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Cu  
25 54.938  
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Manganese


**Exxaro Resources Limited**  
Tax report  
for the year ended 31 December 2024


**exxaro**  
POWERING POSSIBILITY

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### Navigating this report

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

 Read more in this report.

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

## Overview

Exxaro Resources Limited (Exxaro, the company or the group) is committed to transparent and responsible tax practices. This tax report is prepared in line with the Integrated Reporting Framework and guided by the Global Reporting Initiative Standard 207: Tax 2019 (GRI 207), the Companies Act, 2008 (Act 71 of 2008), as amended (Companies Act), JSE Limited (JSE) Listings Requirements, the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)\* and International Financial Reporting Standards (IFRS).

We believe that transparent communication about our tax contributions creates confidence and allows our stakeholders to make informed decisions. This report details Exxaro's approach to tax risk management (TRM) and stakeholder engagement on tax matters. It highlights our tax strategy's alignment with our sustainability commitments and gives context for our financial reporting performance.

In this tax transparency report, we:

- Demonstrate the economic value we create by paying taxes in the jurisdictions where we operate
- Provide insights into our tax governance, emphasising our dedication to compliance and ethical conduct
- Show how our tax policy aligns with our overall business goals and contributes to long-term value creation for all stakeholders

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### Combined assurance

Exxaro strives to provide accurate and reliable information. Our combined assurance approach incorporates the activities of management, internal audit, external auditors and other assurance providers in providing assurance over the reported information. This includes external audits of our financial statements and limited assurance procedures for specific tax-related information.

### Board approval

The board of directors (board) oversees Exxaro's tax strategy and has approved this report, confirming that it accurately details Exxaro's tax approach, governance, risk management and performance. The board values tax transparency in building and maintaining trust and confidence with investors, employees, communities, governments and other stakeholders. This report affirms Exxaro's commitment to the highest standards of tax responsibility.

### Connect with us

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

**Malusi Buthelezi**  
Group manager: Governance and reporting  
Tel: +27 12 307 3174  
Mobile: +27 83 460 3723  
Email: [Malusi.Buthelezi@exxaro.com](mailto:Malusi.Buthelezi@exxaro.com)

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# Who we are

Exxaro is a JSE-listed company operating mainly in South Africa. Coal is our core commodity and we have an established energy solutions business. Our additional growth prospects include energy transition minerals and energy solutions. Having established the business in 2006, we have deep roots in mining with a track record of operational excellence and delivering value.

Our assets have a book value of R94.7 billion (2023: R92.9 billion), including five coal mines <sup>1</sup> , two windfarms and a solar project under construction	Our market capitalisation is R55.17 billion (2023: R71.43 billion)
We produced 39.5Mt of coal product (including buy-ins) (2023: 42.5Mt)	We are in the top 30 on the Financial Times Stock Exchange (FTSE)/JSE Socially Responsible Investment Index
We generated 725GWh of renewable energy (2023: 727GWh)	The business is 30.81% black empowered

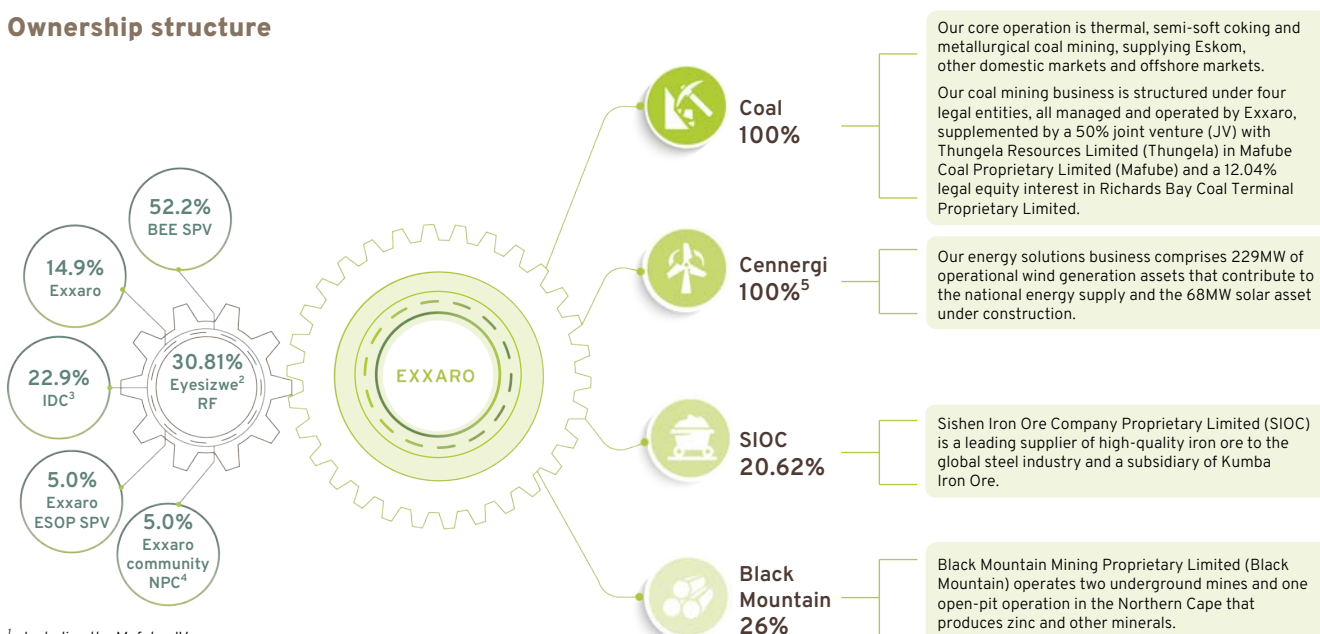
## A snapshot of where we are going and how we will get there

<p><b>Purpose</b></p> <p>In line with Exxaro's purpose of powering better lives in Africa and beyond, our ambition is to provide resources (people, minerals, energy and capital) critical to ensuring the energy transition and a low-carbon future.</p>	<p><b>Vision</b></p> <p>We understand that we cannot grow sustainably without creating a positive impact on the environment and communities we serve. We are committed to responsibly maximising the value of our coal assets by reducing stranded assets, and playing an active role in creating a future that realises our vision: resources powering a clean world.</p>	<p><b>Values</b></p> <p>Our success lies in the strength of our culture and values, which strengthen our resilience and ensure we deliver stakeholder value. Our values are:</p> <ul style="list-style-type: none"> <li>• Empowered to grow and contribute</li> <li>• Teamwork</li> <li>• Committed to excellence</li> <li>• Honest responsibility</li> </ul>
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**Sustainable Growth and Impact strategy**

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

## Ownership structure



<sup>1</sup> Including the Mafube JV.  
<sup>2</sup> Eyesizwe (RF) Proprietary Limited (Eyesizwe), a special purpose vehicle (SPV) private company, incorporated under South Africa's laws, holds the black economic empowerment (BEE) shares. On 12 March 2025, Eyesizwe RF's shareholders committed to maintaining Exxaro's 30.81% empowerment shareholding until 2027.  
<sup>3</sup> Industrial Development Corporation of South Africa.  
<sup>4</sup> Exxaro Aga Setshaba NPC.  
<sup>5</sup> Exxaro owns 100% of Cennergi; Cennergi owns 95% of Amakhala Emoyeni windfarm and 75% of Tsitsikamma community windfarm.

For detailed information on our group structure, refer to the 2024 [annual financial statements](#).

# Our assets

Our diversified asset portfolio comprises interests primarily in thermal coal (where we are among the top three South African coal producers), a growing energy solutions business and equity-accounted investments in ferrous (iron ore) and zinc, among other base metals.

## Minerals business

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

## Energy solutions business

- 8 Tsitsikamma community windfarm
- 9 Amakhala Emoyeni windfarm
- 10 Lephalale solar project (LSP)

### Minerals business

Our minerals business comprises coal operations and our equity investments in iron ore and zinc. Our business interests in Europe comprise a marketing and logistics company in Switzerland. A joint operation with Anglo Coal Grosvenor Proprietary Limited, the Moranbah South project, is conducted in Australia.

Expanding our business portfolio to include manganese, bauxite, copper, energy and broader energy transition minerals enables our contribution to a more sustainable future and stakeholder value enhancement.

Our coal asset base is a key differentiator and critical part of how we create value for our stakeholders.

#### Snapshot

- Exxaro is one of the largest suppliers of coal to Eskom and ArcelorMittal South Africa Limited
- We own the largest high-quality Coal Reserves remaining in South Africa, providing a platform for early value returns
- Grootegeluk is one of the largest integrated mining and beneficiation operations globally, running the largest coal beneficiation complex, and the only producing mine in the coal-rich Waterberg, adjacent to Eskom's Matimba and Medupi power stations
- We invested R2.1 billion in sustaining our coal business this year (2023: R2.4 billion)

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

### Energy solutions business



In line with our goal to decarbonise and diversify, Exxaro's energy solutions business comprises investments through our wholly owned subsidiary, Cennergi Holdings Proprietary Limited. This business supports Exxaro's ambition of generating 1.6GW of power by 2030 and includes supporting our current coal and future minerals operations through self-generation and providing energy to external customers including mines and larger industrial companies.

The energy solutions business and our scope 1 and 2 emissions reduction efforts are critical activities in achieving our goal to be carbon neutral by 2050, and advancing our commitment to being an active participant in the transition to a low-carbon economy. The energy solutions business continues to develop a pipeline of opportunities for Exxaro and external offtake.

#### Snapshot

- Cennergi has two operational wind assets (the Tsitsikamma and Amakhala Emoyeni windfarms)
- Once operational, the LSP will supply solar energy to Grootegeluk, reducing the operation's carbon footprint and electricity costs. Commercial operation is expected by mid-2025
- Cennergi's operating wind asset project financing of R4.1 billion (2023: R4.3 billion) will be fully settled by the end of 2031
- Cennergi's solar asset project financing will mature and be fully settled by the end of 2042

Read prioritising climate change adaptation and resilience in the [ESG report](#) (page 37) for detailed information about the LSP.



### Our Waterberg coal complex

<b>Location</b>	West of Lephalale
<b>Market</b>	Domestic and export
<b>Product</b>	Thermal and metallurgical coal
<b>Coal Resources (inclusive)</b>	• Measured: 2.922Mt • Indicated: 967Mt
<b>Coal Reserves</b>	• Proved: 1.919Mt • Probable: 550Mt
<b>Mining method</b>	Open-cut
<b>Run of mine (RoM)</b>	51.4Mt
<b>Life of mine (LoM)</b>	17+ years*

\* Adequate Reserves well beyond expiry of mining right.

<b>Location</b>	West of Lephalale
<b>Market</b>	Domestic
<b>Product</b>	Thermal coal
<b>Coal Resources (inclusive)</b>	• Measured: 270Mt • Indicated: 749Mt
<b>Coal Reserves</b>	• Probable: 130Mt
<b>Mining method</b>	Open-cut
<b>LoM</b>	22 years



### Our Mpumalanga coal operations

	3 Belfast	4 Leeuwpaan
<b>Location</b>	South of Belfast	South-east of Delmas
<b>Market</b>	Export (alternative domestic)	Domestic and export
<b>Product</b>	Thermal coal	Thermal coal
<b>Coal Resources (inclusive)</b>	• Measured: 94.2Mt • Indicated: 7.9Mt	• Measured: 58.23Mt
<b>Coal Reserves</b>	• Proved: 28.1Mt • Probable: 1.3Mt	• Proved: 26.78Mt • Probable: 3.30Mt
<b>Mining method</b>	Open-cut	Open-cut
<b>RoM</b>	3.9Mt	3.8Mt
<b>LoM</b>	9 years	9 years

	5 Matla	6 Mafube JV (50%)
<b>Location</b>	West of Kriel	East of Middelburg
<b>Market</b>	Domestic (Eskom)	Domestic and export
<b>Product</b>	Thermal coal	Thermal coal
<b>Coal Resources (inclusive)</b>	• Measured: 625Mt • Indicated: 91Mt	• Measured: 143.4Mt** • Indicated: 1.7Mt**
<b>Coal Reserves</b>	• Proved: 101Mt • Probable: 30Mt	• Proved: 79.2Mt** • Probable: 32.0Mt**
<b>Mining method</b>	Underground	Open-cut
<b>RoM</b>	5.9Mt	5.7Mt**
<b>LoM</b>	1 year*	19 years

\* Adequate Reserves well beyond expiry of mining right.  
\*\* Total Resource and Reserve basis.



### Our Australian interest

<b>Phase</b>	Undertaking prefeasibility study to inform decision for development prospects
<b>Location</b>	Queensland, Australia
<b>Market</b>	Export
<b>Product</b>	Coking coal
<b>Coal Resources</b>	• Measured: 505.3Mt* • Indicated: 219.2Mt*

\* Total Resource basis.

### Eastern Cape



	8 Tsitsikamma community	9 Amakhala Emoyeni	10 LSP
<b>Location</b>	Near Tsitsikamma	Near Bedford and Cookhouse	Lephalale
<b>Product</b>	Wind energy	Wind energy	Solar energy
<b>Capacity</b>	95MW	134MW	68MW
<b>Equipment</b>	31 x 3.1MW turbines	56 x 2.4MW turbines	
<b>Performance</b>	Adjusted P50 in the long term	Adjusted P50 in the long term	Reached financial close June 2023
<b>Customer</b>	Eskom	Eskom	Exxaro Coal Proprietary Limited (Grootegeluk)
<b>Commercial operation</b>	2016	2016	2025
<b>Power purchase agreement</b>	20 years	20 years	25 years
<b>Shareholding</b>	Cennergi (75%), RE Times (16%) and the Tsitsikamma Development Trust (9%)	Cennergi (95%), Cookhouse Community Trust (2.5%) and the Bedford Community Trust (2.5%)	Cennergi (100%)

# Statement from the finance director

**Exxaro's tax contributions create value by supporting critical public services and infrastructure. As an essential part of our business strategy, tax is embedded in our enterprise risk management approach, ensuring operational efficiency, compliance and responsible corporate citizenship. Through transparent and ethical tax governance, we reinforce trust with stakeholders while contributing to socio-economic stability.**

To protect and maintain our licence to operate, we focus on building long-term, trust-based relationships with stakeholders, including governments, tax authorities and civil society. Through active engagement in tax policy discussions, we contribute to developing an effective and equitable tax system, advocating for industry-specific considerations and regulatory improvements. Our participation in tax working groups organised by the Minerals Council South Africa and the South African Institute of Taxation (SAIT) allows us to collaborate in shaping tax policies that support sustainable economic growth. Transparent tax reporting plays a vital role in strengthening these relationships and allows stakeholders to understand the scale and impact of our tax contributions.

We adopt globally recognised standards, including the GRI 207 framework, to ensure transparent and ethical governance of our tax affairs. Additionally, the governance principles highlighted in King IV guide our approach, with ethics and integrity as key considerations. Our commitment to transparent tax reporting was recognised in PwC's 2024 Building Public Trust Through Tax Reporting publication, where we were commended for our high-quality, value-added tax disclosure based on PwC's tax transparency framework. This recognition underscores our dedication to clear communication and stakeholder engagement in our tax practices.

During the year, we proactively engaged with regulatory authorities and industry bodies to navigate changes in our tax landscape. The global tax environment remains complex, with developments like the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting influencing our tax compliance and governance approach. In 2024, South Africa adopted the OECD's Pillar Two legislation, introducing a 15% minimum effective tax rate for large multinational enterprises. Exxaro proactively assessed this legislation while still in draft format, and our progress in implementing Pillar Two has placed us ahead of industry peers. Additionally, we responded to legislative shifts affecting our short-term insurance business.

We remain committed to contributing to macro-economic stability in the jurisdictions where we operate and creating socio-economic development within local communities and broader society. This is supported by our drive to maximise the value of our coal assets and advance our social impact initiatives.



**We are dedicated to creating economic growth and social impact while being responsible environmental stewards and ensuring our resilience as a business. In 2024, we contributed R4.8 billion in taxes, demonstrating our ongoing dedication to supporting public finances, socio-economic development and fostering sustainable growth.**



Read this report in conjunction with the rest of our [2024 reporting suite](#) for a holistic view of our commitment to responsible tax reporting and other business practices.

**Riaan Koppeschaar**  
Finance director

15 April 2025

## Our tax contribution at a glance

Effective tax rate <b>19.1%</b>	Effective tax rate excluding equity-accounted investments <b>29.1%</b>
Dividend withholding tax (South Africa) <b>R1 million</b>	Global minimum top-up tax accrual <b>R8 million</b>
Mineral royalty tax accrual <b>R1.1 billion</b>	Total tax accrual <b>R2.4 billion</b>
Carbon tax accrual <b>R3 million</b>	Offshore corporate income tax accrual <b>R40 million</b>
Cash tax collected on behalf of government <b>R1.8 billion</b>	Total tax contribution <b>R4.8 billion</b>

# Tax landscape

Exxaro believes in sustainable value creation, achieved by carefully evaluating the relationship between the capitals it uses and affects. Our corporate model and strategy integrate natural, social, relationship, manufactured, human, intellectual and financial capital. Exxaro strives to positively contribute to and mitigate any negative impacts on these capitals to ensure long-term success and promote a sustainable working environment in Africa and beyond.

## Our tax philosophy

Taxation, a crucial component of the social impact between citizens and the economy, is an important part of Exxaro's business strategy because it is the natural outflow of each company action. Exxaro manages taxation as part of its enterprise risk management (ERM) framework and creates sustainable value for all stakeholders through operational efficiency, continuous improvement, regulatory compliance and responsible citizenship within acceptable risk parameters. Exxaro's tax risk management (TRM) philosophy is aligned to its broader risk management philosophy, business strategy and objectives.

## Our tax risk management framework

Exxaro's TRM framework safeguards the company from loss, ensures effective tax planning and compliance and preserves appropriate financial reporting. It articulates the company's tax strategy and serves as the primary method for managing its tax approach. The framework is intended for internal use, thus it is not publicly accessible. However, this report includes all relevant information intended for an external audience.

The TRM framework is reviewed on an ad hoc basis in response to significant changes impacting Exxaro and its risk appetite. All changes to the TRM framework require audit committee approval. The group tax manager, through the finance director, is accountable to the board for designing, implementing, monitoring and reporting on the TRM process.

Exxaro's tax strategy aligns with the group's objectives for sustainable value, focusing on the following measures:

- Ensuring compliance with legislative and regulatory requirements to mitigate reputational and financial losses
- Implementing robust corporate governance and sound business practices
- Proactively managing tax risks through ongoing assessment and mitigation
- Ensuring timely and accurate payment of all tax obligations
- Building trust and transparency with our stakeholders
- Supporting material and complex tax transactions with credible technical opinions
- Maintaining documentary evidence of tax filings and positions
- Promptly reporting and rectifying inadvertent errors, non-disclosures and control failures to regulatory authorities and the executive and audit committees
- Effectively managing robust tax structuring solutions to minimise tax leakages
- Ensuring alignment with Exxaro's growth strategy as a strategic business partner
- Engaging with local and foreign tax authorities regarding tax matters, enquiries and investigations

## Dealing with tax authorities

Exxaro maintains positive relationships with revenue authorities in all jurisdictions where it operates. The company will continue to seek rulings where tax legislation is unclear and strives to respond to tax information requests and audits from revenue authorities in a comprehensive and prompt manner. In South Africa, Exxaro undergoes an annual business assessment of its coal business units, initiated by the South African Revenue Service (SARS). To uphold transparency, Exxaro promptly provides the relevant material and engages in discussions with SARS, including projections regarding its coal business units, as and when required.



Refer to [revenue authority audits and disputes](#) (page 11).

## Litigation

Mafube Coal Mining Proprietary Limited (Mafube), Exxaro's 50% joint venture with Thungela, settled the appeal out of court for mineral and petroleum resources royalty assessments amounting to R14.8 million plus interest. On 3 June 2024, SARS's National Appeals Committee accepted a settlement proposal of R3.4 million for the outstanding interest. A formal settlement is still being finalised.

Exxaro Coal Proprietary Limited (Exxaro Coal)'s High Court appeal, challenging SARS's refusal to pay interest on delayed value-added tax (VAT) refunds, is proceeding, with oral evidence scheduled for 28 July 2025.

## Public policy advocacy

Exxaro contributes to local tax reforms and the development of an effective tax system by participating in tax working groups organised by the Minerals Council South Africa and SAIT.

In 2024, as part of its decarbonisation strategy, Exxaro submitted Technical Annexure C Tax Proposals for the 2025 Budget to request the National Treasury to consider extending the sunset clause related to enhanced deduction of assets employed in producing renewable energy as provided in section 12BA of the Income Tax Act. Despite engagement with National Treasury, the Minister of Finance did not extend the sunset clause date in the 2025 budget speech delivered in the National Assembly on 12 March 2025.

Exxaro also commented on the draft guide to the Minerals and Petroleum Resources Royalty Act (2008) and will continue to engage in relevant policy discussions as opportunities arise.

## Tax havens

Exxaro upholds ethical tax practices, therefore, it does not engage in artificial profit shifting to low-tax jurisdictions or “tax havens”. Our presence in such jurisdictions – for example, Exxaro International Trading AG (EITAG) in Zug, Switzerland – is solely for legitimate business purposes. Significant business decisions involving these jurisdictions undergo rigorous reviews, including tax implications, to ensure responsible operations.

EITAG remains a key player in our global commodity trading activities, particularly in coal. Its tax obligations are met in accordance with Swiss regulations and are transparently reported. Although EITAG is subject to a 12% corporate tax in Switzerland, its profits are imputed to the taxable income of Exxaro Coal in terms of section 9D of the Income Tax Act.

 Refer to [country-by-country information](#) (page 18).

## Pillar Two

In 2021, the OECD introduced the Global Anti-Base Erosion Model Rules, setting a 15% global minimum corporate tax rate for multinational entities. On 21 February 2024, South Africa joined the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting by proposing to implement the OECD’s Global Minimum Tax components (Pillar Two income tax legislation), including an Income Inclusion Rule (IIR) and a Domestic Minimum Top-up Tax (DMTT).

On 24 December 2024, South Africa enacted the Pillar Two income tax legislation with retrospective effect for tax years starting on or after 1 January 2024. Under this legislation, Exxaro must pay top-up tax on profits from its subsidiaries that are taxed at an effective rate of less than 15% in South Africa, except where those jurisdictions have implemented a qualified domestic minimum top-up tax (QDMTT) in line with the OECD.

Switzerland also adopted the Pillar Two income tax legislation for assessment years beginning on or after 1 January 2024. This means that EITAG, which is Swiss-incorporated and taxed at an effective tax rate of 12%, may be potentially subject to QDMTT.

Exxaro will qualify to file the prescribed returns in line with the Pillar Two provisions of Swiss legislation. In 2024, Exxaro recognised a top-up current tax expense of R8 million which is levied on EITAG. Exxaro applied a temporary mandatory relief from deferred tax accounting for the top-up tax impacts, treating it as a current tax when it is incurred.

The transitional country-by-country safe harbour rules are available to the group for the 2024, 2025 and 2026 financial years and the assessment on whether the exemptions will be applicable will be performed annually.


The group will continue to monitor and evaluate the impact of Pillar Two income tax legislation across all jurisdictions, considering additional guidance and regulations from tax authorities.

## Tax incentives

Exxaro leverages tax incentives offered by the government to promote employment and support economic growth. Our commitment to compliance and transparency focuses on maximising the advantages of these incentives while ensuring adherence to regulatory standards.

## People

In the year under review, Exxaro’s total tax benefit from the learnership allowances incentive outlined in section 12H of the Income Tax Act increased modestly to approximately R5.5 million, from R5.2 million in 2023. This highlights our ongoing investment in human capital development.


 Refer to empowering our people in our [ESG report](#) (page 66).

## Research and development

Exxaro engaged an external service provider to identify projects that may qualify for enhanced tax benefits from research and development incentives under section 11D of the Income Tax Act. Two projects have been identified during the current year relating to predictive monitoring and data-driven optimisation of mining operations. Applications to the Department of Science and Technology are ready for submission.

## Renewable energy

Exxaro is investing in the LSP, which is expected to be operational by June 2025, in accordance with its strategic objective to reduce its carbon footprint. The plant must be utilised for electricity generation in South Africa between 1 March 2023 and 28 February 2025 to qualify for the enhanced tax deductions specified in section 12BA of the Income Tax Act. Despite Exxaro’s engagement with National Treasury to request an extension of the sunset clause, the National Treasury reiterated its stance in the 2025 budget that the relief was provisional and would expire on 28 February 2025. Consequently, the LSP will continue to take advantage of renewable energy-specific deductions and allowances provided for in the Income Tax Act.

 For more information on Exxaro’s climate change response and decarbonisation strategy, refer to the climate change and energy efficiency sections of our [ESG report](#) (pages 35 and 41).

## Carbon tax

On 23 July 2024, the president signed into law the Climate Change Act, which seeks to coordinate South Africa’s response to climate change. The Climate Change Act sets out additional mitigation and adaptation policies and measures to support South Africa’s transition to a low-carbon and climate-resilient economy.

To meet its commitments, National Treasury revised the carbon tax rates for the second phase, effective 1 January 2026 to 31 December 2030. It also proposed a gradual reduction of the basic tax-free allowance over time to phase in a higher effective tax rate on greenhouse gas emissions.

This aims to strengthen the carbon price signals and provide policy certainty. Amended legislation increased the carbon tax rate by a minimum of US\$1 per tonne, with the aim to increase the rate to US\$20 per tonne in 2026, at least US\$30 per tonne in 2030 and US\$120 per tonne in 2050. Based on the 2024 carbon tax tonnages, Exxaro’s liability will increase from R4 million in 2025 to R10 million in 2027.



## Tax landscape continued

### Corporate social responsibility

Exxaro is a dedicated corporate citizen that emphasises responsible engagement with surrounding communities and the public. By consolidating our social investment initiatives through Exxaro Aga Setshaba NPC (the NPC), a section 30 entity aligned with section 18A, we enhance our positive impact in these areas. We are committed to acting with integrity, ensuring compliance with governance frameworks and fostering sustainable relationships with community stakeholders. Our proactive approach involves clarifying our commitments and addressing any issues promptly to guarantee a fair and equitable distribution of benefits. As we move into 2025 and beyond, we strive to create meaningful and lasting change in the communities we serve through our social responsibility efforts.



Refer to our [ESG report](#) (page 87) for more information on our corporate social responsibility.

### Stakeholder engagement

We are committed to engaging proactively with all stakeholders to foster shared value and strengthen collaborative efforts. Our stakeholder engagement strategy focuses on the views and concerns of those involved, as their insights are essential to our decision making. Through targeted, meaningful and transparent interactions, we address tax-related issues and reinforce our commitment to constructive dialogue. Continuous collaboration with our stakeholders, including revenue authorities and industry bodies, allows us to contribute to the development of effective tax systems and practices that support economic growth, job creation and socio-economic development.




Refer to our [ESG report](#) (page 16) for more information on our stakeholder-inclusive approach.


Honest and transparent engagements with stakeholders on tax matters are summarised below.


Stakeholder group	Key concerns and expectations	Exxaro's response
SARS	<ul style="list-style-type: none"> <li>Non-compliance with tax laws will result in reputational damage, financial loss and possible criminal prosecution</li> <li>Capacity constraints resulting from the competing demands of daily work, along with ongoing SARS audits and information requests</li> <li>Complex restructuring transactions and sales or acquisitions of investments or assets expose Exxaro to adverse tax consequences</li> <li>Frequent and complex changes to tax legislation pose a risk to Exxaro if they are not correctly implemented, which could increase the cost of tax compliance</li> <li>Remaining informed about SARS's strategic objective of streamlining online services and modernising the tax system</li> </ul>	<ul style="list-style-type: none"> <li>Establishing a robust compliance programme through qualified employees, regular training and education, by continuously assessing potential tax compliance risks, engaging with external advisers to ensure full compliance with applicable laws, implementing internal controls, remaining informed about tax legislation changes, transparency, communication and voluntary disclosure</li> <li>In its 2023/2024 annual report, SARS maintained its promise to make it easy for taxpayers and merchants to comply with their obligations. According to Exxaro, SARS has fulfilled its promise by granting submission extensions when capacity was constrained due to the competing needs of daily work, regulatory audits and requests for information</li> <li>Comprehensive due diligence for all complex restructuring transactions to identify tax issues, ensure integration into Exxaro's culture and environment and engaging with external advisers</li> <li>Continuously engaging in open communication with government bodies through industry organisations, discussing upcoming legislative changes and advocating for favourable tax policies; frequent and complex changes in tax legislation require advocacy through industry associations</li> <li>Submitting comments to SARS's VAT modernisation discussion paper, which requires the company to invest in advanced tax and accounting technologies that interact with SARS's digital platforms to comply with SARS's tax modernisation plans</li> </ul>
Financial reporting audiences (shareholders and financiers)	<ul style="list-style-type: none"> <li>Tax reporting does not fairly represent Exxaro's financial position</li> </ul>	<ul style="list-style-type: none"> <li>External tax and information technology (IT) specialists updated and maintained the automated tax tools to calculate the tax disclosure required in terms of the International Accounting Standard 12 accounting treatment for income tax</li> <li>Qualified professionals manage tax reporting</li> </ul>
Communities	<ul style="list-style-type: none"> <li>Communities in areas surrounding Exxaro's operations do not benefit from money spent on approved public benefit activities</li> </ul>	<ul style="list-style-type: none"> <li>Through forums and outreach programmes that facilitate open dialogue, Exxaro engages with communities to understand their needs. Exxaro ensures that its donations and funding initiatives benefit communities without compromising regulatory compliance as per SARS's approval</li> </ul>
Industry	<ul style="list-style-type: none"> <li>The mining industry's unique challenges and requirements are not considered when tax systems and legislation are being developed</li> <li>In the case of renewable energy, the South African Government recognises the unique challenges faced by the sector through numerous initiatives such as Critical Infrastructure Programmes, Integrated Resource Plan etc</li> </ul>	<ul style="list-style-type: none"> <li>Exxaro participates in public policy advocacy through the Minerals Council South Africa, SAIT, the National Business Initiative and Business Unity South Africa</li> <li>The recent High Court judgment in ASPASA NPC and Others v CSARS (2023/099811), delivered by Judge Labuschagne AJ, addresses significant issues regarding the interpretation of tax legislation, particularly pertaining to mining companies. The case demonstrates that while the challenges of the mining industry may seem overlooked, the courts, when interpreting legislation, consider the intention of the legislator and the specific context of the sector involved. This ruling can be seen as a positive outcome for the industry</li> </ul>


## Performance management and employee development


Exxaro undertakes the following performance management initiatives in the tax department:

- 

The group tax manager ensures employees are equipped with the necessary qualifications, skills and experience for each tax function's role and responsibilities
- 

Exxaro invests in training and formal postgraduate studies, and employees regularly attend courses and seminars
- 

Formal development programmes are in place for tax employees
- 

Personal performance appraisals assess employees' commitment to tax risk management
- 

Incentive schemes reward tax employees for their performance, while non-performance is addressed by the appropriate line manager

### Tax digitalisation roadmap

Exxaro has made significant progress in enhancing tax management by implementing robotic process automation (RPA) and artificial intelligence (AI). RPA and AI have reduced manual repetitive tasks, resulting in improved efficiency in managing VAT submissions, compliance tracking and tax information management. Integrating these technologies strengthens accuracy while mitigating the risks associated with manual processes. Our digital automation projects are detailed below.

Project	Impact of RPA and AI on tax processes
Automated VAT apportionment calculations	Streamlining VAT submission processes to ensure timely compliance
Automated data extraction from e-filing	Enhancing compliance tracking mechanisms to proactively address potential issues
Monitoring dashboard on tax compliance and administration	Improving tax information management systems for better data integrity and accessibility

By continuously leveraging innovative technologies, Exxaro remains committed to driving automation and digitalisation within its tax processes, fostering a more efficient and transparent tax management framework.

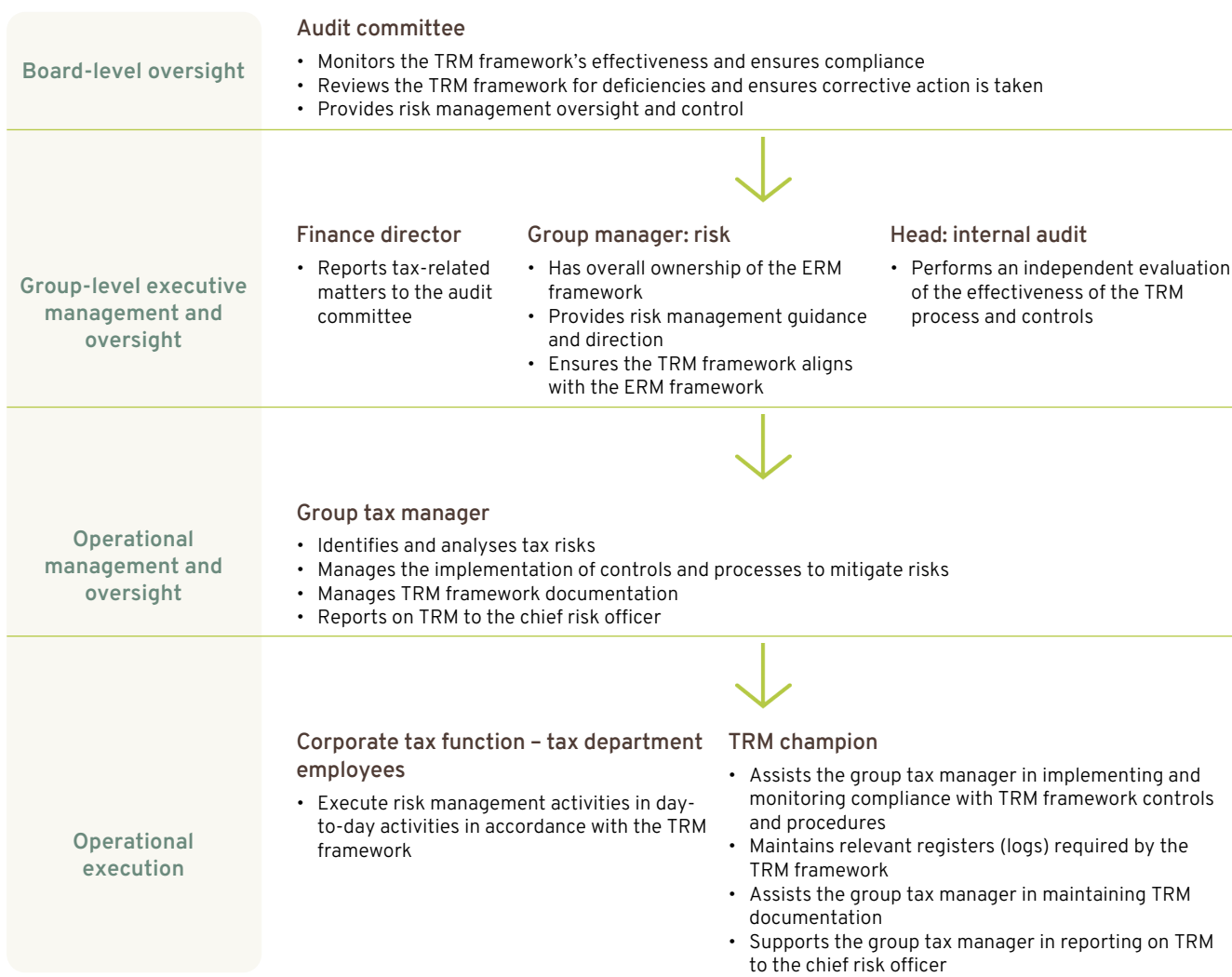
# Tax governance

## Governance oversight

It is essential to embed TRM across all levels of the organisation, given the rapidly evolving tax landscape. From strategic boardroom decisions to daily operations, a proactive and integrated TRM approach is crucial.

Exxaro remains committed to upholding the highest standards of corporate governance, aligning with King IV principles. In accordance with King IV, Exxaro’s board and audit committee are responsible for TRM oversight, ensuring strategic alignment with the group’s broader business strategy. Tax governance remains a standing agenda item for the audit committee, emphasising its importance. The group tax manager, reporting directly to the group finance director, is accountable for the daily management of the tax function.

Although the corporate tax function and finance function are organisationally and physically separate, they collaborate closely. The group tax manager remains instrumental in providing insights at the initial stages of projects presented to the investment review and executive management committee, ensuring tax implications are considered in key business decisions. This proactive approach improves tax planning and risk management and optimises operational efficiency.



## Policies and control

The TRM framework, updated in 2022, has a robust foundation with continuous updates to the standard operating procedures (SOPs) on transactional taxes (VAT, diesel refunds under the diesel rebate scheme and carbon tax), compliance and reporting processes. Exxaro will continue to enhance these SOPs, ensuring they remain aligned with evolving tax compliance and administration requirements.

The group tax manager plays an important role in:

- Implementing and overseeing compliance with established controls and procedures
- Identifying, analysing and evaluating the potential events and associated risks that could impact the group’s strategic objectives

Exxaro achieves transparency through regular communication with the board, audit committee, executive management and internal and external stakeholders on TRM processes. Our approach to risk reporting is influenced by stakeholder expectations, reinforcing our dedication to open and transparent practices.

To further enhance oversight, the group tax manager submits quarterly and biannual reports to the audit committee, detailing:

- Income tax filing compliance with local and offshore tax authorities
- Updates on tax disputes, audits and inquiries initiated by authorities
- Key tax developments that could affect our business environment
- Identification of significant tax risks, particularly those with a likelihood of occurrence and a tax impact exceeding R30 million, where existing controls may fall short
- Tax implications of material transactions, including acquisitions and disposals of assets, investments and businesses

### Transfer pricing

South Africa's transfer pricing (TP) requirements are based on the OECD TP principles and regulated by section 31 of the Income Tax Act and SARS Practice Note 7. SARS implemented the following documentary requirements for TP:

- Country-by-country reporting: A foreign-headquartered group files country-by-country reporting with a foreign tax jurisdiction, exchanging reports with SARS. South African constituent entities must submit the country-by-country report notification to SARS in a section incorporated into the income tax return
- Master file and local file: South African taxpayers with TP transactions exceeding an aggregate R100 million for the financial year must submit a master file and local file return to SARS via e-filing 12 months after the year of assessment


Exxaro's TP transactions exceed the R100 million threshold. Therefore, filings and document retention are done according to the Income Tax Act.

### Data retention

In 2024, Konsise – a software company – introduced a tax compliance tool that has strengthened our tax function's adherence to the group's document retention policies. By efficiently using Exxaro's storage drive, Konsise's compliance tool and SARS's e-filing system as essential components of our document database, we ensure compliance and accessibility.

### Mechanisms for reporting tax-related concerns

We encourage all Exxaro stakeholders to utilise our fraud and ethics hotline to anonymously report any potential concerns, breaches of Exxaro's code of ethics, fraud, misconduct or tax-related issues. This independent platform reinforces our commitment to ethical conduct and compliance.

 Our [ESG report](#) provides more detail on Exxaro's fraud and ethics hotline.

### Assurance

Exxaro remains committed to mitigating tax risk through a five-line defence framework:

- First line of defence: Daily operational management and controls ensure effective handling of tax-related activities
- Second line of defence: The executive, including compliance and risk management, provide operational oversight
- Third line of defence: Internal assurance of the TRM is conducted on an ad hoc or rotational basis, providing independent appraisals of our processes
- Fourth line of defence: SARS and external auditors conduct audits to ensure compliance with tax legislation, highlighting our commitment to regulatory compliance
- Fifth line of defence: Oversight by the board and audit committee

### Internal audits

During the current financial year, our internal audit function conducted an audit for the 2023 financial year, focusing on income tax, mineral and petroleum resources royalty and customs and excise. The audit revealed two process controls requiring improvement. In response, we promptly updated these controls to ensure they align with the highest standards of process workflow and document retention. Our goal is to optimise our control environment and strengthen compliance across all areas.

### Revenue authority audits and disputes

The following legal entities are either in dispute with SARS or undergoing an audit. The table below outlines the status and progress of each audit or dispute.

Legal entity	Tax type	Period	Status	Progress
Exxaro Coal	Income tax	2018 to 2020 years of assessment	Appeal	An appeal was submitted to the Tax Court regarding additional assessments of approximately R210 million, including interest and penalties. The appeal has been referred to alternative dispute resolution proceedings, with the date yet to be set.
Exxaro Coal Mpumalanga Proprietary Limited (Exxaro Coal Mpumalanga)	Income tax	2020 year of assessment	Appeal	The assessment under dispute amounts to approximately R37 million, including interest and penalties, and is undergoing dispute resolution proceedings. No decision has been made at this time.
Exxaro Coal Mpumalanga	Mineral and petroleum resources royalty	2018 to 2023 years of assessment	Audit finding	SARS is reviewing the responses to the audit findings.

## Other reviews

During the year, Exxaro engaged an external service provider to review VAT benefits for Exxaro Coal, Exxaro Coal Mpumalanga and Exxaro Resources. The purpose of the review was to identify transactions not appropriately accounted for from a VAT perspective, with the aim of identifying areas of savings. The savings as a percentage of revenue over a five-year period amounted to 0.000015%, which rates in the top 1% of the service provider's 970 clients (including 20% of current JSE-listed companies). The outcome of the review reflects a well managed VAT function.

## Open years of assessments

The below tax years are open for assessment. Income tax filings with SARS prescribe after three years in terms of the Tax Administration Act, 2011 (Act 28 of 2011), and after five years in terms of Swiss tax legislation.

Entity	Open years of assessment
<b>Major subsidiaries</b>	
Exxaro Coal	2018 to 2023
EITAG	2018 to 2023
<b>Material to the group</b>	
Exxaro Coal Mpumalanga	2019 to 2023
Exxaro Resources	2020 to 2023
Amakhala Emoyeni Renewable Energy Project 1 Proprietary Limited (Amakhala Emoyeni)	2021 to 2023
Tsitsikamma Community Wind Farm Proprietary Limited (Tsitsikamma community windfarm)	2021 to 2023

Only entities classified as major subsidiaries or material to the group are listed. A major subsidiary represents 25% or more of total assets or revenue of the consolidated group results (JSE Listings Requirements service issue 25). Material entities do not meet the 25% criteria but are material to the group.

# Tax risk management

## Enterprise risk management framework

Exxaro's ERM framework continuously evolves as it is designed to effectively navigate today's uncertain operating environment. TRM, which is an integral part of Exxaro's ERM framework and ensures the tax function's independence, focuses on integrating tax risk management into our business processes, enabling informed decision making and proactive planning.

This year, we refined our TRM approach by utilising the Konsise compliance management tool and a VAT dashboard to enhance compliance and detect trends. This enables us to better anticipate potential risks. Additionally, we proactively addressed emerging tax-related legislative changes. We also focused on improving internal communication and transparency, underscoring our commitment to good corporate governance.

## Tax risk appetite

Exxaro remains committed to ethical tax practices, maintaining a zero tolerance stance on tax evasion. We view tax planning as a legitimate business lever, strictly within the boundaries of tax legislation. Our risk appetite ensures that all transactions have a valid commercial purpose, thereby avoiding any arrangements that could be perceived as tax-driven without substantive business rationale. Additionally, Exxaro has adopted a more cautious approach to tax arrangements and business acquisitions that may expose the organisation to reputational risk or regulatory scrutiny. This proactive approach protects our corporate integrity and aligns with our broader sustainability goals.

## Tax risk identification and assessment

Risk identification and assessment are crucial for our TRM strategy. In 2024, we improved our methodology for identifying compliance risk by utilising Konsise's tax compliance management tool, ensuring that risks are mitigated (refer to the risk trend analysis on the next page). This allows us to remain agile in our response to tax compliance. Exxaro continues to explore methodologies that leverage real-time data and predictive analytics of transactions recorded in the ledger to ascertain the likelihood and potential impact of tax-related events.

We documented SOPs and implemented controls to address key activities driving tax risks. Our top risks are continuously monitored through the ERM risk assessment and management tool, SAP GRC10.1 (SAP GRC), which tracks improvements and treatment plans in real time.

## Tax risk reporting


Transparent communication with the board, audit committee, executive management and internal and external stakeholders remains essential to TRM. We have strengthened our tax risk reporting to keep stakeholders informed of TRM activities and emerging tax risks through regular reports and monthly and quarterly coal and energy tax committee meetings.


The following TRM information will be reported:

Type of information	Reporting responsibility	Timing	Format of the report	Forum for discussion and evaluation
The initial formal TRM framework	Group tax manager assisted by TRM champion	Once off	TRM framework	Group manager: risk and finance director
Feedback on the effectiveness of the TRM process	Internal audit department	Ad hoc	Internal audit reports	Audit committee
Feedback on changes to the TRM process	Group tax manager assisted by TRM champion	Significant changes are reported on an ad hoc basis	TRM memorandum	Group manager: risk
Identification of new risks with a moderate impact factor which is likely to occur where moderate controls are in place	Group tax manager and TRM champion	Annually	As prescribed by the ERM framework	Group manager: risk
Unwanted events with an impact factor greater than 35% (a tax impact greater than R30 million)	Group tax manager and TRM champion	Quarterly	Audit committee report	Executive and audit committees

## Material tax risk, opportunity and strategic response

Relevant tax matters are identified by considering:

 Our risks and opportunities ([integrated report](#), page 28)

 Our stakeholder-inclusive approach ([ESG report](#), page 16) and stakeholder value ([integrated report](#), page 42)

Residual risk occurs when the likelihood of an event is reduced by controls that address the root cause and/or the trigger or driver of the unwanted event and, where the impact is reduced by controls, minimise those impacts.

Inherent risk does not consider any controls except baseline controls, which are intrinsic to the hazard.

Risks are prioritised based on inherent risk, a predetermined risk appetite, the likelihood of the matter arising and its impact on value creation.

The board continuously evaluates Exxaro's impact scales for tax risks in the TRM policy to ensure alignment with the group's risk appetite. The acquisition of the Konsise compliance management tool has addressed two risks identified in 2023: document retention issues and cash flow constraints resulting from adverse tax compliance status. These risks are no longer considered significant in the current year and have therefore been excluded below. Tax impact scales remain lower than those established under the group's ERM framework, reflecting Exxaro's decreased appetite for tax risks. These are outlined below.

### Impact scale

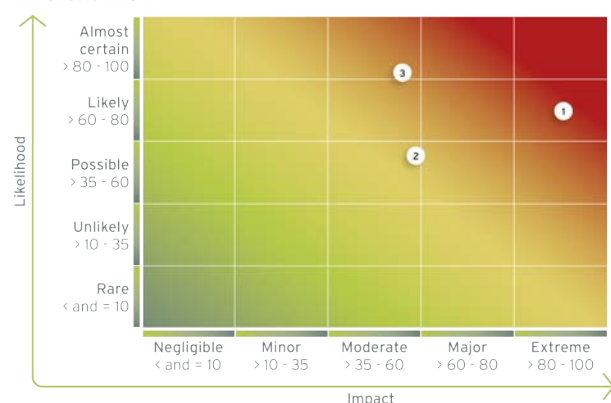
Description	Indicator	% Risk factor
Catastrophic	Tax impact >R75 million	81 to 100
Major	Tax impact >R50 million to R75 million	60 to 80
Moderate	Tax impact >R30 million to R50 million	35 to 60
Minor	Tax impact >R10 million to R30 million	10 to 35
Insignificant	Tax impact ≤R10 million	<10

### Likelihood scale

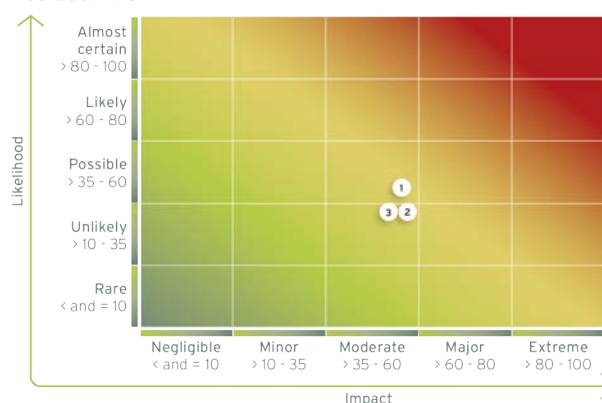
Description	Indicator	% Risk factor
Almost certain	Potential to occur annually	80 to 100
Likely	History of occurrence	60 to 80
Possible	Has occurred in the past five years and is expected to occur again	35 to 60
Unlikely	Theoretically possible	10 to 35
Rare	Highly unlikely to occur or has not occurred to date	<10

The outcome of the ratings was as follows:




#### Inherent Risk




#### Residual Risk



#### Risk trend

Ranking	Risk name	Trend
1	Tax and accounting disclosure differences	
2	Understatement penalties resulting from any prejudice to SARS	
3	Rapidly changing legislation	

 The residual risk score decreased from the previous year

## Tax risk management continued

Exxaro's top three material tax risks are discussed below.

### 1 Tax and accounting disclosure differences

<b>Drivers</b>	<b>Strategic performance key performance indicators (KPIs)</b>
Misalignment between IFRS and tax laws	Core operating profit
<b>Impacts</b>	<b>Treatments</b>
<ul style="list-style-type: none"> <li>• Significant differences may lead to a SARS audit query</li> <li>• Incorrect tax treatment due to incorrect classification of tax-sensitive accounts, which affects decisions based on disclosure</li> <li>• Understatement penalties if the taxpayer cannot prove a bona fide error and demonstrate reasonable care in completing the return</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct early reviews of forecasts throughout the year</li> <li>• Provide regular tax training to enhance awareness</li> <li>• Facilitate quarterly tax committee meetings for proactive management of tax implications</li> </ul>
<b>Lines of defence</b>	1, 2 and 4

### 2 Understatement penalties resulting from any prejudice to SARS

<b>Drivers</b>	<b>Strategic performance KPIs</b>
Difference in interpretation of facts and/ or the law	Core operating profit
<b>Impacts</b>	<b>Treatments</b>
<ul style="list-style-type: none"> <li>• Financial loss if the taxpayer cannot prove a bona fide error, reasonable care and reasonable grounds for their tax position</li> </ul>	<ul style="list-style-type: none"> <li>• Establish reasonable grounds for a tax position by obtaining tax opinions in advance</li> <li>• Exercise reasonable care in completing the returns</li> <li>• Maintain comprehensive documentation to support the deductions and positions taken</li> </ul>
<b>Lines of defence</b>	1 and 4

### 3 Rapidly changing legislation

<b>Drivers</b>	<b>Strategic performance KPIs</b>
The shift towards international tax legislation, particularly that of the OECD, requires countries, including South Africa, to adapt their tax laws swiftly	Core operating profit
<b>Impacts</b>	<b>Treatments</b>
<ul style="list-style-type: none"> <li>• Incorrect application of tax laws can potentially result in penalties and increased scrutiny from tax authorities</li> <li>• Non-compliance issues arise as taxpayers struggle to understand and implement new regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain transparency in tax reporting</li> <li>• Seek professional advice to understand new requirements across all jurisdictions</li> <li>• Submit comments on draft legislation for better clarity and implementation</li> </ul>
<b>Lines of defence</b>	1 and 3



# Tax performance

## Total tax contribution paid

	2024 (Rm)	2023 (Rm)
Payments to government (taxation contribution)	4 803	5 040
Direct taxes per country	2 631	2 573
South Africa	2 561	2 506
Switzerland	70	67
Indirect taxes	932	1 278
VAT <sup>1</sup>	931	1 248
Levied on purchases of goods and services	(3 796)	(3 457)
Charged on turnover	4 727	4 705
Dividend withholding tax – local	1	1
Dividend withholding tax – Switzerland <sup>2</sup>	0	29
Levies paid to government	1 240	1 189
Rates and taxes	32	21
Mineral and petroleum resources royalty	1 109	1 076
Compensation Fund	18	17
Unemployment Insurance Fund	15	15
Carbon tax	3	3
Skills development levy	63	57

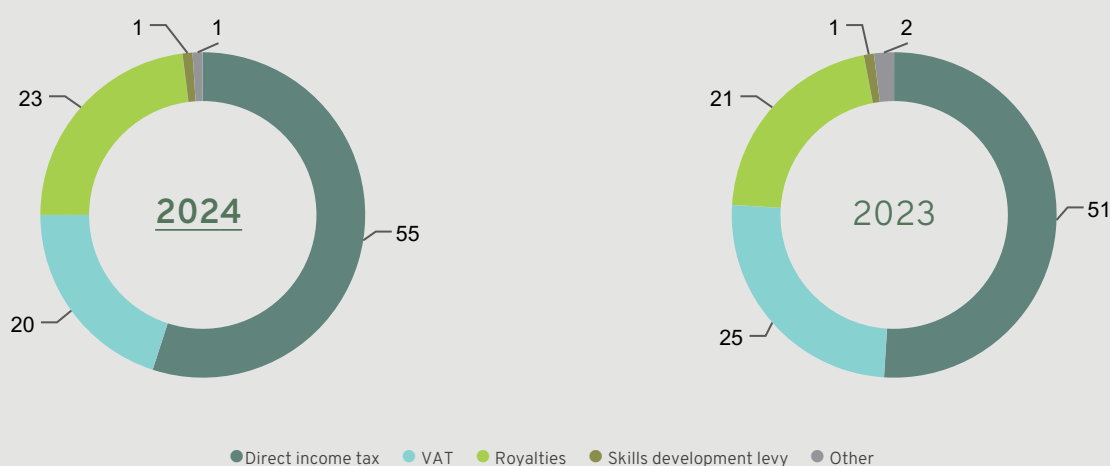
<sup>1</sup> The increase in input VAT claimed is mainly attributable to the VAT claimed on the capex incurred on the LSP. Refer to page 7.

<sup>2</sup> EITAG did not pay a dividend to Exxaro Coal. Therefore, no dividend withholding tax was paid in Switzerland. Refer to footnote 7 of the effective tax rate reconciliation.

## Total tax contribution collected on behalf of government

	2024 (Rm)	2023 (Rm)
Additional amounts collected by the group on behalf of government	1 752	1 667
Unemployment Insurance Fund	15	15
Pay As You Earn tax deducted from remuneration paid	1 737	1 652

### Total tax contribution paid (%)



## Effective tax rate reconciliation

The difference in the standard rate of 27% is explained below.

	2024 (%)	2023 (%)
<b>For the year ended 31 December</b>		
<b>Tax as a percentage of profit before tax</b>	<b>19.1</b>	18.0
Tax effect of:		
– Net capital losses <sup>1</sup>	0.0	(0.1)
– Other deductible/(non-deductible) tax adjustments <sup>2</sup>	(0.9)	0.9
– Exempt income	0.1	0.1
– Post-tax equity-accounted income <sup>3</sup>	9.3	10.5
– Remeasurements of foreign tax rate differences	0.3	0.2
– Prior year tax adjustments <sup>4</sup>	(0.1)	(1.1)
– Deferred tax assets not recognised <sup>5</sup>	(0.2)	(0.8)
– Expected credit losses on financial assets at amortised cost	(0.2)	(0.1)
– Re-instatement of deferred tax assets previously not recognised <sup>6</sup>	0.3	0.0
– Dividend withholding tax <sup>7</sup>	0.0	(0.2)
– Imputed income from controlled foreign companies and investments	(0.6)	(0.4)
– Global minimum top-up tax <sup>8</sup>	(0.1)	0.0
<b>Standard tax rate</b>	<b>27.0</b>	27.0
<b>Effective tax rate, excluding income from equity-accounted investments</b>	<b>29.1</b>	29.5
<sup>1</sup> No significant capital tax losses were incurred during the current year		
<sup>2</sup> Other deductible/(non-deductible) for tax purposes:	(0.9)	0.9
– Consulting, legal and other professional fees	(0.1)	(0.2)
– Share-based payments	0.3	0.6
– Distribution to beneficiaries of Exxaro ESOP Trust and expenditure by tax exempt entities	(0.5)	(0.2)
– Other <sup>9</sup>	(0.6)	0.7

<sup>3</sup> Equity-accounted investment income decreased by 38.9%. Refer to note 9.5 and 9.6 of the [annual financial statements](#).

<sup>4</sup> There were no significant differences between 2023 income tax returns submitted during the 2024 financial year and accounting provisions made relating to the year of assessment. In the prior year, provision was made for additional assessments relating to disputes with SARS as discussed on [page 11](#) of this report.

<sup>5</sup> Increased losses in Ferroland Grondtrust Proprietary Limited, Cennergi Services Proprietary Limited and Cennergi Holdings Proprietary Limited on which no deferred tax assets are recognised.

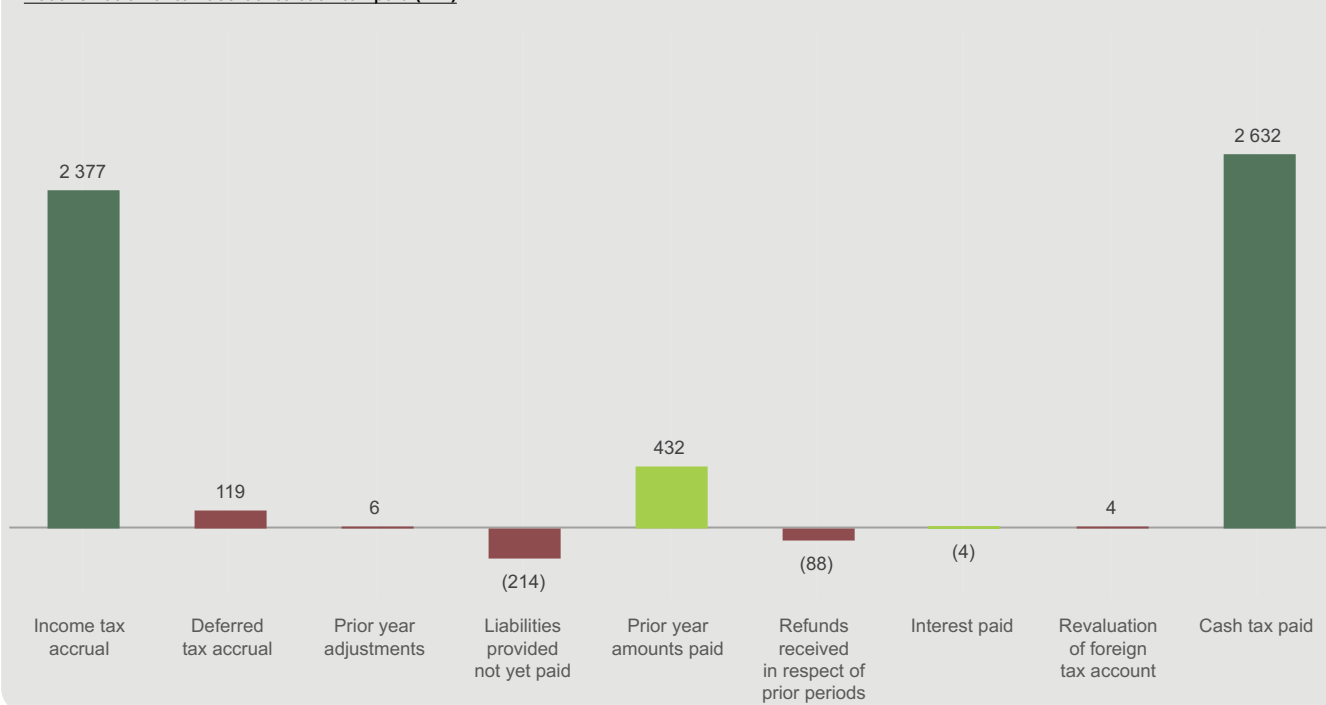
<sup>6</sup> Exxaro Australia sold assets that realised a gain that could be set off against prior year available losses. No deferred tax had previously been recognised on the available losses.

<sup>7</sup> No dividends had been paid by EITAG to Exxaro Coal, therefore, there was no resultant dividend withholding tax payable. EITAG is awaiting a ruling from Swiss revenue authorities to reduce the dividend withholding tax rate in terms of the double tax treaty.

<sup>8</sup> Relates to the additional tax provision for EITAG incorporated in Switzerland in terms of the global minimum top-up tax legislation as discussed on [page 7](#) of this report.

<sup>9</sup> This includes penalties and interest on taxes (0.2%) paid in the current year relating to the additional assessments in dispute in the prior year (refer to [page 11](#)), non-trading expenditure from companies in rehabilitation (0.3%), foreign tax credits (0.3%) and other non-deductible expenditure such as depreciation on non-allowance assets etc.


### Reconciliation of tax accrual to cash tax paid (Rm)



## Country-by-country information

As the ultimate parent and reporting entity, Exxaro is responsible for the preparation and submission of the country-by-country report for the Exxaro group in South Africa. The master file was prepared in accordance with commentary in chapter V of the 2017 Transfer Pricing Guidelines (TPG) for Multinational Enterprises and Tax Administrations issued by the OECD, and in line with the requirements of the public notice published by SARS for the submission of the country-by-country report, master file and local file by persons specified therein.

Exxaro is a diversified resources group with business interests in South Africa, Switzerland, China, Australia, the United Kingdom (UK) and Israel.

 Refer to pages 1 to 3 for a description of [Exxaro's key business areas](#).

 Refer to the [annual financial statements](#) for a full list of Exxaro's entities per jurisdiction.

### Adopted approach

The OECD TPG require that the reporting multinational enterprises (MNE) list all the tax jurisdictions in which constituent entities of the MNE group are resident for tax purposes. Accordingly, Exxaro has reported on the following jurisdictions within which it does its business:

1. South Africa
2. Switzerland
3. Australia

Business interests in the UK, China and Israel are not regarded as constituent entities as per the OECD guidelines and are thus not reported as such.

Revenue includes revenues from sales of inventory and properties, services, interest and any other amounts, including extraordinary income and gains from investment activities.

According to the OECD TPG, the reporting MNE should report the sum of the profit or loss before income tax for all the constituent entities resident for tax purposes in the relevant tax jurisdiction. The profit or loss before income tax should include all extraordinary income and expense items.

Taxes paid include corporate income tax and dividend withholding tax (foreign and local) paid during the year, and taxes accrued exclude deferred tax and provisions for uncertain tax liabilities.

### Offshore business areas

#### Switzerland

Coal extracted from the South African mines is sold to overseas markets through the Swiss marketing company, EITAG, which is Exxaro's central offshore sales company. EITAG buys coal from Exxaro Coal and Exxaro Coal Mpumalanga and on-sells the coal products to the ultimate customer. The goods are delivered to Richards Bay Coal Terminal Proprietary Limited (RBCT) and other ports and, from there, directly to the foreign customer. EITAG is responsible for the coal-blending process and the port cost.

EITAG attracts new customers and develops new markets for Exxaro coal products. Based on the contract concluded with customers, EITAG manages the scheduling of coal volumes, quality types and shipping dates.

EITAG's business strategy is to use the following regional advantages:

- Proximity of clients
- Intelligence gathering
- Product and market knowledge
- Access to ports to facilitate efficient logistics
- Cultural fit with customers

Having a central offshore sales company ensures the application of consistent policies and the growth of the Exxaro brand and offshore customer base. EITAG has five employees – one expat employee and four contractors.

#### Australia

Exxaro Australia Holdings Proprietary Limited (EAH) is the holding company of the Australian group of companies (the EAH Australian tax group) and does not have any employees. Exxaro Australia Proprietary Limited, a subsidiary of EAH, holds a 50% interest in a JV with Anglo Coal (Grosvenor) Proprietary Limited (Anglo Coal) in the Moranbah project, which is an undeveloped Coal Resource in exploration stage. Anglo Coal manages the project.

The Moranbah project is located in the Queensland district of Australia.

#### China

Exxaro holds a minority investment in the Chifeng Hongye Zinc Smelting Co Limited smelting operations, incorporated in China.

## UK

Exxaro owns a 25.85% interest in Insect Technology Group Holdings UK Limited, which is in the process of deregistration.

## Israel

Exxaro owns a 27.99% interest in LightApp Technologies Limited.

### Significant intercompany transactions

Exxaro's transfer pricing (TP) policy requires cross-border transactions with group companies to be conducted on an arm's length basis. The policy describes the method to be used as the basis for price determination of coal sales and logistical services rendered.

Important service arrangements within the group are shown in the table below. During 2024, there were no loans between Exxaro and any of its foreign group companies. Exxaro does not maintain unilateral advance pricing agreements in support of its intercompany transactions or tax rulings relating to the allocation of income across countries.

Service	Supply entity	Supply country	Receiving entity	Receiving country	TP policy
Sale of coal	Exxaro Coal and Exxaro Coal Mpumalanga	South Africa	EITAG	Switzerland	Yes
Provision of warehousing, logistics and blending support	Exxaro Coal	South Africa	EITAG	Switzerland	Yes
Provision of various business and management support services, including, but not limited to: <ul style="list-style-type: none"> <li>• Financial and accounting services</li> <li>• Human resources</li> <li>• Legal and insurance services</li> <li>• IT, purchasing, business developments, operations and quality assurance</li> <li>• Communication and regional management services</li> </ul>	Exxaro Resources	South Africa	Various	South Africa	Not applicable

Country-by-country information *continued*

Country-by-country reporting for the year ended 31 December 2024

2024 country-by-country report

Tax jurisdiction (country)	Revenues			Profit/(loss) before income tax (Rm)	Taxes paid (on cash basis) <sup>2</sup> (Rm)	Income tax accrued – current year <sup>3</sup> (Rm)	Stated capital (Rm)	Number of employees <sup>1</sup>	Statutory (%)	Withholding tax (%)	Tax rates Effective (%)
	Unrelated party (Rm)	Related party (Rm)	Total (Rm)								
Switzerland	12 857	0	12 857	270	(70)	40	223	1	12	5	
Australia	307	0	307	117	0	0	4 409	0	30		
South Africa	32 709	13 641	46 350	15 345	(2 562)	2 457	29 842	6 965	27		
<b>Total</b>	<b>45 873</b>	<b>13 641</b>	<b>59 514</b>	<b>15 732</b>	<b>(2 632)</b>	<b>2 498</b>	<b>34 474</b>	<b>6 966</b>			<b>19.1</b>

2023 country-by-country report

Tax jurisdiction (country)	Revenues			Profit/(loss) before income tax (Rm)	Taxes paid (on cash basis) <sup>2</sup> (Rm)	Income tax accrued – current year <sup>3</sup> (Rm)	Stated capital (Rm)	Number of employees <sup>1</sup>	Statutory (%)	Withholding tax (%)	Tax rates Effective (%)
	Unrelated party (Rm)	Related party (Rm)	Total (Rm)								
Switzerland	11 079	0	11 079	236	(67)	28	205	3	12	5	
Australia	46	0	46	(84)	0	0	4 413	0	30		
South Africa	30 778	12 437	43 215	21 965	(2 535)	2 740	30 468	6 810	27		
<b>Total</b>	<b>41 903</b>	<b>12 437</b>	<b>54 340</b>	<b>22 117</b>	<b>(2 602)</b>	<b>2 768</b>	<b>35 086</b>	<b>6 813</b>			<b>18</b>

Note that equity-accounted investment income is reflected in the country of incorporation.

<sup>1</sup> The number of employees only includes permanent employees. It does not include FTEs and contractors.

<sup>2</sup> Taxes paid include corporate income tax and dividend withholding tax.

<sup>3</sup> Income tax accrued excludes deferred tax and provision for uncertain tax liabilities.

Country-by-country information continued

Our legal entities and investments

Tax jurisdiction and nature of business

Name of entity	Main business activity	Tax residency	Segment	Nature
Exxaro FerroAlloys Proprietary Limited	Manufacturing of ferrosilicon powder	South Africa	Ferrous	Subsidiary
Gravelotte Iron Ore Company Proprietary Limited	Land rental	South Africa	Ferrous	Subsidiary
Sishen Iron Ore Company Proprietary Limited	Exploration, extraction, beneficiation, marketing, sale and shipping of iron ore	South Africa	Ferrous	Investment
Exxaro Resources Limited	Shareholder with interests in coal, energy and ferrous markets	South Africa	Ultimate shareholder	Ultimate shareholder
Exxaro Coal Proprietary Limited	Mining company focused on the extraction, processing and selling of coal	South Africa	Coal	Subsidiary
Exxaro Coal Mpumalanga Proprietary Limited	Mining company focused on the extraction, processing and selling of coal	South Africa	Coal	Subsidiary
Exxaro Reductants Proprietary Limited	Carbon reductant production/marketing – the company ceased all activities at the end of 2023	South Africa	Coal	Subsidiary
Coastal Coal Proprietary Limited	The company is in a mining rehabilitation stage and delivers rehabilitation services to other subsidiaries	South Africa	Coal	Subsidiary
The Vryheid (Natal) Railway, Coal and Iron Company Proprietary Limited	The company is in a mining rehabilitation stage	South Africa	Coal	Subsidiary
Richards Bay Coal Terminal Proprietary Limited	Coal exporter	South Africa	Coal	Investment
Mafube Coal Mining Proprietary Limited	Mining company focused on the extraction, processing and selling of coal	South Africa	Coal	Investment
Rocsi Holdings Proprietary Limited	Investment holding company	South Africa	Investment holding company	Subsidiary
Exxaro International Trading AG, Zug	Exxaro's central offshore sales company	Switzerland	Coal	Controlled foreign company
Exxaro Australia Holdings Proprietary Limited	Austria Investment holding company	Australia	Investment holding company	Controlled foreign company
Exxaro Australia Proprietary Limited	Mineral project evaluation and development	Australia	Coal	Controlled foreign company
Cennergi Holdings Proprietary Limited	Investment holding company	South Africa	Energy	Subsidiary
Cennergi Proprietary Limited	Service provider to energy sector	South Africa	Energy	Subsidiary
Amakhala Emoyeni Re Project 1 Proprietary Limited	Generation and supply of electricity	South Africa	Energy	Subsidiary
Tsitsikamma Community Wind Farm Proprietary Limited	Generation and supply of energy	South Africa	Energy	Subsidiary
Cennergi Services Proprietary Limited	Dormant company	South Africa	Energy	Subsidiary
Lephalale Solar Proprietary Limited	Provider of photovoltaic energy – in construction phase	South Africa	Energy	Subsidiary
K2021699141 South Africa Proprietary Limited	Dormant company	South Africa	Energy	Subsidiary
Exxaro Insurance Company Limited	Registered short-term insurer	South Africa	Insurance	Subsidiary
Eyesizwe RF Proprietary Limited	Investment holding company	South Africa	SPV	Subsidiary
Exxaro ESOP SPV (RF) Proprietary Limited	Holding company	South Africa	SPV	Subsidiary
Exxaro Employee Share Ownership Trust	Empowerment of beneficiaries	South Africa	SPV	Trust
Exxaro Aqa Setshaba NPC	Public benefit organisation	South Africa	SPV	Subsidiary
Exxaro People Development Initiative NPC	Dormant company	South Africa	SPV	Subsidiary
Exxaro Chairman's Fund	Public benefit organisation (activities ceased end 2023)	South Africa	SPV	Trust
Exxaro Foundation Trust	Dissolved	South Africa	SPV	Trust
Exxaro Mountain Bike Academy NPC	Mountain biking to historically disadvantaged	South Africa	SPV	Subsidiary
Exxaro Employee Empowerment Trust	Exxaro shares and employee incentives	South Africa	SPV	Trust
Exxaro Environment Rehabilitation Fund	Rehabilitation of mine upon closure	South Africa	SPV	Fund
Matla and Arnot Rehabilitation Trust Fund	Rehabilitation of mine upon closure	South Africa	SPV	Fund
Ferroland Grondtrust Proprietary Limited	Farming activities	South Africa	Farming	Subsidiary
Colonna Properties Proprietary Limited	Property lessor	South Africa	Property lessor	Subsidiary
Exxaro Properties (Groenkloof) Proprietary Limited	Property holding company	South Africa	Property holding company	Subsidiary
Exxaro Base Metals and Industrial Minerals Holdings Proprietary Limited	Investment holding company	South Africa	Base metals	Subsidiary
Black Mountain Mining Proprietary Limited	Exploration, development, treatment, production and sale of zinc, lead, copper and associated mineral concentrates	South Africa	Base metals	Investment
Exxaro Holdings Proprietary Limited	Investment holding company	South Africa	Investment holding company	Subsidiary
Chifeng Hongye Zinc Smelting Co Limited	Smelting operations	China	Smelting operations	Investment
Insect Technology Group Holdings UK Limited	Dormant, process of deregistration	United Kingdom	Dormant, process of deregistration	Investment
LightApp Technologies Limited	Technology company	Israel	Energy	Investment
Kumba Management share Trust	Exxaro shares and employee incentives	South Africa	SPV	Trust
Exxaro Employee Empowerment Participation Share Trust	Exxaro shares and employee incentives	South Africa	SPV	Trust
Karreebosh SAN Proprietary Limited	Project development company	South Africa	Energy	Subsidiary
Lephalale Solar II (RF) Proprietary Limited	Dormant Company	South Africa	Energy	Subsidiary
Lephalale Solar III (RF) Proprietary Limited	Dormant Company	South Africa	Energy	Subsidiary
Icarus Solar Power Plant (RF) Proprietary Limited	Dormant Company	South Africa	Energy	Subsidiary
Karreebosch Mbane Proprietary Limited	Investment Holding Company	South Africa	Energy	Subsidiary

### **Disclaimer**

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