



**FUTURE-PROOFING  
AFRICAN MINING TODAY  
WITH EXXARO'S  
SUSTAINABLE GROWTH  
& IMPACT STRATEGY**





# INTRODUCTION

Exxaro is one of South Africa's largest empowered and diversified mining companies, operating across Africa, Asia, Europe, and Australia, with a market capitalisation of over \$3 billion as of January 2025. Since our formation in 2006, we have remained committed to powering better lives in Africa and beyond, ensuring that our growth is aligned with sustainable environmental and community impact.

As we transition from a coal-based company to a diversified minerals and energy solutions business, we are future-proofing African mining by investing in renewable energy, critical minerals, and sustainable mining practices. Our Sustainable Growth & Impact Strategy is focused on:

- Transitioning at speed and scale toward a low-carbon future.
- Developing a thriving minerals and energy business with global relevance.
- Empowering people to create impact and drive innovation.
- Becoming a catalyst for economic growth and environmental stewardship.

At the core of our strategy is the need to transition responsibly, ensuring that our operations continue to create long-term value for communities, investors, and the broader economy. Our Early Value Strategy drives market-to-resource optimisation, ensuring we extract maximum value from our assets while minimising environmental impact.

**We invite you to explore how Exxaro is shaping the future of mining and energy—bringing sustainable growth and impact to life.**



# OUR VISION

To produce resources that Power a Clean World.  
Powering Better Lives in Africa and Beyond is  
our purpose.

This is what drives our ambition to provide resources (beyond just commodities) that are critical in a low-carbon world.

Our Sustainable Growth and Impact strategy enables us to deliver on this vision and our success lies in the strength of our culture and values. Through our strategy, we aim to transform Exxaro into a diversified company that will transition from a coal base to a minerals and renewable energy solutions business that will thrive in a low-carbon future.

Guided by our purpose to **Power Better Lives in Africa and Beyond**, we understand that we cannot grow sustainably without deliberately creating a positive impact in the environment and communities we serve. We remain committed to responsibly maximising the value of our coal assets whilst we play an active role in creating a future which enables our vision - "Resources Powering a Cleaner World."



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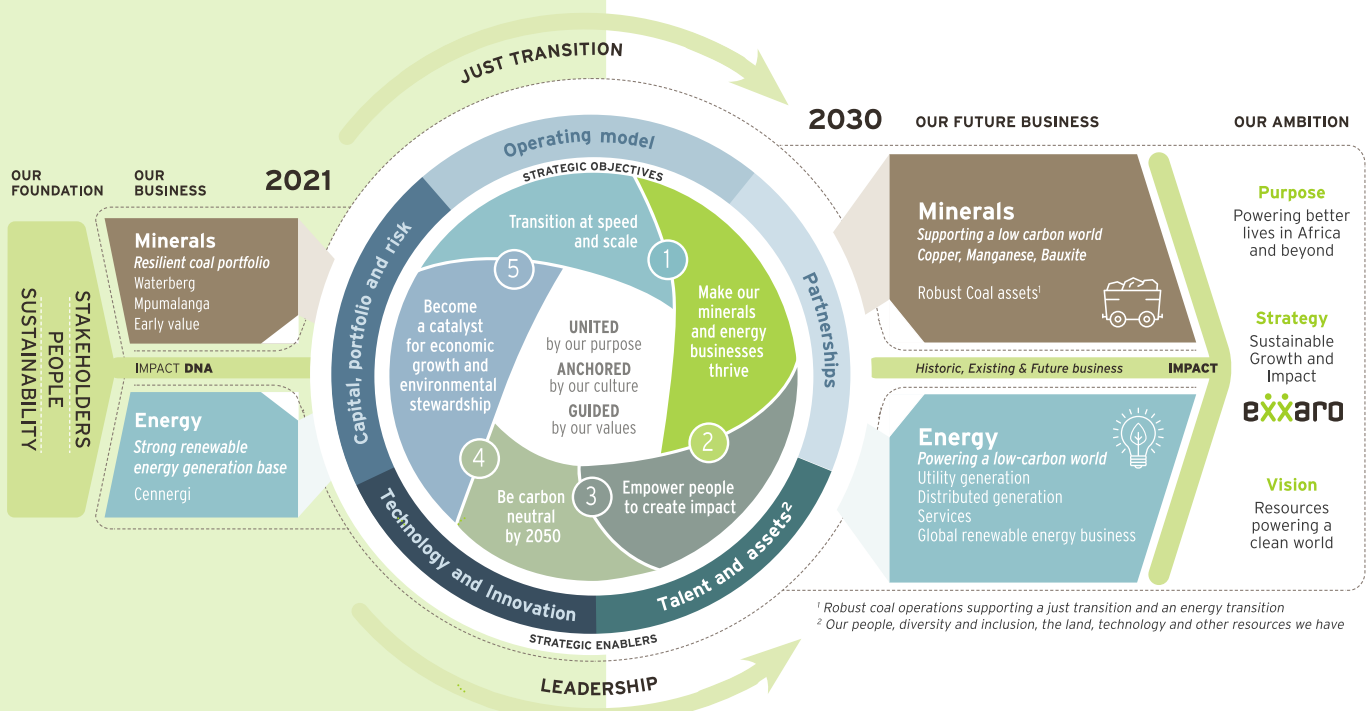
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# OUR SUSTAINABLE GROWTH & IMPACT STRATEGY

The Sustainable Growth and Impact strategy, which we introduced in the 2020 integrated report, is Exxaro's approach to transforming our business at scale. We intend to evolve into a diversified company that will transition from a coalbased business into a minerals and renewable energy solutions business that thrives in and contributes to a low-carbon future.

Given the rapidly changing macro-economic environment, we further progressed in shaping, measuring and delivering our strategy in 2021. We refined our strategy from the Business of Tomorrow perspective through broad consultation and used the latest industry market and economic research to inform this process. Exxaro engaged with key stakeholders to ensure we consider their legitimate needs and concerns. As part of our robust strategic process, the strategy was submitted to the board for input, supported by a clear implementation plan and measurement criteria.

At the heart of our strategy is the need to transition responsibly. We have established a clear understanding of our operating context, wherein our coal operations contribute vast value to the communities we operate in and the country we serve. Exxaro remains committed to responsibly maximising the value of the coal assets and minimising stranded assets. We are also determined to play an active role in creating a future that enables our new vision: resources powering a clean world, as we transform the business. Striking this delicate balance is top of mind when crafting and delivering our strategy.





# OUR SUSTAINABLE GROWTH & IMPACT STRATEGY

WE HAVE SET FIVE BROAD STRATEGIC OBJECTIVES SUPPORTED BY MEASURABLE OUTCOMES TO DELIVER OUR STRATEGY:

**Transition at speed and scale:** Transition our business with measured urgency given the growing need for the low-carbon transition. We will do this while creating positive social impact. We will leverage our innovation, organisational intelligence and learning culture to navigate this transition.



**Make our minerals and energy businesses thrive:** Enhance focus on our core delivery areas, minerals and energy, by increasing our footprint in these areas, divesting of non-robust assets and ensuring continued operational and digital excellence.

**Empower people to create impact:** Ensure our people and partners have the capabilities, mindset, environment and passion to achieve our purpose.

**Be carbon neutral by 2050:** Reduce our carbon footprint and become carbon neutral by 2050. We will achieve this through our focused decarbonisation and social impact initiatives.

**Become a catalyst for economic growth and environmental stewardship:** Positively impact our ecosystem during and after our operations in minerals and energy, building community projects and businesses into investable impact programmes, which can lead to sustainable, scalable economic upliftment and prosperity, independent of our continued operations in those environments.

## THE DETAILS OF OUR STRATEGY

We intend to deliver our long-term strategic objectives by aligning our resources to the following areas:

- Continuing to deliver value in the existing coal assets (categorised and described under minerals)
- Growing our renewable energy solutions business
- Providing minerals that support a low-carbon world

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# DIVERSIFICATION STRATEGY

**At Exxaro, we are driven by a bold vision:** Resources Powering a Clean World. As a leader in the mining and energy sectors, we are committed to creating sustainable value for our stakeholders while addressing the pressing challenges of climate change and global energy transitions. Our diversification strategy is at the heart of this commitment, positioning us as a forward-thinking, resilient, and responsible business ready to thrive in a low-carbon future.

## Our Diversification Strategy: Building a Sustainable Future

We are transforming Exxaro into a diversified minerals and energy solutions business, reducing our reliance on coal and aligning with global trends toward decarbonisation and renewable energy. Our strategy is designed to ensure long-term growth, stability, and value creation for our shareholders, employees, and communities.

### Key Pillars of Our Diversification Strategy



#### Renewable Energy and Low-Carbon Solutions

We are actively investing in renewable energy projects, including wind and solar farms, to support the transition to a low-carbon economy. Through our standalone energy business, Cennergi, we already supply 229MW of clean energy to the national grid and are constructing a 68MW solar PV project to power our operations directly. These initiatives underscore our commitment to sustainable energy solutions and reducing our carbon footprint.



#### Critical Minerals for the Future

We are strategically expanding our portfolio to include critical minerals essential for the energy transition, such as manganese, copper, and others vital for the growing electric vehicle market. Manganese, in particular, is a cornerstone of our diversification efforts, with its applications in steel production, industrial processes, and emerging battery technologies. We are actively pursuing opportunities to acquire and develop manganese assets, ensuring we remain at the forefront of this dynamic sector.



#### Technology and Innovation

Embracing cutting-edge technology and innovation is central to our strategy. We are leveraging advanced solutions to improve operational efficiencies, reduce environmental impact, and enhance the quality of our products. Our focus on beneficiation processes ensures that we meet international standards and market demands while creating additional value.



#### Sustainability and Community Impact

Sustainability is embedded in everything we do. We are committed to environmentally friendly practices, minimising our ecological footprint, and uplifting local communities through job creation, skills development, and sustainable initiatives. Our operations, both current and future, are designed to deliver shared value for all stakeholders.



#### Disciplined Capital Allocation

Our clearly defined investment criteria and disciplined capital allocation framework ensure that we pursue value-accretive opportunities in geographies where we can execute with excellence. Our strong balance sheet and internal capabilities provide a distinct competitive advantage, enabling us to deliver on our strategic objectives.



# DIVERSIFICATION STRATEGY

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Climate change is one of the most critical challenges of our time, and Exxaro is committed to playing a leading role in addressing it. We have set ambitious targets to reduce our emissions by 40% by 2026 and achieve carbon neutrality by 2050.

- **Proactive Transition:** Since 2009, we have been at the forefront of South Africa's energy transition through initiatives like the acquisition of Cennergi and investments in renewable energy projects.
- **Collaborative Efforts:** We partner with top universities, industry bodies, and international organisations to drive research, advocate for positive climate policy, and contribute to global discussions on climate action.
- **Operational Excellence:** We continuously explore technologies and operational improvements to reduce energy consumption and enhance efficiency across our operations.

## A Future Built on Sustainable Growth and Impact

Exxaro's diversification strategy is not just about adapting to change; it's about leading it. By transitioning our product portfolio, investing in critical minerals, and embracing renewable energy, we are building a business that is resilient, innovative, and aligned with the needs of a sustainable future.

We are committed to delivering on our Sustainable Growth & Impact Strategy, creating value for our stakeholders, and ensuring that our employees and communities are integral to our journey. Together, we are powering a clean world and shaping a future where resources drive progress, prosperity, and sustainability.

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# SOCIAL IMPACT STRATEGY

Exxaro's commitment to social impact, sustainability, and stakeholder engagement is evident in its comprehensive approach to community development, education, SMME support, and environmental stewardship. By aligning its initiatives with the United Nations Sustainable Development Goals (UN SDGs) and integrating Environment, Social, and Governance (ESG) principles into its core business strategy, Exxaro is not only driving economic growth in South Africa but also fostering long-term resilience and shared value for its stakeholders.

## Key Highlights of Exxaro's Social Impact and ESG Commitments:

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- **Social Investments and Local Procurement:** Exxaro's social investments for the first ten months of 2024 amounted to **R2.4 billion**, a 26% increase from the previous year.
- **75% of social investment** was directed toward local procurement from black-owned Small, Medium, and Micro Enterprises (SMMEs), supporting **488 SMMEs** through procurement and enterprise development.
- In 2023, **R5.31 billion** was spent on local procurement, benefiting **760 black-owned SMMEs** and contributing to 71% of total social investment.
- **Community Initiatives Aligned with UN SDGs:**
  - **Land Use Management (Minerals Succession Programme):** Empowers emerging farmers from disadvantaged groups by providing resources like mechanization, funding, and market access, transforming their operations into sustainable businesses.

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- **Education Development:** Focuses on early childhood development, whole school development, bursaries, and professional training programs. Exxaro's bursary program supports talented community members in pursuing tertiary education, while the **Professionals-in-Training (PIT) Programme** and internships build a robust talent pipeline for the industry.
- **SMME Development:** Since 2018, Exxaro's Enterprise and Supplier Development (ESD) program has supported **116 youth and women-led businesses** with financial aid, training, and skills development, integrating them into the supply chain and enhancing service delivery.

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- **Commitment to ESG Principles:**
  - Exxaro is committed to achieving **carbon neutrality by 2050** through a just transition, decarbonizing its portfolio, and diversifying into a resilient resources business.
  - The company actively collaborates with suppliers on climate change adaptation, carbon pricing, and mitigation efforts, empowering them to contribute to South Africa's climate resilience goals.
- Exxaro's Integrated Report has been recognized as **Best-in-Class** for three consecutive years at the Chartered Governance Institute of Southern Africa Awards, reflecting its transparency and commitment to ESG principles.



# SOCIAL IMPACT STRATEGY

## CONTINUED...

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### **Climate Action and Energy Transition:**

- Exxaro acknowledges the scientific basis for climate action and is committed to addressing its environmental impact while securing South Africa's energy and economic needs.
- The company is transitioning into a diversified minerals and energy solutions business, leveraging its scale, capabilities, and market position to support vulnerable communities and critical value chains during South Africa's energy transition.
- **SMME Development:** Since 2018, Exxaro's Enterprise and Supplier Development (ESD) program has supported **116 youth and women-led businesses** with financial aid, training, and skills development, integrating them into the supply chain and enhancing service delivery.

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### **Legacy of Trust and Shared Value:**

- Exxaro's holistic approach to community engagement, education, SMME development, and environmental stewardship aims to build a legacy of trust, shared value, and resilience.
- By empowering communities, supporting local businesses, and fostering environmental stewardship, Exxaro is driving multidimensional change and contributing to South Africa's sustainable development.

Exxaro's purpose, **Powering Better Lives in Africa and Beyond**, is reflected in its unwavering commitment to social impact, sustainability, and stakeholder collaboration. Through its strategic initiatives, the company is not only addressing immediate community needs but also laying the foundation for long-term economic growth, environmental resilience, and social well-being. By integrating ESG principles into its business operations and aligning with global sustainability goals, Exxaro is setting a benchmark for responsible corporate citizenship in South Africa and beyond.



# PEOPLE STRATEGY:

## THE FOUNDATION OF OUR SUCCESS

At Exxaro, we firmly believe that our greatest asset is not found beneath the ground—it is embodied in our people. They are the driving force behind the realisation of our vision, the catalysts of innovation, and the custodians of our values. Our People Strategy serves as the cornerstone of all our initiatives in the people space, structured around four key pillars:



### Cultivating a Culture of Inclusion and Innovation

Exxaro is committed to fostering a culture where inclusion and innovation thrive. By valuing every voice and recognising every contribution, we ensure that diverse perspectives fuel creativity and drive progress. This culture of innovation is deeply embedded in our DNA, enabling us to push boundaries, explore new frontiers, and embrace change as an opportunity for growth. The result is elevated productivity, enhanced engagement, and improved retention, further solidifying Exxaro's position as an employer of choice.

### Attracting, Empowering, and Retaining Top Talent

Shaping tomorrow's mining and energy legacy requires a reimagined approach to talent management. Exxaro accesses diverse talent pools to build a pipeline that aligns with our strategic priorities and business needs. By attracting and retaining top talent, we ensure a workforce capable of driving innovation and sustaining our competitive edge in the industry.

### Recognising Potential and Investing in Our People

Sustained excellence is achieved through the continuous development of our people. Exxaro invests in unlocking the full potential of our talent by prioritising learning, development, and talent mobility. Employees are empowered to navigate their career paths with confidence, supported by a robust focus on building scarce and critical skills. This ensures a workforce equipped to meet evolving organisational needs and to deliver excellence in all endeavours.

### Nurturing a Holistic Employee Experience

At Exxaro, employee wellbeing is a cornerstone of our promise. We prioritise holistic support through initiatives such as wellness programmes, which provide counselling and assistance for financial, personal, and professional challenges. This preventative, employee-driven approach ensures that our people are supported in every aspect of their lives, fostering a workplace where individuals can thrive.



# PEOPLE STRATEGY:

## THE FOUNDATION OF OUR SUCCESS

### 2023 Achievements: A Testament to Our Commitment

Our dedication to our people is reflected in our 2023 milestones:

- R358 million invested in training and development.
- R5.9 billion allocated to employee remuneration.
- R10.5 million directed towards developing targeted employees in management programmes, leadership roles, and postgraduate studies.



For the fourth consecutive year, Exxaro has been recognised as one of South Africa's Top Employers. This accolade underscores our commitment to creating a progressive, inclusive, and empowering workplace that enables employees to excel both personally and professionally.

### Looking Ahead: Shaping a Sustainable Future

Exxaro's vision extends beyond conventional mining. It is about unlocking potential—in the earth, in our communities, and within ourselves. By nurturing talent, fostering innovation, and living our values, we are building a brighter, more sustainable future.

**At Exxaro, we know that tomorrow holds a greater promise than today. Together, we are shaping a legacy of excellence, innovation, and impact.**



Connect with us to continue shaping the future of mining and powering possibilities across Africa and beyond



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