



POWERING POSSIBILITY



PRESIDENTIAL
CLIMATE
COMMISSION

**Towards A Just
Transition**

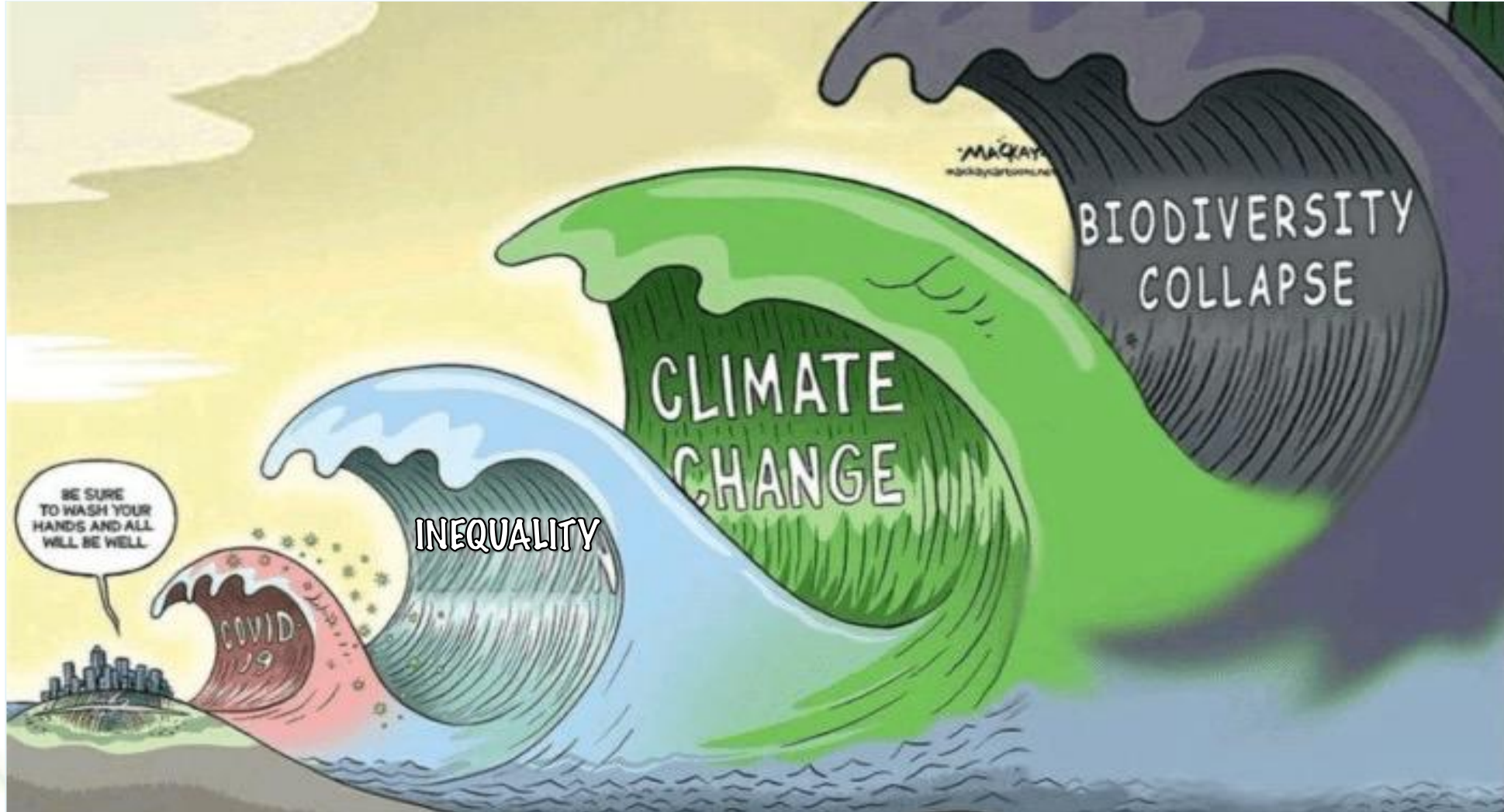
A Systemic Transition to Quality Jobs and Sustainable Livelihoods

5 October 2021

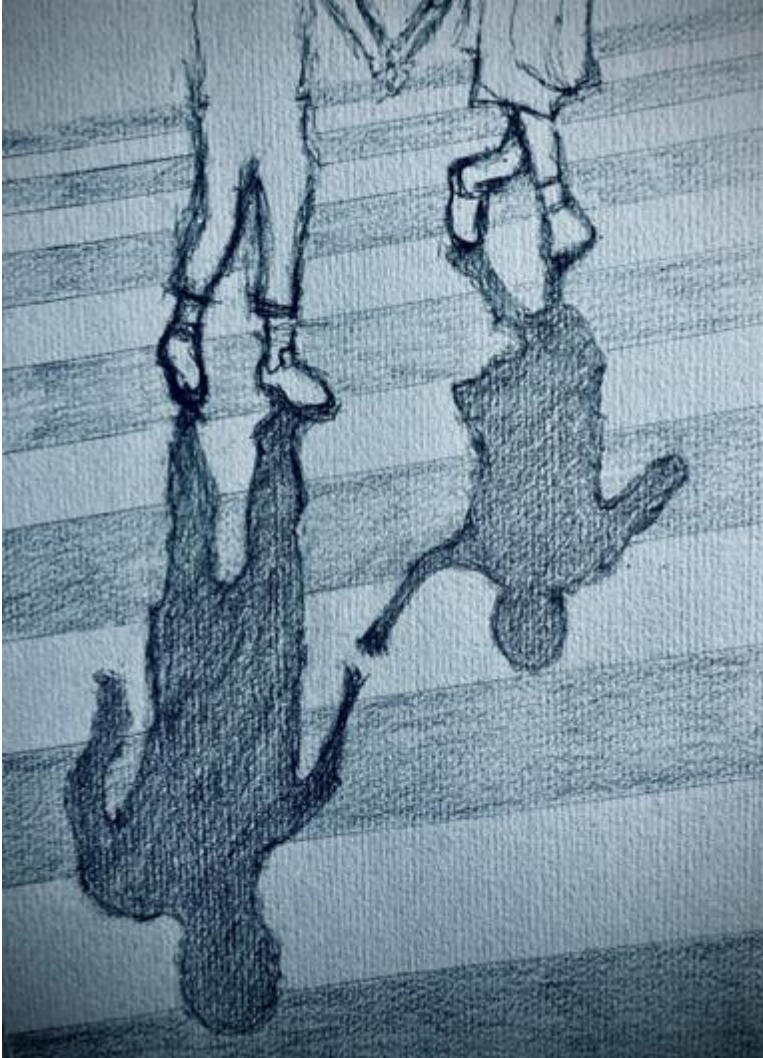
Mzila Mthenjane | Executive Head: Stakeholder Affairs



Increasing Risk to Livelihood Security requires Systemic Thinking



The Just Transition is about Meaningful, Resilient, Nature-based Change for All South Africans



“As part of ensuring a just transition we will need to put measures in place that plan for workforce reskilling and job absorption, social protection and livelihood creation, incentivising new green sectors, diversifying coal dependent regional economies, and developing labour and social plans as and when ageing coal-fired power plants are decommissioned.”

President Ramaphosa's Statement to the UNSG Climate Action Summit, 23 Sept 2019

What this means for Exxaro?

Our purpose is to power better lives in Africa and beyond, by responsibly investing in resources that will sustain life on the continent.

This transition is about creating a resilient and successful South Africa, that embraces the opportunities that the green economy provides to address the effects of climate change and inequality.

As business we realise the need to collaborate in change WITH our stakeholders, walking and learning together. None of us have the answers alone. And it will take the whole country to work together to achieve the Just Transition in the best interests of South Africa and future generations.

Just Transition Embraces Stakeholder (and Society) Expectations, is Scientifically Proven and Financially Feasible

Truths

Just Transition

- We are a business in transition
- We are a South African Business in Transition
- The vast majority of South African people have been left behind in every economic transition
- To live our purpose, we need to take people along as we transition

Truths

Employees and Communities

- Sites in closure, numerous land holdings, operations with significant community expectations and the expectation that we will transition coal employees and communities into new green industries
- Communities that are highly dependent post COVID

Truths

Science and Nature

- We are committed to reduce our greenhouse gas emissions and achieve carbon neutrality by 2050, while taking employees and communities along this journey
- There are further market demands for reducing our impact on biodiversity
- We have to manage our water consumption while sustaining our coal business and growing two new business strategies.

Truths

Funding

We need to enable this transition knowing:

- That our coal business will not grow
- That we must invest in the establishment and growth of our minerals and energy business
- The scale of environmental and social intervention needed cannot be funded through Exxaro alone

Our Strategic Objectives

Operations (FYE31/12/21):

Coal – 47.4Mt

RE – 727Gwh

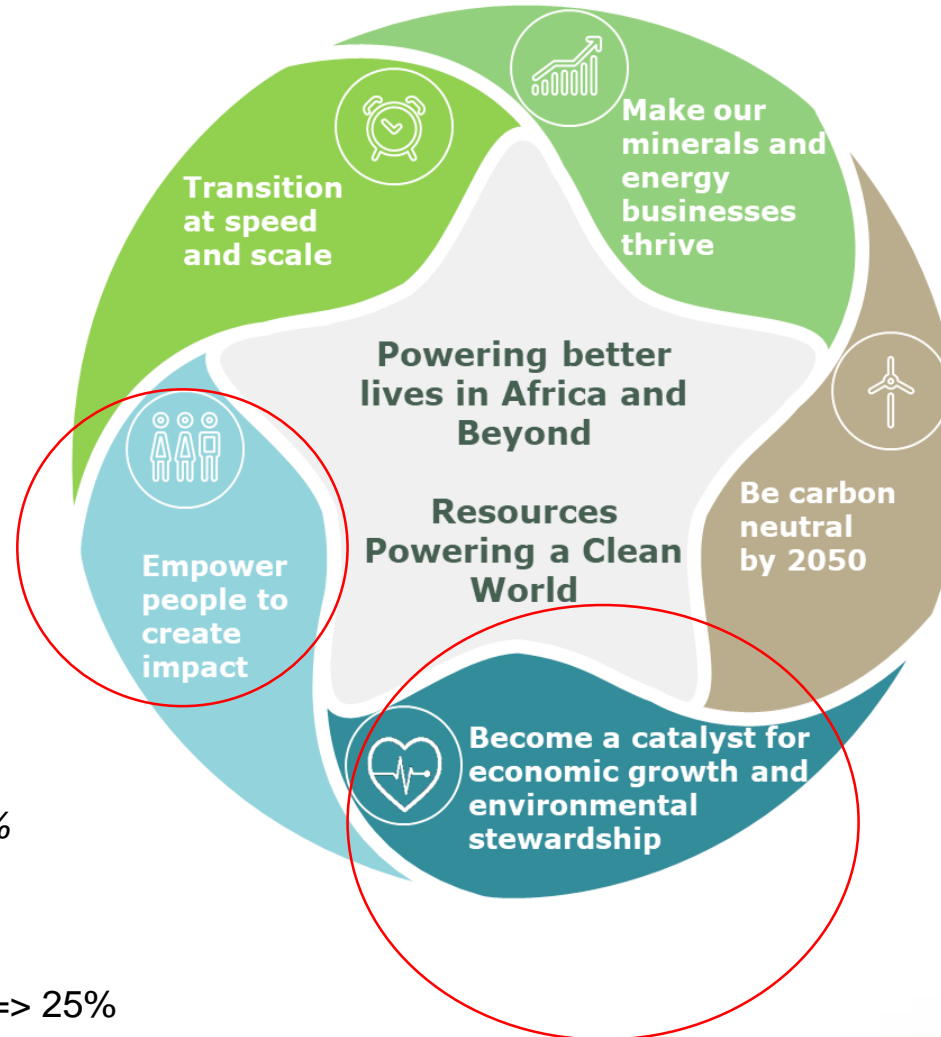
Financial:

Market Cap = 57.3bn (4/10/21)

Assets = 49.5bn (FYE31/12/21)

Transformation credentials (FYE31/12/21)

- ✓ Black Ownership = **38%**
 - Eyesizwe = 30%
 - ESOP = 5%
 - Community Scheme = 5%
- ✓ South African S/H = 77%
- ✓ Offshore S/H = 23%
- ✓ Black Management => 50%
- ✓ Black female management => 25%



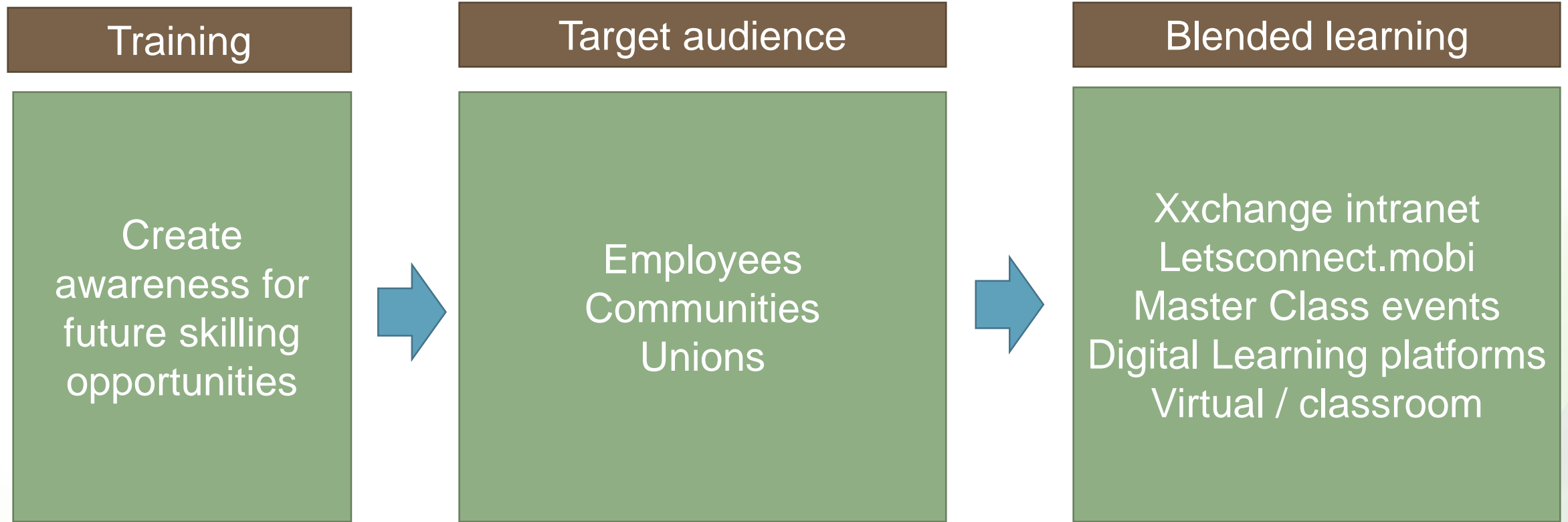
Employees

- Provide engaging learning opportunities that create ownership of employee development and enhances knowledge retention
- Digital/technology skills
- Reskill/upskill to close skills gaps

Communities

- Provide new learning opportunities that create ownership of development and enhances knowledge retention
- Enterprise and supplier development
- Infrastructure development

Transition Journey with Employees



Masterclass events	Oct	Nov	Dec	Jan	Feb
Launching soon	NetZero by 2050. Why should Exxaro be concerned?	Understanding and responding to Climate Risks	Energy and Water Transitions		Land and Biodiversity

In partnership with University of South Africa, University of Pretoria and University of Witwatersrand

Transition Journey with Communities

Collaborative model

- Shared with government and other social partners
- Marketed to impact investors and grant markets
- Implemented at scale to enable the Just Transition through sustainable economic diversification

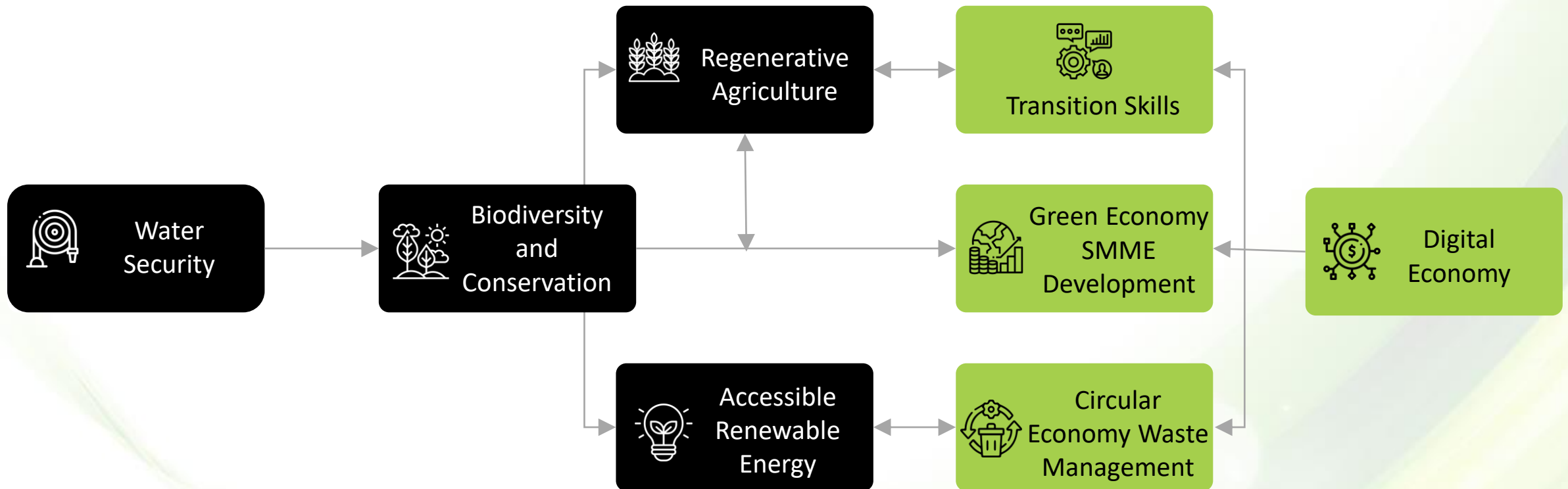
The impacts of this catalytic model are as follows:

A. Economic Impacts	1. Accessible Rural Renewable Energy Security
	2. Circular Waste Management and Job Creation
	3. Food Security and Regenerative Agriculture
	4. Accessible Technology and Digital Enablers
B. Social Impacts	5. Job Creation, Livelihood Security and SMME Development
	6. Green Economy Skills Development
C. Ecological Impacts	7. Reforestation, Biodiversity and Conservation
	8. Rural Water Security
D. Governance Impacts	9. Transparent Impact Measurement

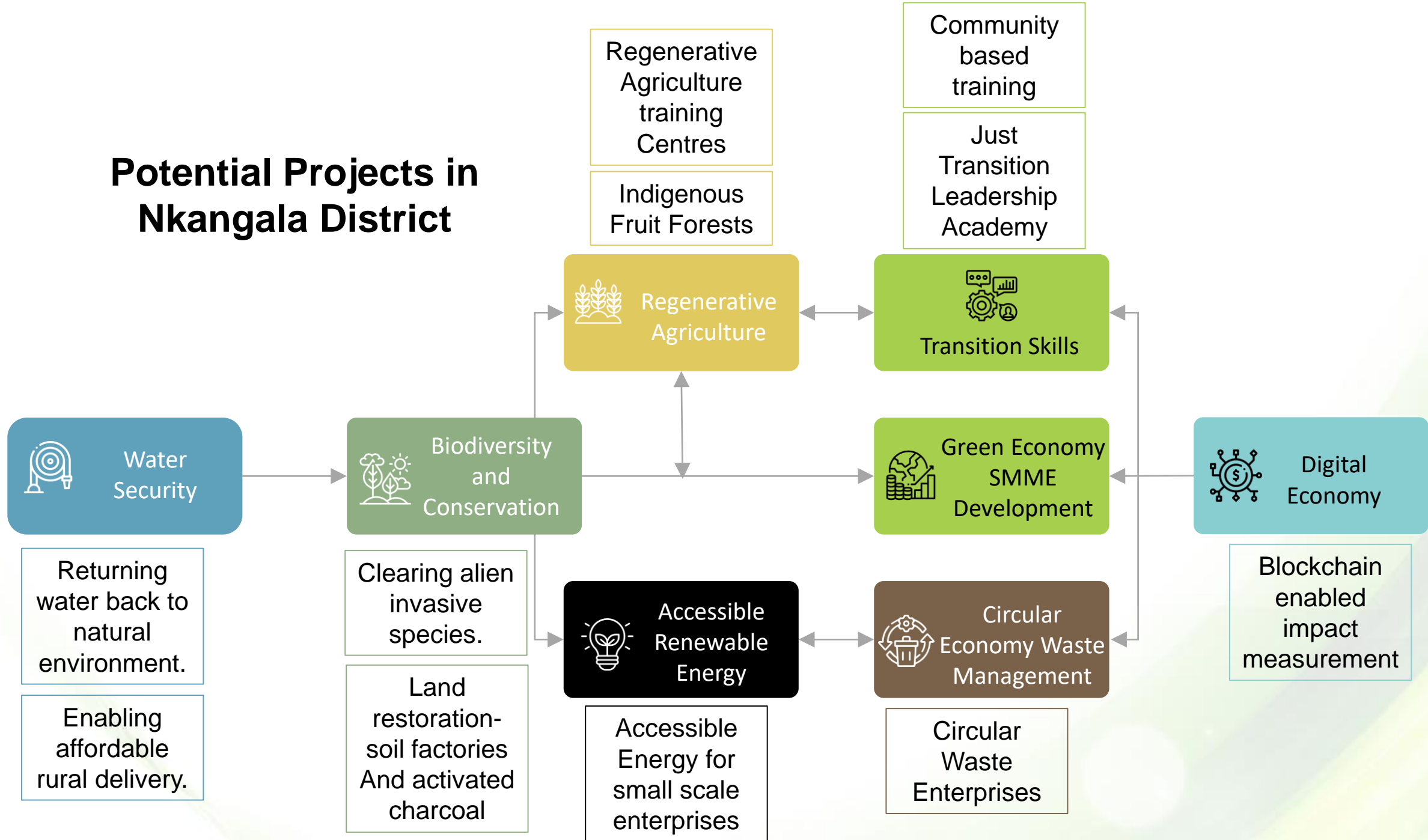
EARTH, OUR COMMON HOME
URGENT NEED TO RESPOND TO THE CRY OF THE POOR AND THE CRY OF THE EARTH

Reduce Inequality, Create Jobs, Empower the Rural Poor

Address Climate Impacts of Change: Enable Net Zero Growth



Potential Projects in Nkangala District





Thank you