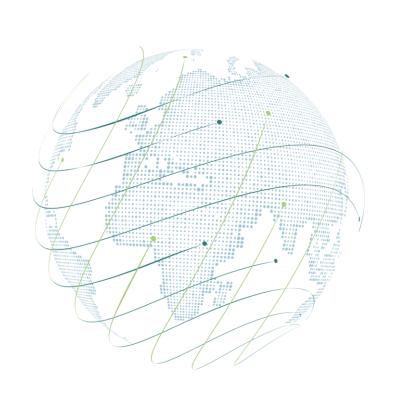


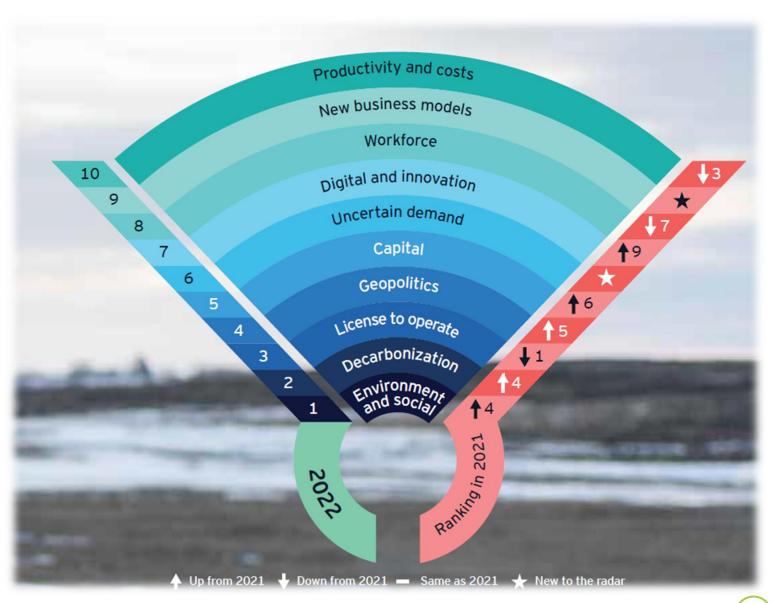
- Purpose, long-term value and sustainability are no longer add-ons to business as usual — they are business as usual
- Stakeholder and capital market pressure continues to hold miners accountable
- It's therefore not surprising that the top 3 risks and opportunities in 2022 for the mining and metals sector are: environment and social; decarbonization; and LTO





#### Top 10 risks and opportunities for mining and metals

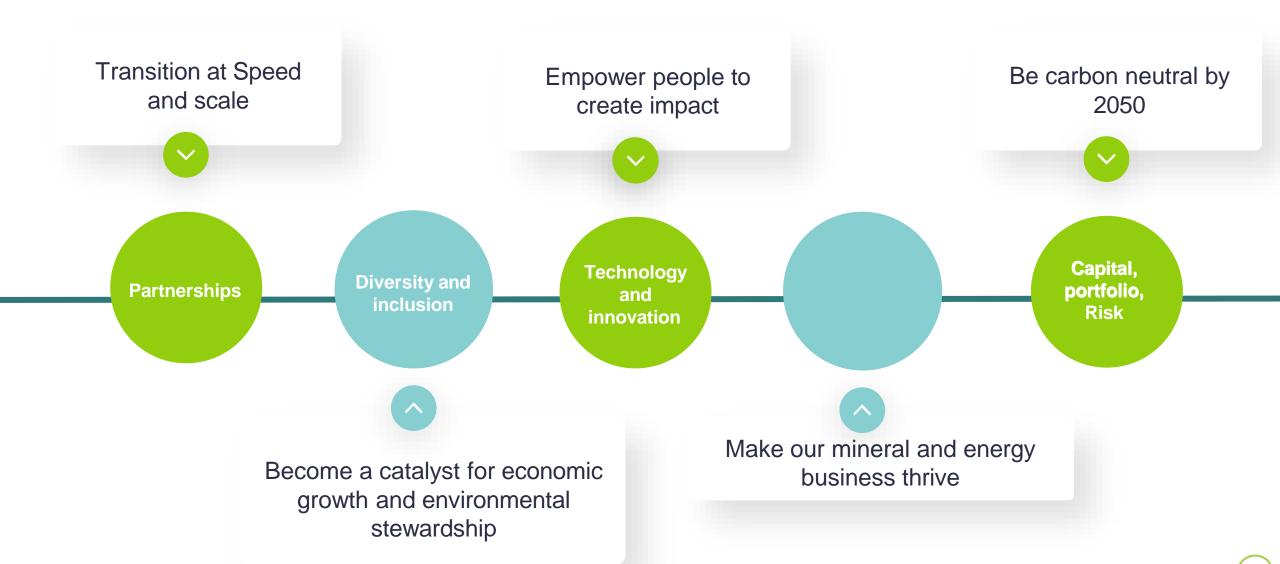








#### SUSTAINABLE GROWTH AND IMPACT STRATEGY REMAINS ROBUST AND INTACT



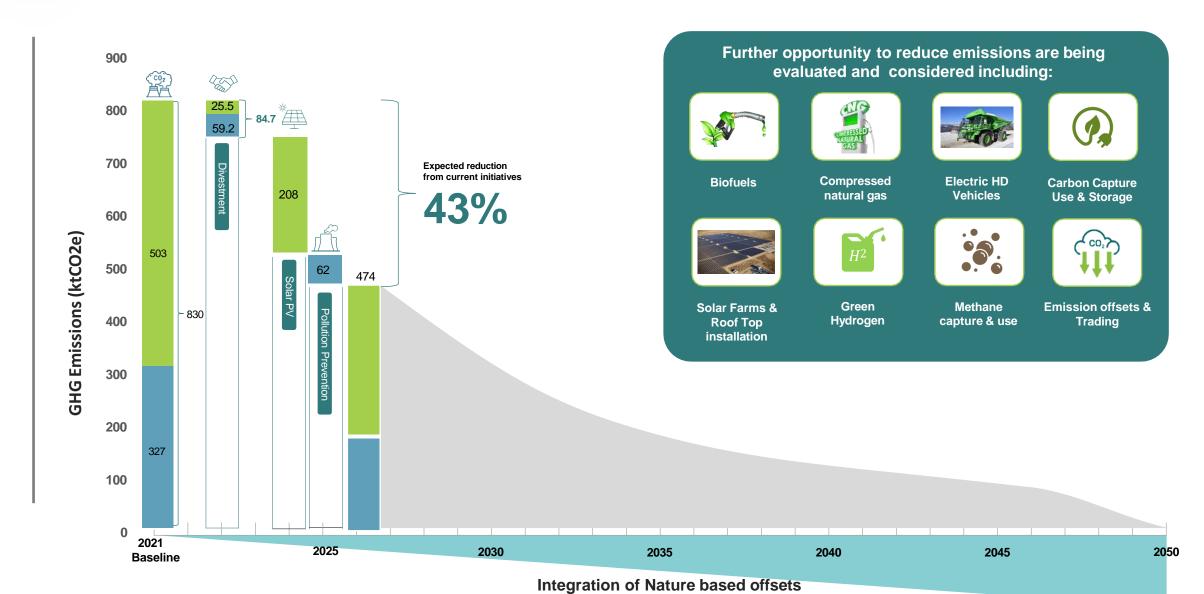


Scope 2

Key

Scope 1

#### **CONCRETE PLANS TO DRIVE DECARBONISATION**





#### Copper





#### Manganese





#### Bauxite





#### STRATEGIC OUTLOOK

## GROWTH IN FUTURE FACING MINERALS HAS BECOME CRITICAL

# exxaro

**ESG** Imperative





#### **ESG** Imperative



ESG strategies and reporting are increasingly critical to business resilience and long-term investment success

S

ESG has always been embedded in our strategies and further enhanced in our SG&I strategy

G

Our ESG performance has become increasingly important in the face of climate change risk

....and also driven by pressure from shareholders to link ESG performance to executive pay, to hold leadership accountable for the company's actions



#### **ESG** Imperative



- Successful realisation of our SG&I strategic objective of being carbon neutral by 2050 will be indicated by the total amount of carbon abated (key result)
- This particular objective aligns with the ESG indicators on GHG emissions, climate risks and opportunities and the TCFD



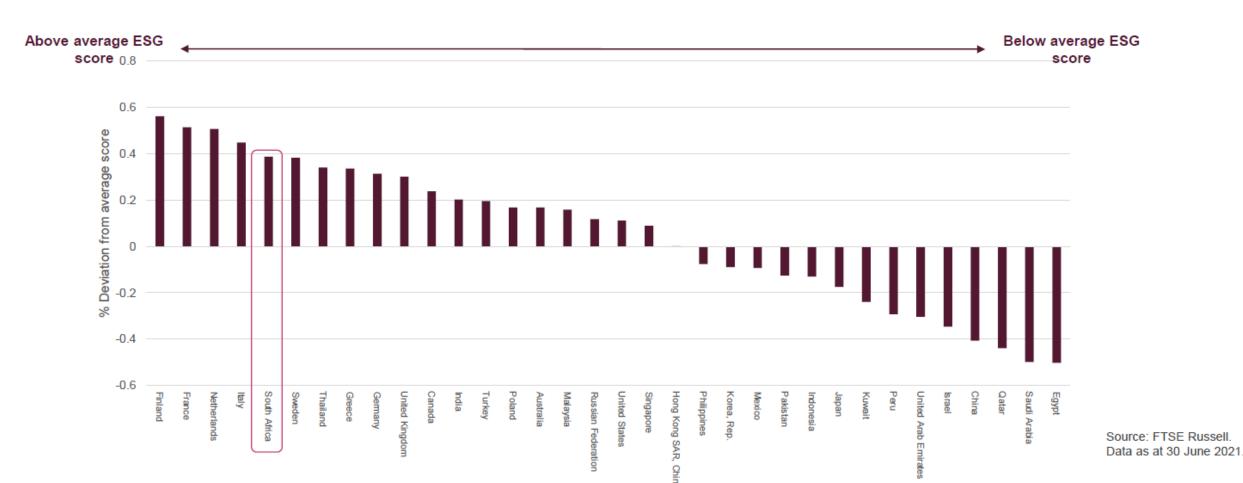




- Johannesburg Stock Exchange listing
- Represent shareholders
- Unsolicited engagement
- Rating based only on publicly disclosed information



#### FTSE ESG data trends by Region / Market

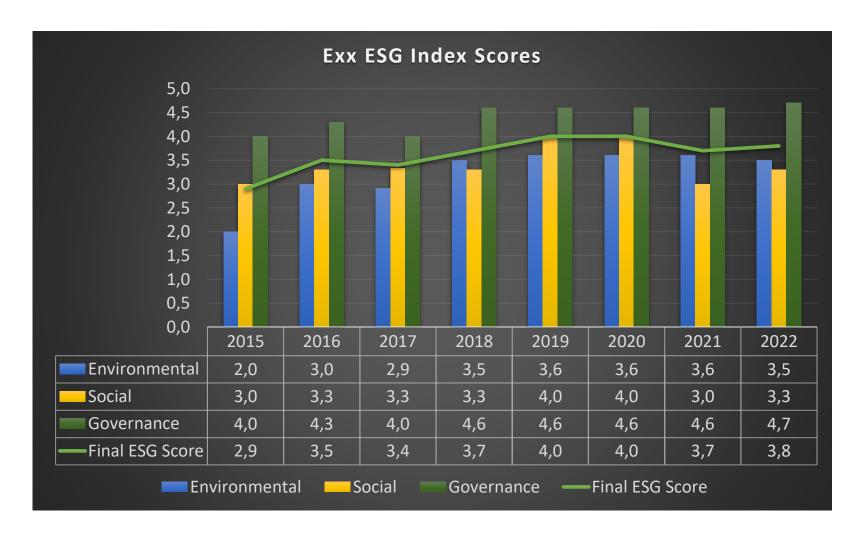




#### **FTSE Russell ESG performance**

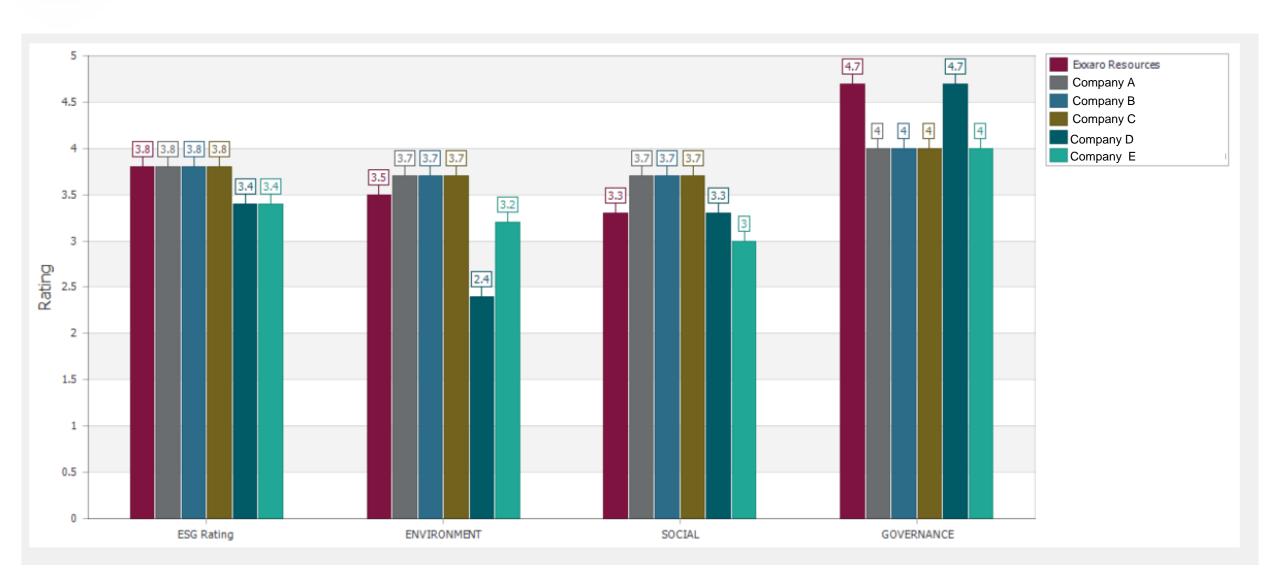
- Overall best results among ESG indices
- ESG rating of 3.8

Global coal sector ESG rating
 < 2.1</li>





#### **Exxaro vs Top 5 Subsector Peers**





#### **Transition Pathway Initiative (TPI)**

TPI is a global initiative led by asset owners which assesses how individual companies are positioning themselves for the transition to a low-carbon economy

Exxaro's TPI score is 4/4 which is an excellent indicator of our management of GHG emissions and of risks and opportunities related to the low carbon transition.

#### Performance Levels key:

Level 0 - Unaware of Climate Change as a Business Issue

Level 1 - Acknowledging Climate Change as a Business Issue

Level 2 - Building Capacity

Level 3 - Integrating into Operational Decision Making

**Level 4 - Strategic Assessment** 

Exxaro Resources Limited - Level 4 (previous level 2 in 2016 and 2018 but improved to level 4 in 2019)

Transition



#### Uses a ladder or hurdle approach:

Awareness

Unaware

Company has nominated a board Company has incorporated climate change performance into executive member/committee with explicit remuneration (modified question in responsibility for oversight of the climate change policy 2019) Company has incorporated climate Company has set quantitative targets for reducing its GHG emissions change risks and opportunities in its strategy Company undertakes climate scenario Company has set GHG emission Company reports on its Scope 3 GHG reduction targets emissions planning Company explicitly recognises climate Company has published information Company has had its operational GHG Company discloses an internal carbon change as a relevant risk/opportunity on its operational GHG emissions emissions data verified price for the business Company does not recognise climate Company has a policy (or equivalent) Company supports domestic & Company ensures consistency change as a significant issue for the commitment to action on climate international efforts to mitigate between its climate change policy and change position of trade associations of climate change which it is a member (new for 2019) Company discloses membership and involvement in trade associations engaged on climate (new question for Company has a process to manage climate-related risks Company discloses Scope 3 GHG emissions from use of sold products (selected sectors only) Level 0 Level 1 Level 2 Level 3 Level 4

Integrating into operational

decision making

Building capacity

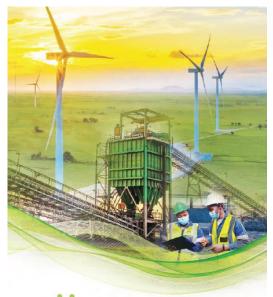
Company has set long-term

Strategic assessment

quantitative targets (>5 years) for reducing its GHG emissions



#### Recognition of excellence in ESG and Climate Change risks disclosure



#### **EY Excellence in Integrated reporting**



Our 2021 integrated report earned a historical **5**<sup>th</sup> **place** in the Top10. Highest achievement in our history



#### **ESG Investing Awards**



Exxaro's 2021 ESG report earned a 2<sup>nd</sup> spot in the **best** sustainability report category





#### Climate resilience

- Achieve carbon neutrality by 2050.
- 2. Diversify into **future facing minerals**

- Reduce climate-related risks.
- Deliver positive social impact.





### Socio impact catalyst

- Go beyond compliance and have measurable socio-economic and environmental impact
- Contribute towards sustainable livelihood.
- Strengthen contribution towards a just energy transition.



