sheet and hedged through interest rate swaps.

 For more details on specific line items, refer to the group and company [annual financial statements](#) for the year ended 31 December 2025.

Despite the operational challenges experienced in 2025, all internal KPIs are well within target, indicating a healthy balance sheet and strong cash flow generation. The group has complied with all the bank covenants for the year ended 31 December 2025.

Capital management and shareholder return

The diagram below illustrates how the group's strong statement of financial position informs and supports its capital allocation framework. In applying it, we aim for a gearing ratio of below 1.5 times net debt (excluding ring-fenced project financing) to EBITDA. The framework aligns with our commitment to sustainably return cash to shareholders through the cycle while retaining a strong financial position.



Following the completion of the acquisition of the select manganese assets from Ntsimbintle Holdings and OMH, the group will no longer maintain the previously targeted cash buffer of R12 billion to R15 billion and has reviewed its capital allocation framework. Consequently, the dividend cover ratio range has been revised from 2.5 times to 3.5 times Adjusted Group Earnings to a range of 1.5 times to 2.5 times, while the 100% pass-through of the SIOC dividend remains unchanged.

In line with the revised lower dividend cover range, the board has declared a final gross cash dividend of 1 000 cents per share, amounting to approximately R3.4 billion. Including the interim dividend of R2.9 billion paid in October 2025, total dividends for 2025 amount to R4.1 billion. This reflects our ongoing commitment and consistency in delivering superior and consistent returns to our shareholders.



Refer below to our capital funding structure for Exxaro (excluding energy) as well as energy on a standalone basis:

Capital funding structure

During the year, we successfully concluded the refinancing of R13 billion in term loan facilities. The transaction strengthens the group's liquidity position, extends debt maturities and enhances balance sheet flexibility, supporting the execution of our strategic objectives.

Exxaro (excluding energy)

	Facilities available				
	Drawn Rm	Undrawn/ committed Rm	Uncommitted Rm		
Term loan and revolving facility	4 500	5 500	3 000 ¹		
Domestic medium-term note programme			5 000 ²		
Interest-bearing borrowings	4 500				
Interest capitalised	29			Maturity profile of debt	
Lease liabilities	686				
Capitalised transaction costs	(23)			Repayment period	Rm
Total interest-bearing debt	5 192			Less than six months	5 192
Current	515			Six to 12 months	272
Non-current	4 677			One to two years	243
Net cash and cash equivalents	(22 833)			Two to three years	485
Net cash	(17 641)			Three to four years	485
				Four to five years	477
				More than five years	2 977
					253

¹ Uncommitted Accordion facility.

² Uncommitted but available on market take-up.

Energy

	Facilities available			
	Drawn Rm	Undrawn/ committed Rm		
Project financing	7 675	2 135		
Interest-bearing borrowings	7 675			
Interest capitalised	60		Maturity profile of debt	
Lease liabilities	93			
Capitalised transaction costs	(44)		Repayment period	Rm
Total interest-bearing debt	7 784		Less than six months	7 784
Current	527		Six to 12 months	279
Non-current	7 257		One to two years	248
Net cash and cash equivalents	(857)		Two to three years	568
Net debt	6 927		Three to four years	691
			Four to five years	817
			More than five years	952
				4 229

Financial capital continued

Building on the Group's balance sheet position, the statement of cash flows outlines the movements in cash during the year and how cash generation was deployed to support operations, strategic investments and capital management priorities

Extract of the statement of cash flows

	2025 Rm	2024 Rm
Cash flows from operating activities	8 380	8 425
Cash generated by operations	10 040	10 432
Interest received	1 680	1 720
Interest paid	(1 059)	(1 095)
Tax paid	(2 281)	(2 632)
Cash flows from investing activities	(1 867)	1 084
Property, plant and equipment acquired	(5 099)	(2 448)
Intangible assets acquired	(33)	(27)
Proceeds from disposal of property, plant and equipment	1	
Cash received from other financial assets at amortised cost	141	111
ESD loans granted	(76)	(130)
ESD loans settled	117	84
Intervention receivable granted	(57)	(33)
Deposit facilities placed	(360)	(360)
Lease receivables settled	16	16
Proceeds from disposal of subsidiary	116	
Dividends received from equity-accounted investments	3 367	3 871
Cash flows from financing activities	(3 192)	(8 742)
Interest-bearing borrowings raised	7 365	705
Interest-bearing borrowings repaid	(3 375)	(1 397)
Transaction costs paid on interest-bearing borrowings raised	(57)	
Acquisition debt settled	(180)	
Lease liabilities	(62)	(50)
Dividends paid to owners of the parent	(4 071)	(5 744)
Dividends paid to non-controlling interest BEE Parties	(1 382)	(1 893)
Dividends paid to non-controlling interest of Tsitsikamma SPV and Amakhala SPV	(37)	(42)
Shares acquired in the market to settle share-based payments	(173)	(321)
Shares repurchased including transaction costs	(1 220)	
Net increase in cash and cash equivalents	3 321	767
Cash and cash equivalents at beginning of the year	20 630	19 859
Translation difference on movements in cash and cash equivalents	(261)	4
Cash and cash equivalents at end of the year	23 690	20 630

Property, plant and equipment acquired

Total capex increased to R5 099 million (2024: R2 448 million), comprising:

- R2 295 million (2024: R2 146 million) sustaining capital, primarily in the coal business
- R2 804 million (2024: R302 million) expansion capital, mainly for the construction of the 140MW Karreebosch windfarm project in the energy portfolio which was funded through project financing

Dividends received from equity-accounted investments

The group received R3.3 billion (2024: R3.7 billion) from SIOC for dividends.

Dividends paid

The group paid R5.5 billion (2024: R7.7 billion) in dividends, including the R3.3 billion (2024: R3.7 billion) passed through from SIOC, and R2.2 billion (2024: R4.0 billion) from our managed operations.

Shares repurchased

A total of 7 391 418 shares were repurchased and cancelled, representing 2.1% of Exxaro's issued share capital prior to the repurchase.

Key financial risk factors affecting our performance

The group's strategic treasury function predominantly provides financial risk management services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the group through internal risk reports that analyse exposure by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

In managing its capital, the group focuses on a prudent gearing position, return on shareholders' equity (or ROCE) and the level of dividends to shareholders. The group's policy is to cover its annual net funding requirements through long-term loan facilities with maturities spread over time. Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

Market risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect profit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return on risk.

The group's activities expose it primarily to the financial risks of changes in the environmental rehabilitation funds, portfolio investment and deposit facilities quoted prices, foreign currency exchange rates and interest rates. The group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risks, including:

- Currency forward exchange contracts (FECs), currency options and currency swap agreements to manage the exchange rate risk arising on the export of coal and import of capex
- Interest rate swaps and forwards to manage interest rate risk on the interest-earning borrowings

Price risk management

The group's exposure to equity price risk arises from investments held by and classified as at fair value through other comprehensive income or at fair value through profit or loss. The group's exposure to price risk in relation to quoted prices of the environmental rehabilitation funds, portfolio investments and deposit facilities is not considered a significant risk as the funds are invested with reputable financial institutions in accordance with a strict mandate to ensure capital preservation and growth. The funds are held for strategic purposes rather than trading purposes.

Foreign currency risk management

Certain transactions are denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The currency in which transactions are entered into is mainly denominated in US dollar, euro, and Australian dollar. Exchange rate exposures are managed within approved policy parameters utilising FECs, currency options and currency swap agreements.

The group maintains a fully covered exchange rate position in respect of foreign balances (if any) and imported capital equipment resulting in these exposures being fully converted to rand. Trade-related import exposures are managed through the use of economic hedges arising from export revenue as well as through FECs. Trade-related export exposures are hedged using FECs and currency options with specific focus on short-term receivables. Any open exposure to foreign currency risk on these balances is insignificant as the turnaround time is generally less than 30 days. Foreign denominated capital purchases funded by rand-denominated project financing arrangements are hedged using FECs.

Monetary items have been translated at the closing rate at the last day of the reporting period.

The FECs that are used to hedge foreign currency exposure mostly have a maturity of less than one year from the reporting date. When necessary, FECs are rolled over at maturity.



For more details, refer to note 16.3.3.2.2 of the group and company [annual financial statements](#) for the year ended 31 December 2025.

Interest rate risk management

The group is exposed to interest rate risk as it borrows and deposits funds at floating interest rates on the money market and extended bank borrowings. The group's main interest rate risk arises from long-term borrowings with floating rates, which expose the group to cash flow interest rate risk. The risk is managed by undertaking controlled management of the interest structures of the investments and borrowings, maintaining an appropriate mix between fixed and floating interest rate facilities in line with the interest rate expectations. The group also uses interest rate swaps and interest rate forwards to manage the interest rate risk exposure.

When the contractual terms of the borrowings and covenants thereof require the use of hedging instruments to mitigate the risk of fluctuations of the underlying interest rate risk cash flow exposure and the impact on profit or loss of specific projects being financed, the group looks to apply hedge accounting where an effective hedge relationship is expected and to the extent that such exposure poses a real risk to the achievement of the loan covenants.

The financial institutions chosen are subject to compliance with the relevant regulatory bodies.

Loan facility and bonds



For details on loan facility and bonds, refer to note 16.3.3.2.3.1 of the group and company [annual financial statements](#) for the year ended 31 December 2025.

Project financing (energy)

The group is exposed to the risk of variability in future interest payments on the project financing, attributable to fluctuations in the three-month Johannesburg Interbank Average Rate during the operations phase, and the one-month Johannesburg Interbank Average Rate during the construction phase. The designated hedged item is the group of expected floating interest rate cash flows arising from the project financing, up to the notional amount of each interest rate swap, over the term of the hedging relationship. The notional amounts per interest rate swap match up to the designated exposure being hedged.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising interest expense at a fixed interest rate for the hedged project financing.



For details on project financing, refer to note 16.3.3.2.3.2 of the group and company [annual financial statements](#) for the year ended 31 December 2025.

Liquidity risk management

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the group's short, medium, and long-term funding and liquidity management requirements.

The group manages liquidity risk by monitoring forecast cash flows in compliance with loan covenants and ensuring that adequate unutilised borrowing facilities are maintained.

Financial capital continued

Borrowing capacity is determined by the board of directors, from time to time.

	2025 Rm	2024 Rm
Amount approved	69 969	67 484
Total borrowings	(12 197)	(8 220)
Unutilised borrowing capacity	57 772	59 264

The group's capital base and the borrowing powers of the company and the group were set at 125% of shareholders' funds (equity attributable to owners of the parent) for both the 2025 and 2024 financial years.

To avoid incurring interest on late payments, financial risk management policies and procedures are entrenched to ensure the timeous matching of orders placed with goods received notes or services acceptances and invoices.

Credit risk management

Credit risk relates to potential default by counterparties on cash and cash equivalents, loans, investments, trade receivables and other receivables.

The group limits its counterparty exposure arising from money market and derivative instruments by only dealing with well-established financial institutions of high credit standing. The group's exposure and the credit ratings of its counterparties are continuously monitored. The aggregate value of transactions concluded is spread among approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the audit committee annually.

Trade receivables consist of a number of customers with whom Exxaro has long standing relationships. A high portion of term supply arrangements exists with such customers resulting in limited credit exposure which exposure is limited by performing customer creditworthiness or country risk assessment.

The group strives to enter into sales contracts with customers which stipulate the required payment terms. It is expected of each customer that these payment terms are adhered to. Where trade receivable balances become past due, the normal recovery procedures are followed to recover the debt, where applicable new payment terms may be arranged to ensure that the debt is fully recovered.

Exxaro has concentration risk as a result of its exposure to one major customer. This is, however, not considered significant, as the customer adheres to the stipulated payment terms.

Exxaro establishes an allowance for non-recoverability or impairment that represent its estimate of expected credit losses in respect of trade receivables, other receivables, loans, cash and cash equivalents and investments.



For Exxaro's exposure to credit risk, refer to note 16.3.3.4.1 of the group and company [annual financial statements](#) for the year ended 31 December 2025.

Outlook for the first half of 2026

Economic context

The current year commenced against a backdrop of heightened geopolitical and related risks. Global uncertainty increased meaningfully due to evolving developments in Venezuela, Iran and Greenland, alongside the continued unpredictability surrounding the US's trade policy.

Domestically, South Africa recorded modest real GDP growth in 2025, with this positive momentum expected to extend into 2026. Structural reforms across the energy, water, ports, and rail sectors progressed steadily, supported by a strong emphasis on public-private partnerships aimed at strengthening public sector infrastructure.

South Africa's removal from the Financial Action Task Force grey list in October 2025, coupled with S&P Global Ratings' upgrade of the foreign currency sovereign credit rating from BB- to BB in November 2025, while maintaining a positive outlook, represents significant progress toward regaining an investment-grade rating.

Commodity markets and price

Adequate thermal coal and gas inventories, combined with a milder Northern Hemisphere winter, limited the typical year-end price uplift in 2025. However, reduced nuclear availability in South Korea, cutbacks in Colombia's thermal coal supply, and the potential for restricted US export availability provided a more supportive backdrop heading into 2026.

Looking ahead, China and India's increasing focus on domestic coal production, rising renewable energy penetration and expectations of stronger gas price competition in key markets, are likely to shape market dynamics in 2026. The global transition towards renewables continues to define longer-term trends. Short-term supply constraints, the expansion of electrification, and broader global economic and geopolitical developments will remain important drivers of thermal coal demand and pricing.

The Middle East conflicts present a material risk to global energy security and freight markets. Any prolonged or broader regional destabilisation would disrupt energy security and bulk shipping, tightening global oil and LNG supply. This would likely increase reliance on alternative fuels, supporting higher thermal coal demand and prices.

Domestically, improved economic activity may stimulate coal demand, particularly as Eskom advances in resolving operational challenges. In spite of TFR's improving performance, it remains well below RBCT's port capacity. Therefore, Exxaro continues to pursue all commercially viable routes to meet customer needs and unlock value.

In the iron ore market, rising supply is returning, with the commissioning of the Simandou project, Africa's largest greenfield integrated mining and infrastructure development in Guinea, together with the subdued demand from China.

Operational performance outlook

Our business is still impacted by commodity prices, domestic structural challenges, coal offtake and both the global and domestic geopolitical environment.

We provide the following guidance for the 2026 financial year:

- Coal production 39.4Mt to 42.8Mt
- Coal sales 39.4Mt to 42.8Mt
- Coal exports sales to be between 7.3Mt to 8.0Mt
- Our coal sustaining capital is guided to be within R4 billion and R4.5 billion. The increase is mainly driven by our truck and shovel replacement programme at Grootegeeluk mine to maintain production levels, drive operational efficiency and to improve reliability, availability and sustainability
- With the commissioning of the LSP, as well the forecast contribution from the Gouda windfarm and Sishen solar plant, our energy generation guidance increases, and we expect it to be within the range of 1 050GWh and 1 150GWh of full-year wind and solar energy generation

Riaan Koppeschaar
Finance director

29 April 2026

Manufactured capital








Operational excellence and ongoing investment in our manufactured capital drives strategy execution and enhances the resilience of our business model.

Understanding manufactured capital at Exxaro

Exxaro’s manufactured capital comprises the physical mining, energy and property assets we use to deliver our products. The quality of these assets and how effectively we use them impact our operational performance and overall value creation.

How we deliver value through our manufactured capital

We invest in our assets to preserve their long-term value and ensure reliable performance, while optimising their use to deliver high-quality products. Portfolio optimisation, together with effectively using our invested capital, support value creation and preservation across the other five capitals.

Material theme	Matters	Strategies to achieve our objectives	Related strategic objective	Our broader impact
 <p>Adapting to a changing context</p>	<ul style="list-style-type: none"> • Macro-economic and geopolitical environment • South African infrastructure and service delivery challenges • Commodity price fluctuations 	<ul style="list-style-type: none"> • Delivering on our market-to-resource optimisation strategy (page 102) 		
 <p>Executing our strategy</p>	<ul style="list-style-type: none"> • Diversify responsibly into energy transition metals while optimising our coal business • Build a leading energy solutions business 	<ul style="list-style-type: none"> • Enabling a transition to a low-carbon world through our coal and metals business approach (page 18) and energy solutions business (page 19) 		

Performance snapshot

- Coal** ➤ Delivered coal to customers effectively and efficiently through continuous process improvements, strengthening operational performance while optimising value across the value chain
- Metals** ➤ Received dividends amounting to R3.3 billion from our investment in SIOC. SIOC and Black Mountain also achieved a year-on-year increase in adjusted equity-accounted income.
- Energy solutions business** ➤ Announced the acquisition of majority interests in two operational renewable energy assets, which will contribute an additional 213MW of generation capacity to Cennergi’s portfolio once the transaction is finalised in 2026. Cennergi was also awarded preferred bidder for the 240MW Corona solar project.

Diversifying our metals asset portfolio

In May 2025, Exxaro announced the acquisition of select manganese assets in the Kalahari Manganese Field in the Northern Cape. Manganese is essential in steelmaking and is increasingly important in battery and renewable energy technologies, making it a key mineral in South Africa’s industrial and energy transition. The acquisition aligns directly with our Sustainable Growth and Impact strategy by diversifying earnings, reducing reliance on coal and positioning the business to participate in long-term growth markets linked to the global energy transition. The transaction was concluded post-year end.



We will continue to prioritise safety, portfolio optimisation, cost efficiency and continuous improvement across our coal, metals and energy solutions businesses.

Manufactured capital continued

Achieving optimal performance

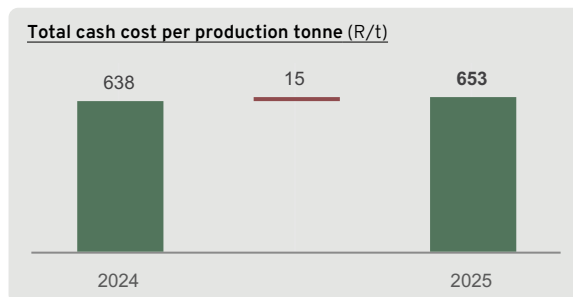
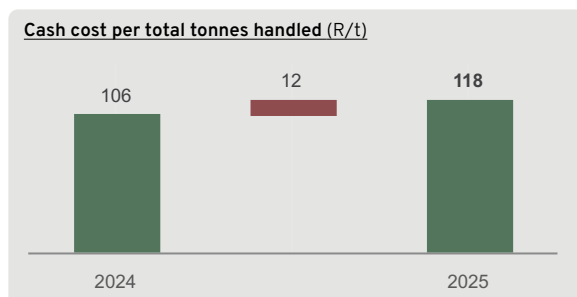
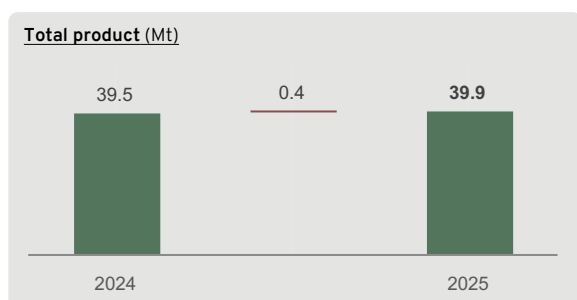
Exxaro's coal and metals business approach supports the transition to a low-carbon world while leveraging our core mining and logistics competencies. Guided by comprehensive screening criteria, we identify key energy transition metals that position us for future growth.

In parallel, we focus on enhancing our ability to fulfil current energy demands. Our market-to-resource optimisation strategy incorporates market insights and dynamics into operational and strategic planning to produce coal products that meet customers' requirements and changing market demands.

By integrating these strategies, we balance optimal performance with advancing our growth ambitions.

Our performance

Coal



International thermal coal pricing (API4) averaged US\$90/t in 2025 (2024: US\$105/t). Prices declined from 2024 levels, as the coal market remained well supplied through the year. Other drivers included stable stock levels in South Africa's key markets, lower gas pricing, growth in renewables and increased nuclear energy generation.

In line with our market-to-resource optimisation strategy, production was aligned to market demand. The business was mainly impacted by lower demand from Eskom. Export sales performed well, with an increase of 2% from 2024.

Our continuous cost optimisation focus delivered results and will remain a pivotal element in achieving operational efficiencies, ensuring resources are utilised effectively and that performance aligns with our goals.

Total cash cost in absolute terms increased by 0.04% year on year, delivering on our improvement and efficiency projects and absorbing mining inflation currently at 1.1%.

In absolute cash cost terms, we experienced cost savings on all levels, except on employee cost due to filling of vacancies and annual salary increases, a once-off credit in the second half of 2024, which did not recur in 2025, and increased service level costs.

Total cash cost per tonne was impacted by lower volume offtake from Eskom.

Total volumes handled decreased in line with the expected mining geographical landscape from the various operations, resulting in an increased cash cost per total tonnes handled.

EBITDA remained stable despite a 14% decline in the API4 price, supported by lower operating costs.

In the context of a challenging macro-economic environment, we are strengthening business resilience through disciplined cost optimisation and efficiency gains across the value chain, positioning the business for sustained, consistent performance.

Metals


SIOC

SIOC's adjusted equity-accounted income increased to R3 989 million (2024: R3 383 million), mainly due to higher realised iron ore prices and improved operational stability across the value chain. In July 2025, Exxaro received an interim dividend of R1 535 million from SIOC. In February 2026, SIOC declared a final dividend of R1 344 million to Exxaro.

Black Mountain

Adjusted equity-accounted income from Black Mountain increased to R490 million (2024: R65 million), driven by higher zinc production and sales volumes resulting from more favourable mining conditions, partially offset by lower commodity prices relative to 2024.

Energy solutions business



Cennergi's 2025 operational EBITDA margin was 79% (2024: 80%) and our windfarms generated 699GWh (2024: 725GWh), as a result of lower wind conditions in comparison to 2024. Our average equipment availability was 98% due to improved contractor performance.

Intellectual capital






Strategically leveraging our intellectual capital enables us to respond to emerging opportunities, navigate a changing context and build a future-ready, resilient business.

Understanding intellectual capital at Exxaro

Exxaro’s intellectual capital is the collective knowledge, experience, innovation and systems that differentiate us. We leverage these capabilities to respond to market challenges and position our business for the future.

How we deliver value through our intellectual capital

Our operations must be able to manage frequent challenges and adapt to evolving global and local market conditions. We use our intellectual capital and differentiation to remain sustainable, growth-oriented and values-driven while increasing our competencies across mining and energy. We are focused on driving and leveraging changes to patterns of production, consumption and ways of working to positively impact our value and sustainability. By applying our collective knowledge, skills and resources, we stay responsive while safeguarding our people, assets and the business.

Material theme	Matters	Strategies to achieve our objectives	Related strategic objective	Our broader impact
 <p>Driving business resilience</p>	<ul style="list-style-type: none"> Strong financial performance and capital excellence Logistical impediments Supply chain management Innovation and digitalisation Cybersecurity 	<ul style="list-style-type: none"> Ensuring efficient capital allocation and capital excellence Enhancing operational efficiency enabled by the iNNOVAXXION strategy (page 104) 		
 <p>Executing our strategy</p>	<ul style="list-style-type: none"> Diversify responsibly into energy transition metals while optimising our coal portfolio Build a leading energy solutions business 			


Performance snapshot



Looking ahead

We are enhancing our long-term resilience by maintaining a disciplined and responsible approach to our core coal portfolio, supporting energy security in markets where demand remains strong locally and internationally. Through targeted life extension initiatives, operational excellence, and infrastructure optimisation, we aim to sustain reliable cash generation and preserve value across commodity cycles.

This cash flow supports our strategy, enabling continued investment in decarbonisation, innovation and the progressive diversification of the portfolio towards energy transition metals. Capital allocation remains focused on balancing near-term performance with long-term strategic positioning to ensure sustainable value creation, market relevance and resilience in a changing energy landscape.

 Exxaro’s business resilience encompasses capital allocation, energy investments, innovation, information management and reputational resilience ([our stakeholders](#), page 54).

<p>Capital allocation and energy investments</p>	<p>Maintained business resilience through prudent, strategic capital allocation aligned to long-term value creation. Advanced renewable energy with the LSP producing green electrons, Karreebosch windfarm under construction and progress towards 1 600MW net installed capacity, further supporting value creation</p>
<p>Cybersecurity and operational resilience</p>	<p>We further enhanced backup and recovery strategies to improve incident response, and implemented proactive measures to address cybersecurity-related risks. We also advanced cybersecurity awareness and data governance to protect our operations and reinforce stakeholder trust</p>
<p>Technology and innovation</p>	<p>We introduced a reliability engineering tool that automates critical processes, including real-time data capture, analysis and visualisation. The tool detects early warning signals, standardises reliability assessments across our operations and provides data-driven insights that improve decision making, reduce downtime and enhance asset performance.</p>

Intellectual capital continued

Our performance

Capital allocation

Project	Classification (growth/sustaining)	Product	Focus and performance	Capital expenditure
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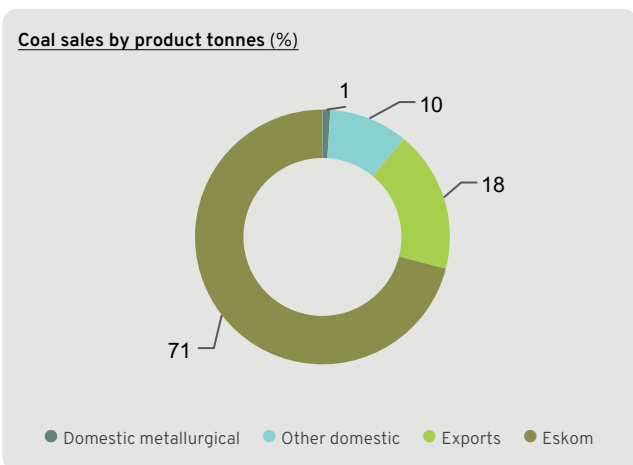
Location: Mpumalanga

The Matla Mine 1 relocation overland conveyor was successfully commissioned in the second half of 2025, as part of the approved infrastructure projects at Matla. The reaming ventilation shaft was completed in November 2025. The plant and the Matla LoM programme are expected to be completed during the first half of 2026.

Matla LoM programme	Sustaining	10.066Mtpa of thermal coal	Developing infrastructure to support LoM production	R5.24 billion
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Coal portfolio

We are advancing capital excellence to ensure a resilient, high-performing coal portfolio that consistently generates strong cash flows. Our approach involves evaluating and optimising our portfolio, prioritising value-accretive assets, divesting non-core operations where appropriate and reinvesting in strategic growth and efficiency initiatives in our coal business. To support this, we maintain an average annual capital allocation of R2.5 billion and R3 billion in real terms, ensuring the long-term sustainability and competitiveness of our coal business.



	2025 actual	2025 previous guidance	2024 actual
Sustaining	2 266	2 226	2 080
Waterberg	1 843	1 834	1 812
Mpumalanga	423	392	268
Total	2 266	2 226	2 080

Capex in our coal business increased by 9% compared to 2024, reflecting our commitment to sustain our operational performance. This remains within our guidance provided for 2025.

The increase in sustaining capital is mainly due to our capital equipment replacement strategy at Grootegeluk. On average, we remain within the guidance provided.

Responding to supply chain and logistics challenges

Despite continued rail disruptions and ongoing logistics challenges, Exxaro's export evacuation via rail increased. However, our evacuation to alternative ports reduced due to coal prices and evacuation costs. We remain focused on harnessing our intellectual capital to develop innovative logistics solutions and corridors to fulfil market demand and optimise our value chain.

[Operating context](#) (page 32)

Energy investments

We are prudently scaling our energy solutions business to achieve 1 600MW (net) capacity by 2030. Using high-level assumptions, this could deliver an estimated EBITDA of approximately R6.4 billion by 2030.

Our ongoing energy investments include:

- The LSP, which will add 68MW to Cennergi's generation capacity. The plant was commissioned in December 2025. The revised estimated project total investment cost is R1.7 billion
- The Karreebosch windfarm project, which will add a further 140MW gross capacity and is expected to be operational in 2027
- Our acquisition of majority stakes in the 138MW Gouda windfarm in the Western Cape and the 75MW Sishen solar facility in the Northern Cape. The transaction is set to conclude in the first half of 2026. Lastly, financial close of the 240MW Corona solar project is expected by the end of 2026

Technology and innovation

Technology and innovation are strategic enablers that are critical to operational effectiveness and achieving our carbon neutral goal. We leverage technology to ensure our operations go beyond compliance and conventional mining practices, measuring and enhancing our social and environmental impact. This includes implementing innovative mining and processing technologies, which ensures that investing in energy transition metals remains financially viable and that new operations keep us positioned on the lowest cost curve.

Digital innovation

Our INNOVAXXION strategy integrates innovation into our entire business value chain to facilitate seamless decision making, optimise resource utilisation and minimise environmental impacts, supported by advanced data analytics and automation. The strategy covers operations, marketing and logistics, corporate innovation, and embracing disruptive innovation through data science and generative AI.

Fostering an innovation culture

We empower our people to create impact by fostering an innovation culture and embedding this in how we conduct business. This extends to creating a positive socio-economic impact in the communities where we operate, by integrating social innovation into our approach to addressing community challenges.

Cybersecurity

Data is a critical business asset, requiring strong governance and protection. We recognise that digitisation and interconnectivity across our operations elevates our vulnerability to cyberattacks. In addition, the adoption of generative AI introduces new risks, including AI-driven threats and increased data security concerns.

Our cybersecurity programme mitigates these risks and continues to evolve, underpinned by comprehensive prevention, detection, response and recovery strategies. We are also compiling a data governance framework which we expect to finalise in 2026. We remain committed to strengthening our cyber resilience while pursuing digitisation and innovation.

Human capital




Our people are at the heart of our business. Empowering them to create impact is critical in building momentum and resilience as we pursue sustainable growth.

Understanding human capital at Exxaro

Exxaro’s human capital comprises the people who manage our business and perform operational activities, including our employees and contractors, as well as their knowledge, skills, know-how, safety, health and wellbeing. It is central to our success and long-term resilience.

How we deliver value through our human capital

We create value by investing in our people, protecting their safety, health and wellbeing, and fostering skills and capabilities aligned with our purpose. We prioritise zero harm, promote employee and community resilience through health and wellness programmes, uphold DEI to maintain a strong employee value proposition, and offer learning and skills development to ensure a robust talent pipeline for current and future needs. Our people strategy guides these efforts, ensuring we drive a people-fit organisation, develop capabilities and enable human resources.

Material theme	Matters	Strategies to achieve our objectives	Related strategic objective	Our broader impact
 <p>Enabling a thriving workforce</p>	<ul style="list-style-type: none"> Health, safety and wellness 	<ul style="list-style-type: none"> Advancing our One Voice Safety strategy (page 106) to promote zero harm Embedding our health and wellness strategy (page 107) for resilience 		
	<ul style="list-style-type: none"> Employee attraction, retention, development and DEI Labour relations 	<ul style="list-style-type: none"> Inspiring excellence and inclusion through our DEI strategy (page 108) Driving growth through our talent management strategy (page 109) 		

Performance snapshot

Safety	As at 31 December 2025, the group marked 40 consecutive months without a fatality. Our LTIFR was 0.04 (2024: 0.06), below the annual limit of 0.05 (2024: 0.06). However, three HPIs (2024: one) were recorded during the year. An increase in the occurrence of HPIs demonstrates the importance of critical risk management.
Health and wellness	Wellness support expanded through awareness, screening and increased on-site psychological services. However, occupational disease cases rose from 23 to 40 with tuberculosis remaining the most prevalent condition.
Employee engagement and equity	We retained our Top Employer certification, improving our overall score to 89.40% (2024: 83.39%). Exxaro was certified as a level 2 B-BBEE contributor (2024: level 2), maintaining its position as one of South Africa’s leading black-empowered mining and energy companies.
Talent management	We invested R399 million (2024: R402 million) in training and development, with R364 million (2024: R363 million) directed to training for black employees. This investment strengthened succession depth, improved internal mobility and reduced reliance on external scarce skills.




Looking ahead

Our focus in 2026 will include:

- Embedding the One Voice Safety strategy, strengthening fatal risk protocols and advancing data-driven safety insights through digital tools
- Expanding community and workforce health initiatives, including mental health support, and formalising key public health partnerships
- Embedding a culture that is reinforced through systems, modelled by leaders and sustained through rituals and measurement, setting the stage for a refreshed culture roadmap for 2027 to 2028
- Strengthening leadership capability, structured talent mobility and digital learning platforms to build future-ready skills aligned with evolving business and technology needs

Detailed disclosure in our ESG report

 Empowering people and communities (pages 57 to 76)

Our human capital commitments

Exxaro’s ability to create sustainable value is driven by our people. By fostering a safe, healthy and inclusive working environment, we enable our workforce to perform, adapt and contribute to long-term business resilience in a changing operating landscape.

Our people strategy is at the centre of our people practices. Operating within our broader Sustainable Growth and Impact strategy, our people strategy guides our efforts to build a people-fit organisation by developing capability, strengthening wellbeing and creating a safe, inclusive and high-performance culture.

Exxaro’s human capital initiatives align with ESG objectives that support our Sustainable Growth and Impact strategy:

ESG objectives		Supporting the achievement of our Sustainable Growth and Impact strategy	
Health and safety	Power zero harm through a risk-based mindset and boost our employees’ and host communities’ quality of life through integrated health and wellness programmes	Protects our people, supports workforce resilience and underpins operational continuity through safe, healthy working environments	
DEI	Be the industry leader in diversity and inclusion, developing capabilities and leaders, achieving compliance and fostering inclusion	Strengthens Exxaro’s employee value proposition, supports labour stability and enables a capable, representative workforce aligned to transformation goals	

Prioritising safety

Safety is fundamental to Exxaro’s operational integrity and our licence to operate. Mining activities carry inherent risk, and unsafe practices can lead to injuries, production disruption, regulatory consequences and reputational harm. By preventing workplace incidents and embedding a proactive safety culture, we protect our people while supporting operational resilience and long-term value creation. We integrate proactive risk management, leadership accountability and enabling technology to drive consistent, high-performance safety practices in pursuit of zero harm across all operations.

Our performance

During 2025, Exxaro launched the One Voice Safety strategy, reinforcing a unified safety culture, strengthening leadership accountability and promoting consistent safety behaviours across operations and contractor networks. Fatal risk protocols and zero tolerance rules were also rolled out, further formalising expectations for managing the most critical risks across operations.

Safety performance strengthened during the year, with an improved LTIFR and seven LTIs (2024: 10 LTIs). Increased HPIs were associated with trackless mobile machinery, working at heights and a heavy-duty vehicle tipping incident. Inspectors issued one section 54(1)(b) stoppage during the year (2024: zero stoppages).

Fatality-free milestones across operations

Group	40 months fatality-free (as at 31 December 2025)
Grootegeluk	13 years
Belfast	Three years
Leeuwpán	35 years
Matla	Eight years
Mines in closure	15 years
FerroAlloys	28 years



Cennergi maintained a zero fatality incident rate in 2025 and recorded one LTI, when an LSP employee stepped into an unmarked trench while carrying PV panels and twisted his knee. No reportable health and safety incidents were submitted to the Department of Employment and Labour.

Quarterly external compliance audits scored Tsitsikamma and Amakhala Emoyeni at 99%, while Karreebosch contractors, Concor and Goldwind Africa, scored 97% and 99% respectively.

Cennergi	Nine years
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Improving our safety management

Governance strengthening

The board approved a standalone health and safety policy in 2025, clarifying accountability and responsibilities across operations. The policy replaces the combined safety and sustainable development policy and reinforces safety as a non-negotiable part of daily work.

Leadership safety day

Our annual leadership safety day, held on 24 October 2025 under the theme #NotInMyName: Khetha Ukuphepha, reinforced VFL and shared accountability. Executive visits to business units focused on critical risks and alignment with zero harm expectations.

Technology-enabled oversight We launched the upgraded VFL app in September 2025, expanding leadership visibility, real-time reporting and analysis of leading indicators. The tool enables improved accountability and proactive risk management at operational level.

Industry collaboration Exxaro established a tripartite alliance with industry peers, organised labour and regulators to support shared learning, coordinated action and continuous improvement in safety performance across the sector.

Future focus Our priorities for 2026 are to:

- Host the 2026 CEO safety summit under the theme “Powering safety with One Voice”
- Review and update fatal risk protocols and implement critical controls
- Develop and implement a health and safety capability framework across the group

Promoting health and wellness

Health and wellness underpin a resilient workforce and sustainable performance. Guided by our integrated health and wellness strategy, we take a preventive, employee-centred approach to managing occupational, non-occupational and psychosocial health risks. Growing demand for mental health support further shaped our health management priorities during the year. Through medical surveillance, wellness promotion and targeted support, we enhance workforce wellbeing, safety and productivity.

Our performance

Occupational diseases

In 2025, we recorded 40 occupational disease cases (2024: 23), resulting in an occupational health incident frequency rate of 0.22 (2024: 0.14) against the target of 0.13. Tuberculosis remains the most prevalent condition. We monitor performance against the Mine Health and Safety Council occupational health milestones, with ongoing focus on dust suppression, noise mitigation and occupational hygiene controls to manage exposure risks.

Non-occupational diseases

We identified 30 new diabetes cases (2024: 39) and 148 hypertensive employees and contractors (2024: 122). We monitor lifestyle-related and chronic conditions through medical surveillance and wellness screening programmes, supporting early identification and long-term disease management.

In 2025, 13 257 employees and contractors attended HIV counselling sessions (2024: 14 143), and 1 576 individuals received antiretroviral treatment (2024: 1 548). HIV/Aids awareness remains integrated into medical inductions, with occupational health centres providing access to medication and continuity of care.

Improving our health and wellness management

Community health screenings We strengthened our proactive health management approach by supporting our host communities through targeted partnerships and outreach initiatives. Working with the South African National Aids Council Private Sector Forum, we continued our community health screening programme in Limpopo and Mpumalanga. The co-funded initiative reached 11 136 community members in 2025 and is set to expand to mine closure communities in 2026.

Under our MoU with the Mpumalanga and Limpopo Department of Health, we also advanced several public health initiatives. These included medical circumcision campaigns, donations of HIV-related materials, rural health outreach efforts, community mammogram services and awareness campaigns on gender-based violence, breast cancer and mental health. Additional activities included oral health campaigns, participation in the Waterberg executive mayor’s integrated health screening initiative and ongoing “taking service to the community” programmes.

Wellness programme roll-out In 2025, we advanced our health agenda under the prevent, diagnose, manage framework through key wellness initiatives, including tuberculosis and flu campaigns, mental health and cancer masterclasses, cancer screenings, world Aids day activities, wellness and sports events, the peer educator and fatigue management programmes, and mobile community health outreach.

All BUs formally adopted Exxaro’s updated wellness programme in 2025, marking a shift from initiative-based activities to structured programme management across daily operations. Engagements with wellness coordinators ensured site-specific needs were reflected while supporting consistent implementation across the group.

Mental health and on-site support Increased demand for psychological support led several BUs to extend the operating hours of on-site therapists. This improved access to counselling, increased participation and strengthened referral pathways for employees requiring continued care.

Data-driven health monitoring Continuous real-time health and hygiene monitoring systems are now used across all BUs and tied into operational systems to improve risk tracking and enable data-driven decision making. Belfast began the first phase of wearable health device distribution, with dietician guidance linked to real-time health indicators.

Future focus Our priorities for 2026 are to:

- Expand community screenings for HIV, tuberculosis and non-communicable diseases
- Extend psychologist and counsellor hours at high-demand sites
- Finalise an MoU with the KwaZulu-Natal Department of Health to strengthen collaboration on health initiatives and inclusive access to care

Engaging our employees

Sustainable performance depends on an engaged, stable and values-driven workforce. In a complex operating environment, effective employee engagement and constructive labour relations help maintain operational continuity, support safe production and strengthen Exxaro’s social licence to operate. Our employees and contractors expect fair processes, transparent communication and respectful workplace relationships that protect dignity and wellbeing.

We promote engagement through open dialogue, consistent employee relations practices and a strong focus on organisational culture. Guided by our people, DEI and employee relations strategies, we foster inclusive leadership, address workplace concerns early and create an environment where employees can contribute meaningfully to performance and long-term value creation.

Our performance

Employee relations remained stable during the year, underpinned by structured engagement mechanisms and formal representation. In 2025, 5 221 employees were represented by affiliated trade unions recognised by Exxaro (2024: 5 483), supporting ongoing dialogue and constructive labour relations across our operations. Structured engagement platforms and formal grievance mechanisms supported early identification and resolution of workplace concerns. We continue to seek opportunities to build strong relationships through engagement.

Workforce diversity indicators showed further progress. Women represented 35% of employees (2024: 33%), while people with disabilities accounted for 1.7% of our workforce (2024: 1.7%), with representation expected to increase to 3% by 2030. One discrimination-related grievance was recorded (2024: two) and managed through formal investigation and resolution processes.

We maintained our recognition as a Top Employer in 2025, achieving an overall score of 89.40%, up from 83.39% in 2024, and exceeding the certification threshold by 24.4% (2024: 18.39%). A targeted culture pulse survey conducted during the year achieved a 24% participation rate, providing early insight into employee sentiment during organisational transition. The culture pulse survey highlighted a number of areas of improvement, including clearer communication and stronger leadership visibility. In response, we prioritised leadership engagements, reinforced feedback mechanisms at team level and integrated listening as part of leadership accountability. Our employee turnover rate was 3.7% (2024: 3.6%), reflecting workforce movements such as retirement, resignation and contract completion.



Wind turbines are operated and maintained under contract by Nordex at Amakhala Emoyeni and by Vestas South Africa at Tsitsikamma. Cennergi and these contractors use sub-contractors for maintenance activities, employing 56 people (2024: 55) at Amakhala Emoyeni and 45 (2024: 37) at Tsitsikamma.

The LSP was constructed under contract by Elsewedy and Edison, employing 677 people throughout the year, while Karreebosch windfarm, with the main contractors being Concor and Goldwind, employed 438 people on site at year end.

Improving our employee relations management



We strengthened leadership capability in 2025 to foster an inclusive, respectful and psychologically safe workplace. New development interventions focused on equipping leaders and employees with practical skills to manage difficult conversations, resolve conflict constructively and build stronger team dynamics. Team effectiveness diagnostic tools were introduced to deepen self-awareness, enhance empathy and help leaders better understand diverse motivations and perspectives within their teams.



We launched a group-wide DEI e-learning programme in 2025 to support inclusive behaviours and strengthen day-to-day workplace interactions. The programme provides accessible, self-paced learning covering harassment and bullying awareness, diversity of thought, generational differences, respectful communication and practical strategies for sustaining inclusive work environments. The modules also include tools to build allyship, empathy and interpersonal understanding across teams.



Our priorities for 2026 are to:

- Prepare to roll out a refreshed culture roadmap for 2027 to 2028
- Conduct a follow-up culture pulse survey in February 2026, followed by a full culture and engagement survey to assess progress since the 2023 baseline
- Build employee capability on skills related to reporting and managing harassment in the workplace

Developing future-ready talent

Delivering our strategy and sustaining operational performance depend on our ability to build and retain a workforce with the capabilities required for a changing metals and energy landscape. Skills shortages, evolving technologies and shifting business models make effective talent management critical to resilience, competitiveness and long-term value creation.

Our talent management strategy focuses on building robust talent pipelines, developing future-critical skills and supporting leadership capacity. Through integrated workforce planning, learning and employee experience initiatives, we foster a capable, engaged and representative workforce that can adapt to evolving business needs and support delivery of our Sustainable Growth and Impact strategy.



Cennergi prioritises internal recruitment of high-potential employees to retain talent and grow management expertise. Employees receive STIs based on individual and company performance. Line managers conduct performance appraisals twice a year to determine training and development needs.

Our performance

Our total investment in training and development amounted to R399 million (2024: R402 million), representing 5.82% of payroll. Of this, R364 million was invested in training for black employees, supporting transformation and broad-based skills development.

Our training is balanced across building operational, pipeline and leadership capability. Functional and technical training totalled R174 million (2024: R200 million), while R180 million (2024: R173 million) supported bursaries, learnerships, internships and professional development to strengthen future talent pipelines. Leadership and management development accounted for R5 million (2024: R11 million).

Digital learning adoption increased, with 480 (2024: 108) employees registering for open-source online courses and 3 638 (2024: 6 788) voluntary learning interventions completed on the MyNexxt platform. The Powering Knowledge platform recorded 91% utilisation among youth development participants.

We strengthened our leadership bench through structured development programmes, with 144 (2024: 102) employees completing leadership programmes and 123 (2024: 153) enrolled in management development programmes. We also continued investing in scarce skills, supporting 80 (2024: 56) engineering and mining bursars and investing R10.8 million (2024: R9.3 million) in bursaries to address engineering skills shortages.

Improving our talent management

Succession planning

Exxaro introduced a reimagined succession planning framework to improve the maturity and consistency of leadership pipeline processes. The framework integrates succession analysis with employee aspirations and organisational needs, strengthening alignment between talent, transformation and business strategy. A dedicated talent review committee was established to provide executive oversight of succession, talent mobility and leadership development. Talent reviews in 2025 improved visibility of bench strength and development needs for certain critical roles, strengthening succession readiness and targeted development planning.

Individual development planning

We rolled out a group-wide individual development plan dashboard to strengthen visibility and accountability for employee development. BU-specific dashboards were embedded to support consistent monitoring while enabling plans to reflect role-specific capability needs rather than compliance alone. Performance and career development reviews were aligned more closely to structured development planning.

Talent attraction and employer brand

Our refreshed LinkedIn Life Tabs aim to strengthen Exxaro's employer brand, providing a clearer view of our culture, values and employee experience. Curated employee storytelling supports candidate engagement and positions Exxaro as an employer of choice aligned with our long-term vision.

Mentorship

Mentorship training was introduced at Matla and Grootegeluk, equipping mentors to guide colleagues in taking ownership of their development. Based on strong uptake, mentorship training will expand across the business, strengthening knowledge transfer and supporting sustainable talent pipeline development.

Digital talent processes

We launched the ulwaXXi platform to modernise bursary and external training processes. The SAP-enabled system improves accuracy, transparency and turnaround times, streamlining undergraduate and postgraduate bursary applications and training requests.

Digital learning ecosystem

Our expanded digital learning ecosystem strengthens access to core and future-critical skills. Platforms, including Bookboon, EduMine and the Exxaro Academy, were introduced alongside existing LinkedIn Learning resources, supported by masterclasses and curated digital content to encourage continuous upskilling and reskilling.



Future focus

Our priorities for 2026 include:

- Rolling out a skills audit initiative to identify scarce and critical roles, alongside skills and proficiency levels
- Further embedding the talent mobility and growth strategy, supported by a unified mobility policy
- Introducing structured mobility programmes, including lateral transfers, stretch assignments, secondments, job shadowing and new roles
- Expanding mentorship training to all BUs, with full programme implementation from mid-2026
- Formalising the professional in training coach onboarding process to strengthen programme support, capability development and quality of guidance for all participants

Social and relationship capital



We are committed to social responsibility, and to actively uplift and empower our host communities to build better futures. Our investment in our communities is guided by sustainability, stakeholder inclusiveness and collaboration.

Understanding social and relationship capital at Exxaro

Our social and relationship capital encompasses the mutually beneficial relationships that provide our social licence to operate. We aim to have a holistic, positive and lasting impact on our people, communities and society at large. We conduct our business activities in a way that builds trust and promotes development and success for us and our stakeholders.

How we deliver value through our social and relationship capital

Our Social Impact strategy strengthens our relationships with our communities through large-scale community development initiatives that deliver value and achieve tangible impact. The strategy focuses on land use management, education and SMME development. In this way, it aims to mitigate systemic social challenges in our communities through a long-term perspective. Aligned with the UN SDGs, the strategy combines multidimensional approaches that address education, economic wellbeing and access to land for economic activity. This approach also allows us to influence other areas of wellbeing without additional investment.

Material theme	Matters	Strategies to achieve our objectives	Related strategic objective	Our broader impact
<p>Building sustainable communities</p>	<ul style="list-style-type: none"> • Social licence to operate • Upholding human rights • Sustainable job and business creation • Supporting an impactful transition to a low-carbon economy 	<ul style="list-style-type: none"> • Focusing on local economic upliftment and community-driven projects through our Social Impact strategy (page 111) 		

Performance snapshot

Community investment	R182.54 million invested in socio-economic development projects through SLPs and CSI (2024: R161.79 million)
Enterprise development impact	Surpassed R1 billion in approved grants and loan funding through the ESD programme since 2018
Education support	R45.75 million invested in community education initiatives (2024: R85.83 million)
Livelihood creation	139 jobs created through SLP-linked initiatives (2024: 51)
Local supplier inclusion	R1.3 billion in procurement spend directed to local black-owned SMMEs (2024: R1.2 billion)
Community stability	Four incidents of community unrest were recorded across business units (2024: four)

Looking ahead

Our primary focus in 2026 will be to:

- Register 30 ECD centres to meet Department of Basic Education requirements and enable access to subsidies
- Strengthen sustainable SMME growth by embedding an ecosystem-based ESD model, aligning hubs with BU localisation plans and introducing a purchase order loan fund
- Expand post-mining agricultural livelihoods through new MSP partnerships, additional farmer participation and a beekeeping pilot
- Enhance programme effectiveness through stronger systems, data quality and operational efficiency

Detailed disclosure in our ESG report

Empowering our communities (page 77 to 97)

Our social and relationship capital commitments

We build our social and relationship capital by enabling resilient, inclusive and self-sustaining communities that can participate meaningfully in economic development beyond the life of our operations.

Our approach is anchored in the Sustainable Growth and Impact strategy and directed by ESG objectives that focus on social impact, respect for human rights, responsible land stewardship and partnership-driven development.

ESG objectives		Supporting the achievement of our Sustainable Growth and Impact strategy	
Social impact	Contribute towards social cohesion and sustainable community development	Builds stable operating environments, strengthens social licence to operate and supports Exxaro's role as a catalyst for economic growth	
Human rights	Respect and uphold human rights policy provisions for all people in Exxaro's sphere of influence, ie where we have the ability to effect investments and developments	Reduces social and regulatory risk, reinforces ethical conduct and underpins responsible growth and transition	
Land management	Leverage Exxaro's land assets to support emerging farmers and create sustainable post-mining economies	Enables long-term economic resilience beyond mining, supports impactful transition outcomes and aligns with our environmental stewardship ambitions	
Partnerships and funding	Use Exxaro's capabilities and resources to attract partners and create impact at scale	Mobilises blended capital, strengthens delivery capacity and positions Exxaro as a development partner	

Driving value creation through our Social Impact strategy

Our Social Impact strategy enables Exxaro to convert social investment into long-term shared value. It takes a systemic, future-focused approach to addressing the structural drivers of socio-economic vulnerability in our host communities, while strengthening the conditions required for stable operations, post-mining resilience and inclusive economic participation.

Rather than short-term or compliance-led interventions, the strategy prioritises sustainable solutions that address root causes such as education quality, constrained access to economic opportunity and productive land use. In doing so, it supports community self-sufficiency, reduces dependency and enables local economies to diversify beyond mining.

Our Social Impact strategy is implemented through three integrated pillars that address the foundations of long-term economic resilience in our host regions. Together, they strengthen current livelihoods while enabling future economic activity beyond mining.

Land use management (MSP)	Education	SMME development
<p>Enabling post-mining economies</p> <p>Our land use management approach transforms land from a mining asset into a long-term economic enabler. Through the MSP and related land programmes, we:</p> <ul style="list-style-type: none"> • Support black emerging farmers with access to land, mechanisation, inputs, markets and technical assistance • Enable commercialisation through funding and skills development • Repurpose rehabilitated or surplus land for productive uses such as agriculture, enterprise activity, training centres and community infrastructure • Integrate biodiversity stewardship and climate-resilient practices into land use models 	<p>Building future economic participation</p> <p>Our education initiatives strengthen the long-term capabilities required for inclusive economic growth by improving the quality and continuity of learning in our host communities.</p> <p>We focus on:</p> <ul style="list-style-type: none"> • ECD to build strong cognitive, social and physical foundations • Whole school development to improve sustained learning outcomes through primary and secondary schooling 	<p>Strengthening local enterprise ecosystems</p> <p>Our SMME and ESD interventions support the growth of black-owned enterprises and increase participation of host community businesses in regional value chains.</p> <p>We do this through:</p> <ul style="list-style-type: none"> • Financial support, including loans, grants and blended funding models • Skills development, training and non-financial support to strengthen operational capability • Increased participation of black and women-owned suppliers from host communities in our supply chain
<p>This pillar supports Exxaro's transition objectives by building sustainable post-mining economic activity, strengthening environmental stewardship and enabling host communities to participate in diversified local economies.</p>	<p>By strengthening foundational education, this pillar expands future access to employment, entrepreneurship and further learning. It supports social mobility, reduces long-term dependency and contributes to more resilient local labour markets.</p>	<p>This pillar strengthens local enterprise ecosystems, supports job creation and diversifies economic activity beyond mining. It reinforces Exxaro's role as a catalyst for economic growth while building more resilient and inclusive supply chains.</p>
<p> Creating post-mining economies (ESG report, page 89)</p>	<p> Education initiatives (ESG report, pages 79 to 84)</p>	<p> ESD (ESG report, page 85)</p>

Social and relationship capital continued



Our community investment programmes at Amakhala Emoyeni and Tsitsikamma support education and skills development, social welfare, healthcare access, community services and enterprise development within surrounding communities. In 2025:

- Tsitsikamma windfarm invested R12.5 million in host communities (2024: R12.3 million) reaching more than 10 000 (2024: 2 423) people and creating 140 (2024: 104) jobs
- Amakhala Emoyeni invested R17.2 million (2024: R15.5 million) in host communities, reaching more than 5 000 people (2024: 263) and creating 188 jobs (2024: 64)

Socio-economic development and ESD commitments for the LSP and Karreebosch windfarm will apply during the operational phase of the project.

Holistic value creation

Our approach to social impact contributes to value creation in several interconnected ways:

<p>Strengthening our social licence to operate</p>	<p>By improving livelihoods, supporting local enterprise development and responding to community priorities, we foster trust-based relationships that underpin operational continuity and enable Exxaro's coal, metals and energy businesses to thrive.</p>
<p>Supporting an inclusive transition</p>	<p>Through land use planning, agricultural development and enterprise support, we help prepare host regions for economic activity beyond mining, aligning with Exxaro's transition objectives and long-term environmental stewardship.</p>
<p>Reducing social and operational risk</p>	<p>Investments in education, SMME capability and local economic participation help mitigate drivers of social instability such as unemployment, inequality and limited opportunity, contributing to more resilient operating environments.</p>
<p>Mobilising partnerships for scale</p>	<p>Our partnership model leverages Exxaro's funding, land assets and institutional relationships to attract co-funding and technical expertise, extending impact beyond what Exxaro could achieve independently.</p>

In addition, our Social Impact strategy integrates ESG considerations to ensure impact is delivered responsibly and at scale:

<p>Environmental value</p> <p>is supported through responsible land management, rehabilitation-linked agricultural activity and climate-resilient livelihood models</p>	<p>Social value</p> <p>is created through improved education outcomes, enterprise development and expanded access to economic participation</p>	<p>Governance value</p> <p>is strengthened through transparent funding mechanisms, credible delivery partners and alignment with human rights principles</p>
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Through this integrated approach, Exxaro's Social Impact strategy not only supports current communities but also lays the foundation for sustainable post-mining economies, ensuring that the value created through our operations continues long after mining activities cease.



Natural capital



Responsibly managing and mitigating the negative impacts of our activities on the environment is not only critical to our success and sustainability as a business, but also to supporting a sustainable future for our employees, communities and the planet.

Understanding natural capital at Exxaro

Exxaro’s natural capital refers to the natural resources we use to run our business and create the products and services we deliver to our stakeholders. Our natural capital impact spans climate change mitigation, adaptation and resilience; air quality; energy; water; waste; biodiversity; environmental liabilities; land management; and rehabilitation.

How we deliver value through natural capital

We are committed to being responsible stewards of the natural resources we rely on, understanding that mining can result in long-lasting environmental impacts if unmanaged. Our strategy guides our approach in managing these impacts, and we embed performance principles into our ESG management systems, environmental policies and practices. We also comply with local legislation, management standards, and current and future-based best practice.

Material theme	Matters	Strategies to achieve our objectives	Related strategic objective	Our broader impact
<p>Executing our strategy</p>	<ul style="list-style-type: none"> Build a leading energy solutions business 	<ul style="list-style-type: none"> Driving decarbonisation, including reducing scope 3 emissions across the value chain, through our Climate Change Response strategy and decarbonisation plan (page 114) Ensuring long-term sustainability through our environmental stewardship (page 117) initiatives 		
<p>Principled governance</p>	<ul style="list-style-type: none"> Embedding ESG Legal, regulatory, risk and compliance excellence 			
<p>Responsible environmental stewardship</p>	<ul style="list-style-type: none"> Carbon emissions reduction and impact of climate change Environmental incidents Water stewardship Waste and pollution management Biodiversity and rehabilitation management 			

Performance snapshot

<p>Climate change mitigation, adaptation and resilience</p>	<p>Approved the decarbonisation roadmap and advanced site-specific climate change adaptation and resilience plans</p>
<p>Environmental stewardship</p>	<p>Progressed rehabilitation and biodiversity programmes while strengthening operational environmental controls, with nine level 1 incidents (2024: seven)</p>



In 2026, Exxaro will focus on strengthening climate resilience and accelerating emissions reduction. Priorities include achieving full commercial operations for the LSP, scaling energy efficiency across operations, finalising site-level climate adaptation plans and advancing renewable energy projects. We will also strengthen emissions reporting methodologies and embed energy management governance to support disciplined delivery of our decarbonisation roadmap.

Detailed disclosure in our ESG report

Our environmental stewardship (pages 21 to 54)

Our natural capital commitments

Exxaro's approach to natural capital preservation is guided by the Sustainable Growth and Impact strategy, which integrates environmental considerations into business planning, operational performance and long-term investment decisions. We focus on reducing emissions, protecting ecosystems, managing water and energy responsibly and ensuring effective rehabilitation and closure, so that natural systems continue to support both current operations and future economic activity.

Our response combines structured governance, regulatory compliance and proactive stewardship. Through group standards, monitoring systems and risk-based management, we aim to protect natural resources and strengthen climate resilience, while supporting South Africa's transition to a lower-carbon and more resource-efficient economy.

ESG objectives		Supporting the achievement of our Sustainable Growth and Impact strategy	
Decarbonisation and resilience	Implement cross-cutting measures to decrease carbon emissions from our operations and build on adaptation and resilience	Supports transition at speed and scale, strengthens operational resilience and advances Exxaro's pathway to carbon neutrality by 2050	
Air quality	Reduce air pollution, including dust fallout, particulate matter (PM) 10 and PM _{2.5}	Protects community health, strengthens our licence to operate and supports responsible environmental stewardship	
Rehabilitation programme	Undertake rehabilitation programmes to ensure a positive social impact legacy and develop long-term closure strategies	Reduces long-term environmental liability, enables sustainable post-mining land use and supports regional economic resilience	
Biodiversity management	Protect and conserve biodiversity within our area of influence through management plans and initiatives that enhance biological diversity	Maintains ecosystem services, supports environmental stewardship and enables responsible land use over the LoM	
Energy and water management	Set water and energy targets aligned to national benchmarks, industry standards and site objectives, enabling future resilience of the business, environment and communities	Strengthens resource security, reduces operational risk and supports efficient, lower-carbon operations	
Waste management	Minimise environmental impact by applying the waste management hierarchy and transforming waste streams into circular economy opportunities	Reduces environmental footprint, supports resource efficiency and lowers compliance and disposal risk	
Strategic partnerships	Partner with stakeholders to enable successful delivery and broader positive impact of our ESG objectives	Mobilises expertise and co-funding, strengthens implementation capacity and supports systemic environmental impact	

Decarbonising our operations and responding to a changing climate

Exxaro's Sustainable Growth and Impact strategy positions the business for long-term resilience in a lower-carbon economy. Our Climate Change Response strategy provides the structured framework for delivering this transition, guiding how we decarbonise operations, scale renewable energy, diversify into energy transition metals, and support an inclusive transition that protects livelihoods while progressing towards carbon neutrality by 2050.

Scenario analysis informs this approach, helping us assess resilience to climate-related risks and opportunities under lower-carbon pathways, carbon pricing and physical climate impacts. This work aligns with the TCFD framework and evolving ISSB expectations, ensuring that climate considerations are embedded in strategy, capital planning and operational decision making in support of our broader strategic objectives.

Refer to the [ESG databook](#) for our response to TCFD reporting requirements.

How we deliver our strategic transition		Detailed disclosure in our ESG report
Governance oversight	Our board and its committees retain oversight of climate-related risks, opportunities and performance. Climate considerations are integrated into executive oversight, strategic planning and capital allocation, ensuring alignment with our decarbonisation roadmap and long-term transition objectives.	ESG governance and risk (page 9)
Strategy integration	We are repositioning the business through investments in renewable energy and energy transition metals, while improving operational efficiency. This diversification strengthens resilience, reduces emissions intensity and aligns our portfolio with evolving market and policy conditions.	Embedding climate change in decision making (page 23)

How we deliver our strategic transition **Detailed disclosure in our ESG report**

Implementing our decarbonisation roadmap	In 2025, the board approved a group-wide decarbonisation roadmap that guides emissions reduction across scope 1 and 2 through energy efficiency, fleet optimisation and renewable integration, while supporting value chain collaboration and credible offsets to address scope 3 over time.	Decarbonising our operations (page 23) and responding to a changing climate (page 28)
Measuring, managing and reporting on performance	We monitor and report energy and carbon data in line with the GHG Protocol and regulatory requirements, participate in CDP (formerly the Carbon Disclosure Project) climate and water programmes and continue strengthening data quality, monitoring systems and emissions accounting methodologies.	
Collaboration	We partner with customers, suppliers, research institutions and industry bodies to support emissions reduction, technology innovation and coordinated transition planning across the value chain.	
Addressing risks	Climate-related risks and opportunities are embedded in ERM processes and resilience planning, supported by scenario analysis, adaptation planning and regulatory alignment under the Climate Change Act.	

Our decarbonisation approach

Our ambition

Carbon emissions	Renewable energy	Diversification
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Grow the energy business to 1 600MW (net) by 2030 Reach 100% renewable energy consumption across operations by 2050 	<ul style="list-style-type: none"> Increase renewable energy contribution

Our decarbonisation strategy

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

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

Our decarbonisation roadmap

Our roadmap, approved in 2025, prioritises practical and scalable interventions that balance technology readiness, operational feasibility and funding availability over time. It outlines short, medium and long-term milestones to achieve carbon neutrality by 2050 and will be reviewed periodically to reflect market developments, regulatory shifts and portfolio changes.

We started developing site-specific climate change adaptation and resilience plans that will identify climate risks, define adaptation pathways and consider technological solutions to support each operation.

Guiding principles

- Applies to current coal operations assuming assets are mined to depletion (LoM)
- Grooteeluk is prioritised for scope 1 decarbonisation due to its diesel profile
- Leeuwpan will not integrate renewable energy
- Mafube remains baselined at 50% in line with the ownership structure

Natural capital continued

Managing climate-related risks

Climate-related risks and opportunities are integrated into Exxaro's ERM processes and strategic decision making, ensuring transition and physical climate risks are addressed alongside emerging opportunities.

Our understanding of climate change-related risks is informed by a scenario analysis conducted in 2019 and 2020, a water security study completed in 2025, and the development of site-specific climate change adaptation and resilience plans now underway across business units. These plans strengthen operational resilience by identifying physical risk pathways and practical adaptation measures.

All Exxaro assets are exposed to both transition and physical climate risks, which remain material to our operating context.

Transition risks

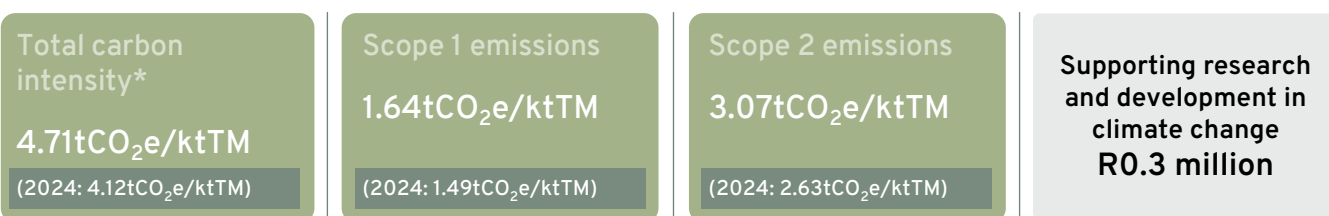
- Credit and insurance risk
- Carbon pricing risk
- Market risk
- Reputational risk

Physical risks

- Water security risk
- Risk of heatwaves at our operations
- Risk of drought
- Risk of extreme rainfall days


 Our response to these risks is unpacked in the [2020 Climate Change Response strategy report](#) (investor tab under integrated reports 2020) and [2020 Climate Change Position statement](#) (sustainability tab).

Our performance



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


The increase in carbon intensity reflects the decrease in annual RoM total tonnes mined, and the increase in Eskom's grid emission factor to 1.08tCO₂e/MWh (2024: 1.04tCO₂e/MWh). Despite this, our year-to-date carbon intensity is below the 2025 target of 4.83tCO₂e/total tonnes mined. Delivery of the LSP and additional renewable and efficiency initiatives will support progress toward our 2030 reduction pathway.

 For information on our CDP performance, please refer to www.cdp.net and the ESG [databook](#).

Improving our performance

<p>Scaling renewable energy and diversifying into energy transition metals</p>	<ul style="list-style-type: none"> • Cennergi's portfolio expanded to 437MW gross of operating and construction assets, across wind and solar • Karreebosch windfarm entered construction, supplying clean electricity under a long-term power purchase agreement • LSP was commissioned in December 2025, delivering green electrons ahead of full commercial operation, and is expected to offset 25% of Grootegeeluk's scope 2 emissions • Refurbishment of the 1MW Tshikondeni solar PV system was completed in the second half of 2025 • Exxaro announced a R10.6 billion acquisition of select manganese assets in the Kalahari Manganese Field, positioning the portfolio in a mineral critical to steelmaking, batteries and renewable technologies
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<p>Value chain collaboration</p>	<p>We signed an MoU with Eskom to explore joint opportunities to measure, manage and reduce scope 1, 2 and 3 emissions across the power value chain. This collaboration supports technology deployment, reporting transparency and workforce transition initiatives in line with South Africa's decarbonisation pathway.</p>
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<p> Future focus</p>	<p>Our priority actions for 2026 include:</p> <ul style="list-style-type: none"> • Bringing the LSP into full operation to deliver scope 2 emission reductions and support progress towards our 2030 intensity target • Scaling energy efficiency interventions across haulage, ventilation, compressors and conveyors through operation-specific energy roadmaps • Finalising and implementing site-level climate adaptation and resilience plans to define practical risk pathways and operational responses • Strengthening emissions data credibility by refining scope 3 methodologies, reviewing tier 3 emission factors and enhancing reporting systems • Advancing our carbon offset strategy by identifying viable nature-based and regional renewable solutions aligned to our decarbonisation roadmap
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Environmental stewardship

Exxaro’s environmental stewardship approach is anchored in a group-wide framework that promotes consistent standards, accountability and performance across all operations. The wheel of excellence, shown below, provides a structured model for integrating environmental governance, operational implementation, monitoring and reporting, while supporting the effective integration of new assets and the development of environmental competencies across business units.

Our environmental commitments are organised into seven interconnected focus areas that together manage environmental risk, protect natural systems and strengthen operational resilience. Each focus area is supported by targeted strategies, standards and management practices that guide day-to-day performance as well as long-term environmental outcomes.

1 Climate change adaptation and resilience: We are building our climate resilience by enhancing the adaptive capacity of Exxaro and communities and capitalising on strategic opportunities presented by the transition to a low-carbon economy.

2 Energy efficiency: Our energy and carbon management programme drives efficiencies that support the transition to a low-carbon economy.

3 Air quality: We manage and mitigate the negative impacts of air pollution, including dust and particulate matter, emanating from our mining activities.

4 Biodiversity: Our low-impact, high-value approach supports ecosystem health to protect indigenous flora and fauna at our operations.

5 Mine closure and rehabilitation: Our mine plans consider land management, closure and concurrent rehabilitation with financial provision to ensure we honour our commitments. This, in turn, reduces long-term financial liabilities.

6 Water security: Our water security plan is based on efficient water consumption, reuse and recycling to protect natural resources.

7 Waste management: Our cradle-to-cradle approach minimises waste generation through recycling and reuse within a circular economy.



Our performance

<p>Energy performance</p> <p>Energy mix and efficiency:</p> <ul style="list-style-type: none"> Electricity accounted for 36.61% of energy use (2024: 37%) and diesel 63.39% (2024: 63%) Total energy consumption increased to 5 529 435GJ (2024: 5 488 093GJ) Electrical energy intensity increased by 8.95% (2024: 8.04% decrease), while diesel energy intensity increased by 12.42% (2024: 6.38% increase) Overall energy intensity of 30.761GJ/kt outperformed our 2025 target of 32.589GJ/kt 	<p>Air quality</p> <p>Dust fallout:</p> <ul style="list-style-type: none"> Performance remained within limits <ul style="list-style-type: none"> Non-residential exceedances: two (Grootegeluk), one (Leeuwpan) Residential exceedances: none No consecutive exceedances occurred 	<p>Land stewardship</p> <p>Rehabilitation and disturbance:</p> <ul style="list-style-type: none"> Land rehabilitated increased to 2 639 hectares (ha) (2024: 2 325ha*) Land disturbed increased to 9 739ha (2024: 9 002ha*), reflecting expanded mining areas <p>Invasive species control:</p> <ul style="list-style-type: none"> 949ha cleared of invasive alien plant species (2024: 178ha), a 4.33% increase <p><small>* Restated: The definition of land disturbed and land rehabilitated was changed in a new management standard during 2025, which resulted in the restatement of these figures.</small></p>
<p>Mine closure and provisioning</p> <p>Closure funding:</p> <ul style="list-style-type: none"> Operational rehabilitation guarantees decreased to R3 504 million (2024: R3 552 million) Unscheduled closure costs increased to R9 191 million (2024: R8 773 million) Returns on rehabilitation trust funds rose to R408.1 million (2024: R240 million) Active closure sites decreased to three (2024: four) 	<p>Water management</p> <p>Water consumption:</p> <ul style="list-style-type: none"> Total water consumption increased to 9 648 megalitres (2024: 9 309 megalitres), a 3.6% increase year on year <p>Water recycling:</p> <ul style="list-style-type: none"> Group recycling ratio declined to 44% (2024: 50%). The lower performance is linked to flooding at Grootegeluk 	<p>Waste management</p> <p>General waste:</p> <ul style="list-style-type: none"> Total general waste generated amounted to 3 443t (2024: 3 374t) General (non-mineral) waste recycled reached 2 434t (2024: 2 457t) General waste sent to landfill totalled 953t (2024: 969t) <p>Hazardous waste:</p> <ul style="list-style-type: none"> Hazardous waste sent to landfill totalled 4 189t (2024: 2 662t)

Natural capital continued

Key challenges

High reliance on diesel-powered mining fleets, with limited commercial availability of low-carbon alternatives for heavy mining equipment

Dust fallout and PM exceedances, including two exceedances of the 1 200mg/m²/day industrial limit at Grootegeluk linked to ash from the adjacent Eskom ash disposal facility

Delays in environmental licences, amendments and authorisations that affect planning certainty and project sequencing across operations

Ongoing alignment of operations with the Climate Change Act while the draft National GHG Carbon Budget Regulations and Mitigation Planning Regulations remain pending

Environmental incidents

In 2025, Exxaro recorded 33 level 0 incidents (2024: 45), nine level 1 incidents (2024: seven) and zero level 2 and 3 incidents.



Cennergi did not record any significant environmental incidents during the year (2024: none).



Refer to the [ESG databook](#) for details of our level 1 environmental incidents.



Future focus

Key actions for 2026 include:

- Implementing the new group energy efficiency and management standard, supported by measurement and verification templates, reporting rules and dashboarding tools across all BUs
- Installing additional PM₁₀ monitors at Belfast, Leeuwpans and Matla to strengthen particulate measurement and inform targeted mitigation
- Rolling out the revised group biodiversity management standard and updating operational procedures
- Updating the group water strategy and water management standard
- Establishing a baseline of e-waste across the group