



Seriti Resources Holdings (Pty) Ltd



ESG

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ABOUT THIS REPORT

Seriti Resources Holdings (Pty) Ltd (Seriti, Seriti Resources, the company or the group) is pleased to present its 2023 environmental, social and governance (ESG) report outlining our journey to becoming a future-fit diversified energy company through consistent and robust stakeholder engagement and partnerships. We focus on responsibly producing high-quality, secure and long-term energy solutions to fuel South Africa's energy needs as well as those in international markets.

Scope and boundary

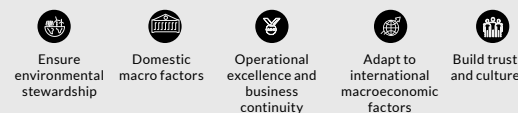
This 2023 ESG report provides our stakeholders with an overview of the Seriti group (📍 page 12), the group's material ESG matters (📍 page 31) and performance for the year from 1 April 2022 to 31 March 2023. We also include information on our ESG strategy (📍 page 31), which reflects new business operations, significant sustainability-related opportunities, risks and material ESG matters due to acquisitive growth that has broadened our operating boundary.

All data is reported by financial year unless otherwise stipulated. Comparative data for 2022 includes seven months of Seriti Power and related assets. From 2023, all environmental data is reported for the financial year (comparative data, previously reported per calendar year, is restated to show year-on-year trends). Our direct greenhouse gas (GHG) emissions are reported per calendar year as required by the South African Greenhouse Gas Emissions Reporting System. Health data is reported per calendar year as per legislated reporting requirements. Seriti is exploring assurance on some of its sustainability data in the future.

Materiality

The information included in this report was guided by a detailed materiality analysis (📍 page 31). We first conducted a materiality process in 2020, which was further refined in 2022 to align our ESG opportunities and risks with our business model, prioritising our commercial, environmental and social focus areas.

Our material themes:



We illustrate our integrated thinking throughout this report with icons that connect our material themes and material risks (📍 page 32) aligned with a Just Energy Transition to a diversified portfolio.

Our New Largo and Pegasus operations are contractor-mined and therefore not always included in group data points.

Navigating this report

- 📖 Further reading in this report or
- 🌐 on our website

ESG reporting guidelines

The report was prepared with our stakeholders (page 29) in mind. Accordingly, we consulted the following guidelines:



United Nations
Global Compact



We also referred to the following guidelines, acts and frameworks:

- Broad-based Black Economic Empowerment (BBBEE) Act 53 of 2003
- Broad-based Socio-economic Empowerment Charter for the Mining and Minerals Industry (Mining Charter)
- Companies Act 71 of 2008 (Companies Act)
- International Council on Mining and Metals
- Integrated Reporting Framework
- King Report on Corporate Governance™ for South Africa, 2016 (King IV)*

Our reporting suite

Please read this ESG report together with the other reports in our suite for the year ended 31 March 2023:



Annual results
presentation



Annual financial
statements



Resources and Reserves
report

Combined assurance

Our combined assurance approach to risk management confirms the reliability of the information we present in this report. We combine internal and external audit processes to ensure our reporting is free of any misstatements. Financial information (as published in our annual financial statements) is independently audited by KPMG Services (Pty) Ltd. Seriti is currently exploring independent reasonable assurance over key sustainability information in future reports.

Directors' statement of responsibility

Seriti's board of directors (board) assumes ultimate responsibility for the integrity of this ESG report, and confirms it has reviewed the content to ensure it provides a transparent presentation of the group's ESG performance during the reporting period.

Forward-looking statements

Certain forward-looking statements and forecasts in this report about Seriti's financial position, results, operations and business involve risk and uncertainty related to events and future circumstances. Actual results or developments could differ from those expressed or implied by these forward-looking statements. Neither the company nor any of its affiliates, advisers or representatives accept responsibility for any loss arising from the use of an expressed opinion, forecast or data herein.

Feedback

If you have any questions or would like to send feedback on this report, please contact Anlia Visser at anlia.visser@seritiza.com.

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ABOUT SERITI

Seriti aims to empower and create growth for all stakeholders. We want to be an industry-leading empowerment champion, rejuvenating the mining industry and actively building a legacy that creates growth for all our stakeholders and the country. As a black-controlled South African mining leader, we contribute to sustainable, reliable and transformational energy generation in South Africa, the Southern African Development Community (SADC), sub-Saharan Africa and global export markets.

Seriti is a broad-based, 91% black-owned and controlled South African mining group established in 2017 to acquire the New Vaal, New Denmark and Kriel mines as well as various life-extension coal resources and closed collieries from Anglo American. We also acquired the New Largo Coal project in August 2018, and South32 SA Coal Holdings (Pty) Ltd (SAEC) from South32 Ltd on 1 June 2021, which is now called Seriti Power. This acquisition integrated the Khutala, Klipspruit and Middelburg Mining Services (MMS, formerly Wolwekrans and Ifaletu mines) into the Seriti group.

In November 2021, we established Seriti Green (Pty) Ltd (Seriti Green) as a strategic addition to our valuable portfolio of coal assets. On our journey to energy diversification, we acquired a 100% stake in Windlab South Africa in December 2022 and concluded the acquisition of a 75% stake in Windlab East Africa in March 2023.

We are responsible for **32%** of Eskom's coal supply.

We produce around **34Mt** of domestic coal per annum.

We ring-fence **10%** of our shareholding to benefit our employees and communities.

We employ over **15 800** people (including contractors).

We treated over **11 billion** litres of water in 2023.

PERFORMANCE OVERVIEW

As a responsible miner and corporate citizen, we strive to consistently deliver on our ESG strategy.



People

25% historically disadvantaged South African (HDSA) female representation (2022: **24%**)

2% employees with disabilities (2022: **3%**)

10 869 local suppliers registered and listed in ESD database (2022: **8 431**)

13 new occupational disease cases (2022: **13**)

229 learnerships (2022: **309**)

R430 million invested in education* (2022: **R318** million)

0.29 total recordable case frequency rate (TRCFR) per 200 000 hours worked (2022: **0.28**)

R15 million invested in wellness and chronic disease management** (2022: **R26** million)

50 professionals in training (2022: **51**)

R31.4 million enterprise and supplier development (ESD) investments (2022: **R54** million)

41 high-potential incidents (HPIs) (2022: **57**)

13% employees using employee assistance programme counselling service to manage relationships, stress and substance abuse (2022: **14%**)

* Community scholarship scheme, employee study assistance, mentorships and informal coaching programmes.

** Including COVID-19 costs.



Governance

Diverse board 100% black

All 55 years and older

25% female

The acquisition of the Seriti Power business (including employees, assets and operational inputs and outputs) resulted in changes to absolute and annual comparative data.



Water

Water-use efficiency
586.6 litres/RoMt*
 (2022: 564.8 litres/RoMt)

Water treated
11 883.0ML
 (2022: 9 141.9ML)

* Run of mine tonnes (RoMt).



Energy and climate

GHG emissions*
(per calendar year)
11 700.6 tonnes carbon dioxide (CO₂)
 (2022: 10 403.4 tonnes)

7 586.1 tonnes methane (CH₄)
 (2022: 6 319.8 tonnes)

0.082 tonnes nitrous oxide (N₂O)
 (2022: 0.069 tonnes)

Electricity consumed
602 802.0MWh
 (2022: 658 798.0MWh)

Exceedances of dust fallout limit
119 residential (2022: 74)
62 non-residential (2022: 52)

Electricity intensity
21.6kWh per tonne
 (2022: 23.1kWh per tonne)

* Scope 1 emissions.



Land

****26 845.0ha land altered***
 (2022: 26 274.0ha)

****10 763.0ha land rehabilitated**
 (2022: 10 775.0ha)

41.0Mt coal produced
 (2022: 40.6Mt)

863.7Mt coal reserves
 (2022: 1 101Mt)

3 171.8Mt coal resources
 (2022: 5 259Mt)

* Land altered for mineral extraction purposes includes site offices, stockpiles, workshops, open pits, access roads and other areas requiring rehabilitation. Generally, pit offices, workshops and other infrastructure will be rehabilitated at mine closure.

** Land altered and land rehabilitated are cumulative figures.



Compliance

Environmental incidents:
3 691 level 1* (2022: 3 446)
10 level 2** (2022: 4)

All certified operations retained ISO 14001 environmental management system certification***

Permit and licence compliance: 91% (2022: 88%)

Complaints received: 3 (2022: 1)

* Level 1: The environmental impact is less than a week, and/or the impacted area is limited to the site, and/or the receiving environment is in a highly altered state. Statistics for Level 1 incidents reflect focus areas to improve operational performance.

** Level 2: The environmental impact lasts for more than one week, but not longer than one month, and/or the impact affects a limited area (hundreds of metres) and may have off-site impacts affecting immediate neighbours/neighbouring land, and/or the receiving environment is altered, with little natural habitat and a moderately impaired ecosystem function.

*** MMS is currently the only operation that is not ISO 14001 certified. It will undergo certification in 2024.



CHAIRPERSON'S STATEMENT

Seriti remains relevant in the global shift away from fossil fuels by investing in leaders who understand that the world needs a diversified energy mix that addresses climate change with due regard for the socio-economic value of coal.

The energy story is a global phenomenon that cannot be ignored, with action against carbon-induced climate change at the centre. Seriti is on a journey to become a significant energy business and we understand the need to invest in our export strategy to fulfil the global need for coal while not losing focus of South Africa's energy requirements and the importance of investing in renewables and reducing Seriti's carbon footprint.

“ Our strategy focuses on accelerating our vision to be a diversified energy company that continues to provide stable energy supply. ”



Therefore, during the year, we focused on growing our current coal portfolio through existing projects and diversifying our energy mix by establishing Seriti Green.

Seriti's board and executive management continue to maintain sustainability while navigating a difficult operating environment. Uncertainty in our external context is driven by the ongoing war in Ukraine, global messages and changing climate patterns. In addition, our business remains exposed to the challenges of operating a business in South Africa driven by distressed state-owned electricity provision, freight and logistics service providers. However, despite this, Seriti has the necessary resilience to identify and respond to growth opportunities. The company is led by a vigilant team intent on protecting its assets with the knowledge to understand and navigate the vagaries of a volatile operating environment.

Although buoyed by the tailwinds of high export prices, sound financial performance and stability, our board and management remain concerned about the unacceptable loss of life. We deeply regret the loss of two employees in work-related incidents over the past financial year. Our Seriti family is poorer without these valuable employees, and our commitment to zero harm remains relentless. Our revised safety risk management framework (📄 page 77) is designed to eliminate these and other unfortunate incidents.

Our progressive ESG strategy

We want to establish a sustainable legacy for our stakeholders and, driven by the global spotlight on ESG, we are committed to responsible environmental and social stewardship, as well as robust governance structures. ESG is at the core of our business and requires appropriate attention. Accordingly, our strategy focuses on accelerating our vision to be a diversified energy company that continues to provide stable energy supply.

True to our strategy, in support of a Just Energy Transition, we diversified into wind-generated energy by establishing Seriti Green (📄 page 26) – and are extremely pleased with this valuable addition to our portfolio and landmark achievement on our journey to diversifying our energy mix. In addition, we made significant progress by refocusing environmental management (📄 page 38) and community consultative forums (📄 page 90).

The starting point on our ESG journey was theoretical in 2020. Since then, we have reached measurable milestones and continue to identify opportunities for improvement. We are guided by monthly reports, visible felt leadership and regular conversations between myself, as board chairperson, and our chief executive officer, Mike Teke, to ensure our ESG journey is measurable, impactful and, most importantly, pragmatic.



EVOLUTION

CHAIRPERSON'S STATEMENT Continued

Effective governance

Our board relies on a highly skilled and experienced executive team, including Seriti Green's leaders (📍 pages 108 to 109) to ensure all business areas operate within the tenets of responsible corporate citizenship. Through meaningful collaboration – and modelling ethical leadership across the company and our subsidiaries – we effectively manage relationships with government and regulatory bodies, suppliers and our communities to ensure we are regarded as a great partner.

We remain abreast of the developments in our operating environment and significant future risks and opportunities related to climate change to integrate these into our business strategy. Above all, we need to ensure we are always on the front foot as we grow into a significant energy business.

Our material risks (📍 pages 32 to 36) include pertinent matters presented to the board over the past year. We duly considered messages from global climate and other international frameworks, as well as the South African government during board meetings.

Future focus

As a responsible business, we must respond proactively to anticipated global challenges. Accordingly, we are adapting our business to ensure we continue delivering on our commitments to create sustainable value. By partnering with our stakeholders – and providing sustainable, reliable and transformational energy to the markets we serve – we can play our part in addressing climate change for the betterment of the environment and humanity.

Understanding our role in protecting the planet and our stakeholders, we operate a diversified energy business. Our board's priorities for the coming financial year include strengthening responsible corporate citizenship, embedding ethical leadership and driving our ESG strategy by delivering on the promises of Seriti Green as well as our water and land strategies. We believe this will support our goal to achieve zero harm.

Note of thanks

I would like to extend my heartfelt appreciation to our shareholders, board, executive committee and all employees for embracing the world's demands to meaningfully address ESG-related matters. I also appreciate the contributions of our communities, business partners and other stakeholders who trust us to responsibly navigate global uncertainties.

On behalf of the board, thank you all. We are encouraged by each person's devotion to Seriti's success. Realeboga!



Dr Anna Mokgokong
Chairperson

31 July 2023



CHIEF EXECUTIVE OFFICER'S REPORT

Seriti is an energy business that delivers coal safely to export and domestic markets, understanding and proactively responding to global ESG matters, enabling a Just Energy Transition from our fossil fuel base to a renewable energy mix, and investing in the betterment of our natural environment and the state of humanity.

We emerged from the COVID-19 pandemic with valuable lessons about safety and health in the workplace, as well as a deep understanding of the changeability of situations. Seriti operates in a fast-changing world that requires operational resilience and sharp decision-making skills with a value-creating business strategy delivering on urgent ESG imperatives.



“ South Africa follows a low-carbon growth trajectory while making a fair contribution to the global effort to limit the average temperature increase, ensuring a Just Energy Transition and building the country’s resilience to climate change. ”

Seriti Green is advancing our environmental management commitments while the group maintains employment stability with an integrated safety, health and wellness approach in partnership with key stakeholders addressing associated socio-economic risks.

By 2025, our approach must demonstrate measurable progress in addressing global issues raised in global climate frameworks (discussed by our chairperson on page 4). Domestically, we must also realise the vision of South Africa's low-emission development strategy by 2050.

Seriti endorses the three key policies on which this national strategy is founded: the National Development Plan, National Climate Change Response Policy and the draft Climate Change Bill. The strategy also acknowledges the importance of using the common Task Force on Climate-related Financial Disclosures language when considering physical and transition risks related to climate change. In addition, its implementation will contribute to the United Nations Sustainable Development Goals. We are also working with South African universities and the Minerals Council South Africa (Minerals Council) (aligned with the International Council on Mining and Metals recommendations), as well as other global organisations, to adopt science-based emission reduction and other ESG targets.

Delivering on these imperatives is certainly challenging for South African businesses encumbered by the critical impacts mentioned in our finance minister's February 2023 budget speech: load shedding, disruptions in freight and logistic

networks overseen by distressed state-owned entities, and the high cost of living and unemployment causing unrest within communities.

We welcome the government's commitment to several initiatives that will alleviate load shedding. Seriti has a significant role to play in implementing these initiatives, which will ensure our sustainability as a diversified energy generation business. We are encouraged by the 125% tax break in the first two years of renewable energy investments. This significant concession will enable the private sector, including our own Seriti Green, to fast-track more than 5GW of renewable energy projects in the pipeline.

However, we cannot speed ahead at the cost of safety. We must continue to improve our safety record as an industry and mining company while striving for zero harm. On 1 March 2023, Seriti had 50% fewer fatalities compared to the previous financial year, which is still two fatalities that should have been avoided. We also recorded a 38% improvement in injuries (152 compared to 244 last year).

Although we will only be able to celebrate when we achieve zero harm, I must thank everyone for their tireless efforts in ensuring that safety remains a key focus. We will never forget our two colleagues lost in mining-related incidents during the past year. Sonwabo Gwadiso and Kgalushi Lucas Mabane were valuable team members we sorely miss with sincere condolences to their families and friends. Our initiatives that aim to eliminate these and other safety incidents are outlined on page 76.



SUSTAINABILITY

CHIEF EXECUTIVE OFFICER'S REPORT Continued

Performance against our ESG strategy

Seriti remains a major coal producer – responsible for 32% of Eskom's coal supply – and about 15 800 employees and contractors earn livelihoods through the work we do.

However, we are highly aware of the realities of climate change and the changing nature of energy mixes globally, and therefore, for the good of the planet and our stakeholders, we remain conscious about how Seriti will support the declining use of coal.

Our journey towards a lower-carbon future is stabilised by four strategic pillars:

- Maintaining a robust portfolio that can adapt to global demand
- Ensuring our people remain dedicated to our vision
- Striving for exceptional financial performance without compromising safety
- Cultivating partnerships with governments, regulatory authorities, suppliers and host communities

Our strategic focus translated into several actions during the 2023 financial year, while we also agreed on several strategic imperatives and projects without losing focus on the objectives of our coal production business. Firstly, by establishing Seriti Green and acquiring Windlab Africa, we aim to reduce our scope 2 emissions by up to 350 000 tonnes per annum. We are also committed to creating employment and reskilling opportunities for the communities surrounding our operations.

Seriti's management team also spent time ensuring our water management strategy addresses legacy issues at closed collieries. This will eventually propel us towards a new water-focused business. This is, however, still in the early planning and development stages. The expansion of our Pegasus Colliery was successful, with first coal produced earlier than expected.

Every employee performance conversation and incentive, from our operations to head office, considers ESG matters. A priority for our board and management is to convince every Seriti employee to embrace ESG imperatives as a core aspect of our business. This will enable successful implementation of our ESG strategy in terms of our objectives and key results framework (☉ page 22), which is still in its infancy, as a means of monitoring and measuring our progress.

Our future commitments and focus areas

While Seriti began as a coal company, we are now a diversified energy company whose operational companies involve mining coal – which will remain the basis of South Africa's energy baseload for some time. Considering expectations around decreasing the use of coal, Seriti is ready to adapt to external

circumstances while remaining fully conscious of the need to leverage the benefits of wind, solar and other forms of renewable energy.

Looking ahead, we hope to mature along our ESG journey, notwithstanding the challenges we expect to encounter over time:

- **Short term:** Instil discipline in our business model to deliver our objectives and maintain our credibility as leaders of a business with trusted capacity and capabilities
- **Medium term:** Advance a clear and well-understood strategy that strengthens our business processes with exemplary execution and governance
- **Long term:** As a fossil fuel business, continue to withstand the headwinds presented by climate change and other global issues by demonstrating the credibility of a diversified energy business through Seriti Green and our water management approach

Our business model is resilient, with an ESG strategy and plans based on facts, meaningful stakeholder interactions and robust debates. We will continue to operate our business in a way that positively impacts our stakeholders and, as we continue working towards a low-carbon future, we will remain conscious of the impact of this transition on communities in the traditional coal mining areas.

Note of thanks

Seriti is privileged to be able to communicate our position on ESG to the world and act on the deliberations outlined in our ESG strategy. I am indebted to our shareholders, the board and executive committee, our employees and other stakeholders for believing in the business and understanding that our heart is in the right place as we endeavour to improve the state of humanity and the environment that sustains us.

Thank you for supporting me in making quick decisions – not for ourselves as individuals but in the interests of our business and stakeholders.



Mike Teke
Chief executive officer

31 July 2023



OVERVIEW OF SERITI





**“WHILE SERITI
BEGAN AS A COAL
COMPANY, WE ARE
NOW A DIVERSIFIED
ENERGY COMPANY
WHOSE OPERATIONAL
COMPANIES INVOLVE
MINING COAL.”**

Mike Teke, Chief executive officer



Embed operational
excellence and business
continuity

.....



Build trust and culture

.....



Ensure environmental
stewardship

OUR PURPOSE, VISION AND MISSION

Seriti is a broad-based, 91% black-owned and controlled South African energy group. Our name is derived from a Sesotho word meaning **INTEGRITY**. Philosophically, it is also the word for the shadow or aura people cast as they go through life, which grows when we do good and diminishes when we misbehave. It is our reputation and, ultimately, our legacy. With this as our guide, the Seriti group strives to create a positive, empowering and sustainable legacy for our stakeholders and country.

Creating the business we desire requires commitment from our top management teams, leadership at all levels, and the total involvement of empowered teams and caring individuals. To be a reliable energy provider and sustainably deliver essential resources, we proudly manage sustainable operations while leveraging renewable energy technologies that will diversify our portfolio. The **Seriti Way** underpins our approach, focusing on three key principles: **simplicity, intensity and consistency**. Through this approach, we will realise our ambition to empower our stakeholders and achieve our strategic objectives.



Our principles

Simplicity

In the way we implement and manage systems, processes and procedures

Intensity

In our actions towards our deliverables

Consistency

In our approach to successfully lead, manage and operate Seriti

Our values



Safety and health without compromise

Delivering best-in-class health and safety performance



Environmental care

The commitment to operating in a way that goes beyond compliance to preserve the environment



Respect for all

The treatment of all our stakeholders with the utmost respect and consideration



Implement what we promise

Intelligent and effective delivery



Transformation for the benefit of all stakeholders

Facilitating long-term meaningful empowerment



Integrity always

The commitment to be open, transparent and act honestly in all our interactions

Our behaviours



Leading change

Understand the need for change and inspire other people to implement change with manageable plans



Collaboration

Work with other people to achieve shared goals



Relevance

Keep abreast of trends in the mining industry and strive for best practice



Work prowess

Demonstrate mastery of work, leverage expertise, analyse situations and anticipate future actions



Grit

Pursue goals with passion and perseverance, despite obstacles



Execution and results

Focus on outputs to deliver results



Inspire and influence

Convince people to pursue desired outcomes



Innovation

Be open to new ideas and willing to explore innovative approaches



Accountability

Accept responsibility for decisions and support choices with clear reasoning

Our philosophy



Seriti is an energy company, underpinned by coal, creating and sharing value with employees, communities and beyond. Our purpose is to be an energy solutions provider, a responsible operator, an active participant in a Just Energy Transition to a low-carbon economy, an agile company and a creator of shared value.



We believe in establishing a sustainable legacy for our host communities and the mining industry. To support this philosophy, 10% of our equity has been equally ring-fenced through trusts for the benefit of employees and communities.



We strive to create and share value by responsibly powering South Africa and beyond. Seriti is Eskom's largest black-controlled coal supplier with a clear focus on providing South Africa's national energy service provider with secure, long-term coal supply solutions to fuel its power stations while serving export markets. At the same time, we are actively engaged in a Just Energy Transition to a low-carbon economy by embracing green technology. We believe using renewable energy at our operations is as crucial for future generations as job creation.

OUR GROUP STRUCTURE

Group structure

The Seriti group is owned by five leading black shareholders, directed by a board and management team who, collectively, have significant and relevant experience in the acquisition, operation and development of large-scale coal operations.



23%

Industry veterans Dr Anna Mokgong and Joe Madungandaba lead Community Investment Holdings – a 100% black-owned conglomerate focusing on mining, energy, healthcare, information and communications technology, infrastructure and logistics.



23%

Sizwe Mncwango leads Thebe, one of South Africa's leading black-controlled investment companies with significant energy and mining services interests.

MASIMONG

23%

Mike Teke and Doug Gain, who have extensive experience operating coal mines, lead Masimong, a broad-based, black-owned and controlled investment company focusing on mining, industrials, financial services and agribusiness.



23%

Sandile Zungu is the founder and chairperson of Zungu Investments, a black-owned private equity business with significant mining and non-mining interests, which is the holding company of his business interests.



8%

Coalzar is a broad-based, majority HDSA-owned company representing the interests of its shareholders focused on coal mining in the country.

We predominantly operate through four subsidiaries

Operating collieries, wind farms and logistics chain

Seriti Coal
90%

We operate three large-scale opencast and underground thermal coal mines – the New Vaal, New Denmark and Kriel collieries supplying Eskom's Lethabo, Tutuka and Kriel power stations respectively.

- New Vaal Colliery
- New Denmark Colliery
- Kriel Colliery

New Largo
90%

The New Largo mine produces coal for the domestic and export markets and will meet the needs of the adjacent Kusile Power Station.

- Pit D
- Pit F

Seriti Power
90%

Seriti acquired the SAEC operations from South32 and integrated the Khutala, Klipspruit, Middelburg and Wolwekrans mines into the group to supply the Kendal and Duvha power stations as well as export coal markets via the Richards Bay Coal Terminal.

- Klipspruit Colliery
- MMS Colliery (North and South)
- Khutala Colliery
- Pegasus Colliery
- Phola Coal processing plant (50%)
- Richards Bay Coal Terminal (21%)

Seriti Green
54.18%

Seriti Green has various renewable energy projects at different stages of development in South Africa and East Africa.

- West Coast One (owned and operated by Aurora Wind Power)
- Amakhala Emoyeni (owned and operated by Cennergi)

Seriti Green is owned by a consortium of strategic shareholders, comprising Seriti Resources (54.18%), VennEnergy (15%), RMB (15.41%) and Standard Bank (15.41%).

The company is overseen by its own board (📄 page 108).

In each company within the group that holds a mining right, we allocated an unencumbered shareholding of 5% to trusts established for the benefit of employees and 5% to trusts that benefit host communities adjacent to our mines. The activities of these trusts are separate from and in addition to those undertaken by the mines in terms of their social and labour plans (SLPs) beyond the requirements of the Mining Charter.

Under the employee trusts, all permanent employees of the relevant group company share equally in any benefits distributed by the trusts, resulting from dividends received from the underlying company. The community trusts are structured to conduct activities and projects that achieve stated objectives, focusing on impacts that improve access to healthcare, education, housing and basic services, among others. Seriti engages with members of the various communities through community consultative forums to determine required, feasible interventions.

Projects	Employee and community trusts
<ul style="list-style-type: none"> • New Vaal life extensions • New Denmark life extension • Kriel life extensions • Closed mines 	<ul style="list-style-type: none"> • Seriti Coal Management and Employee Trusts (5%) • Seriti Coal Community Trust (5%)
<ul style="list-style-type: none"> • Pit H • Main mine • Coal offloading facility 	<ul style="list-style-type: none"> • New Largo Employee Trust (5%) • New Largo Community Trust (5%)
<ul style="list-style-type: none"> • Leandra project • Naudesbank project • Klipspruit resources (pits A, C, E, F and G) • Khutala resources (underground, northeast extension, underground #5 seam-extension project and pillar mining in remnant #2 and #4 seams) • MMS resources (Naauwpoort) • Closed mines (opportunities) 	<ul style="list-style-type: none"> • Seriti Power Employee Trust (5%) • Seriti Power Community Trust (5%)
<ul style="list-style-type: none"> • South Africa <ul style="list-style-type: none"> – Mabele Emoyeni – Umbila Emoyeni – Phefumula Emoyeni – iLanga Emoyeni – Inkululeko Emoyeni • Tanzania <ul style="list-style-type: none"> – Miombo Hewani • Kenya <ul style="list-style-type: none"> – Meru County Energy Park – Emarti Hewani Energy Park 	

As majority shareholder of Seriti Green, Seriti Resources illustrates its commitment to driving a Just Energy Transition, and in his role as CEO of Seriti Green, Peter Venn drives the strategy and implementation of developing, constructing and operating renewable projects in Africa. Standard Bank and RMB provide financing and strategic sector insights, among other key inputs. All Seriti Green shareholders are driven by a common purpose of moving the country towards a Just Energy Transition by delivering world-class renewable energy projects that unlock sustainable value for generations to come.

OUR OPERATIONS

Seriti is among the largest coal suppliers in Africa – dedicated to the future of coal mining and the generation of sustainable, reliable and transformational energy for South Africa, SADC, sub-Saharan Africa and the global coal export markets.

Operations

SERITI COAL



New Vaal, an opencast operation south of Vereeniging in the Free State, about 70km south of Johannesburg, was established in 1983 and came into production in 1985. Uniquely bordered by the Vaal River on three sides, the colliery produces over 15Mtpa of thermal coal for Eskom's Lethabo Power Station, with sufficient current and additional coal resources to supply this power station until 2042.



New Denmark is located 30km north of Standerton in Mpumalanga. Commissioned in 1982, this operation is one of the deepest coal mines in South Africa, using the mechanised bord-and-pillar (continuous miner) mining method. It has sufficient current and additional coal resources to supply Eskom's Tutuka Power Station until 2053.



Kriel, located 45km south of eMalahleni in Mpumalanga, was established in 1975 to supply Eskom's nearby Kriel Power Station. The colliery uses mechanised bord-and-pillar methods to mine underground while its opencast operation uses draglines as well as truck-and-shovel methods. Kriel has a life of mine ending in 2037.

PERMANENT EMPLOYEES
1 140
(2022: 1 173)

HDSA FEMALE REPRESENTATION
22%
(2022: 25.4%)

CONTRACTORS
711
(2022: 675)

TRCFR
0.15
(2022: 0.49) per
200 000 hours worked

PRODUCTION
13.6Mtpa
(2022: 15.4Mtpa)
thermal coal

TOTAL ESD SPEND
R5 221 541
(2022: R8 704 132)

PERMANENT EMPLOYEES
1 274
(2022: 1 309)

HDSA FEMALE REPRESENTATION
19%
(2022: 22.7%)

CONTRACTORS
803
(2022: 725)

TRCFR
0.14
(2022: 0.25) per
200 000 hours worked

PRODUCTION
3.4Mtpa
(2022: 3.4Mtpa)
thermal coal

TOTAL ESD SPEND
R4 326 352
(2022: R5 547 408)

PERMANENT EMPLOYEES
777
(2022: 847)

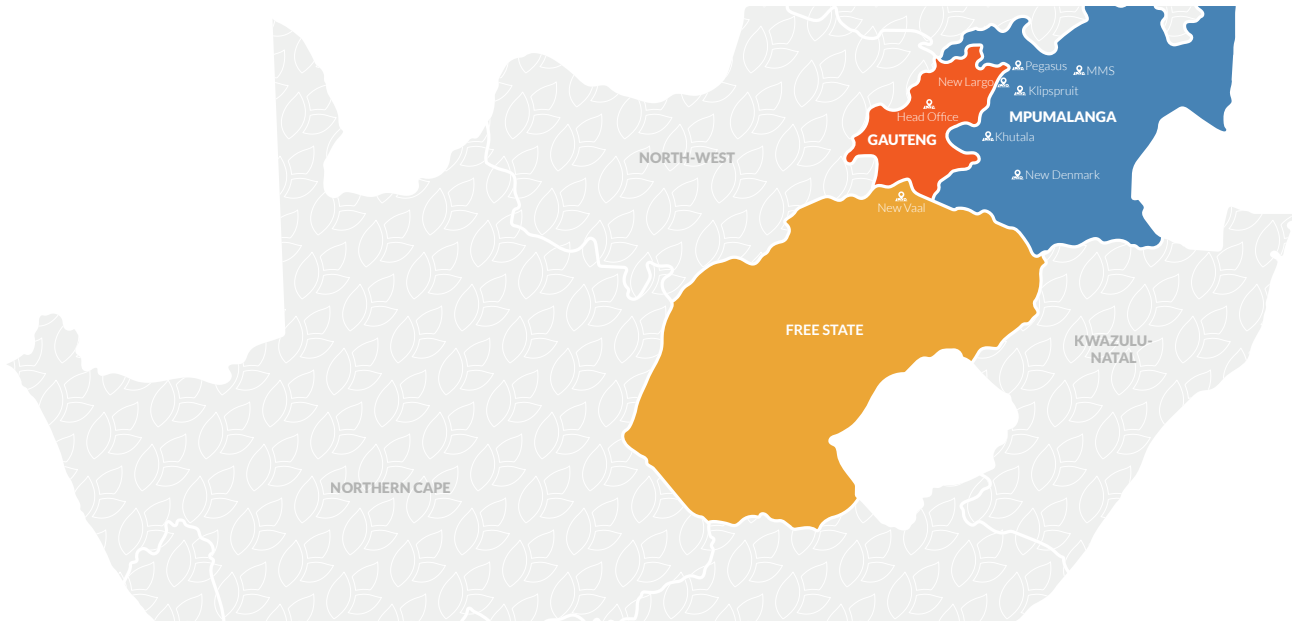
HDSA FEMALE REPRESENTATION
29%
(2022: 31.3%)

CONTRACTORS
693
(2022: 2 085)

TRCFR
0.41
(2022: 0.13) per
200 000 hours worked

PRODUCTION
3.3Mtpa
(2022: 4.4Mtpa)
thermal coal

TOTAL ESD SPEND
R2 498 719
(2022: R4 490 379)



SERITI POWER

SERITI
Klipspruit

SERITI
MMS

SERITI
Khutala

Klipspruit is an opencast operation, 5km from the town of Ogies and Phola township, producing 2.4Mtpa for Eskom, 0.35Mtpa for domestic consumption and 5.1Mtpa for export. This operation has a 27-year life of mine, with annual production of c.10Mtpa.

MMS, in the Witbank Coalfields of eastern Mpumalanga, is approximately 25km southeast of eMalahleni. This opencast operation provides 6.5Mtpa on average of power station-grade coal to Eskom's Duvha Power Station and 9.0Mtpa on average of higher-quality, export-grade products to seaborne steam coal markets. MMS has sufficient current and additional coal resources to operate until 2048.

Khutala is situated in the Witbank Coalfields, approximately 30km southwest of eMalahleni. The operation supplies an average of 5.5Mtpa to Eskom's Kendal Power Station with sufficient coal resources until 2037.

PERMANENT EMPLOYEES 848 (2022: 863)	HDSA FEMALE REPRESENTATION 28% (2022: 26.8%)
CONTRACTORS 819 (2022: 979)	TRCFR 0.39 (2022: 0.45) per 200 000 hours worked
PRODUCTION 3.6Mtpa (2022: 4.7Mtpa) thermal coal	TOTAL ESD SPEND R1 923 903 (2022: R5 765 590)

PERMANENT EMPLOYEES 1 298 (2022: 1 089)	HDSA FEMALE REPRESENTATION 24% (2022: 26.9%)
CONTRACTORS 1 202 (2022: 1 322)	TRCFR 0.38 (2022: 26.9) per 200 000 hours worked
PRODUCTION 6.1Mtpa (2022: 7.8Mtpa) thermal coal	TOTAL ESD SPEND R5 434 857 (2022: R6 002 150)

PERMANENT EMPLOYEES 1 225 (2022: 1 656)	HDSA FEMALE REPRESENTATION 25% (2022: 25.6%)
CONTRACTORS 737 (2022: 1 084)	TRCFR 0.31 (2022: 0.32) per 200 000 hours worked
PRODUCTION 6.1Mtpa (2022: 4.0Mtpa) thermal coal	TOTAL ESD SPEND R5 355 229 (2022: R5 883 720)

OUR OPERATIONS Continued

SERITI POWER



Pegasus is north of eMalahleni and approximately 49km from Seriti Power's Phola plant adjacent to Klipspruit. It is a 13.4Mt shallow block of high-quality coal with sufficient resources until 2026.

NEW LARGO



New Largo is situated in the Witbank Coalfields, approximately 40km west of eMalahleni and adjacent to Kusile Power Station. The operation covers an undeveloped, shallow, 600Mt opencast coal reserve, which is expected to be developed into a large-scale mine capable of supplying approximately 12Mt coal per annum to Eskom and other markets over a 50-year period. It has a life of mine of 23 years.

PERMANENT EMPLOYEES 6	HDSA FEMALE REPRESENTATION 20%
CONTRACTORS 339	TRCFR 0
PRODUCTION 2.1Mtpa <small>(2022: 0.2Mtpa) thermal coal</small>	TOTAL ESD SPEND R3 881 526

PERMANENT EMPLOYEES 14 <small>(2022: 11)</small>	HDSA FEMALE REPRESENTATION 51%
CONTRACTORS 367 <small>(2022: 189)</small>	TRCFR 0.26 <small>(2022: 0.49) per 200 000 man-hours worked</small>
PRODUCTION 2.1Mtpa <small>(2022: 0.6Mtpa) thermal coal</small>	TOTAL ESD SPEND R1 214 598



KEY MILESTONES

Seriti has long-life, well-capitalised and established operating assets. Over the past five years, Seriti has become one of South Africa's largest coal miners through strategic coal acquisitions.



1970 to 2018

Anglo American owns

- New Vaal
- New Denmark
- Kriel
- New Largo



2018 to 2040 and beyond

Seriti owns

- New Vaal
- New Denmark
- Kriel

1 August 2018

Seriti acquires New Largo from Anglo American in conjunction with the Industrial Development Corporation of South Africa and Coalzar

1 March 2018

Seriti completes the purchase of New Vaal, New Denmark and Kriel collieries, various life-extension projects and closed mines from Anglo American for R2.3 billion

6 November 2019

Seriti concludes the conditional acquisition agreement with South32 for 90% shareholding in SAEC

22 August 2019

Seriti enters negotiations with South32 for the sale and acquisition of SAEC

April to December 2020

New Vaal, New Denmark and Kriel operate throughout the COVID-19 lockdown to ensure Eskom power stations deliver electricity to the national grid

1 June 2021

Seriti completes the acquisition of SAEC and renames the entity Seriti Power



25 October 2021

Seriti and Exxaro sign a memorandum of understanding with Eskom to reduce their carbon emissions at operations by up to 350 000 tonnes per annum (around half of current emissions)

May 2020 to February 2022

New Largo and Pegasus begin commercial production



November 2021

Seriti Resources establishes Seriti Green



1 December 2022

Seriti Green acquires Windlab South Africa assets

2 February 2023

Seriti Green signs heads of terms for a power purchase agreement to supply 155MW of renewable energy to Seriti Power



1 March 2023

Seriti Green concludes acquisition of Windlab East Africa assets

OUR ESG STRATEGY

Seriti is Eskom’s largest black-controlled coal supplier, with a clear focus on providing secure, long-term coal supply solutions to fuel Eskom’s fleet of power stations. While we operate as a large-scale coal mining business focused on the efficient and responsible extraction of thermal coal, we are also dedicated to the future of coal mining and the generation of sustainable, reliable and transformational energy for South Africa, the SADC, sub-Saharan Africa and the global coal export markets. While we believe coal mining still has a future, we fully embrace our role in the Just Energy Transition to a low-carbon future, both locally and abroad, and we established Seriti Green to unlock Africa’s renewable energy potential.

Independent consultants continue to guide us as we advance our journey to live our purpose today and in the future. By clearly defining our objectives, we are certain about the strategic direction we need to take in the short, medium and long term, supported by an implementation plan and relevant

key performance indicators (KPIs) to measure our progress. In 2023, we aimed to better reflect our new business operations and our responses to evolving ESG risks and opportunities.

Strategic objectives

Consistently deliver on our ESG targets and initiatives as a responsible miner and corporate citizen	Demonstrate exemplary leadership through good corporate citizenship
Optimise high-quality export volumes and unit costs to maximise export profitability	Reshape and protect our export coal portfolio by developing high-quality projects and optimising available export infrastructure
Strengthen our position as the leading domestic coal supplier in South Africa	Build and refine our defensive and predictable domestic coal business by leveraging existing and new relationships
Establish Seriti Green as a large-scale green energy producer and supplier	Build our green energy supplier and establish it as a market leader in the South African independent power producer landscape
Drive technical asset efficiencies across the group and rationalise our non-core portfolio	Achieve the optimal asset portfolio in support of our vision to grow into a broader energy business
Simplify our group structures, business processes and systems to be fit-for-purpose	Achieve a simpler business by consolidating environments and streamlining our processes

Our related initiatives are outlined in the land, water, energy and climate, people and governance chapters.

We are guided by our executive committee and workshops with senior management teams in setting strategic ESG objectives. We develop these objectives into strategic initiatives, supported by major group projects, implemented by cross-functional teams. The teams report to our board and executive committee who are ultimately accountable for performance governance and assurance. ESG performance is included in the performance management process at all levels.

In addition, Seriti’s ESG strategy and implementation plans are reviewed annually by the senior executive and management team to ensure these remain applicable and aligned with the overall company objectives.

Our ESG priorities

We aim to grow into an energy business with a primary focus on facilitating a Just Energy Transition through the following pillars:

Continued responsible mining of thermal coal to balance global energy needs	Further investment in Seriti Green to build a large-scale renewable energy business	Facilitate a circular economy with a focus on water and land restoration	Create a large-scale green hydrogen business
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To achieve our goals against these pillars, we refined our ESG strategic priorities to implement over the short (one to two years), medium (two to five years) and long term (five years and beyond).

Portfolio	Build and maintain a sustainable business case supported by innovation and digitalisation in the expansion beyond the South African market while leveraging best-in-class ESG practice through environmental stewardship practices (including those related to the use of renewable resources, water and land management) and building trust as a good corporate citizen and neighbour.
People	Create an enabling space for employees, communities and stakeholders by driving environmental and social leadership, growing and retaining a diverse talent pipeline in line with a Just Energy Transition, and managing the company responsibly and transparently as an employer of choice.
Performance	Drive financial, safety, social and environmental excellence through enhanced adaptation and mitigation capabilities including digitalisation, upskilling and supporting employees and communities by delivering on commitments and implementing transparent ESG practices.
Partnerships	Work closely with key stakeholders for future success through regional approaches, strong and transparent partnerships, and promotion of accountable ESG leadership for societal benefit.

The KPIs that measure the implementation, achievement and effectiveness of our ESG strategic pillars are evolving as the group establishes itself as a diversified energy company.



OUR ESG CONTRIBUTION

As a company, we believe in establishing a sustainable legacy for the communities in which we operate, as well as the mining industry as a whole. We aim to be an industry-leading empowerment champion that rejuvenates the mining industry and actively builds a legacy that creates growth for our stakeholders.

We are committed to responsible environmental and social stewardship – managing and conserving our natural resources while delivering shared value and long-term benefits for our employees and communities. Our positive environmental, social and economic impacts come from robust environmental management initiatives, our employee value proposition, skills development, stakeholder engagement and community-focused investment vehicles.

Charitable giving

Each year, Seriti makes monetary donations to several charities selected by our shareholders. In 2023, we donated **R7.5 million**.

Total value created for communities in 2023

Our community trusts facilitate broad-based economic empowerment of our host communities by distributing benefits and reinforcing our relationships. In the interests of good corporate citizenship, we also work with national response teams to provide emergency relief in disaster-struck communities.

R451 million (2022: R86 million)

Local economic development/SLPs

Our host communities benefit from public infrastructure development, waste management partnership investment with local municipalities, safety and security and healthcare facilities.

R49 million (2022: R22 million)

Skills development

Our skills development programmes benefit employees, contractors and communities.

R47 million (2022: R42 million)

Governance

Our corporate governance frameworks guide our conduct as a globally trusted and accountable corporate citizen.

We demonstrate integrity with absolute commitment to exemplary corporate governance.



Job creation

We create employment opportunities for previously disadvantaged people, particularly within our host communities.

- 15 389** employees (2022: 14 478)
- 6 795** permanent (2022: 7 892)
- 8 270** contractors (2022: 7 300)
- 86%** black (2022: 87%)
- 25%** HDSA female (2022: 24%)
- 2.03%** disabled (2022: 3%)
- 274** learnerships (2022: 439)
- 50** interns (2022: 49)

Corporate social investment (CSI)

Our partnerships with non-governmental organisations, (NGOs), community-based organisations (CBOs), government departments and other agencies deliver services that support women and vulnerable children, senior citizens, at-risk youth, safety and security in communities.

R58 million (2022: R6 million)

ESD

Women, people living with disabilities and youth within our host communities benefit from preferential procurement providing equitable access to mine-generated economic activity.

R31.4 million (2022: R58 million)

10 869 (2022: 8 000)
local suppliers
registered and listed
in the ESD database

Environmental

Climate change strategy

We are developing a dedicated strategy to guide our approach to managing climate change underpinned by Seriti Green focusing on, cooperatively and individually, reducing emissions through renewable energy projects.

We plan to replace **500GWh** of electricity with renewable energy by 2025.

Renewable energy projects

Seriti is committed to the country's energy needs, as well as a Just Energy Transition to a low-carbon future through renewable energy projects that will employ and educate our host communities.

R9 million (spent on installing 15 solar-powered (and restoring 47 existing municipal-owned) high-mast street lights in Phola

Waste management

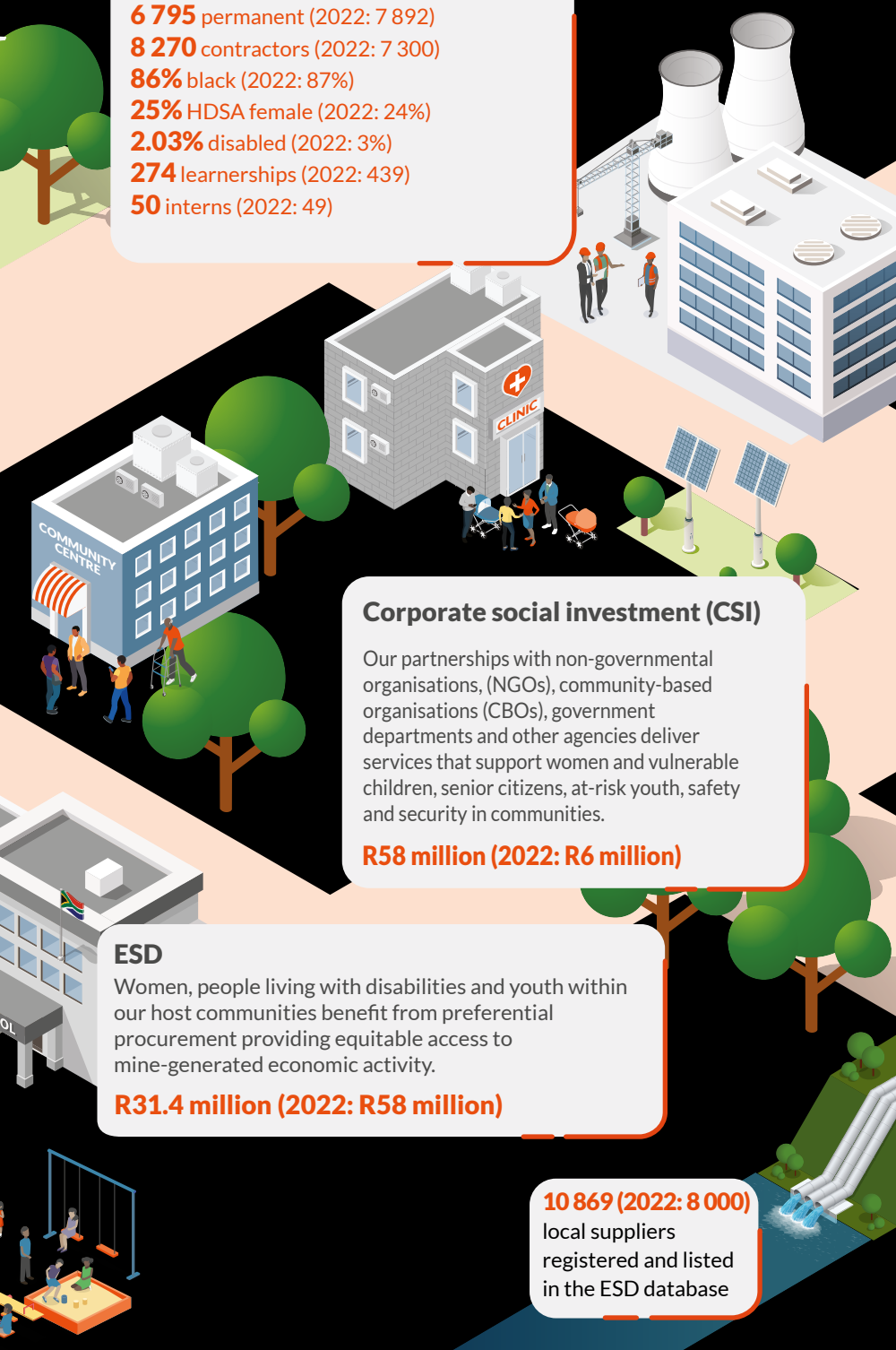
Waste management is part of our commitment to being a responsible land steward.

R14.72 million (2022: R20.84 million) spent on waste management

Water management strategy

Our water management strategy mitigates the risk of contaminated water arising from unrehabilitated areas, and we manage mine-affected water through various water-treatment facilities.

88 billion litres (2022: 74 billion litres) water treated since 2010



OUR COMMITMENT TO A LOWER-CARBON FUTURE

We believe it is the responsibility of coal producers to contribute to a just and manageable transition to a lower-carbon economy while balancing the electricity needs of developing countries. Aware of the impact of our operations on the environment, as well as diminishing coal-fired electricity generation in South Africa and elsewhere, Seriti evolved from the coal company established in 2018. We now operate a diversified energy business that understands the need to reduce carbon emissions and protect people's livelihoods for the good of the planet and our stakeholders.

Our operations experience the tangible consequences of climate change as the number and severity of extreme weather events increase. While we focus on climate adaptation, we must ensure that we do our part in reducing our carbon footprint by increasing our efficient use of carbon-based sources of energy and developing renewable and sustainable energy solutions.

Stepping into the future

Through Seriti Green, we are identifying and developing renewable energy projects that will be integrated into Seriti's coal business in line with the group's strategic objectives and commitment to a lower-carbon future.

Seriti's acquisition of a majority stake in Windlab Africa's wind assets through Seriti Green is a timely and strategic addition to the group's valuable coal asset portfolio. Our commitment to responsible and reliable production of coal for domestic consumption and exports remains unwavering.

Key partnerships are among our material considerations. By reducing reliance on Eskom and freeing up more electricity while at the same time reducing Seriti's carbon footprint, in line with the commitments of the memorandum of understanding with Eskom and Exxaro, the group expects to use renewable wind and solar energy at its own facilities through Seriti Green power purchase agreements (PPAs) from 2025.



Message from Seriti Green's CEO

Introducing renewable energy into Seriti's portfolio of high-quality coal assets will provide long-term financial stability and diversification while embracing alternative energy sources and helping secure much needed power for South Africa.

There is a growing need for stable energy supply around the world along with ever-increasing focus on decarbonisation and reducing reliance on fossil fuels. As such, we remain conscious of the diminishing role of coal in future electricity generation and the need for mitigating measures in the meantime. As a responsible coal mining company, the impact of fossil fuels such as coal, natural gas and oil on climate change remains top of mind. We therefore fully support South Africa's commitments as a signatory to the Paris Agreement.

South Africa is facing significant challenges with load shedding and electricity supply disruptions. To address these challenges, there are two primary solutions: enhancing the performance of coal-powered generators and expanding the construction of new energy generation facilities, with a particular focus on renewable sources.

Seriti Green is well positioned and capable of playing a constructive and growing role in developing the renewables sector in South Africa and elsewhere in Africa. We focus on bringing responsible and impactful renewable energy projects to fruition, and we took a significant step forward in this journey by signing a landmark PPA to build South Africa's largest wind farm in Mpumalanga – a province with abundant grid infrastructure as the nation's energy heartland. As older coal power plants are decommissioned, additional grid capacity will become available in the province, providing a strategic advantage for renewable energy projects. Seriti Green is thus pivoting the largest fossil fuel producers into the renewable energy space without destabilising vulnerable communities.

Our Just Energy Transition to a low-carbon environment also considers the producers and people who depend on our operations for their livelihoods. This includes reskilling people in traditional roles so they can participate in and benefit from the projects over the coming years. Our plans include creating supporting industries, such as wind tower factories, to supply our projects, and, as part of the Just Energy Transition, we will strive to address skill shortages in South Africa by enabling people to pivot from other industries into the renewables sector.

Our commitment to sustainability lies at the heart of everything we do. We develop, construct and operate large-scale renewable energy projects as an enabler to leapfrog Africa towards a sustainable green energy future that is fundamental to its growth. As we help build a different energy pathway for the continent, we commit to protecting the environment, creating value and having a positive impact on the local communities in which we operate to contribute to a Just Energy Transition.

Seriti Green is committed to preserving the environment and combatting climate change. Environmental care remains one of our six core values, and our industry is built around a vision to see clean renewable energy thrive within South Africa and Africa as a whole, with the continent becoming resilient against the impacts of climate change.

Our commitment ensures we comply with all environmental regulatory requirements, policies and industry best practices. Developing a renewable energy project – specifically wind and solar – includes many considerations before the first turbine foundation can be constructed or solar panel placed.

Before a wind or solar farm can be built, a full Environmental and Social Impact Assessment is undertaken. For a wind farm, this also includes 12 months of bird and bat monitoring to ensure turbines are placed in areas least susceptible to turbine collision fatalities and habitat destruction. Additionally, a host of other specialist studies are undertaken, including: Terrestrial biodiversity, Heritage, Soils and Agriculture, Visual and Noise (Acoustic) and a Social Assessment. An aquatic (water) investigation is completed to classify rivers, wetlands and more as well as to identify and licence the project’s water source. Through these assessments a “constraints map” is developed – identifying high-risk areas and low-risk areas (where development is allowed). The aim is to ensure minimum disturbance to the receiving environment, safeguarding ecosystem health and localised water security. The assessment also looks at impact on agriculture – ensuring not only minimal impact on the environment but also food security through protection of agricultural land.

The project cannot commence construction before an Environmental Authorisation is received from the Competent Authority. An environmental management plan is also developed prior to construction prescribing environmental requirements throughout construction and the life of the

project. These are enforceable by an environmental officer assigned to the project by the Competent Authority.

Developing and constructing renewable energy projects offer significant economic and social benefits to local communities. Seriti Green has been engaging with provincial and local government over the past two years to communicate these advantages effectively and form relationships that are built on trust and respect. By emphasising the potential for job creation, local economic growth and reduced dependence on fossil fuels, we have been able to garner support from these departments, making them champions of the projects that are being developed and will be constructed. By forging strong relationships with all levels of government, we have been able to navigate some of the regulatory frameworks more speedily, thereby assisting us in building projects that will contribute to a low-carbon future.

In addition, community engagement is integral to the successful implementation of large infrastructure projects like Seriti Green. We have therefore attended community meetings to ensure we build trust, address concerns, leverage local knowledge and cocreate solutions to challenges faced by our communities. By recognising the value of community perspectives and actively involving residents, we believe that these renewable energy projects will become catalysts for sustainable development and build lasting relationships based on mutual respect and shared benefits. Over the past 12 months, we had in-person engagements with approximately 2 600 community members.

I believe the integration of Seriti Green into the Seriti group is particularly well timed – this is not a passive investment but a meaningful contribution to good corporate citizenship. We are in a unique position to address current and future energy needs while honouring our commitment to a managed renewable energy transition. At the same time, we are dedicated to finding growth opportunities that will contribute meaningfully to reducing the country’s carbon footprint.

Peter Venn
Seriti Green CEO

31 July 2023



OUR COMMITMENT TO A LOWER-CARBON FUTURE Continued



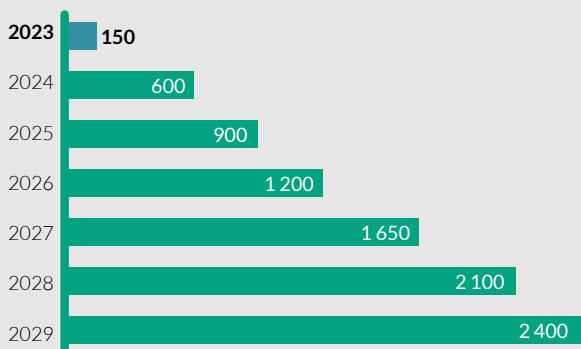
Accolade for investment in South Africa

Seriti Green received high praise at the fifth South Africa Investment Conference in Sandton on 13 April 2023 for investing in sustainable energy and its pledge of R4.5 billion towards the environmental and socio-economic development goals of the sub-Saharan African region. This demonstrates our commitment to leading the Just Energy Transition.

Discussions at the conference, amid persistent load shedding, included the South African government's Energy Action Plan to address the country's electricity supply constraints. The conference was the final leg of an investment drive to attract R1.2 trillion over five years from globally represented delegates. Since the first conference in 2018, South Africa has attracted commitments of over R1.14 trillion across a wide range of economic sectors.

South Africa's president, Cyril Ramaphosa, presented a prize for sustainable energy investment to Peter Venn, CEO of Seriti Green, at the South Africa Investment Conference in 2023.

Green's planned MW capacity (under construction and operating)



Where we are heading

The Windlab Africa acquisition brings 23 solar and wind projects at different stages of development into the Seriti portfolio. These projects will produce 3 500MW of power at varying points over the next 10 years.

Seriti Green also plans to build South Africa's largest wind farm in Mpumalanga: the Umbila Emoyeni renewable energy cluster is permitted for 900MW of wind energy and will be built out in phases from quarter 3 of the 2023 calendar year. In terms of a PPA, Seriti Green will wheel 155MW of power from phase one of the facility through the national grid to Seriti's coal mining operations. This will advance Seriti's commitments, in terms of the memorandum of understanding signed with Eskom and Exxaro, to increase renewable energy use and reduce carbon emissions by up to 350 000 tonnes per annum.



STAKEHOLDER ENGAGEMENT




The sustainability of our business depends on stakeholder-inclusive communication and governance, guided by our board-approved stakeholder engagement policy and operation-specific plans, overseen by our social and ethics committee.

Seriti's deliberate and proactive stakeholder engagement approach aims to manage critical relationships for long-term value creation as we grow into a future-fit diversified energy

company. We group our key stakeholders (below) according to their main concerns and the value-creation opportunities we harness for greater good.

Our stakeholders










	Employees	Permanent employees and contractors
	Customers	Eskom and Trafigura
	Communities	People in local and surrounding areas within our zone of influence – including NGOs and advocacy groups as guardians of human and environmental rights
	Lenders and insurers	RMB and Standard Bank
	Suppliers	National and international companies supplying goods and services to Seriti as well as local small, medium and micro-enterprises (SMMEs)
	Partners	Minerals Council, Mine Health and Safety Council, Colliery Training College, Witbank Coalfields Medical Aid Scheme, Coaltech Research Association, Mine Rescue Services and the World Coal Association among other professional organisations
	Regulators	Government departments (Forestry, Fisheries and the Environment; Water and Sanitation; Mineral Resources and Energy) and various municipalities

Stakeholder groups	How we engage	What our stakeholders care about	How we respond	Related material themes*	Related material risks**									
 Employees	We regularly provide our employees with performance feedback and support their development through training interventions. We engage with our employees through internal communication channels, one-on-one meetings and union forums. We also maintain visible leadership and conduct employee engagement surveys.	ESG will be a significant lever for talent management and retention in key business areas, given changing employee attitudes towards the purpose of work.	We remain committed to zero harm in all our activities. We therefore prioritise employees' health, safety and wellbeing. We are also addressing the growing need to upskill employees for a Just Energy Transition to a net-zero economy. Employees (📄 page 74)	 	<table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> </tr> <tr> <td>4</td> <td>5</td> <td>7</td> </tr> <tr> <td>8</td> <td>10</td> <td>11</td> </tr> </table>	1	2	3	4	5	7	8	10	11
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* See our material themes on IFC.

** See our material risks from pages 32 to 36.

STAKEHOLDER ENGAGEMENT Continued

Stakeholder groups	How we engage	What our stakeholders care about	How we respond	Related material themes*	Related material risks**												
 Customers	We engage with customers through formal one-on-one meetings at strategic, tactical and operational levels.	Amid increasing demand to embed ESG into our business with transparent and robust strategies and practices, our customers expect us to be innovative mining leaders driving efficient, technologically advanced solutions.	Our key objectives include assisting South Africa in transitioning to a lower-carbon economy. At the same time, we must maintain stable relationships and secure coal supply to meet key customers' changing requirements. We continue to honour our contractual obligations, using resources efficiently while striving towards a Just Energy Transition for environmental and stakeholder benefit. Energy and climate (📄 page 52)	  	<table border="0"> <tr> <td>1</td> <td>2</td> <td>4</td> </tr> <tr> <td>5</td> <td>6</td> <td>7</td> </tr> <tr> <td>10</td> <td>12</td> <td></td> </tr> </table>	1	2	4	5	6	7	10	12				
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10	12																
 Communities	We have formal structures to engage with key community members, local municipalities and development forums on integrated development plans. We also communicate via online portals, annual events (career exhibitions and supplier days), local business forums, NGOs (quarterly meetings) and other advocacy groups through volunteering, training and public participation initiatives.	While we strive to maintain the trust vital to building and maintaining our social licence to operate, communities' expectations of Seriti are growing, including pressure to provide employment and procurement opportunities.	We continue to host annual career and supplier development events at our operations, and offer training opportunities for communities. We established a community consultative forum to engage with community members in a way that is constructive and meaningful. Community consultative forums (📄 page 91)	  	<table border="0"> <tr> <td>1</td> <td>2</td> <td>3</td> </tr> <tr> <td>4</td> <td>5</td> <td>6</td> </tr> <tr> <td>8</td> <td>9</td> <td>11</td> </tr> </table>	1	2	3	4	5	6	8	9	11			
1	2	3															
4	5	6															
8	9	11															
 Lenders and insurers	Our engagements with lenders and insurers include formal one-on-one meetings at strategic, tactical and operational levels.	We must demonstrate our supply chain decarbonisation and Just Energy Transition efforts, particularly as a fossil fuel company needing funding and insurance.	We uphold global ESG reporting requirements while honouring our contractual obligations. Our ESG strategy (📄 page 22)	  	<table border="0"> <tr> <td>1</td> <td>2</td> <td>3</td> </tr> <tr> <td>4</td> <td>5</td> <td>6</td> </tr> <tr> <td>7</td> <td>8</td> <td>10</td> </tr> <tr> <td>11</td> <td>12</td> <td></td> </tr> </table>	1	2	3	4	5	6	7	8	10	11	12	
1	2	3															
4	5	6															
7	8	10															
11	12																
 Suppliers	We host supplier days and training interventions for local SMMEs. We also collaborate in business forums and other meetings. We communicate with suppliers via online portals, lender banks and insurance companies.	We are under increasing pressure to create resilient and sustainable value chains.	We constantly re-evaluate our purpose in line with our markets' ESG demands. Our pipeline of local SMMEs, aligned with our intention to transform our supply chain, aims to ensure economic growth. ESD (📄 page 93)	 	<table border="0"> <tr> <td>1</td> <td>2</td> <td>4</td> </tr> <tr> <td>5</td> <td>7</td> <td>9</td> </tr> <tr> <td>10</td> <td>11</td> <td>12</td> </tr> </table>	1	2	4	5	7	9	10	11	12			
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 Partners	We liaise with local, provincial and national government departments. In addition, we communicate at board meetings and participate in various committees. We also partner in training interventions.	Proactive leadership is required to engage meaningfully and transparently with partners outside our traditional areas of expertise to find innovative mining and energy solutions that address ESG concerns and advance a Just Energy Transition to a decarbonised world.	Collaborating with our peers and business partners, we aim to deliver value-adding initiatives that empower communities and support local governments in addressing unemployment and poverty. We are also set to reach legislated safety, health and environment (SHE) milestones by 2024. Investment vehicles to share value (📄 page 91)	 	<table border="0"> <tr> <td>1</td> <td>2</td> <td>3</td> </tr> <tr> <td>4</td> <td>5</td> <td>6</td> </tr> <tr> <td>7</td> <td>8</td> <td>9</td> </tr> <tr> <td>10</td> <td>11</td> <td>12</td> </tr> </table>	1	2	3	4	5	6	7	8	9	10	11	12
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 Regulators	Besides regulatory submissions and site inspections, we regularly meet and interact with relevant local, provincial and national government departments.	Although the mining sector's ESG matters are regulated, we must also entrench evolving global standards throughout the business.	We uphold excellent governance beyond compliance with legislation to address climate change and realise zero harm. Governance (📄 page 96)	  	<table border="0"> <tr> <td>1</td> <td>2</td> <td>3</td> </tr> <tr> <td>4</td> <td>5</td> <td>6</td> </tr> <tr> <td>8</td> <td>9</td> <td>10</td> </tr> <tr> <td>11</td> <td></td> <td></td> </tr> </table>	1	2	3	4	5	6	8	9	10	11		
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OUR MATERIAL THEMES

Our material matters could significantly impact our performance and ability to create sustainable value for our stakeholders.

Reviewing our material themes

Independent specialists first conducted a materiality analysis with our executive committee in 2020, considering industry perspectives, trends, peers and media reports – as well as the needs of the people who depend on our operations – to identify matters most important to our business and our stakeholders.

This year, as part of our commitment to deepen our understanding of how we are performing against our ESG strategy, we revisited our material matters in view of changes in the global, local and industry-level ESG landscape.

We understand that our material ESG-related matters are informed by changing internal and external drivers – including risks and opportunities, as well as stakeholder concerns and expectations – and should be reviewed and updated as needed annually.

Our materiality determination process

We once again appointed independent specialists to facilitate our materiality process.



Our identified material themes

Our material matters inform our ESG strategy and priorities to ensure the company's future growth. To this end, we are in the process of identifying key target-setting areas, aimed at demonstrating improved performance and ensuring we take sufficient action to manage our material matters for both our business and stakeholders.

We grouped our identified material matters under five themes. These inform our ESG strategy and our priorities to ensure the company's future growth.

Our material themes	Our material matters
 <p>Embed operational excellence and business continuity</p>	<ul style="list-style-type: none"> • Efficient reserve extraction • Licence to operate • Eskom • Cybersecurity • Suppliers
 <p>Build trust and culture</p>	<ul style="list-style-type: none"> • Safety • Talent and retention • Community resilience • Partnerships and collaboration
 <p>Adapt to international macro-economic factors</p>	<ul style="list-style-type: none"> • Global health risks • Currency fluctuations
 <p>Domestic macro-factors</p>	<ul style="list-style-type: none"> • Risk of grid failure • Deteriorating governance • Unrest and criminality, including illegal mining
 <p>Ensure environmental stewardship</p>	<ul style="list-style-type: none"> • Water management • Land management • Climate change

OUR MATERIAL RISKS

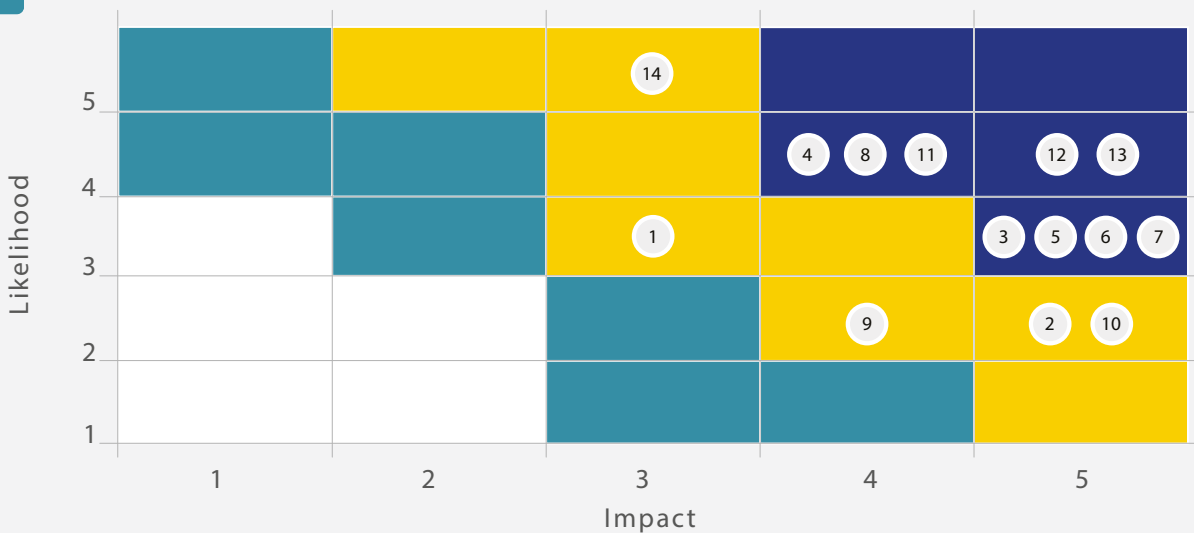
Risk management is central to achieving our strategic objectives. Our risk management policy guides us in a highly complex, dynamic and regulated environment while our innovative risk management systems, tools and techniques provide an integrated, enterprise-wide view of our risks and opportunities.

Our board oversees risk management by:

- Reviewing and approving the risk management strategy and policies recommended by management
- Monitoring compliance with relevant policies
- Reviewing reports detailing the adequacy and overall effectiveness of the risk management function and implementation by management
- Reviewing reports on significant business risks and internal controls
- Confirming the appropriateness of significant risk mitigation action
- Considering material legal and compliance risks with potential impact on financial statements
- Reviewing the adequacy of contingencies and insurance cover
- Ensuring our board, management, employees and contractors support the risk management function with direct access and freedom to report to the board chairperson, CEO and executive management




While we distinguish material risks from material themes, we understand these concepts are interdependent and interrelated. Our primary risk register, reviewed annually, includes categories identified by management. A baseline risk assessment review, underway across our functions and operations, will determine the adequacy of our primary risk register and the appropriateness of our risk ranking.

The heat map below shows the residual rating of Seriti’s material risks in 2023.












Our Material risks:

- | | |
|---|-----------------------------|
| 1. Global health risks | 8. People |
| 2. Climate change mitigation and adaptation | 9. Procurement |
| 3. Health and safety | 10. Operational |
| 4. Community | 11. Marketing and Logistics |
| 5. Regulatory uncertainty | 12. Country |
| 6. Environmental and rehabilitation | 13. Export coal pricing |
| 7. Cyber | 14. Insurance |





Material risk	Why this matters	Key drivers	Potential impact	Mitigating actions
<p>1</p> <p>Global health risks</p>	<p>Widespread infectious diseases could impede Seriti's ability to conduct business across the value chain.</p> <p>Related material themes</p> 	<ul style="list-style-type: none"> Employee health and safety Reduced production targets and payments from Eskom Supply chain challenges Failure to timeously conclude outstanding contracts with Eskom Exposure to financial and business interruption 	<p>Multiple, large-scale infections incapacitate our employees to the extent that we cannot meet our targets.</p>	<ul style="list-style-type: none"> Protecting employees and enforcing COVID-19 protocols Promoting vaccination and raising awareness of the benefits thereof Monitoring infections and immediately responding to positive cases Identifying and monitoring supply chain difficulties and financial variables that could impact our cost and revenue
<p>2</p> <p>Climate change mitigation and adaptation</p>	<p>Seriti plays a crucial role in the Just Energy Transition to a low-carbon economy. Accordingly, we consider the physical impacts of climate change on our operations and reposition the business for longevity, given the risk of substitutes and growth of the renewable energy sector.</p> <p>Related material themes</p> 	<ul style="list-style-type: none"> Physical changes in our operating environments GHG emissions Excessive rain and flooding 	<p>The rising carbon tax, which mitigates the impacts of climate change, increases the cost of doing business with damaged infrastructure (buildings and built structures for tailings, water retention and slope stability affected by extreme weather events) while we manage actual and potential reputational damage. An additional impact includes job loss, exacerbated by loss of appetite for coal and the Just Energy Transition encouraging the growth of the renewable energy sector.</p>	<ul style="list-style-type: none"> Submitting annual GHG emissions report and updated pollution prevention plans Developing and using software to calculate our carbon tax liability Developing a climate change strategy and action plan Reviewing and updating our ESG strategy Preventing pollution and efficiently managing energy use
<p>3</p> <p>Health and safety</p>	<p>We are committed to meeting health and safety targets beyond compliance to achieve zero harm. Our people remain vigilant to mitigate threats so that we can uphold our reputation and licence to operate.</p> <p>Related material themes</p> 	<ul style="list-style-type: none"> Inadequate machinery and equipment maintenance Overlooking critical hazard identification Non-compliance with safety standards 	<p>Among the detrimental effects of health and safety incidents is the potential exposure to class action suits, production loss and business interruption, including mine closure in the event of a fatality.</p>	<ul style="list-style-type: none"> Embedding appropriate safety equipment, policies and procedures Providing healthy and safe working conditions Implementing adequate health and safety checks Ensuring employees complete training in Seriti's health and safety protocols Reviewing and enhancing critical control management and related monitoring processes

OUR MATERIAL RISKS Continued

Material risk	Why this matters	Key drivers	Potential impact	Mitigating actions
4 Community	<p>Meaningful relationships with our host communities uphold our social licence to operate, avoid unrest and ultimately leave a positive legacy in the regions where we operate. Therefore, we respond proactively to the needs and expectations of our communities.</p> <p>Related material themes</p> 	<ul style="list-style-type: none"> • Demands for employment and procurement opportunities • Ability to meet growing community expectations and commitments • Delivery of socio-economic development projects to address government's service delivery gaps 	<p>Community unrest threatens employees' lives and livelihoods, damages our property and leads to production stoppages with resultant financial loss.</p>	<ul style="list-style-type: none"> • Providing development and procurement opportunities for SMMEs • Conducting portable skills training • Delivering on CSI and SLP commitments
5 Regulatory uncertainty	<p>Pending regulations, authorities' capacity, our ability to comply in required timeframes or our approach to business management could create uncertainty.</p> <p>Related material themes</p> 	<ul style="list-style-type: none"> • Non-compliance with current regulatory requirements without knowledge of changes • Changes in Mining Charter requirements and other regulatory frameworks 	<p>We could experience reputational damage – as an organisation and as key individuals with personal liability (incarceration in some instances) – and financial loss due to fines for non-compliance with applicable laws and regulations.</p>	<ul style="list-style-type: none"> • Monitoring the regulatory landscape to identify key developments • Assessing operations against Mining Charter requirements and developing action plans to address identified gaps
6 Environmental and rehabilitation	<p>Pollution due to acid mine drainage, air quality and biodiversity management affect vulnerable communities.</p> <p>Related material themes</p> 	<ul style="list-style-type: none"> • Increasing regulation of rehabilitation obligations • Unknown latent effects of water management failure 	<p>Under-funding of our obligations and reputational damage could increase with more guarantee provisions. We could also experience reputation damage.</p>	<ul style="list-style-type: none"> • Exposing Eskom to the magnitude of potential liability increase and ensuring adequate provision for new guarantees • Implementing our water management strategy effectively
7 Cyber	<p>Our systems could be impacted or interrupted by increasingly sophisticated cybersecurity risks.</p> <p>Related material themes</p> 	<ul style="list-style-type: none"> • Adoption of new technologies with unknown or unmanaged threats • Vulnerabilities due to employees working remotely • Data and identity theft 	<p>Malicious cyberattacks could cause damaging business interruptions.</p>	<ul style="list-style-type: none"> • Increasing security awareness among employees • Assessing vulnerabilities in our IT infrastructure • Developing and implementing IT and cybersecurity strategies

Material risk	Why this matters	Key drivers	Potential impact	Mitigating actions
8 People	<p>Our success depends on attracting and retaining dedicated and focused employees, and maintaining their wellbeing, within a labour pool constrained by skills shortages. Importantly, new employees must embrace our culture: The Seriti Way (📄 page 14).</p> <p>Related material themes </p>	<ul style="list-style-type: none"> • Ability to attract and retain the right people • Investment in developing skills for the future • Low remuneration base and benefits • Performance and change management • Location of our operations • Competitive market • Work stoppages and strikes • Employees' physical and mental wellbeing • Lack of experienced employees in the labour pool 	<p>Without the right employees developing alongside the business, we will not grow to achieve our objectives and deliver on our strategy.</p>	<ul style="list-style-type: none"> • Reviewing talent management practices • Engaging with contractors in dedicated forums • Ensuring timeous and effective communication • Initiating succession planning • Conducting remuneration and performance benchmarking and assessments, and reviewing incentive policies and processes • Ensuring a safe working environment with access to physical and mental healthcare • Investing in professional trainee programmes and learnerships
9 Procurement	<p>Our efficiency depends on how we manage crucial supply chain partnerships, including the related social and environmental impacts.</p> <p>Related material themes  </p>	<ul style="list-style-type: none"> • Only using approved repairmen, refurbishers and rebuilders • Opportunistic fraudulent procurement practices 	<p>We are exposed to direct and indirect financial loss with single suppliers and counterparty risk when their capacity or product availability is constrained.</p>	<ul style="list-style-type: none"> • Maintaining an approved repairer register while seeking alternative risk mitigation measures • Reintroducing and reinforcing Seriti standards
10 Operational	<p>We must responsibly maximise our operational output and transport our product to maintain optimal performance.</p> <p>Related material themes  </p>	<ul style="list-style-type: none"> • New Largo and Kusile over-contracted in the short and medium term • Ongoing water issues between Eskom and MMS • Life of mine Reserves not approved for mining • Capital replacement not completed timeously • Eskom's coal specification requirements • Performance of Transnet Freight Rail 	<p>We must meaningfully supply dedicated reserves to Eskom to avoid opportunity costs better spent on optimising operations, addressing inefficiencies and lowering cost per tonne.</p> <p>Inability to meet Eskom's specification requirements leads to penalties and increases our production costs. In addition, inefficient transportation of our product via rail to port also reduces our revenue.</p>	<ul style="list-style-type: none"> • Engaging with Eskom and Transnet Freight Rail continuously • Attending and participating in Eskom meetings • Completing studies to upgrade coal to 240 specification • Concluding sales offtake agreement for Pit D • Exploring alternative market options for New Largo

OUR MATERIAL RISKS Continued

Material risk	Why this matters	Key drivers	Potential impact	Mitigating actions
11 Marketing and logistics	<p>Infrastructure capacity to transport coal presents a risk in accessing our product's route to market.</p> <p>Related material themes</p> 	<ul style="list-style-type: none"> • Availability of Transnet Freight Rail locomotives to transport coal • Collapse of Overvaal tunnel closing access to Richards Bay Coal Terminal 	<p>Without adequate rail, road and port infrastructure, we cannot transport planned quantities to our markets, which inhibits our ability to serve our local and international customers.</p>	<ul style="list-style-type: none"> • Acquiring access to additional rail capacity and pursuing private rail initiatives • Enforcing contractual terms of entitlement • Engaging with authorities for regular updates on the state of infrastructure
12 Country	<p>There is an inherent risk of doing business in South Africa, driven by socio-political risks, policy uncertainty, deteriorating infrastructure and a sluggish economy.</p> <p>Related material themes</p> 	<ul style="list-style-type: none"> • Corruption • Currency/foreign exchange • Weak growth • Poverty, growing inequalities and a high unemployment rate • Skill shortages • Ageing and insufficient infrastructure (transport and energy) with frequent power cuts • Increased cost of doing business 	<p>The volatile external environment reduces investment opportunities while increasing the cost of capital and stakeholder dissatisfaction which, in turn, could inhibit our growth potential.</p>	<ul style="list-style-type: none"> • Exploring financial hedging transactions • Analysing South Africa's status • Identifying specific country risk events that could potentially impact Seriti • Establishing strategies to manage and mitigate identified risks
13 Export coal pricing	<p>Our planning is challenged by fluctuating market demand and commodity pricing. Challenges in transporting our product to international markets also hamper our ability to harness the financial opportunity in record coal prices.</p> <p>Related material themes</p> 	<ul style="list-style-type: none"> • Reduction in dollar coal prices due to market dynamics • Rand strengthening 	<p>Lower export receipts decrease our revenue.</p>	<ul style="list-style-type: none"> • Reducing controllable export unit costs • Implementing a considered risk management hedging programme • Developing low-cost export operations to provide greater margin of safety
14 Insurance	<p>General shrinking of available thermal coal insurance capacity has materially increased the cost of insuring property and business related risks.</p> <p>Related material themes</p> 	<ul style="list-style-type: none"> • Reluctance to insure thermal coal producers • Insurers considering risk management practices inadequate 	<p>Uninsured risk could have catastrophic consequences for the business when there is a loss event. Without sufficient insurance, we are also unable to secure funding for critical business projects.</p>	<ul style="list-style-type: none"> • Restructuring our insurance programme • Deliberating and considering risk retention measures • Investing in risk management practices



ENVIRONMENTAL MANAGEMENT





“BY PARTNERING WITH OUR STAKEHOLDERS WE CAN PLAY OUR PART IN ADDRESSING CLIMATE CHANGE FOR THE BETTERMENT OF THE ENVIRONMENT AND HUMANITY.”

Dr Anna Mokgokong, chairperson



Embed operational excellence and business continuity



Domestic macro-factors



Ensure environmental stewardship

Environmental care is one of Seriti's core values, and environmental management must be set on a foundation of compliance.

Why environmental management is important to Seriti

Related material themes (page 31): 

We are dedicated to protecting and conserving our environment for sustainable use by future generations. To achieve this, we must identify our significant impacts, institute measures to mitigate or minimise these effects and have systems in place, where needed, to rectify any non-conformances.

As responsible miners, we recognise that our future ability to mine is carved in our capability to manage our impacts across our life cycle. We also need to recognise our contribution to global challenges, such as climate change, and adapt the way we operate for the greater good of society.

What we achieved during the year

Increased vigilance, security and action against illegal mining on Seriti-owned land

Commenced 10-year rehabilitation plans for MMS and Klipspruit

Spontaneous combustion mitigation at Rietspruit closed colliery

Closure toolbox* developed (to be rolled out to operations)

29% of managed land disturbed

40% of disturbed land rehabilitated

24% of disturbed land unavailable for rehabilitation

Waste sent to legal landfill:

2 814 tonnes hazardous (2022: 2 758.6 tonnes)

1 098 tonnes non-hazardous (2022: 1 274.1 tonnes)

Seriti's land: 93 710ha managed (2022: 93 710ha)

72 055ha owned (2022: 72 055ha)

3 659 tonnes metal waste produced (2022: 5 235.5 tonnes)

5 651kg medical waste discarded (2022: 6 190.2kg)

Zero level 3** or above environmental incidents

Improved environmental incident reporting

* Guideline on planning and implementing successful closure strategies and objectives.

** Level 1 and 2 environmental incidents are non-compliances with negligible or short-term, limited impact. A level 3 incident is non-compliance with an extended duration (up to one year) and area of impact extending off site. Level 4 and 5 incidents are major non-compliances with potential for long-term environmental damage to wide reaching areas over a long period of time, and may affect sensitive environments.

All of the ISO 14001-certified Seriti-operated mines retained ISO 14001:2015 certification in 2023. Commendably, two operations (New Denmark and New Vaal) received zero non-conformances during the audit. MMS is due to be audited and certified in 2024.

We regularly monitor and track our compliance status through internal and external audits at the required frequency dictated by our permits and licences. No environmental management-related directives, stoppages or non-conformances were received by any Seriti operation in the past year.

Management

We are guided by Seriti's ESG strategy, material risks and stakeholder engagements in determining our environmental focus areas. Site-specific action plans are championed by operational environmental departments and supported by our head office team. Progress is tracked in terms of KPIs and reported monthly to senior management and the executive committee at dedicated forums. Environmental performance is part of employee performance measurement across all levels of the company.

We conduct two formal audits at each operation every year to check compliance with internal and external legal requirements – as well as ISO 14001 certification, which verifies our environmental approach and maintains its credibility. The outcomes of these audits are reported to our board through our social and ethics committee and any non-compliance is managed and closed out through targeted action plans.

We measure progress with 286 site-specific KPIs identifying risks and managing stakeholder expectations. These KPIs feed into material topics that inform leading indicators (📄 page 78). KPIs for the previous reporting period were reviewed by our senior executive and management team and found adequate for the period under review.

KPI reporting reflects the status of Seriti's impact across all environmental spheres to ensure compliance with legal and governance requirements, and to assure external stakeholders that we manage our key impacts. KPI selection is informed by identified significant site-specific environmental risks, changes in processes, legislative updates and outcomes of audit and incident reviews. When we identify new or emerging risks (such as vulnerability to climate change), we update our environmental risk registers accordingly and expand our environmental monitoring programmes to monitor the risk impacts. When needed, the KPI list is reviewed and material topics are updated.

After the merger of Seriti Coal and Seriti Power operations in 2021, we standardised our environmental management systems using Isometrix software across the group and encouraged employees to report environmental incidents to avoid impacts or non-compliance. Ongoing campaigns and training enable employees to identify risks and focus areas. We also ensure all reported incidents are closed out.



ENVIRONMENTAL INCIDENTS

We recorded 10 level 2 water-related environmental incidents in 2023.

To ensure environmental risks are adequately managed before they impact our licence to operate, we record and track all environmental incidents. We also guide our operations in classifying, investigating and reporting environmental incidents. As an incident impacting the environment may have safety, health, social, reputational, legal and financial consequences, we conduct a comprehensive incident investigation process.

Environmental incident reporting is distinct from any legal reporting requirements. The primary purpose of reporting is to initiate an investigation and immediate remediation to avoid escalating environmental impacts on operations and surrounding areas. It also informs the level of investigation required to determine how and why controls failed to improve and prevent repeat incidents. Targets and awareness-raising initiatives aim to increase the identification of environmental incidents at our operations and encourage employees to be accountable in their areas of responsibility. We encourage reporting of level 1 incidents, which have local impacts and may not be deemed significant but could prevent more serious incidents through proactive management. Our operations have all embraced this approach, which has significantly increased the number of incidents reported monthly (see case study below). We also work with employees and customers to identify areas of our environmental management practices that need improvement and reduce our footprint throughout the value chain.

Our reporting system enables us to analyse and categorise reported incidents and then capture and track any mitigating actions. Most incidents reported in 2023 related to hydrocarbon spills, followed by water management and housekeeping. Our operations therefore invest significant effort in managing these categories to prevent similar

incidents. Energy management-related incidents were reported for the first time in 2022, indicating the shift in focus to reducing our carbon footprint.

Number of environmental incidents by type	2023	2022
Housekeeping	581	430
Water management	719	683
Hydrocarbon spills	1 180	1 263
Waste	441	252
Blocked drains, trenches or boreholes	140	101
Chemical control	38	12
Dust	90	134
Bundwall management	18	24
Dam overflow	51	18
Coal spillage	116	163
Biodiversity or vegetation	60	19
Fire	0	4
Silt traps and water channels or trenches	10	39
Contamination	0	6
Erosion	3	3
Uncontrolled releases	14	0
Document control, admin and awareness	2	0
Non-compliances to permit and licence conditions	1	0
Blast and vibration	82	1
Energy management	1	0

New Denmark increased environmental incident reporting

By setting weekly or monthly environmental incident reporting targets for section managers at our operations, we have significantly improved our reporting records. While we have raised awareness across the group, the results are particularly evident at New Denmark, where the incident reporting champions recorded over 1 500 incidents in 2023. At New Vaal, we are training SHE representatives in environmental incident reporting while MMS distributes a daily SHE bulletin containing details of incident reports.

Improved incident reporting results in incidents being addressed more rapidly, limiting their impact on the environment. It also assists our operations to identify focus areas for environmental action plans. Without incident reporting, we cannot truly measure our impact on the environment, the extent of our sphere of influence, or the effects thereof on our host communities.



CASE STUDY





WATER





**“SERITI’S
MANAGEMENT
TEAM SPENT TIME
ENSURING OUR
WATER MANAGEMENT
STRATEGY ADDRESSES
LEGACY ISSUES.”**

Mike Teke, Chief executive officer






Embed operational
excellence and business
continuity



Ensure environmental
stewardship

While water is a scarce resource in South Africa, it is essential for mining. With many citizens not having access to fresh water, mining operators have an obligation to act reasonably and responsibly to conserve water and prevent quality degradation. At Seriti, our water management strategy guides our conservation of this critical resource.

Why water is important to Seriti

Related material themes (page 31):   

We understand the importance of water conservation in resource-constrained South Africa. As a mining company – dependent on water for operational efficiency, company bankability and social reputation – we optimise our consumption by considering our impact on our host ecosystems and communities. Accordingly, our water management strategy aims to avoid contamination and maximise on-site water reuse.



What we achieved this year

Approximately 250ML of known water per day managed across 21 sites (66ML excess water)

No water-treatment waste stored on site

Expanded on our water management strategy, developing detailed action plans for each operation

Management

Seriti follows the principles of the water management hierarchy set out by the Department of Water and Sanitation. Water contamination and water use are avoided wherever possible. Where impossible to avoid, water impacts are minimised as much as possible. Poor-quality or mine-impacted water must be optimised over clean water and only water that cannot be used must be treated for discharge or use by third

parties. The costly water-treatment process, which offsets the impact of mining activities on natural resources, produces significant volumes of waste that require additional attention. Seriti therefore endeavours to reduce the volume of water that requires treatment using high-confidence water balance models. A water balance tool models future predicted water flows at an operation and is key to water management decision making.



Standards

- Best Practice Guidelines for Water Resource Protection in the South African Mining Industry
- ISO 14001
- Seriti's water management strategy and resource plan



Legislation

- Conservation of Agricultural Resources Act 43 of 1983
- Environment Conservation Act 73 of 1989
- Infrastructure Development Act 23 of 2014
- Local Government: Municipal Systems Act 32 of 2000
- Mineral and Petroleum Resources Development Act 28 of 2002
- National Climate Change Bill
- National Climate Change Response Policy
- National Development Plan 2030
- National Environmental Management Act 107 of 1998
- National Environmental Management Laws Amendment Act 14 of 2013
- National Water Act 36 of 1998
- National Water Resource Strategy
- Spatial Planning and Land Use Management Act 16 of 2013
- The Constitution of the Republic of South Africa 1996

In 2021, we introduced a detailed water management strategy and resource plan for internal and external alignment of our water management objectives and key focus areas. We continue to leverage work already done and, in 2023, further expanded our strategy. Through a dedicated workshop process facilitated by an external consulting firm, we integrated the views of our stakeholder groups while capturing our water-related ambitions and key strategic priorities.

OUR WATER PERFORMANCE

Our water management framework is guided by the following principles:

De-risk the business	Clear guidelines	Viable practices
Continuous improvement culture	Deliver business value	Water-treatment philosophy leveraging technology and latest research

Fit-for-purpose systems

Seriti manages approximately 250ML of known water per day across 21 sites (of which 66ML is excess water), and we are guided by a water management framework rolled out across the group. As part of this framework, we strive to improve water confidence – our understanding of water sources on our sites – while embedding an integrated long-term plan and reducing our financial liability.

Water management framework

We align our approach to water management with the expectations of our stakeholders and catchment area in mind. We believe hierarchy of control is the basis of water management, with clean water kept separate, dirty water reused as much as possible and water treatment as a last resort. Preventive rehabilitation measures and alternative water management interventions reduce our dirty water generation before operations treat discharged water.



1. Avoid or minimise

We aim to improve our rehabilitation, clean and dirty water separation (including groundwater contact with lithology) and imported water liabilities.

- Reduce dirty water with cut-off drains and berms isolating rehabilitated areas from dirty water footprints
- Track externally supplied potable water consumption monthly
- Operation-specific action plans address high consumption due to water leaks or faulty water meters and track consumption weekly
- In opencast and underground operations, dewater coalface areas to reduce water contamination and manage associated flooding (dewatering changes regularly due to dynamic groundwater and rainfall patterns)*



2. Reuse

We maximise on-site water reuse in mining and coal-washing processes as well as dust suppression within the allowances of our water-use licences.

- Decrease reliance on third-party suppliers with guaranteed supply of internally treated or partially treated water
- Operations supply water to local farmers (excluded from total consumption calculation)



3. Treat

Water not reused and stored permanently on site is treated in line with our principles and each operation's specific opportunities and challenges.

- Use treated water in power station cooling tower circuits to reduce dependence on resources
- Water and dry salt by-products from concentrated salts in water from site and use it in agriculture and detergent manufacture
- Take preventive rehabilitation measures and alternative water management interventions to reduce dirty water generation before operations treat discharged water

Case study: Water-treatment plants manage excess water (📄 page 50)



4. Discharge

We discharge water under controlled and permitted conditions.

- Water discharged from water-reclamation plants into local streams provides much needed dilution in stressed catchments

← Most preferable

Least preferable →

* As dewatering mainly mitigates a safety risk, it is not measured against any targets.

OUR WATER PERFORMANCE Continued

Our water management strategy outlines the group's vision for water governance while our water management framework identifies our water management strengths, weaknesses, opportunities and threats. We focus on four strategic areas to mitigate impacts and create value for stakeholders.

1. Site water management	2. Water-use efficiency	3. Water stakeholders	4. Water
How our operations manage water	How efficiently we maintain a small water footprint	Who we need to engage and work with for common good	How we treat excess water to benefit the company and our stakeholders
Water management framework (📄 page 47)	Total consumptive water use*	Stakeholder engagement (📄 page 29)	Proven active, passive and semi-passive treatment technologies

* Tracked monthly based on total water use, including all input sources, excluding water diversions and water supplied to third parties for beneficiation. It is expressed as a function of production, directly associated with water consumption per given production output (RoMt).

Performance against our water indicators and KPIs aligned with the National Water Act and associated regulations

Our data-collection process includes all water received, used and controlled by operations (water used in processes, buildings and change houses, mine villages, hostels, training centres and clinics).

Raw water imported (ML)	2023	2022
New Vaal	1	6

New Vaal abstracts water from the Vaal River to water the main office gardens, cricket club and golf course.

Mine water imported (ML)	2023	2022
Kriel	144	102
Klipspruit	31	34

Mine-affected water removed from opencast (ML)	2023	2022
Kriel	2 804	567
New Vaal	14 855	14 360
Khutala	1	4
Klipspruit	1 543	3 145
MMS	16 118	4 594
New Largo	253	319

Mine-affected water removed from underground (ML)	2023	2022
Kriel	9	16
New Denmark	4 593	2 742
Khutala	651	551

Average water-use efficiency (litres/RoMt)	2023	2022
Kriel	232	204
New Denmark	315	275
New Vaal	141	95
Khutala	61	42
Klipspruit	371	407
MMS	2 400	2 367

Water treatment

Water treated on site (ML)	2023	2022
New Vaal	4 251	2 756
Klipspruit	601	520
MMS	7 031	5 866

Water sent off site to third party for treatment (ML)	2023	2022
New Denmark	5 414	3 972

New Denmark, Kriel and Khutala do not treat water on site. New Vaal, Kriel, Khutala, Klipspruit and MMS do not send water off site to a third party for treatment.

Water use efficiency is measured against the national water use efficiency industry coal mining benchmarks, developed by the Department of Water and Sanitation in June 2016. Five of our six operations recorded average water use efficiencies well below the benchmark (380 litres per RoMt average). MMS is the exception, where the significant work to reduce the generation of dirty water by implementing the 10-year rehabilitation plan will yield positive results for this KPI in the years to come. The implementation of Seriti's water management framework will also target the efficient use of water at the operation.

On average, our potable water consumption increased by 0.2 ML/day from 7.8ML/day in 2022.

Our operations track total potable water consumption daily and report on the amount of water used monthly. Water supplied to operations is used for domestic consumption and in underground mining equipment at two of Seriti's underground operations – New Denmark and Kriel – which therefore have higher potable water consumption.

We are developing action plans to reduce the water footprint at our operations. For example, New Denmark focuses on fixing water leaks and faulty water meters, and investigating other potential sources of water for use in the underground equipment.

We understand that water is an extremely precious resource, so we strive to reduce our reliance on third-party water supply by providing our operations with a guaranteed supply of our own internally treated or partially treated water where possible.

Potable water consumed* (ML)	2023	2022
Kriel	734	838
New Denmark	942	838
New Vaal	149	80
Khutala	112	130
Klipspruit	37	33
MMS	947	945

* Includes all potable water received, used and controlled by operations (water used in processes, buildings and change houses, mine villages, hostels, training centres and clinics).

We dewater opencast pits and underground workings to ensure the safety of our employees and the continuation of mining, and we track dewatered volumes for each operation monthly. Our mines have an average dewatering volume of 112ML/day, 87% of which is attributed to dewatering of our opencast operations.

Proactive flood management at New Vaal

New Vaal's proactive approach – a combination of increased water-treatment capacity, stormwater management, emergency preparedness and engineered flood protection – enabled the operation to manage exceptionally high rainfall and floods in February 2023.

Anticipating above-average rainfall, New Vaal investigated additional water-treatment capacity in May 2022 and, in January 2023, implemented a system that mitigates the risk of dams overflowing. By keeping its Macaullei Dam below 90%, there was sufficient storage capacity in the dam to accommodate increased dewatering from the pits. The total 4 251ML of water treated in this system over the past year went to Lethabo Power Station for use in its cooling towers. This enables the power station to reduce the volume of water from the Vaal River it relies on.

In addition to the water-treatment capacity, New Vaal updated its stormwater management plan and water balance in 2022, which provided valuable information for flood management.

New Vaal also has emergency response procedures in anticipation of the nearby Vaal River flooding. Two probes in the Vaal River continually measure and record water levels and send this information to an online database. When the water rises to a predefined height, an emergency response team is notified to monitor the opening of sluice gates at the Vaal Dam and Vaal Barrage as well as weather forecasts. Based on water levels, the team will move equipment from at-risk mining areas. Additional engineered flood protection levees, designed to hold back a one-in-200-year flood event, also enable the operation to move equipment and people to safety.

New Vaal's approach demonstrates Seriti's acknowledgement that climate change is a measurable reality in our daily operations. We consider climate variability, particularly in the South African socio-economic and environmental context, including the increased frequency and intensity of extreme weather events, in planning for current and future operations. We recognise the need to urgently strengthen the resilience of our operations to these impacts by developing and implementing policies, measures, mechanisms and infrastructure that incorporate adaptation to climate change. We conduct annual rainfall readiness audits across the business where, among others, the capacity and condition of stormwater management infrastructure is inspected, allowing the operations to take precautionary action to ensure the impact of high intensity or extreme weather events does not cause significant disruption to our operations.



OUR WATER PERFORMANCE Continued

Water-treatment plants manage excess water

While we strive to reduce the volume of excess water that requires treatment, a residual volume of water remains at most of our operations. We currently manage this with four operational water-reclamation plants, with the potential to implement further treatment capacity as deemed necessary.

At Klipspruit, the plant commissioned in 2020 was designed to treat 2ML/day from the Klipspruit Balancing Dam. Using ultrafiltration membrane technology, the plant has treated a total of 1 214ML since commissioning (enough water to supply 4.86 million average South African households for a day). While the treated water is released into a tributary of the Saalklapspruit, a project to upgrade the infrastructure to supply potable water to Klipspruit is currently underway.

Our Middelburg plant, which began operating in 2015, was designed to treat 20ML/day from the dams and old voids at the MMS north sections. To manage the excess solids encountered in the feed water, a decanter centrifuge was tested in 2021 with plans for permanent installation in 2024. This enabled the plant to increase production by 4ML/day and produce a total of 36 285ML since commissioning in 2015, enough to fill 14 500 Olympic-sized swimming pools. Most of the treated water is released into the Niekkerkspruit, providing much needed clean water for the stressed catchment. A portion of this treated water is used for potable consumption at the MMS offices. An infrastructure development project is underway to investigate also supplying this treated water to the Steve Tshwete Local Municipality.

New Vaal has two water-treatment plants on site. They use mobile ultrafiltration/reverse osmosis and are currently configured to treat 19ML/day from the Maccauvlei Dam. We increased water treatment at New Vaal in anticipation of flooding due to heavy rainfall in 2022 and the beginning of 2023. To date, these plants have produced a combined 48 777ML since commissioning in 2010 – the equivalent of 10.5 days' production by Rand Water. The treated water is sent to Lethabo Power Station for use in the cooling towers, which reduces Eskom's reliance on the Vaal River.

To ensure zero liquid discharge of brine streams back to feed water sources or brine ponds, New Vaal's brine treatment has also removed over 26 159 tonnes of salts from the mine water since 2020. This by-product is sold to the agricultural and detergent manufacturing industries to recover costs. At Middelburg, the gypsum and mixed sludge by-products are also sold to the agricultural sector as well as ceiling and facia board manufacturing companies.

Brine storage in ponds is common practice. However, Seriti assessed the liability of storing this waste over significant periods of time, if not indefinitely, and decided that water-treatment waste would not be stored on site due to the significant risk of adverse environmental impact. As water-treatment technologies improved, we could produce a hyper-saline brine or solid brine salt that is easier to handle. All of Seriti's future water-treatment contracts will include this requirement. To offset the significantly higher costs and energy consumption of treating this brine, we incentivise our water-treatment service providers to produce saleable products.

As we continue to tailor the capacity of our plants to address our needs, we are planning to align our water-treatment requirements across Seriti through a single-value delivery project pipeline. This will ensure we implement lessons learned at current water-treatment plants and derive maximum value from future contracts.

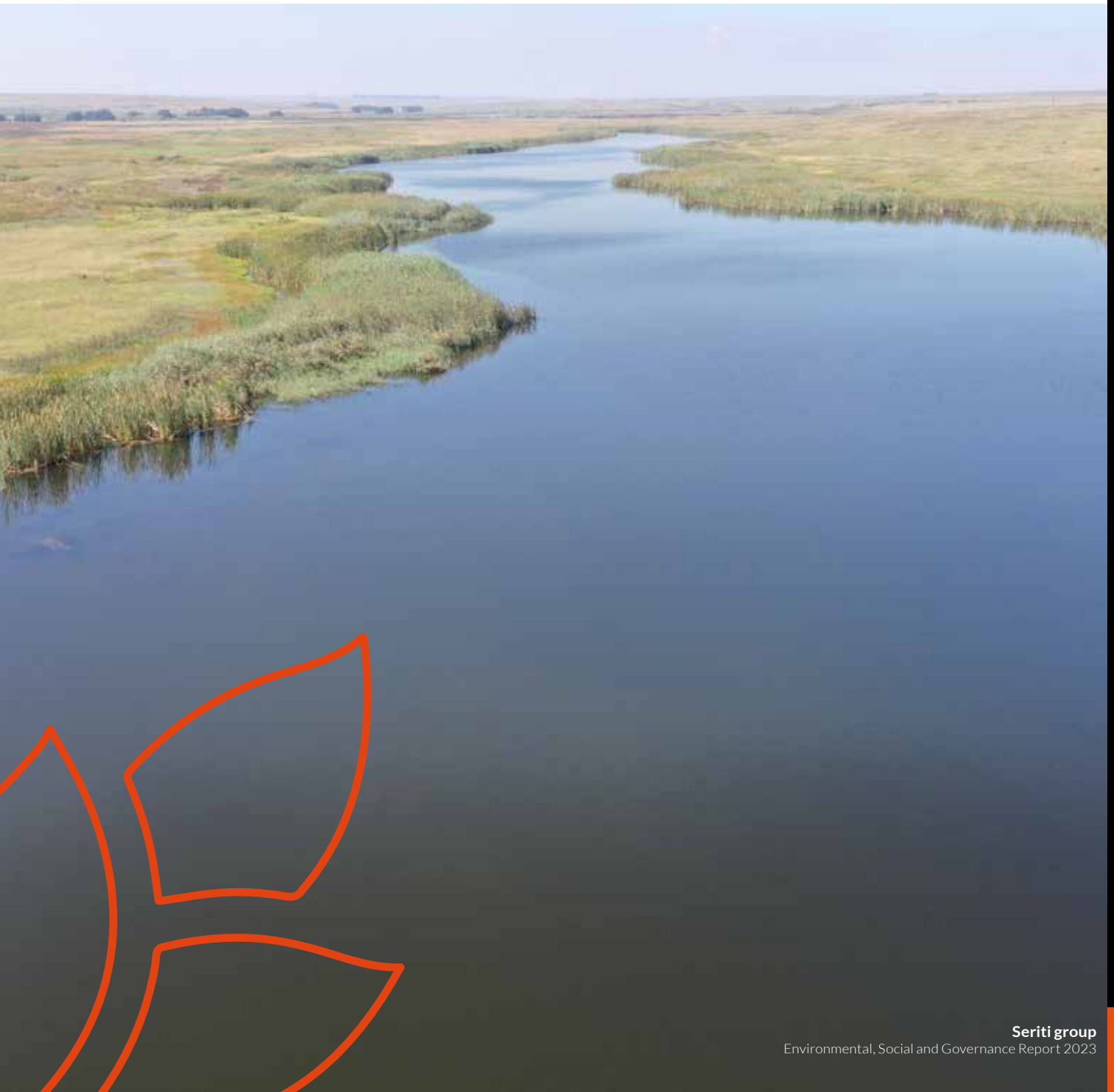
Further water-treatment plans will align with Seriti's evolving water management strategy, including a single commercial pipeline, and the consideration of various mechanisms and technologies. Until this has been formalised, previous ion exchange technology trials will pause.



Looking ahead

Delivering and embedding a targeted water management strategy, including:

- Improving confidence in our water balance models
- Developing the water management strategy decision tree tool as guided by the water management framework hierarchy
- Assessing operating and closed mines using the decision tree tool
- Agreeing to site-specific actions guided by the framework
- Developing an operation-specific water management and treatment strategy
- Tracking and reporting actions monthly in monthly performance reports or water management steering committee meetings
- Inspecting physical monitoring actions quarterly
- Integrating our water management strategy with closure and life of mine planning



ENERGY AND CLIMATE





**“WE ARE FULLY
COMMITTED TO
DECARBONISATION
AND A ‘JUST
TRANSITION’.”**

Mike Teke, Chief executive officer



Embed operational
excellence and business
continuity



Domestic macro-factors



Ensure environmental
stewardship



As a responsible coal producer, Seriti is conscious of the impact of fossil fuels on the environment and people. We therefore aim to actively reduce our carbon emissions while helping manage the Just Energy Transition to a low-carbon future and improve on our climate-related financial disclosures to our stakeholders.

Why energy and climate are important to Seriti

Related material themes (page 31): 

We are committed to becoming a diversified energy company that creates and shares value by responsibly powering South Africa. While coal continues to play a significant role in the global energy mix, we recognise that renewable energy sources and a Just Energy Transition from a carbon economy are required to achieve the Paris Agreement targets and address climate change. We are committed to our role in this transition and focus on reducing our carbon footprint through sound environmental stewardship, which includes the use of green energy.

We furthermore commit to assessing and understanding our climate-related risks and opportunities, linked to our governance strategy, risk management metrics and targets.

What we achieved during the year

Seriti Green acquired Windlab South Africa in December 2022

- Approximately 4GW of renewable energy projects and project pipeline
- Construction of South Africa's largest wind farm (and the first in Mpumalanga) announced in February 2023
- 155MW first phase of 900MW Ummbila Emoyeni project

40% increase in dust fallout exceedances

Seriti Resources joined World Coal Association in May 2022

 <https://www.worldcoal.org/world-coal-welcomes-major-new-members-in-south-africa/>

Expanded GHG emissions reporting

- Included Scope 2 (electricity) and investigated including Scope 3 (indirect)
- Steady decrease in Scope 2 (electricity) emissions with diminishing underground coal production (📌 - link to performance overview page 3)
- Advanced energy efficiency and green power initiatives to reduce Scope 2 emissions

Management

Understanding the risks and opportunities associated with climate change and energy use, our pollution prevention plans and energy efficiency management support our progress towards a low-carbon future. At each operation, various mitigation measures aim to reduce GHG emissions and fugitive dust fallout. Our sites are developing air quality management plans that focus on reducing impacts on our sensitive receptor communities.



Standards

- Intergovernmental Panel on Climate Change Guidelines for National GHG Inventories
- ISO 14001
- South African National Standards 69:2004, 1929:2005, 1929:2009 and 10234



Legislation

- Carbon Tax Act 15 of 2019
- Environment Conservation Act 73 of 1989
- Hazardous Substances Act 15 of 1973
- Mineral and Petroleum Resources Development Act 28 of 2002
- National Climate Change Bill
- National Climate Change Response Policy
- National Development Plan 2030
- National Energy Efficiency Strategy
- National Environmental Management Act 107 of 1998
- National Environmental Management Laws Amendment Act 14 of 2013
- National Environmental Management: Air Quality Act 39 of 2004
- National Environmental Management: Air Quality Amendment Act 20 of 2014
- National GHG Emission Reporting Regulations
- The Constitution of the Republic of South Africa 1996



ENERGY AND EMISSIONS

Globally, there has been a shift to reduce GHG emissions through decarbonisation, and we are acutely aware of how climate change is changing energy mixes worldwide. While power demand continues to increase, the South African government has begun transitioning to renewable energy sources, aiming to have a mostly renewable energy-focused grid by 2040 and reach net zero by 2050. This is in line with the Paris Agreement to combat climate change as well as South Africa's national climate change response, which prioritises climate change mitigation and adaptation, to the shift towards a climate-resilient and lower-carbon economy and society. The objectives of the South African response are to make a fair contribution to the global effort to stabilise GHG concentrations in the atmosphere at a level that prevents dangerous anthropogenic interference with the climate system.

Seriti is committed to accurately measuring and reporting its carbon footprint with the aim of reducing our contribution to climate change and assess and understand our climate-related risks and opportunities. We currently focus on reducing Scope 1 GHG emissions, released directly from the business or sources we own or control, and Scope 2 GHGs from the energy we purchase and use.

In light of this, Seriti continues progressing on its journey to becoming a diversified energy business. In support of our ESG ambitions, we are introducing renewables into our existing coal business to continue providing tangible long-term benefits to our stakeholders.

A major milestone in 2023 was the signing of a memorandum of understanding – between Seriti, Exxaro and Eskom – as part of our commitment to developing renewable energy projects to decrease our carbon footprint. Through this initiative, we will seek to create employment opportunities and reskill people who live in communities surrounding our operations.

Another significant milestone for the group was the acquisition of Windlab South Africa. The business is now known as Seriti Green and comprises a 4GW portfolio of wind and solar projects in various phases of development across the country. This includes a wind farm in the Free State, a solar photovoltaic cluster in the Western Cape and a renewable energy cluster in Mpumalanga. Late-stage projects include Ummbila Emoyeni, a 900MW permitted wind farm located in Mpumalanga. Construction of phase one of this project is due to commence in the 2023 calendar year. Offtake has been secured by the group, and the power will be wheeled to the majority of Seriti's operations.

We continue to decrease our GHG emissions across the group as each operation progressively replaces coal-fired energy with renewable alternatives, offloads redundant energy consumption by non-essential activities and optimises energy efficiency with lower-energy measures wherever possible. Kriel cut power to Pit 5 infrastructure when northwest shaft rehabilitation was complete, which saved 23.96 kilotonnes of CO₂e (against a target of 17.98 kilotonnes of CO₂e). Seriti Green's Ummbila Emoyeni project (📍 page 28) will transform over 75% of our coal operations' energy consumption into renewable energy while reducing our Scope 2 GHG emissions by feeding wind energy into our coal operations and bringing the company a step closer to carbon neutrality.

We reviewed and consolidated our energy efficiency management and pollution prevent plans for five years from 31 December 2020, as requested by the Department of Forestry, Fisheries and the Environment. The new five-year plans for 1 January 2021 to 31 December 2025 focus on the methodology and assumptions used in compiling the plans, as well as the constraints that needed to be taken into consideration. Detail is provided on progress made on identified energy saving plans and savings achieved are outlined. We report on these plans annually.

We expect the Taxation Laws Amendment Act 20 of 2022 to increase the carbon tax by US\$20/tCO₂e in 2026 and US\$30/tCO₂e in 2030 (R364.60/tCO₂e and R547.80/tCO₂e respectively at the March 2023 average exchange rate) and impose stricter penalties (R640/tCO₂e) when carbon budgets are exceeded. We have considered these changes in our financial modelling for the current reporting period to understand the potential impact on our business and to plan for further reduction mechanisms. Our carbon tax submissions are completed by 28 July every year.

Seriti uses the operating control approach in reporting emissions. We complete the annual self-declaration and submit requested documentation on the South African Greenhouse Gas Emission Reporting System, referred to as an emissions report. After submission of the data, the Competent Authority (the Department of Forestry, Fisheries and the Environment) will conduct a series of post-submittal data and materiality risk assessment checks. The results of these checks will determine whether the data provider is required to undergo a desktop review, site inspection or independent verification to have their emissions report approved. To date, Seriti has not needed to undergo such a review process.

Direct GHG emissions

Scope 1 (tonnes)*	CO ₂		CH ₄		N ₂ O	
	2023	2022	2023	2022	2023	2022
Kriel	2 466.2	1 281.7	2 127.4	1 875.0	0.02	0.0063
New Denmark	607.7	582.2	2 209.2	2 116.5		N/A
New Vaal	3 155.3	3 624.6	0.1	0.2	0.03	0.03
New Largo	203.9	369.0	0.0	0.0	0.0016	0.003
Khutala	893.8	704.0	3 249.2	2 328.0		N/A
Klipspruit	1 546.8	1 418.0	0.1	0.1	0.01	0.01
MMS	2 806.3	2 424.0	0.1	0.1	0.2	0.2
Pegasus	20.7	N/A	0.0	N/A	0.0	N/A

* Reported per calendar year.

GHG emissions and data relating to fugitive CO₂ emissions emanating from opencast mining were captured and reported to the Department of Forestry, Fisheries and the Environment during our reporting period. We report online through the South African Greenhouse Gas Emissions Reporting System.

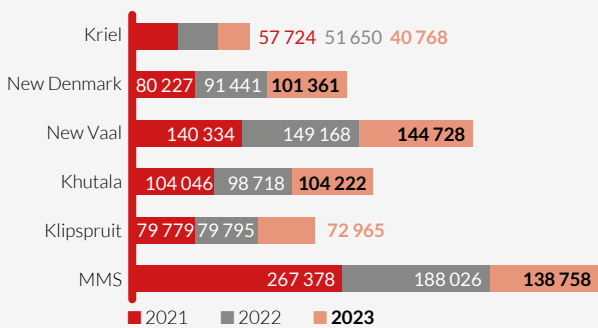
New Denmark and Khutala do not emit N₂O.

Indirect GHG emissions

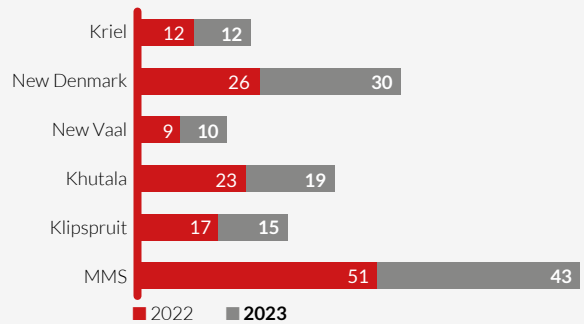
Scope 2 (ktCO ₂ e)	2023	2022
Kriel	42.40	53.72
New Denmark	105.42	95.10
New Vaal	150.52	155.13
Khutala	108.39	102.67
Klipspruit	75.88	82.99
MMS	144.31	195.55

New Largo and Pegasus are contractor-mined and Seriti does not have control over the Scope 2 emissions at these sites.

Energy consumption (MWh)



Electricity intensity (kWh per tonne)



Energy is defined as electricity, diesel and petrol consumption. Only fuel consumed by stationary equipment is considered in calculating emissions and tax data.



AIR QUALITY

Seriti operates in two declared priority airsheds (the Vaal Triangle and Highveld). Our major impact on air quality is through particular matter or dust fallout. Coal extraction and mineral processing activities, including topsoil stripping, blasting, road transport, material handling and transfer systems, have the potential to release air pollutants, which must be controlled to safeguard communities from the potentially detrimental impacts of poor air quality on their health and wellbeing.

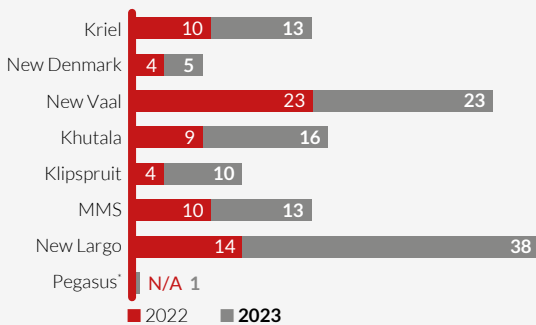
Dust fallout from our collieries, generally in industrial zones, is limited to 1 200 milligrams (mg)/square metre (m²)/day over a 30-day average. Our sensitive receptors also measure residential dust fallout limited to 600mg/m²/day. We investigate any exceedances of these limits and report infringements to the local municipality's air quality control officer.

Exceedances can occur during very dry and windy periods, after veld fires or during ploughing seasons for local farmers.

Air quality monitoring reports submitted to the regulator in 2023 recorded 27 incidents of non-compliance with regulated limits. We mitigated these incidents with regular watering and chemical suppression on haul roads, halting blasting or dragline digging activities when wind speeds were high, enclosing coal tips with stilling hoods, improving dust extraction and using dust suppression sprayers at coal tipping points.

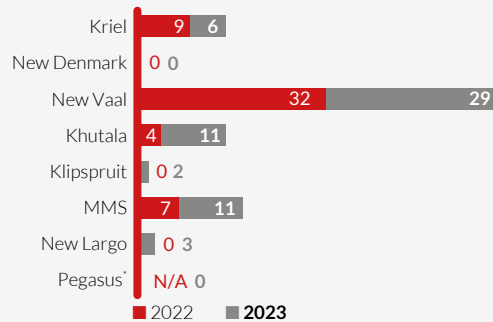
Our operations also continuously monitor fine particulate matter (PM), entrained in the air from industrial sources and distant fires, to safeguard the health of our employees and communities. PM_{2.5} and PM₁₀ dust particles have a diameter of less than 2.5 micrograms and 10 micrograms respectively (approximately 30 times smaller than the average human hair). Due to their small size, these particles can be inhaled deeply into the lungs or even enter the bloodstream with serious health implications.

Exceedance of dust fallout limit (number of exceedances) residential (above 600mg/m²/day)



* Monitoring of exceedances of dust fallout limit at Pegasus only started in April 2022.

Exceedance of dust fallout limit (number of exceedances) non-residential (above 1 200mg/m²/day)



* Monitoring of exceedances of dust fallout limit at Pegasus started in April 2022.

Employing industry best practice dust suppression

Best available industry techniques (the most practical and effective methodology currently used or otherwise available) for dust management can be achieved with appropriate planning and by identifying and controlling dust sources during the active phases of mining operations.

Control techniques for fugitive dust sources generally involve watering, chemical stabilisation and reduction of surface wind speed through windbreaks and vegetation. Watering is a commonly used and relatively inexpensive option but only provides temporary control. Although chemical treatment of exposed surfaces is more expensive, it provides longer suppression. Above and beyond these techniques, Seriti employs several other air quality controls, including:

- Building enclosures on overland coal conveyors as well as coal handling and preparation plants
- Retaining buffer lands surrounding operations
- Monitoring meteorological data at sites around the operational area to record climate changes that may affect operations
- Enforcing speeding limits
- Removing debris accumulation on roads using mechanical sweepers
- Rehabilitating of mining and overburden stockpile areas



CASE STUDY

Looking ahead

- Establishing Seriti Green as a large-scale green energy producer and supplier while accelerating development of the East Africa portfolio
- Commencing construction of the Seriti Green 155MW wind energy facility in South Africa and the 220MW Meru County Energy Park in Kenya
- Investigating energy partnerships and exploring opportunities to offload excess electricity
- Identifying areas of climate vulnerability within the group and implementing climate adaptation measures
- Improving carbon footprint reporting in line with international standards such as ISO 14064
- Increasing the production of low-sulphur coal to assist our customers, especially Eskom, with the reduction of sulphur pollution



LAND





“WE AIM TO MINIMISE ANY NEGATIVE IMPACTS ASSOCIATED WITH MINING WHILE MAXIMISING OPPORTUNITIES ASSOCIATED WITH LAND.”


Mike Teke, Chief executive officer



Embed operational excellence



Ensure environmental stewardship




Our land management philosophy is to progressively reinstate a post-mining landscape that improves local spatial development patterns and maximises socio-economic opportunities post-closure. At a minimum, the rehabilitated land must comply with the pre-mining Environmental Management Programme report, as required by the Department of Mineral Resources and Energy, honouring the spirit of the Minerals Council guidelines and other relevant legislation. Ideally, we aim to minimise any negative impacts associated with mining on the post-closure landscape while maximising opportunities associated with this land in relation to the needs of surrounding communities.


Why land is important to Seriti

Related material themes (page 31):     

We are committed stewards of the land on which we operate or have impacted in the past. The importance of land is fundamental and immutable, both to Seriti as the landowner and for our stakeholders who depend on land as our neighbours or tenants. The importance of land is not just to satisfy the immediate needs of the present, but for all future generations who will use the land. It forms the living foundation from which development, dignity and progress flows. As far as possible, we undertake concurrent rehabilitation to minimise closure costs and reduce long-term impacts, and we update our financial provision for closure every year to ensure we have sufficient funds available to rehabilitate and address any latent and residual impacts.

We believe proper land rehabilitation and management practices naturally encourage the return of indigenous fauna and flora. The presence of diverse natural flora and fauna is a significant indicator of a healthy ecosystem, able to provide specific functions and services to all stakeholders, which could range from flood attenuation in healthy wetlands to recreational activities such as bird watching. Indigenous species are inherently adapted to local conditions and require less water and artificial nutrients such as fertilisers to survive. Climate change is playing an increasingly important role in the decline of biodiversity by altering marine, terrestrial and freshwater ecosystems around the world. It has caused the loss of local species, increased diseases and driven mass mortality of plants and animals – resulting in climate-driven extinctions. Through our commitment to a low-carbon future, Seriti is addressing the dual crisis of climate change and biodiversity loss. A key component in our biodiversity plans is to control invasive alien species and encourage indigenous flora and fauna propagation.

We explore social closure opportunities that will empower our host communities after the end of mine life – such as sustainable post-mining land use, including regenerative agriculture programmes on mined-out land (as in the case study: Viable rotational crops on rehabilitated land at Kriel  page 65). We maintain agricultural sustainability, including food security, through lease agreements with landowners. Other Seriti-owned land is used for recreational, commercial and educational purposes as well as employee housing.

We also practise waste management as part of responsible land stewardship, actively reducing hazardous and non-hazardous waste generation by substituting harmful substances with environmentally friendly alternatives wherever possible. The case study: Extracting value from used tyres  page 69) illustrates one of our projects that address some of the mining industry's most challenging waste sources.

Management

At each of our operations, land management is guided by commitments under a formal environmental management programme. We conduct land capability assessments against these commitments when rehabilitated areas become available.



Standards

- ISO 14001
- Land Rehabilitation Guidelines for Surface Coal Mines
- National norms and standards for waste storage and disposal
- National Waste Management Strategy
- Norms and standards for the remediation of contaminated land and soil quality



Legislation

- Conservation of Agricultural Resources Act 43 of 1983
- Environment Conservation Act 73 of 1989
- Hazardous Substances Act 15 of 1973
- Infrastructure Development Act 23 of 2014
- Local Government: Municipal Systems Act 32 of 2000
- Mineral and Petroleum Resources Development Act 28 of 2002
- National Development Plan 2030
- National Environmental Management Act 107 of 1998
- National Environmental Management Laws Amendment Act 14 of 2013
- National Environmental Management: Biodiversity Act 10 of 2004
- National Heritage Resources Act 25 of 1999
- Spatial Planning and Land Use Management Act 16 of 2013
- Subdivision of Agricultural Land Act 70 of 1970
- National Environmental Management: Waste Act 59 of 2008
- Waste Tyre Regulations published under GNR 1064
- The Constitution of the Republic of South Africa 1996

Our approach to land stewardship is aligned with our overarching environmental management system, based on a system of risk identification, monitoring and tracking against targets. We believe mine closure planning must be integrated into operational procedures as this effectively mitigates risks and enhances opportunities post-closure, particularly through land rehabilitation parallel with mining activities. All closure plans are fully costed and we ensure adequate provision for premature and planned closure.

Our operations' rehabilitation performance is measured against post-closure digital terrain models. These post-closure models prioritise the creation of topography that minimises liabilities while maximising ecologically functional and economically viable land. We are committed to reducing the backlog in rehabilitating land disturbed by mining while our mines are operating instead of post-closure.



LAND STEWARDSHIP

Annual life of mine planning supports the business case for long-term production versus long-term liabilities. Our operations therefore develop rehabilitation models, considering equipment and human resource requirements, to reduce closure costs at the end of mine life.

Illegal mining remains a risk at our closed collieries. The disturbance of closed and rehabilitated areas results in

significant environmental impacts, loss of habitat and biodiversity and increased risk for our surrounding communities. During the year, we increased vigilance and security at these operations and responded immediately, removing people and equipment, where we identified an instance of illegal prospecting at Rietspruit Colliery.

Land stewardship (ha)	2023	2022
Company-managed land		
Kriel	18 094	18 094
New Denmark	364	364
New Vaal	19 940	19 940
New Largo	12 141	12 141
Khutala	1 340	1 340
Klipspruit	9 764	9 764
MMS	31 149	31 149
Pegasus	918	918
Company-owned land		
Kriel	499	499
New Denmark	311	311
New Vaal	15 379	15 379
New Largo	11 469	11 469
Khutala	2 566	2 566
Klipspruit	9 764	9 764
MMS	31 149	31 149
Pegasus	918	918
Land altered* for mineral extraction activities		
Kriel	3 223	3 223
New Vaal	3 344	2 995
New Largo	86	0
Khutala	1 087	1 087
Klipspruit	3 010	3 010
MMS	16 032	15 959
Pegasus	63	0
Land rehabilitated but not yet used in terms of agreed objectives		
Kriel	2 184	2 332
New Vaal	1 267	1 247
Khutala	285	266
Klipspruit	304	258
MMS	6 723	6 672

* Land altered indicates all land altered for mineral extraction purposes and includes site offices, stockpiles, workshops, open pits, access roads etc. These areas need to be rehabilitated, but offices, workshops and other infrastructure will generally be rehabilitated at mine closure.

New Denmark does not alter land for mineral extraction activities as it is an underground operation.

New Denmark does not have land rehabilitated but not yet used in terms of agreed objectives as it is an underground operation. Rehabilitation at Pegasus and New Largo has not yet commenced.

Viable rotational crops on rehabilitated land at Kriel

Seriti believes that the key to successful post-closure sustainability is proving the functionality of rehabilitated land. Rehabilitated soils on opencast coal mines are typically shallow, nutrient-poor, compacted and not considered ideal for agriculture.

Kriel's land-use vision is to progressively reinstate a post-mining landscape that improves local spatial development patterns and maximises socio-economic opportunities by supporting sustainable agricultural production while maintaining essential ecosystem services. One of the key objectives to realise this vision is establishing a functional post-mining landscape that enables self-sustaining agricultural practices where possible.

Kriel has demonstrated that viable maize and soya cash crops can be produced on 600ha of rehabilitated land where soils have been replaced to depths supporting arable land capability. Repeated soil tillage reduces surface compaction, and seasonal application of fertiliser increases fertility.

The rationale behind rotational cropping with maize and soya is that the root nodules of the soya bean contain symbiotic nitrogen-fixing bacteria that collect and convert atmospheric nitrogen into nitrate (the primary macro-nutrient required by plants). This reduces fertiliser input costs in subsequent maize plantings. Crop yields on rehabilitated land are then comparable with those on unmined areas in determining the productivity of the rehabilitated land.

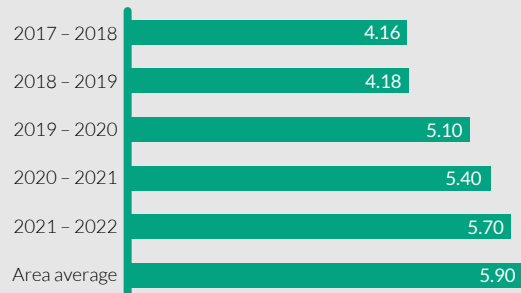
Although current maize yields are marginally lower than unmined reference blocks, continuous tillage of the rehabilitated soils is reducing compaction, improving drainage and increasing yields (as illustrated in the graphs adjacent). To further increase yields, conserve soil organic carbon and improve overall soil micro-biological health, Kriel is planning to adopt a minimum tillage approach for future maize crops. These key factors have sustainably improved crop yields elsewhere.



Seriti Green works in harmony with nature and prioritises sustainability. Acknowledging the risk a wind farm may potentially present to birds – particularly larger bird species – Seriti Green undertakes an intensive monitoring regime as one of the first activities when developing a wind farm. In fact, in the past, Seriti Green has abandoned wind farm projects due to the presence of endangered species such as vultures and Verreaux's eagles.

Value created: Kriel's maize yields have improved by nearly two tonnes per hectare since 2018 against the annual area average.

Average maize yield (tonnes)



Soya yields have improved by 0.5 tonnes per hectare since 2019 against the regional area average.

Average soya yield (tonnes)



During the monitoring period, specialists also identify additional areas of risk, such as dams and lakes, and buffer these to further minimise risks.

Finally, once the project is up and running, a dedicated environmental officer will monitor and identify any new activities and risks and mitigate these through, for example, moving nests and/or halting operations during the migratory season.

MINE CLOSURE AND REHABILITATION

Responsible mine closure ensures a sustainable environment and land-based economy. Mining practices are continually evolving, with ever increasing emphasis being placed on values-based behaviours that deliver sustainable benefits for people and the planet – even long after a mine has closed. At the same time, we aim to promote social empowerment, environmental responsibility and legislative compliance. We have developed a mine closure toolbox that will be rolled out to our operations in due course.

Mine closure financial provision, in terms of the Mineral and Petroleum Resources Development Act regulations, is reviewed annually with assistance from an independent specialist. The assessments are based on commitments in each operation's environmental management programme and other authorisations, as well as the design criteria for the final closure model. The financial provision assures our stakeholders that we have adequately set aside resources to sustainably close our operations at the end of their life of mine. The methodology and figures used in the financial provision models are assessed by independent auditors.

The 2023 closure liability submission to the Department of Mineral Resources and Energy, for Seriti's managed mining operations, complied with current legislation. Future submissions are expected to comply with National Environmental Management Act financial provisioning regulations, which are due to come into effect on 19 February 2024. To support financial provisioning, each

Seriti operation provides a predictive life of mine every year, which informs budgetary requirements to ensure production at set targets and management of liabilities as production is realised. As part of this exercise, rehabilitation and water management activities are planned and costed. For the Eskom-tied operations (those that supply a power station through a formal coal supply agreement), Eskom is an integral partner in budget planning and expenditure to achieve production targets and reduce liabilities. We therefore engage with Eskom at critical times during the planning and reporting phases of budget cycles to ensure that Seriti, as an operator, remains accountable and responsible in applying Eskom's funds to mining and rehabilitating operations.

To manage our closure costs, we engaged with an independent specialist on financial provisioning for practical solutions and alternative land-use options. We shifted our focus to managing and reducing environmental risk in a way that is cost-effective and sustainable during the operational phase of our assets, while keeping sustainability and the reduction in liability as the core outcome – as outlined in the case study: 10-year rehabilitation advances at MMS and Klipspruit (📄 page 67).

One of the key focus areas with regard to mine closure and rehabilitation is the re-use of the land for renewable energy. Through Seriti Green, all of the mine closure and rehabilitation land is being reviewed and all viable land shall be permitted to instal various sources of renewable energy.



10-year rehabilitation plan advances at MMS and Klipspruit

Mine rehabilitation is a restorative process to ensure land used in mining is made available for economic activity, conservation or other diverse community uses. Rehabilitation represents a critical obligation for the mining industry and an integral component of a mining company's sustainable development strategies – the land we leave behind after mining is our legacy and our local communities' future. A best-practice approach works progressively towards the intended future use of the land. Although the rehabilitation of a mine site might be associated with its closure, the industry has evolved to integrate rehabilitation during the planning and operational stages of a mining project – referred to as progressive mine rehabilitation. Unrehabilitated areas can cause deteriorating ground water qualities, increased volumes of mine-affected water, dust and alien invasive species propagation. Our 10-year rehabilitation plans for MMS and Klipspruit will help these operations address rehabilitation backlogs and reduce their mine-affected water generation by at least 12% per annum.

MMS, our operation with the most significant rehabilitation backlog, set out to rehabilitate almost 3 000ha over 10 years, starting in 2022 – using a combination of its own and contractor equipment (including a dragline to assist with levelling and shaping areas). The operation has already reshaped 136.5ha (target: 96ha), topsoiled 18ha (target: 60ha) and seeded 51ha (target: 36ha).

We are using our own equipment whenever available and optimising the mine plan to ensure rehabilitation actions reduce execution costs. During the first year of the project, we procured three new bulldozers to supplement the existing truck-and-shovel fleet, and appointed rehabilitation contractors to expedite implementation of the plan. In 2022, we focused mainly on MMS South, where we contoured areas to promote clean rainfall run-off into the natural watercourses and planted an indigenous grass mix.

At Klipspruit, we are engaging with our neighbouring communities to ensure our rehabilitation work does not cause distress from increased noise and dust, and we are on track to meet annual targets with concurrent rehabilitation while mining.

Value created: This initiative will divert over 13 million litres of clean water per year back into the natural environment for use by ecosystem processes or local communities.



CASE STUDY

We focus on quality rehabilitation in terms of each operation's environmental management programme. This includes planting indigenous flora on disturbed areas to achieve required land capabilities.

The development of a group rehabilitation strategy is well under way to accelerate rehabilitation and address challenges. Our strategy aims to maximise our strengths and good practices, such as the use of cut-off drains and berms to isolate rehabilitated areas from dirty water footprints and ensure the appropriate resource allocation and prioritisation is given to rehabilitation objectives.

One of the key aims of the rehabilitation strategy will be to return the post-mining landscape to a state that closely resembles the pre-mining terrain in terms of slope, soil

thickness and vegetation, as far as practically possible. We create topographic models for rehabilitation planning while the mines are still active. We can thus significantly reduce the impact on surface and groundwater by implementing appropriate rehabilitation measures. This includes shaping and sloping rehabilitated areas to allow water to naturally drain towards rivers and streams. Contour berm positions are included in this model to prevent topsoil erosion and promote clean water run-off in rehabilitated areas. With a gentle slope, vegetation re-establishment is also more successful. A higher rate of vegetation re-establishment enables seepage water uptake through root systems to lessen water ingress into rehabilitated areas. Seriti measures volumes of material reshaped, areas topsoiled and hectares seeded to determine whether land capabilities are restored and measure reduction in mine-affected water.

MINE CLOSURE AND REHABILITATION Continued

Mine closure provision (Rm)

Operations	Financial provision*		Financial provision for immediate closure**		Estimated residual water liability		Trust fund balance		Guarantee		Immediate surplus/deficit	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Kriel	943.8	853.8	2 021.1	1 356.5	340.5	285.4	676.9	465.8	776.7	776.7	(509.7)	(388.6)
New Denmark	353.8	201.3	719.6	513.8	118.7	116.3	146.2	100.6	145.1	145.1	62.4	(44.5)
New Vaal	384.4	374.7	1 585.8	1 806.1	394.4	611.5	331.4	228.0	775.5	775.5	(722.5)	(628.8)
Khutala	317.7	332.5	1 527.5	1 588.5	177.5	306.1	-	-	328.2	328.2	(10.4)	4.3
Klipspruit	1 031.5	129.1	4 523.7	4 842.9	225.9	318.5	2.0	2.3	957.3	957.3	72.2	169.5
MMS	4 014.7	4 558.1	15 610.8	14 531.1	3 816.4	3 339.4	5.7	6.8	4 570.6	4 570.6	(561.6)	(19.2)
Pegasus	41.3	35.5	69.9	51.1	17.4	-	-	-	34.3	34.3	7.0	1.2
New Largo	80.5	111.8	336.1	230.7	51.5	11.2	-	-	295.1	295.1	(214.6)	(183.3)

* As per the Mineral and Petroleum Resources Development Act.

** As per the National Environmental Management Act regulations.

Remaining life (years)

Operations	2023	2022
Kriel	18	15
New Denmark	30	31
New Vaal	19	18
New Largo	23	18
Khutala	14	14
Klipspruit	27	19
MMS	25	21
Pegasus	3	5



WASTE MANAGEMENT

Seriti spent R14.72 million (2022: R20.84 million) on waste management in the past year. We are reducing this expenditure with value-driven projects across operations to encourage waste diversion.

Waste management is viewed as a great opportunity at Seriti. Reduction in the amount of waste generated has major positive environmental impacts, such as less waste going to landfill, and recycling waste creates down-stream business opportunities. As a large-scale operator, waste generation is a significant aspect of our business and, as responsible operators, we are accountable for the waste we generate end-to-end.

Good waste management forms part of our commitment to being a responsible land steward – such as becoming more resource-efficient, and by examining the packaging that comes with the products we consume, we can reduce the amount of waste generated by our operations. We are also actively trying to reduce

hydrocarbon spills and leaks which, in turn, reduces the volumes of hazardous waste we generate. Minimising waste generation assists in taking the pressure off over-burdened landfill sites, reduces GHG generation and prevents harmful chemicals from entering the soil and water ecosystems, causing pollution.

During the year, we made significant progress in understanding Seriti's waste streams and developing a waste management strategy. Once finalised, this strategy will guide how we reduce waste generation, separate recyclable materials and manage legacy issues like large, earthmoving tyres. The strategy will be supported by KPIs to measure and improve our performance.

Extracting value from used tyres

Vehicle tyres are non-biodegradable, posing a significant environmental risk. South African legislation prevents the accumulation or landfilling of tyres; however, without an alternative solution, waste tyres are commonly seen clogging landfills, being stockpiled indefinitely, dumped illegally or burned (releasing GHG and other toxic gases). The importance of finding a solution to used tyres is crucial to Seriti, not only to alleviate these impacts but to create value that can be diverted into other industries and applications. Sustainable waste recycling benefits not only the waste generator but those down-stream who extract value from that waste.

Government and industry have long recognised the challenges of waste tyre management, particularly earthmoving equipment tyres, which can weigh up to five tonnes each. Seriti's opencast operations store over 6 000 used, off-the-road vehicle tyres at any given time. Since 2017, government has included a tyre levy (an environmental levy on tyres to be paid into the National Revenue Fund by the manufacturers, importers or producers of tyres and collected by the South African Revenue Service in terms of section 13B of the National Environmental Management: Waste Act). Initially the Recycling and Economic Development Initiative of South Africa (REDISA) was tasked to create a circular economy from waste tyres, until government's Waste Bureau became responsible for waste tyre management in 2017. A levy of R2.30 per kilogram of tyre will ostensibly be used to implement a management plan for used tyres, but only includes waste tyres generated after 2012 (when the REDISA initiative was implemented by government). All waste tyres stockpiled before 2012 are referred to as "legacy tyres" and must be recycled at the waste tyre owners' own cost. To recover this cost, we established a value-driven project to investigate options for recycling and re-using the tyres. Our waste tyre management project aims to quantify the tyres at each operation, ensure the tyres are stored correctly and according to legislation and investigate cost-effective and sustainable long-term solutions. These solutions will be presented to the Department of Forestry, Fisheries and the Environment for approval.

Technology is available to reduce the size of the tyres by shredding the tread and sidewalls to facilitate transportation to an off-site location where they can be further broken down into sustainable by-products. Fuel oil and carbon black can be produced from processed used tyres at significantly lower carbon footprints than commercial production of these products.

When government has approved our waste tyre stockpile abatement plan, we will start a pilot project at New Vaal where all tyres have been inventoried and stockpiled.



CASE STUDY

WASTE MANAGEMENT Continued

Waste disposal contractors continue to collect and dispose of general and hazardous waste at registered facilities across the group. We divide our hazardous waste streams into medical, hydrocarbon-contaminated and other hazardous waste streams (such as fluorescent tubes).

All hazardous waste is sent to approved appropriate landfill sites, and we receive a record of its disposal. In 2023, we also recycled 706 501 litres of automotive oil and 3 658.9 tonnes (2022: 5 235.5 tonnes) of scrap metal across the group as annually measured KPIs.

Looking ahead

Going forward, we will focus on:

- Leveraging ESG best practice to ensure optimal and responsible land management and stewardship
- Reducing closure liabilities at our operations through active management
- Managing challenges at our care and maintenance sites
- Conducting feasibility studies and leveraging technology to support our mine closure strategy
- Integrating our closure and life of mine planning with our water management strategy
- Delivering a targeted environmental strategy, which includes rehabilitation
- Optimising concurrent rehabilitation, wherever possible
- Working towards reducing and recycling as much waste as possible



PEOPLE





“WE CREATE AND SHARE VALUE WITH OUR EMPLOYEES, COMMUNITIES AND BEYOND.”

Mike Teke, Chief executive officer



Embed operational excellence and business continuity



Build trust and culture



Domestic macro-factors

EMPLOYEES

Seriti retains a diverse talent pipeline, creating an enabling space for employees to grow and thrive within a workplace that goes beyond compliance to address barriers to entry and respect diversity.

Why employees are important to Seriti

Related material themes (page 31): 

As a proudly South African company, attracting and retaining local people is critical for our company's long-term success. When an opportunity becomes available, we first search for the right candidate within our company before expanding our search for the necessary skills within our host communities. Our total remuneration is also benchmarked against mining industry standards to ensure we retain the talent we find and appoint.

What we achieved during the year

<p>6 795 permanent employees (2022: 7 199)</p> <p>8 270 contractors (2022: 8 047)</p> <p>274 learnerships (2022: 309)</p> <p>63 professionals in training/ interns (2022: 51)</p> <p>10% decrease in employees due to restructuring¹ and natural attrition</p>	<p>R267 million maiden dividend paid to employees in December 2022 by the Seriti Coal and Seriti Power Employee Trusts</p>	<p>Harmonised employee benefits (medical aid, pension and risk) group-wide²</p>	<p>R430 million invested in training (2022: R318 million)</p> <p>7% of payroll (2022: 7%)</p> <p>5% of total training investment (2022: 5%)</p>
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Revised safety risk management strategy

Leading indicators:

- 1 829 high-potential hazards (HPHs)³ (2022: 2 327)
- 41 HPis⁴ (2022: 61)

Lagging indicators:

- 26 lost-time injuries (2022: 25)
- 0.20 lost-time injury frequency rate (2022: 0.18)
- 0.26 TRCFR (2022: 0.28)
- Two mining-related fatalities (2022: three)
- 0.015 fatal-injury frequency rate (2022: 0.02)

- **Finalised holistic wellness plan**
 - Insourced clinic services
 - Health and wellness survey
- Merged emergency response and other health contractors
- Seriti health workers recognised in **Joburg Indaba South African Mining Hall of Fame** for COVID-19 response and management
- **33% decrease** in occupational diseases
- Introduced **hospital gap cover** for all employees from 1 January 2023 – a first for the industry
- All permanent employees are offered **subsidised health insurance**

¹ Volatile markets and a steady decline in coal prices towards historical levels led to restructuring the group with voluntary retrenchments at Khutala and non-forced severance agreements or voluntary exits at other operations.

² We are in the process of aligning group benefits, in agreement with organised labour, to simplify our benefits structure and make it more cost effective, fair and consistent. This also facilitates internal transfer of employees from one operation to another.

³ A hazard with potential to cause serious injury or fatalities before energy is released.

⁴ Energy is released and an incident occurs (level 4 if one person is involved) with potential to result in a fatality (level 5 if there is more than one fatality).

Management

We remain committed to zero harm, as defined in our SHE governance framework, which addresses the risks and opportunities that arise in our operations as we strive for regulatory compliance. The values and objectives supporting our commitment to zero harm are outlined in our SHE Way (📄 page 76), a management system framework integrated into our business processes to ensure we continuously improve our performance in line with our ESG strategy (📄 page 22).



Standards

- United Nations Sustainable Development Goals
- ISO 45001:2018
- ISO/South African National Standards 31000



Legislation

- Mine Health and Safety Act 29 of 1996
- Occupational Health and Safety Act 85 of 1993
- Occupational Diseases in Mines and Works Act 78 of 1973
- Compensation for Occupational Injuries and Diseases Act 130 of 1993
- Mining Charter
- Mineral and Petroleum Resources Development Act 28 of 2002
- Employment Equity Act 55 of 1998
- Department of Trade, Industry and Competition Codes of Good Practice
- Skills Development Act 97 of 1998
- Skills Development Levies Act 9 of 1999
- Basic Conditions of Employment Act 75 of 1997
- Labour Relations Act 66 of 1995

The Seriti SHE Way ensures effective planning, scheduling and controlling of activities in line with our policies, procedures and standards, and describes our approach to the systematic management of SHE risks and opportunities and how this

supports our ambition, values and strategy. It is auditable in terms of our Plan-Do-Check-Act Principle (below), comprising seven complementary elements that guide our approach to SHE performance management.

Safety

Safe production is critical for operational excellence

Seriti is committed to the pursuit of zero harm – a journey that requires the involvement of everyone in our organisation, including contractors and business partners. We believe no one comes to work to get hurt and good safety management is good business. Accordingly, everyone within the Seriti group has to understand and apply effective safety risk management within and around our operations.

In terms of SHE management, we have a structured approach to setting targets, planning, scheduling, executing and improving work to achieve our business objectives more efficiently, effectively and sustainably.

The six essentials (📄 page 77) for safe production are embedded in our Isometrix safety management system and aligned to the reporting standard used across our operations.

PLAN-DO-CHECK-ACT PRINCIPLE

Understanding the context of the organisation

We ensure our SHE management system is appropriate for the context in which we operate.

Leadership at all levels

Our leaders are integral to the successful delivery of our SHE Way.

Planning

We plan our work, manage risks and seize opportunities to ensure we deliver on our ambition, values and objectives.

Support

We ensure the right resources, skills, communication systems and processes are in place to enable our SHE management system's optimal performance.

Operation

Our employees and contractors conduct their work in a way that manages and mitigates SHE risks and captures associated opportunities.


Performance evaluation

We regularly measure and review our SHE performance to identify improvement opportunities, which are implemented as needed.

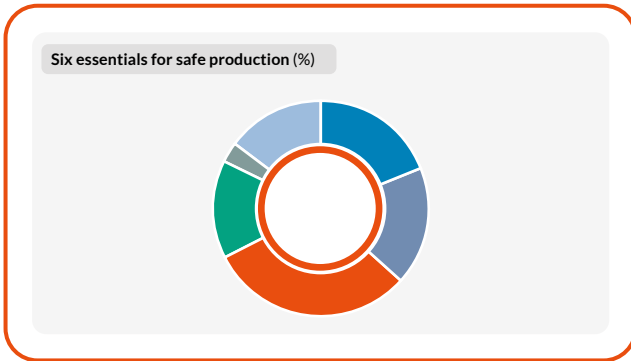
Improvement

We have proactive measures to understand and address the gaps identified in our SHE-related processes to improve our performance.

EMPLOYEES Continued

Guiding principles	How we work Six essentials for safe production (📄 page 77)	Fatality elimination framework Life-saving actions	Goal
Our values (📄 page 14)	1. Rigorous planning 2. Safe work area design	OWNERSHIP AND ACCOUNTABILITY <ul style="list-style-type: none"> Reinforcing sections 22 and 23 of the Mine Health and Safety Act related to the right to refuse unsafe work Declaring the quality of safe work conditions Ensuring safe and simple processes are in place – and doing the right things right 	ZERO HARM
The Seriti Way (📄 page 14)	3. Systematic change management 4. Correct tools and equipment	PLANNING AND DELIVERING <ul style="list-style-type: none"> Protecting high-risk work Executing critical A maintenance Adopting leading practices from tripartite and Mining Industry Occupational Safety and Health (MOSH) forums 	
	5. Effective supervision	OPERATIONAL RISK MANAGEMENT <ul style="list-style-type: none"> Implementing Seriti’s revised operational risk management system Providing training in risk management Evaluating a maturity model of risk appreciation 	
	6. Trained and competent workforce	LEARNING ORGANISATION <ul style="list-style-type: none"> Implementing SHE rhythm, including effective communication and campaigns Improving HPH and HPI reporting maturity through training Implementing effective learning from incidents (LFI) processes with applied “learn and share” and action management 	
SHE Way	Scan to download  https://seritiza.com/sustainability#pdf-downloads	MONITORING AND ASSURANCE <ul style="list-style-type: none"> Embedding effective over-inspection Performing peer reviews and internal audits Providing a development programme for supervisors Achieving and maintaining ISO 45001 certification 	

The following six essentials for safe production are embedded in our Isometrix safety management system and aligned to the reporting standard used across our operations.



- 1 **Rigorous planning**
All activities are planned and structured to ensure tasks are completed safely and without harming our employees.
- 2 **Correct tools and equipment**
A process is in place to ensure tools and equipment are safe and working at all times.
- 3 **Safe work and area design**
Relevant technical input and oversight are in place to ensure different areas and activities are designed and maintained with safety in mind.
- 4 **Effective supervision**
Competent supervisors are appointed and adequately equipped to actively participate in the risk management process, and ensure tasks are performed safely and efficiently.
- 5 **Systematic change management**
A formal change management process is in place to ensure changes are appropriately identified, recognised, assessed, communicated and executed.
- 6 **Trained and competent workforce**
Our employees are equipped with the necessary knowledge and skills to demonstrate commitment to zero harm in every task.

Safety risk management framework

In January 2023, we conducted an LFI review to evaluate safety risks against the six essentials for safe production. This followed three fatalities between August 2021 and March 2022, the consequent safety indaba with unions on 11 April 2022, and another two fatalities in August and November 2022. The outcome of our LFI review led to a revised safety risk management framework. In addition, a gap assessment of our safety systems – informed by stakeholder engagements and an independent audit – aimed to clearly define, communicate and entrench this safety risk management framework across the group.

To realise our vision of zero harm and ambition of zero fatalities and life-changing injuries – as well as Seriti’s overarching ESG objectives – our revised safety management approach is supported by four pillars:

- People
- System
- Learning
- Stratified



EMPLOYEES Continued

The mechanisms we identified to achieve our ambition, remaining committed to our zero harm vision, are outlined in the following road map.

LEADING INDICATORS

HPHs | HPIs

Kriel 147 (2022: 401) | 7 (2022: 7)
 New Denmark 222 (2022: 355) | 3 (2022: 4)
 New Vaal 407 (2022: 488) | 8 (2022: 13)
 Khutala 426 (2022: 254) | 6 (2022: 11)
 Klipspruit 337 (2022: 385) | 3 (2022: 10)
 MMS 278 (2022: 352) | 5 (2022: 15)
 New Largo 12 (2022: 92) | 9 (2022: 1)

One Enabled Seriti Way

CURRENT 2023

End 2024

End 2025

End 2026

Advance five core processes

1. Material risk management
2. Leading and lagging indicators
3. Learning from incidents and risk threshold breaches
4. Focused visible felt leadership
5. Change management

Proactive safety culture

The above five core processes are in place at Seriti but the benefits are not yet visible in our current safety performance. We believe that by applying safe and simple processes consistently with the right intensity, Seriti will achieve its vision of zero harm.

These revised processes are currently being tested on Trackless Mobile Machinery (TMM) to ensure the processes can be applied to the different operations and risk categories, whereafter they will be rolled out to the rest of the company. Our objective is to sustainably reduce TMM risk by 80% over the next three years and change the 12-month moving average of TMM-related HPIs below four per month by December 2025.

Managing safety compliance with state-of-the-art technology

We streamlined our employee, contractor and equipment safety compliance management with the South African-developed HSEC Online® mobile app and web-based solution that automatically emails detailed monthly reports to relevant stakeholders. The system solves the challenges presented by manual capture, management and storage of compliance-related documents.

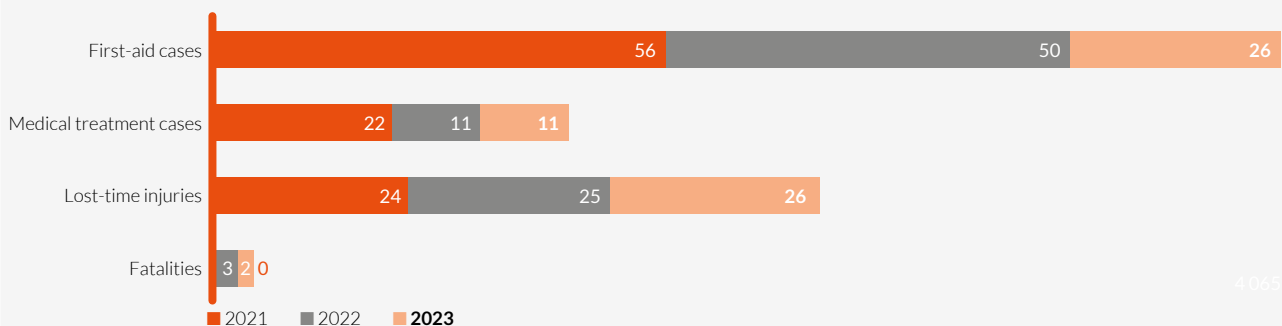
Value created:

Fatality-free days	Date of last fatality
Kriel: 234 (2022: 222)	8 August 2022
New Denmark: 2 098 (2022: 1 732)	1 July 2017
New Vaal: 6 595 (2022: 6 230)	9 March 2005
Khutala: 396 (2022: 31)	27 February 2022
Klipspruit: 367 (2022: 2)	28 March 2022
MMS: 132 (2022: 672)	18 November 2022
New Largo: 1 080 (2022: 715)	No fatalities



CASE STUDY

Injury statistics



Creating a safety culture

Our Zero Harm – Sekwanele (Enough is Enough) campaign, aiming to create a strong safety culture, was the driving force behind our actions after the safety indaba with unions on 11 April 2022. We distributed campaign t-shirts to employees and contractors, as well as an informative booklet on critical aspects of the Mine Health and Safety Act relating to duties and rights in the workplace. Role plays also demonstrated safe behaviour and potential scenarios when people on site may need to exercise their rights to refuse dangerous work.

CASE STUDY

EMPLOYEES Continued

Health and wellness

We holistically address all aspects of our employees' lives to promote sustainable health and wellness.

Seriti has an extensive wellness programme in place to prevent, identify, monitor and support employee illnesses or conditions. In 2022, we initiated a people-centric, purpose-driven wellness culture that encourages healthy choices. In collaboration with our human resources department, Seriti embarked on a proactive wellness programme, by using advanced technology to monitor and record individual employee health over time. As part of our efforts, we conducted a needs assessment to identify key areas of exposure. From this assessment, we will develop and implement a bespoke programme to ensure it addresses the specific needs of our employees.

We emphasise awareness and education to dispel taboos about conditions such as HIV/Aids and encourage healthy lifestyles through targeted campaigns, theme days, employee newsletters and health-focused community events. A key focus in 2022 was drawing attention to on-site resources available to our employees. We introduced a single employee assistance programme (EAP), which includes lifestyle, psychological, financial, legal and substance dependence counselling and assistance to reduce health-related absenteeism. The programme has been well received by our employees and we plan on integrating physical, mental and financial wellness to make healthy living a sustainable reality.

An increasing percentage of our workforce is using the EAP to manage relationships, stress and substance abuse. We undertake active case finding and disease screening for chronic conditions among employees who are not members of a medical scheme.



Wellness

- Physical health and fitness ●
- Emotional and psychological strength ●
- Social wellbeing ●
- Financial management ●
- Intellectual and professional growth ●

Employee rehabilitation through intervention or support from

- Occupational therapist
- Physiotherapist
- Psychologist
- Dietician
- Biokineticist
- Social worker

We are guided by the annual health calendar, extending our care into communities and focusing on HIV/Aids, tuberculosis (TB), sexually transmitted infections, cancer and lifestyle conditions in addition to occupational diseases.

Occupational health

We distinguish between occupational hygiene and occupational medicine:

Occupational hygiene	Occupational medicine
<ul style="list-style-type: none"> • Proactively identifying and controlling the sources of employees' exposure to health hazards in the workplace while profiling associated risks • Mitigating risks through engineering, administrative and control measures • Providing training on the correct and effective use and replacement of personal protective equipment 	<ul style="list-style-type: none"> • Monitoring employees' health through medical surveillance activities to identify occupational diseases early • Addressing challenges in partnership with the Minerals Council and complying with occupational health milestone targets • Actively managing employees diagnosed with occupational diseases to ensure optimal treatment and outcomes • Running a rehabilitation programme to ensure early return to work and reduce disability due to illnesses and injuries • Maintaining and increasing productivity and reducing absenteeism

An integrated business information system administers our EAP, with medical registers tracking and reviewing each patient's progress from their first visit to final treatment. In addition, to meet demand for sustainable health services, we insourced our clinical facilities in 2022.

Our principal health risks include noise, inhalable hazards – specifically coal dust – and fatigue. We implemented a fit-for-purpose health surveillance system that focuses on early detection and prevention of illnesses. This includes:

- Health policies and clear objectives (documented processes)
- Health risk management (risk assessments, surveys and reporting)
- Health assurance (data-driven audits and performance reviews)
- Health promotion and employee engagement (wellness initiatives, communication and training)
- Leadership and public commitment to improving health
- Meeting legal compliance and striving for excellence
- Credible, informed, engaged and active service providers (internally and externally)
- Collaboration across the mining industry

Our approach significantly reduced the number of new occupational disease cases apart from TB. Although we mitigate the risks with intensified case findings, improved diagnostic technology and dust control measures, the TB incidence rate at our South African operations remains high (although lower than the World Health Organization and national benchmarks). We are addressing these challenges by considering the multi-factorial aspects of TB management, including occupational and socio-economic determinants of the disease complicated by the opportunistic link between TB and HIV/Aids.

We participate in government interventions aimed at reducing the country’s high TB and HIV/Aids prevalence rates. HIV/Aids is among the most pressing public health concerns in South Africa and our HIV/Aids control programme aligns with the relevant guidelines and prescriptions of the World Health Organization. Of our total employees, 71% know their HIV/Aids status, and those who test positive are encouraged to enter treatment programmes through their medical aid service providers. We recorded 25 new HIV/Aids cases in 2022.

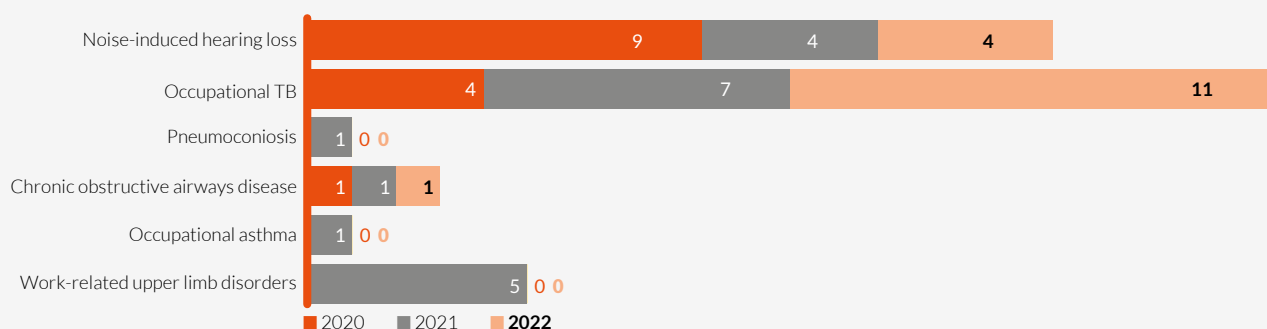
Our integrated health promotion, prevention and management approach addresses workplace and social risk factors. We are, therefore, concerned about the rise in non-communicable conditions such as diabetes and hypertension, driven by increasing body mass index (BMI) among employees, considering global trends that show increases in lifestyle diseases such as obesity and other associated conditions.

Our medical surveillance programmes screen for common lifestyle diseases such as hypertension, diabetes, cholesterol and obesity. We also record each employee’s health baseline and monitor their health throughout employment to ensure we implement suitable interventions. The programmes are designed to detect risk factors and early signs of ill health due to occupational exposure and lifestyle.

Chronic non-occupational diseases – including mental health conditions – are the leading causes of non-work-related absenteeism. Our medical surveillance therefore focuses on interventions that reduce absenteeism. We also promote healthier lifestyles by:

- Changing employee behaviour through wellness programmes
- Creating a culture that embraces and facilitates healthy living
- Helping employees return to work with permission from a healthcare practitioner and, in certain instances, modifying the workplace
- Supporting employees through EAPs that address personal, family, financial or work-related issues that affect attendance and performance

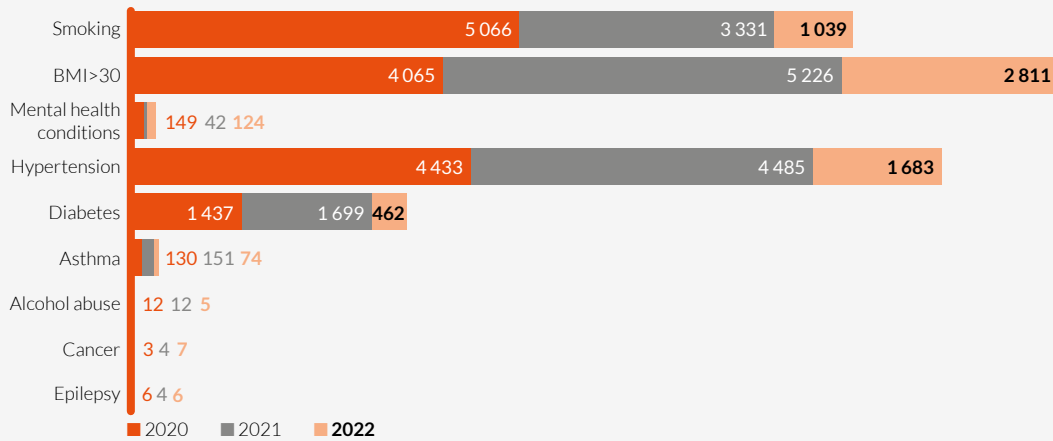
New cases of occupational disease*



* Health statistics are reported per calendar and not financial year.

EMPLOYEES Continued

Chronic lifestyle conditions among employees



Finding strength in COVID-19

The nature of mining operations often requires companies to establish a presence in the communities in which they operate. This proximity and engagement enables Seriti to listen to community concerns and respond effectively.

COVID-19 highlighted the interdependence of health and business by presenting an opportunity to establish a shared sense of purpose among employees, leveraging our purpose (page 14) as a business with the strength of visible felt leadership.

We managed the complexity of the pandemic with data analytics – the National Institute for Occupational Health’s, Department of Health’s and Actuarial Society of South Africa’s predictive data models were essential tools for predicting infection hot spots in the provinces and districts where we operate. Furthermore, our risk management process enabled us to implement appropriate monitoring, prevention and mitigation controls. These included:

- Early identification by screening for COVID-19 symptoms
- Establishing flexible work arrangements
- Complying with occupational health and safety legislation
- Controlling access to our operations and imposing limits on the number of people entering our facilities
- Screening people at entrances and providing personal protective equipment
- Optimising airflow and ventilation
- Hosting isolation facilities
- Educating employees through a comprehensive communication programme on how to prevent the spread of the disease
- Providing mental health support through virtual channels
- Submitting compensation claims for employees
- Ensuring employees, contractors, family members and host communities received vaccinations

Seriti has transitioned to the recovery phase of the pandemic and continue to prioritise local government support and engagement. This includes ongoing efforts to assist and collaborate closely with local governments and community organisations.

Decisions made during the crisis shaped our identity, and they tell a story that will leave traces long after COVID-19 has been quelled. The pandemic presented the first steps towards defining our corporate purpose in a way that is deliberate.

Value created: Seriti stepped in to provide support when local health departments were overwhelmed or unable to meet the demands of the COVID-19 crisis. This was invaluable in ensuring our employees and the broader communities received the necessary aid and resources to navigate the challenges posed by the pandemic. During the review period, we invested R15 million (2022: R26 million) in wellness and chronic disease management, including COVID-19. As a result of our commitment, hard work and dedication, the Seriti health workers received a special award from The Joburg Indaba in 2022, recognising their invaluable contribution to the fight against the COVID-19 pandemic.

Managing fatigue

We aim to reduce medical-related fatigue by encouraging employees to monitor their sleep patterns and mitigate the associated risks. Fatigue makes the workplace unsafe by impairing reaction time, vigilance, judgement and decision making.

By improving employees' knowledge of health-related fatigue, promoting healthy nutrition and exercise to manage stress and BMI – we also address chronic diseases in line with our health and safety management approach.

We aimed to significantly reduce incidences of medical-related fatigue in 2023. Most incidences point to fatigue as a causal or contributory factor, which we are addressing with the following plan:

- Improve health-related fatigue knowledge – a new lever in health and safety management
- Drive awareness among employees of taking responsibility for non-occupational lifestyle factors leading to fatigue at work (employees are responsible for getting enough sleep, sufficient nutrition, physical fitness, and arriving at work fresh and alert)
- Manage chronic diseases robustly
- Communicate efforts to reduce fatigue potential such as:
 - Self-recognition of the signs of fatigue (real-time dangerous behaviours related to fatigue such as blinking eyes and head nodding)
 - Contributing factors other than sleep that could cause fatigue, such as activity, diet, chronic disease, BMI and stress management
 - Understanding that fatigue is a manageable condition



Value created: Seriti goes above and beyond compliance to drive safety culture, and fatigue is treated as one of many hazards which is managed systematically through standardised models of risk and safety management. Continuous training, education and practical countermeasures will result in improved performance on psycho-motor vigilance tasks and increased fatigue management activities. Fatigue management aims to add value both at an individual and organisational level. Overall, effective fatigue management helps to improve productivity, health, safety, employee engagement, cost savings and work-life balance. It contributes to the wellbeing of individuals and the success of the organisation.

We believe successful fatigue management should be predicated on organisational culture, appropriate training on fatigue management components, and critical commitment from both employees and management under a shared responsibility framework.

Human resources

Attracting and retaining local people is critical for our company's long-term success.

When we have a vacancy, we first search for the right candidate within our group before searching in our host communities for the skills we need. Our remuneration is benchmarked against mining industry standards to ensure we remain competitive and retain the talent we find and appoint.

We empower our mine management teams to recruit from each operation's local community, particularly entry-level candidates who meet our basic requirements. We also comply with the Mining Charter's requirement to create employment opportunities within local communities. We only seek suitable candidates in other provinces and beyond South Africa's borders when skills are unavailable within our host communities.

Our performance management standard aims to establish a high-performance culture driven by development. We align objectives across the business, among teams and individual

employees to enhance employee performance, managed according to both strategic business objectives and individual objectives.

The KPIs may be set against the following key performance areas:

- Performance against committed objectives such as safety, production etc
- Special project work in addition to daily job requirements in agreement between parties
- Business-critical objectives cascaded throughout the organisation from our executive committee as and when applicable
- Our values, without a weighting to address behavioural issues, may be included in performance assessments or treated separately

We also incentivise high-performing managers to achieve and exceed business objectives. Although it is not a right in terms of the conditions of employment, our managers receive variable remuneration in addition to guaranteed pay, which may change substantially from year to year.

EMPLOYEES Continued

Key performance area	KPI	Measure	Weight
Health and safety	Fatalities (mine-specific)	Number of fatalities	Penalty
	Safety leadership	Leading indicators: visible felt leadership and HPH reporting (maintain prior-year figures)	
	Actions management	Close-out of corrective actions identified from safety improvement plan, LFI action tracker and critical control monitoring	
	Occupational diseases	Effectiveness of case management of occupational diseases	
Production	Quantity	Million tonnes (Mt)	25%
	Quality/customer complaints	Rand target of penalty/premium for each mine and no unresolved valid customer complaints	
	Maintenance compliance	Maintenance management competency overview	
Cost	Total cost	South African rand (R)	25%
	Cost per unit	R/tonne	
	Cost savings	Baseline reset (value delivery plans and heavy mobile equipment savings)	
Compliance with the Mineral and Petroleum Resources Development Act	ESD	Achieve ESD targets	10%
	Learning and development	Achieved training target as per Mineral and Petroleum Resource Development Act requirements	
	Transformation	Meet employment equity targets on the journey to achieving stretch targets for each occupational level (Mining Charter and Department of Trade, Industry and Competition codes)	
Environment	Audit close-out	Close out all major external non-compliance findings from all audits	5%
	No preventable incidents	No level 3 or higher incidents	
People	Productivity	Tonnes per full-time equivalent	25%
	Preventable incidents	Zero (employee relations and community)	

During 2023, we trialled Betterworks' enterprise process enablement software to manage our employee performance assessments. Based on the results of this trial, we intend to implement this approach across our business during 2024. Our chief information officer also uses the objectives and key results methodology to align group systems, such as payroll, on a single platform.

With respect for employees' rights, we comply with section 189 of the Labour Relations Act when we need to reduce our employee complement. Given the impact of changing markets and declining coal prices on how we mined in 2023, we presented voluntary retrenchment packages to employees across the group.

Employee benefits

We embarked on a journey to harmonise employee benefits from 2023 to 2026 with the aim of ensuring that all employees:

- Have equal access to employee benefits
- Receive the same or better benefits at the same or reduced cost
- Are educated about employee benefits with good-quality information
- Make informed choices with professional support

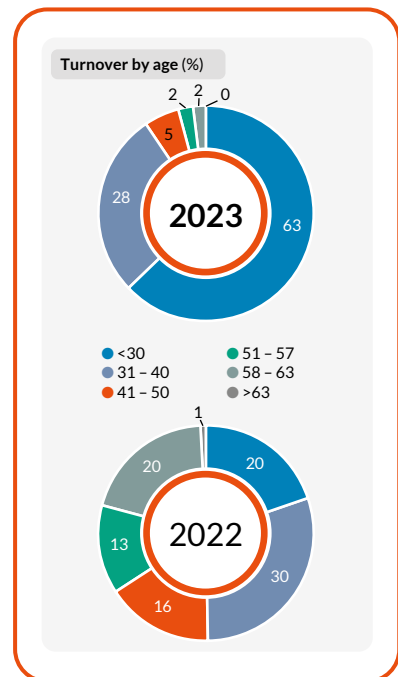
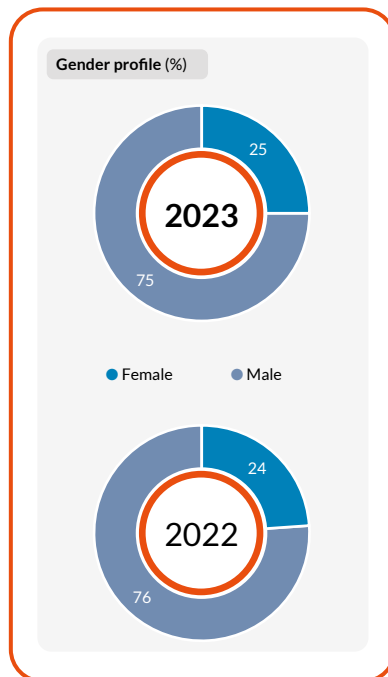
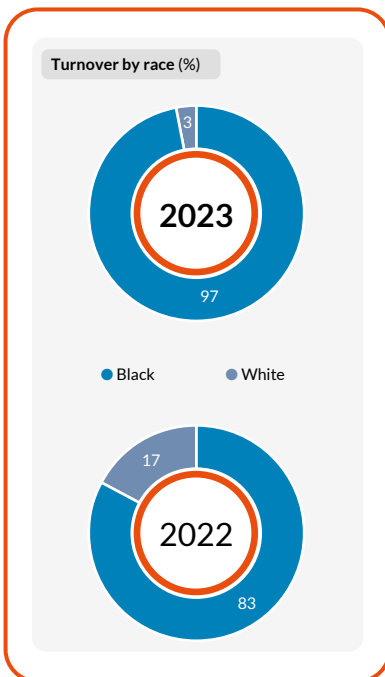
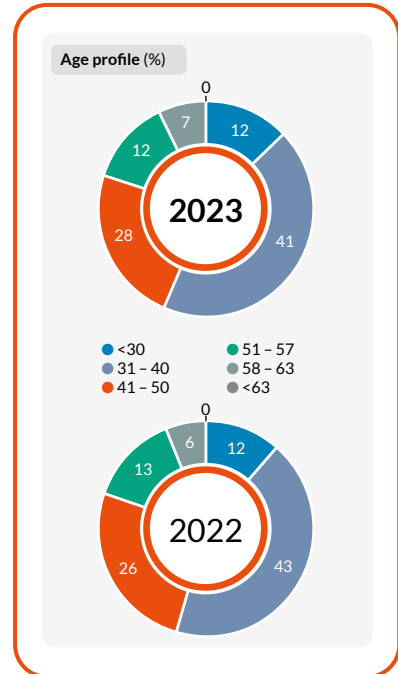
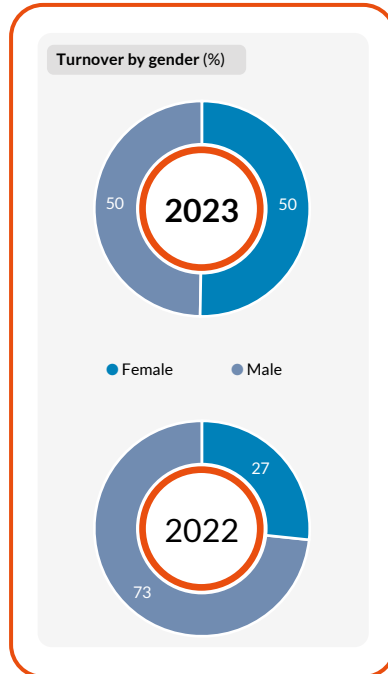
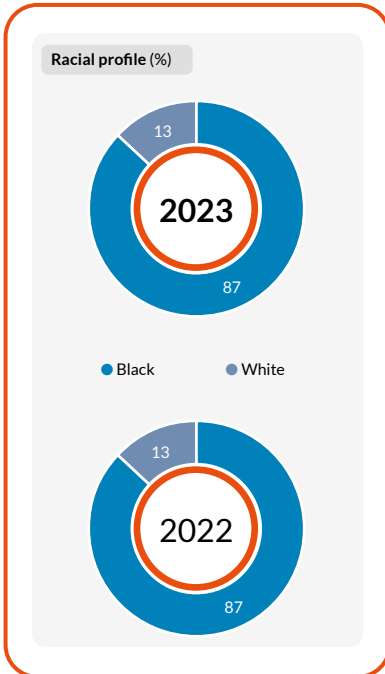
Our employee benefit focus areas in 2023 included:

- Aligning access to medical aid funds across Seriti with professional advice about price and cost optimisation
- Commenced the journey to create a new Seriti retirement fund to responsibly maximise returns on investment while leveraging the group's new economies of scale to minimise investment and administration fees for optimal and equitable investment in retirement savings for employees
- Aligning risk benefits (group life insurance, group accident insurance, funeral benefits, etc) across the group
- Introducing hospital gap cover for all employees, effective from 1 January 2023 and paid for by Seriti on behalf of its employees – making Seriti the first employer in the mining industry to do so

Diversity and inclusion

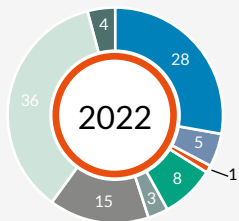
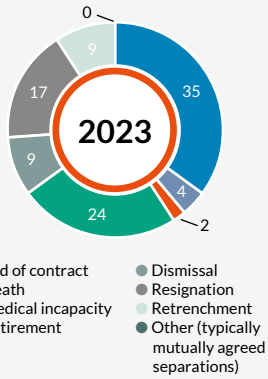
To ensure meaningful transformation, we have embedded a culture of respect for gender and ethnic diversity across the group. We strive to meet our own targets and continually monitor our recruitment practices and employment equity policy progress. Transformation is also included in our general managers' KPIs.

Employee demographics

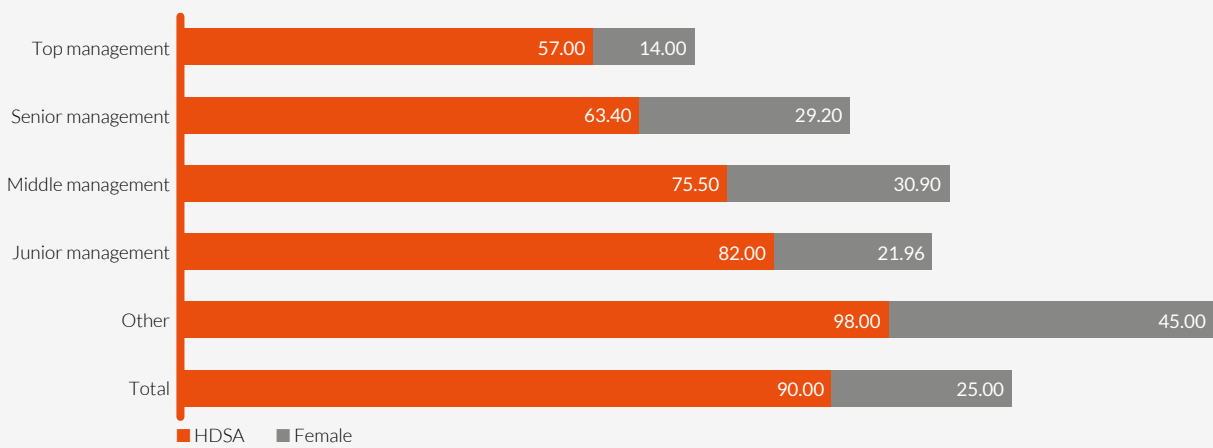


EMPLOYEES Continued

Reasons for termination (%)



Employee equity (%)



Engaging with women in mining

Seriti has six Women in Mining Committees (one per site) with approximately 25 members per committee with representatives on all levels and from different disciplines including organised labour. These Committees assist in the development of female employees and workplace matters and proactively engage with the surrounding communities through outreach programmes.

Value created:

As a product of these Committees various initiatives were introduced to support women in the workplace such as:

- Leadership development
- Upgrading women's changing rooms at the mining operations
- Upliftment of local communities
- Demonstrate solidarity with the "Me Too" and "Stop Violence against Women and Children" movements
- Actively drive sexual harassment in the workplace



CASE STUDY

Employee development

We continuously address challenges in recruiting candidates at junior and middle management levels, as well as women, and invest in employee development. This supports our people, who are among our top ESG priorities outlined on page 23, and material themes (page 31), as we strive to realise a Just Energy Transition.

During 2023, we enhanced our approach to recruitment by targeting more relevant resourcing channels. We will continue to refine our approach over time. We conduct talent review sessions at each mine to develop succession plans for critical roles across functions within Seriti. We follow a similar approach at executive management level.

We also develop our talent pipeline by awarding bursaries to promising students who show potential to provide the skills needed in the mining industry. After completing their studies, bursars enter our internship programme with a structured technical and non-technical skills development plan. We offer employment to these students during their university vacations and after graduation as well as internships if positions are available.

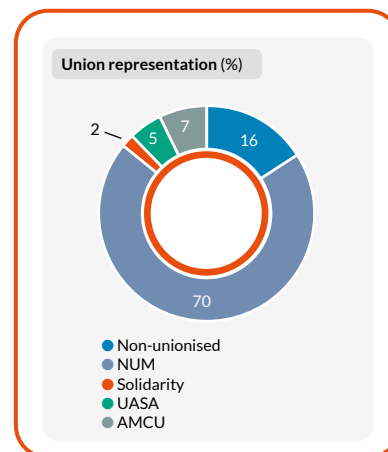
Our community scholarship scheme supports local youth in their studies towards degrees or diplomas at an accredited institution in fields of their choice without obligation to work for Seriti after graduating. We thus nurture the skills needed to uplift our host communities and the country.

Study assistance is also available to our employees who want to pursue further education and develop management skills. In addition, we address barriers to entry through our women in mining committees, as well as mentorship and informal coaching programmes, which help identified individuals reach senior levels within the group.

Labour relations

We have sound relationships with recognised unions.

We recognise the National Union of Mineworkers (NUM), the United Association of South Africa (UASA), the Association of Mineworkers and Construction Union (AMCU) and Solidarity. Seriti is also a member of the Minerals Council, which has been negotiating with organised labour since 1915.



We communicate formally through regular management and meetings at our operations and head office, and informally through daily interaction between our human resources department and union representatives. Formal labour structures at operations also include, but are not limited to, forums to discuss employment equity, skills development and matters concerning women in mining.

Learnerships	Engineering		Miners		Operators		Internships		Business administration	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total	229	258	27	18	335	654	63	49	342	181
HDSA people	219	247	26	17	335	648	57	39	342	181
HDSA women	102	97	12	8	184	92	21	21	167	97

EMPLOYEES Continued

In terms of protocols governing the Seriti Coal wage negotiations for the period from 1 June 2021 to 31 May 2024 for officials and 1 July 2021 to 30 June 2024 for category 4 to 8 employees, miners and artisans, we uphold the rights to engage in collective bargaining; to freedom of association (including the freedom to disassociate); to strike and lockout; assemble, demonstrate and picket peacefully and unarmed; and freedom and security of individuals.

The same protocol governs our two-year Seriti Power wage agreement, which is valid from 1 September 2022 to 31 August 2024. This agreement included a 7% increase in

basic salary for all employees in year one and a 7.5% (or the average of consumer price index for the preceding 12 months, depending which is greater) on actual salary.

Union relations remain stable, with NUM representing the majority of our employees. We negotiate directly, outside of the bargaining council, with NUM.

We concluded a three-year wage agreement with Seriti Coal operations from 2021 to 2024.

Seriti Coal wage agreement*	1 July 2021	1 July 2022	1 July 2023
Basic salary increase	5.0%	5.5%	6.0%
Commuting allowance increase	5.0%	5.5%	6.0%
Housing allowance	R9 250	R9 500	R9 750
Childcare allowance	Increased to 70% of the childcare facility to a maximum of R1 000 per child		
Medical incapacity payment	R9 250 (R22 500 increase)	R9 250 (R25 500 increase)	R9 250 (R5 000 increase)
Once-off medical incapacity termination payment	R12 500	R12 600	R12 600
Minimum guaranteed severance package	R70 000 (R35 000 increase)	R75 000 (R34 000 increase)	R50 000 (R30 000 increase)

* Three-year wage agreement signed during the 2021 coal wage negotiations for category 4 to 8, miners, artisans and officials within the bargaining unit.

Employees encouraged to speak up

We initiated the Speak Up programme in an effort to promote honesty and transparency among our employees. EthicsPoint, an independent information gathering platform, provides a channel for employees to anonymously report and understand unethical or illegal conduct, including safety concerns, fraud, corruption, harassment or victimisation.

Employees receive unique personal codes when reporting or asking a question which allows them to return to the site or call to receive feedback on the report without compromising their identity. Similarly, the platform is used by managers to investigate and manage reports and respond to employees' questions.

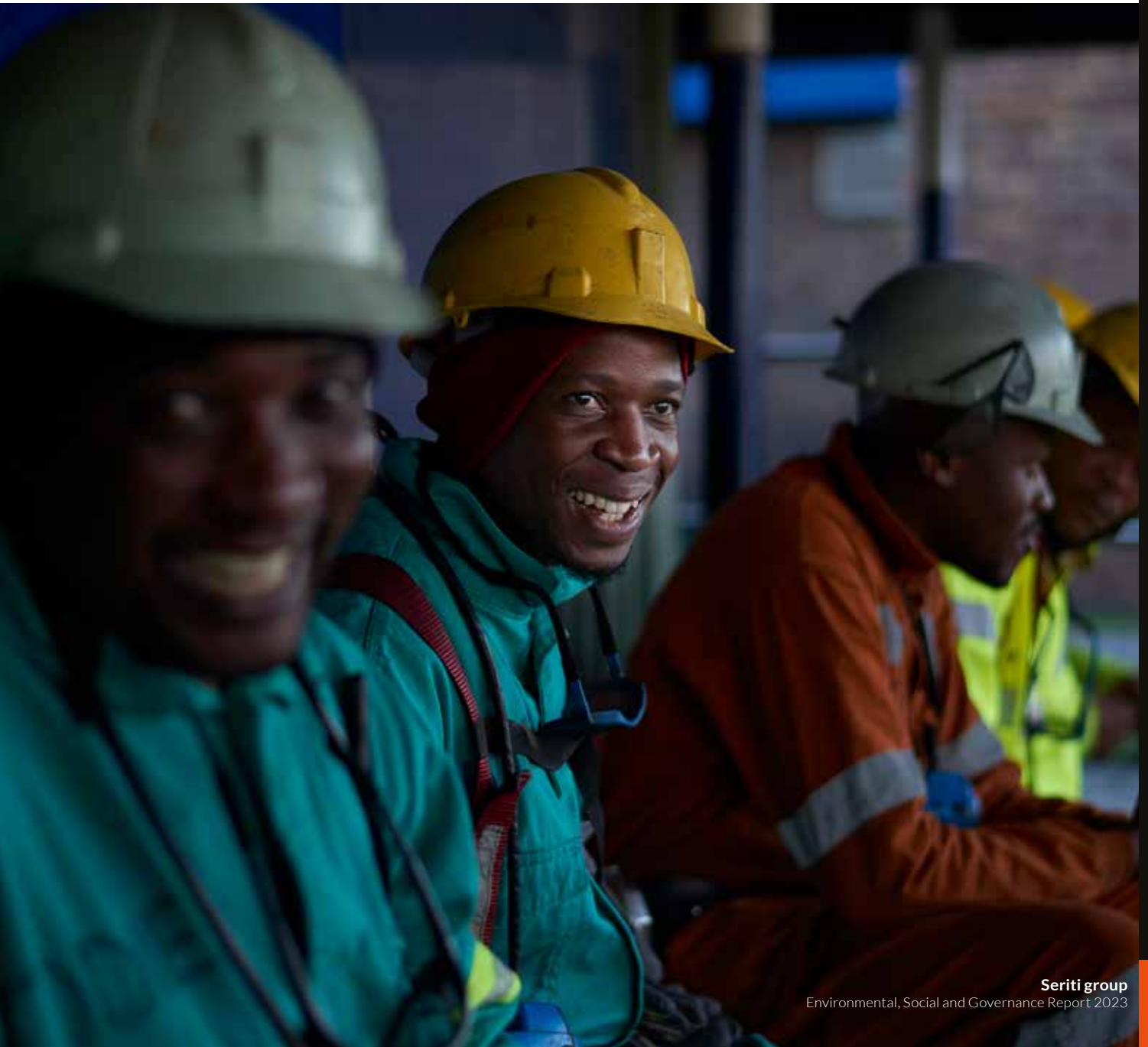
Value created: We received and managed 78 reports of unethical or illegal conduct via the channel in 2023 and answered six questions about our code of business conduct.

Details are outlined in our governance chapter (📖 page 96).



Looking ahead




- Attracting and selecting the right talent for the business
- Building and maintaining appropriate knowledge and skills to execute work safely, effectively and efficiently
- Building and maintaining multiple talent pipelines to ensure adequate availability of critical skills, meaningful career progression and suitable successors for critical roles
- Ensuring equitable and competitive remuneration and benefits relative to the market
- Developing an inclusive and performance-orientated organisational culture
- Aligning and improving Seriti's employment equity planning processes to accelerate progress
- Fostering amicable and productive relationships with organised labour to ensure labour stability
- Facilitating the development of a high-performance business culture that embraces the diverse nature of the Seriti workforce
- Embedding safety measures to achieve zero harm
- Enhancing productivity and quality of life by promoting holistic wellness and lifestyle change among employees



COMMUNITIES

At the heart of how we operate is the commitment to making a difference and bringing long-term benefits to our host communities. We focus on education, portable skills training for youth, health, water and sanitation, waste management, poverty eradication and enterprise and supplier development.

Why communities are important to Seriti

Related material themes (page 31):   

Our community development initiatives drive social change. We work with local municipalities to address pressing needs and harness opportunities that create self-sustaining and empowered host communities that will contribute meaningfully to society and business.

What we achieved during the year

R267 million (2022: R6 million) dividends distributed to **community trusts**

Stable community relations:

- 20 months at Klipspruit
- Seven months at Khutala
- Community consultative forum model embedded across the business

R27 million increase in SLP investments

- 22 of 24 local economic development projects completed
- Over 500 local employment opportunities created

2 000 families benefit from chief executive officer and employee CSI initiatives

Management

Our community development framework is a set of principles, procedures, standards and KPIs that inform our roles and responsibilities. The framework standardises our approach to community development across the business, maximising and sustaining our positive social impact and enabling our

operations to comply with legislation. Encouraged by the United Nations Sustainable Development Goals, and in line with amendments to legislation, our approach ensures meaningful and continuous engagements with our host communities (before and after investment) with a “nothing for us without us” mindset.



Standards

- Five-year SLP commitments for each operation
- CSI governance: Site-specific procedures



Legislation

- Broad-Based Black Economic Empowerment Act 53 of 2003
- Mineral and Petroleum Resources Development Act 28 of 2002
- Skills Development Act 97 of 1998
- Skills Development Levies Act 9 of 1999
- Mining Charter

We use the Isometrix integrated risk management system to identify and mitigate disruptions such as community unrest, which negatively impact our productivity when operations are forced to close, property is damaged or people are injured. No production days were lost to community protests during the reporting period.

Our key community development focus areas remain job creation, food security, human capital development, care for the environment, gender equity, procurement spend and social welfare. Each operation implements initiatives in these areas, which are managed and monitored at an executive level by the chief corporate and community relations executive, and overseen by the board’s social and ethics committee. The human resources manager, supported by specialists at each operation, is responsible for social performance. The ESD manager reports to the head of supply chain.

We deliver our objectives through value-sharing investment vehicles (📍 page 91) in collaboration with contractors, NGOs, CBOs and government departments. We thus enable the development of adaptable, sustainable communities that can enjoy the benefits of our Just Energy Transition to a low-carbon economy and the fourth industrial revolution.

To ensure our governance framework and ESG strategy support business continuity, we include community consultative forums (📍 page 91) in our stakeholder engagement approach (📍 page 19). In this way, we effectively focus on high-impact and empowering projects that contribute meaningfully to socio-economic development. As we strive to build and maintain trust within our communities, we consistently evaluate, measure and improve this approach.

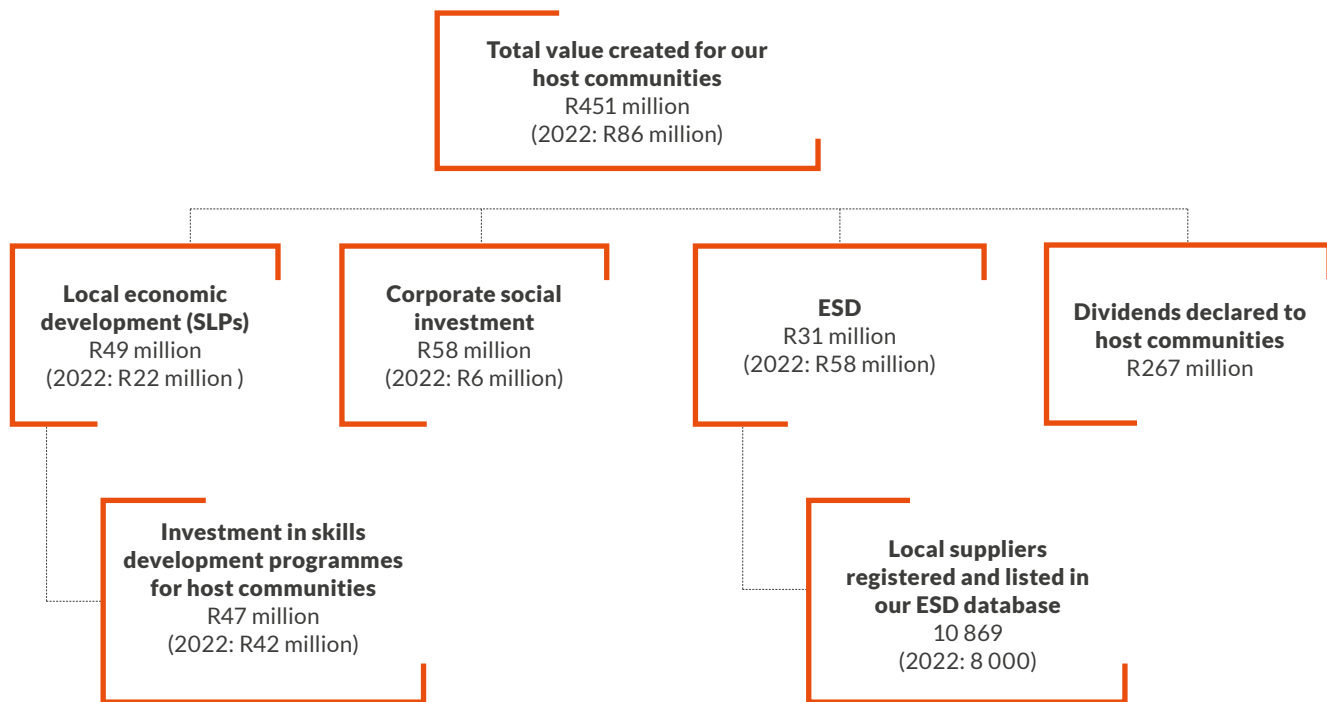
Community consultative forums

We consult with communities through community consultative forums that identify the positive and negative social impacts of our operations, build and maintain meaningful relationships with our host communities, implement upliftment projects and unlock the value of our community trusts (📄 page 95).

Community representatives engage directly with our chief corporate and community relations officer, stakeholder engagement manager and community development superintendent at monthly forum meetings, or as needed, to address matters of mutual concern. Through these engagements with host communities, we acknowledge and respect cultures and customs – including traditional authorities, heritage and livelihoods. We also ensure our conduct upholds Seriti’s reputation for operating with ethics and integrity.

During the 2023 financial year, we engaged with over 1 000 community members and business structures across the group, using an effective issues management strategy, in collaboration with government, industry peers and other key stakeholders.

We harness opportunities to empower our host communities



Value-sharing investment vehicles

- **SLP-driven local economic development:** Host communities benefit through partnership investment with local municipalities in waste management, safety and security, and healthcare facilities
- **ESD:** Historically disadvantaged and economically marginalised designated groups (women, people living with disabilities and youth) within our host communities benefit through preferential procurement that provides equitable access to mine-generated economic activity
- **CSI:** We partner with NGOs, CBOs, government departments and other agencies to deliver services that support women and vulnerable children, senior citizens and at-risk youth as well as safety and security within communities
- **Community trusts:** We facilitate broad-based economic empowerment of our host communities through our community trusts, which distribute economic benefits and cement our relationships
- **Emergency relief:** In the interests of good corporate citizenship, we join forces with national response teams to provide emergency relief to disaster-struck communities

COMMUNITIES Continued

CASE STUDY

Challenging partners to give back to communities

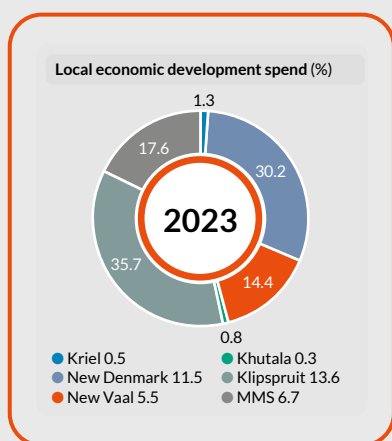
Komatsu Mining Corp, a contractor at New Denmark, provides critical resources to the Inkazimulo Stimulation Centre for people living with disabilities in Standerton. The centre is a non-profit organisation, established in 1993, providing holistic care to people with epilepsy, Down's syndrome and autism.

Value created: Komatsu Mining Corp donated gas heaters and stoves, maintenance equipment, office supplies and hardware, groceries and school uniforms, as well as salaries worth R500 000, in the past year.

Local economic development

Seriti Power closed out the SLP cycle and submitted a new SLP cycle (2023 to 2027) during the period under review.

CASE STUDY



Morgenzon water-treatment plant upgraded

New Denmark addressed the most urgent challenge of water supply to high-lying areas in the fast-growing Morgenzon community in Lekwa Local Municipality, by upgrading raw water intake as well as installing air release valves for adequate water flow, booster pumps to pump water from the reservoir and an elevated tank to improve water pressure and supply. We also resealed the reservoir to ensure structural integrity and prevent clean water loss, set up a water quality control system and trained operators.

Value created: The R9.2 million contract was awarded to a local contractor, who employed 11 people from the community and created three subcontracting opportunities for building material supply, as well as temporary water supply, while the project was under way.

Skills and human resource development

In terms of our ESG strategy, we provide communities with more than the skills needed for the Just Energy Transition and fourth industrial revolution. Our SLP commitments include partnerships with local technical education centres to train community members. We also host annual career exhibitions to introduce local learners, with potential to promote social leadership and grow our diverse talent pipeline, to mining and non-mining-related careers.

In 2023, 26 disadvantaged male and female youth graduated from a welding course, equipping them with a critical skill required for employment in engineering, refining and mining companies or to start their own businesses. Another 855 community members completed various community skills

programmes conducted in partnership with our local further education and training colleges and other external service providers. These programmes included plumbing, bricklaying, refrigeration, sewing and early childhood development.

In addition, our community scholarships and bursaries enable learners to pursue a tertiary qualification in fields of their choice.

We currently support 143 (2022: 77) youth in our scholarship programme, 63 professionals in training and 50 bursary recipients studying towards careers in mining, surveying, geology and mechanical, electrical and rock engineering. Our support includes mentorship and employment during university vacations.

Paving the way to a brighter future

Seriti and the national Department of Education provided career guidance to learners at the Kriel Ministerial Career Expo on 12 April 2023. Seriti donated a printer, stationery, toiletries, water bottles and uniforms, shoes and examination kits to various local primary and high schools. In addition, information about bursaries, scholarships and internships offered by the mining industry was distributed.

The learners were also able to view equipment used by Seriti's business units, and a young mother shared her personal journey from our professional-in-training graduate programme to becoming a shift boss with a mine manager's certificate of competency.



South Africa's Minister of Mineral Resources and Energy, Gwede Mantashe, led our Ministerial Career Expo at Kriel during the year.

CASE STUDY

Standerton pharmacy uplifts local community

Delivering on SLP commitments, New Denmark presented Standerton Hospital with an improved pharmacy in November 2022. This legacy project, completed by a local contractor at a cost of R2.9 million, will continue serving the host community long after mine life has ended.

Value created: The new pharmacy will address difficulties faced by the hospital, enabling it to serve the community effectively and efficiently.



New Denmark handed over a refurbished pharmacy to Standerton Hospital on 30 November 2022 – at a ceremony attended by Siepati Modise, the acting mayor; Fadeela Omar, pharmacy manager; and Euphodia Mphahlele, human resources manager at New Denmark.

CASE STUDY

Seriti moves Teddy Bear children forward

In keeping with Seriti's core values, we donated a car to the Teddy Bear Foundation, one of the few organisations that specialises in providing holistic services to abused children. Since 1986, the foundation has created and implemented several programmes that offer medico-legal examinations, forensic and psychological assessments, and juvenile diversion programmes, among others.

The foundation needed reliable transport to support its outreach programmes and support the healing journeys of the children it looks after. At Seriti, it is in our DNA to collaborate and support our communities, and we believe the foundation's initiatives align closely with those of Seriti – including Girls Leadership Club Sexual Violence in Schools in South Africa, which addresses issues affecting teenage girls like peer pressure, teen pregnancies and gender-based violence.

As a business driven by sustainability, Seriti will always make a difference where it is most needed, and it will continue to support organisations and individuals who help make our world a better place.



CASE STUDY

Enterprise and supplier development

Over 160 SMMEs benefited from our ESD programme, and over 180 new job opportunities were created.

Our ESD programme provides financial and non-financial support to local SMMEs in compliance with our SLP commitments. We thus create sustainable supply chain-ready businesses with access to opportunities within and beyond Seriti. We focus on creating an enabling space for communities and other stakeholders and empowering women and youth-owned businesses.

We invested R31.4 million (R21.9 million on incubation and R9.5 million in funding support) and enabled more than 220 local businesses run by historically disadvantaged people. More than 47 of the SMMEs received training and mentorship in our business incubation programme, SiReady. Another 94 business owners graduated from our Entrepreneurship Academy, run by the University of Limpopo's corporate training arm, Edupark. Through our inclusive procurement approach, we spent R5.5 billion on HDSA people, and injected R750 million in our primary host communities.

COMMUNITIES Continued

Mining Charter requirements

Goods procured from entities owned by historically disadvantaged people

Year 1 (2020)	Year 2 (2021)	Year 3 (2022)	Year 4 (2023)	Year 5 (2024)	Compliance (2020 - 2023)
3% 51% historically disadvantaged people	6% 51% historically disadvantaged people	10.5% 51% historically disadvantaged people	15% 51% historically disadvantaged people	21% 51% historically disadvantaged people	91% 51% historically disadvantaged people
0.71% 51% black women/black youth-owned	1.43% 51% black women/black youth-owned	2.50% 51% black women/black youth-owned	3.57% 51% black women/black youth-owned	5% 51% black women/black youth-owned	5% 51% black women/black youth-owned
6.29% 25%+1 vote black-owned	12.57% 25%+1 vote black-owned	22% 25%+1 vote black-owned	31.43% 25%+1 vote black-owned	44% 25%+1 vote black-owned	38% 25%+1 vote black-owned
R2 billion Total spend	R2 billion Total spend	R3 billion Total spend	R3 billion Total spend	R3 billion Total spend	R13 billion Total spend

CASE STUDY

ESD programme builds resilience

Seriti's ESD programme is helping small businesses grow with resources needed to build resilience and thrive - Siyazizwa Investments Holdings, Chokmah IR and Consulting Services, and Bulwane Projects and Maintenance were among the beneficiaries over the past year.

Value created: The programme enables business owners across various sectors to gear for growth and profitability with training in labour and workplace practices to improve human resources management. It also provides lessons in tightening financial controls and improving budgeting as well as marketing to reach desired target markets. By improving proposals, for example, beneficiaries can pitch to corporate clients.

CASE STUDY

Skills and innovation hub

Klipspruit Colliery handed over a skills and innovation hub to the Mpumalanga Regional Training Trust in eMalahleni to provide local youth with opportunities to transform their lives by effectively preparing them to participate constructively in the country's economy.

Value created: This donation will help introduce solutions that could stimulate much needed growth in new sectors and across the value chain.



Community trusts

The Seriti Coal, New Largo Coal and Seriti Power community trusts align with the Mining Charter’s requirement for mining right holders to distribute shareholdings among black economic empowerment entrepreneurs, qualifying employees and host communities. The trusts’ activities are separate from and in addition to those undertaken by the mines in terms of their SLPs.

Each company within the group allocates a 5% shareholding to the community trusts for the benefit of host communities. The trusts undertake or fund activities on behalf of beneficiaries, using dividends and income from donations.

The trustees convene steering committees that oversee the selection of beneficiaries and distribution of funds. The steering committees adjudicate applications in terms of performance (relevance, effectiveness and efficiency of fund utilisation), impact (economic, social and environmental) and transformation outcomes (legacy effect, promotion of social cohesion, access and empowerment).

The trusts identified community projects for Seriti Coal and Seriti Power with a total value of R89 million.	We provided 35 additional bursaries to tertiary institutions through the community trusts.
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Human rights and community grievances

We respect the dignity and fundamental freedoms of all our employees, suppliers, service providers, host communities and other stakeholders. Seriti is responsible for supporting government and civil society in upholding human rights

principles where we operate, ensuring that we are not involved in any human rights violations either directly or indirectly.

Seriti received no complaints in 2023 relating to human rights violations or grievances.

We identify and address human rights-related matters through information sharing and consistent stakeholder engagement to ensure amicable relationships.

We deliberately do not engage in activities that would infringe on the rights of our host communities. We address legacy issues in collaboration with affected people, investigate incidents through our internal incident management procedures and implement corrective measures. If necessary, we escalate matters to an independent body – like the South African Human Rights Commission or the Public Protector – for mediation and monitoring of adherence to agreed solutions. Our integrated grievance management approach promotes accessibility, legitimacy, transparency and accountability with engagement through community consultative forums, and our supply chain policy aims to enhance how we manage social issues.

Typical complaints in our operations’ grievance registers include blasting, dust, noise and grave relocations. We review the grievance registers daily and dispatch teams to repair any damage – for example, our environment team attends to dust and noise complaints. Actions taken to mitigate complaints are also noted in the grievance registers.

School stars shine

Since inception in 2012, New Vaal’s Metsimaholo Star Schools learner incubation programme at Iketseseng Comprehensive School in Zamdela, Metsimaholo Local Municipality, has helped 150 learners in grades 10 to 12 improve their academic results. The programme also benefits the communities of Metsimatle in Orangeville, Refenggotso in Deneyville and Zamdela in Sasolburg with employment of educators, food handlers, security personnel and cleaners. Our cumulative investment in the programme since 2012 amounts to R26.64 million.

Fezile Dabi was the best-performing matric class of 2022 in the Free State, with an overall 98% pass rate. 100% pass rate in English, 88% pass rate in Mathematics, 94% pass rate in Physical Sciences, 10 distinctions, i.e., 80% +, 28 level 6 passes i.e., 70% to 79%, 38 level 5 passes i.e., 60% to 69%.

Value created: Since inception, over 1 500 learners have benefited from the programme. In 2023, at least 30 learners have earned scholarships to study at tertiary institutions.



CASE STUDY

COMMUNITIES Continued

CASE STUDY

Raising a nation of good men

Seriti is supporting a ground-breaking national gender-based violence (GBV) intervention: What about the Boys? Created by youth-development programme facilitator, Primestars, the programme aims to tackle GBV by working with 10 000 high school boys from urban, township and rural schools across South Africa. It is designed to guide boys in breaking free from damaging stereotypes of traditional masculinity that contribute to GBV and reimagine gender norms.

Using edutainment, the programme follows an evidence-based approach to influence positive, long-term behavioural and societal changes, with mentors demonstrating a measurable standard of behaviour. Through this programme, boys learn how to share emotions in healthy ways, accept and connect with peers, and stand up and speak out against bullying and inequality – ultimately creating long-lasting, changed patterns of behaviour.

During the next financial year, we will roll out the second phase of the programme in partnership with the South African presidency.

Value created:

During the year:

- Over 100 high schools took part in the programme
- Over 15 000 boys were reached across all nine provinces
- Over 100 mentors were involved in the programme



Supported by Seriti, Primestars distributes "The Good Men Guide" across South Africa.

Looking ahead

- Delivering SLP commitments that maximise employment in local communities (permanent and contractor)
- Developing entrepreneurial and non-mining skills to minimise dependence of host communities on our operations
- Creating stability and predictability through data analytics and scanning
- Resetting relationships for resilience with broad-based engagement structures
- Resolving legacy issues, grievances and incidents
- Operationalising, capacitating and strengthening community trusts
- Integrating social performance across functions



GOVERNANCE





**“WE ARE
COMMITTED
TO ROBUST
GOVERNANCE
STRUCTURES.”**

Mike Teke, Chief executive officer



Embed operational
excellence and business
continuity

.....



Build trust and culture

.....



Domestic macro-factors

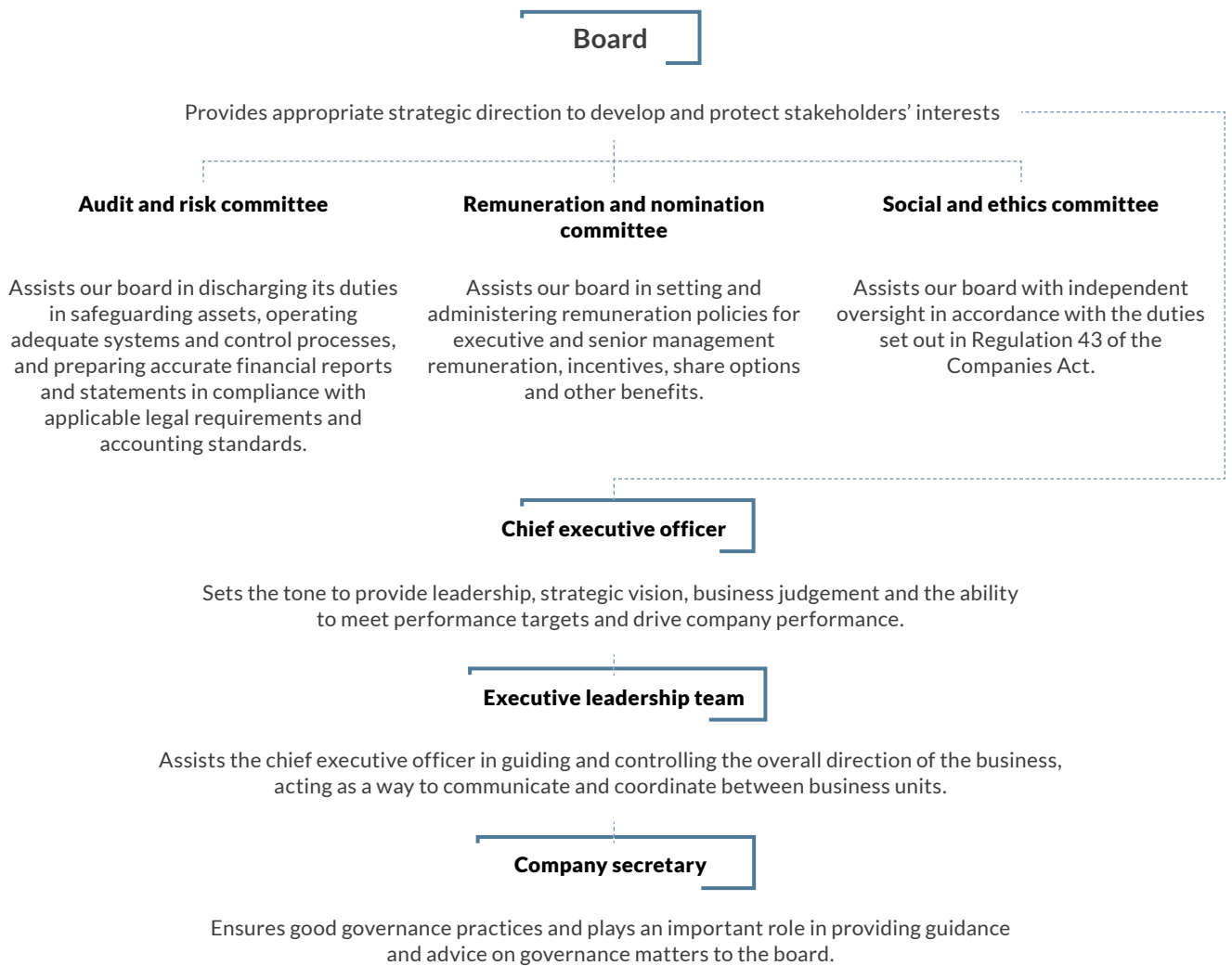
GOVERNANCE OVERVIEW

Our corporate governance frameworks guide our conduct as a globally trusted and accountable corporate citizen.

We demonstrate integrity in our activities with an absolute commitment to exemplary corporate governance. Overseen by our board, Seriti complies with the requirements of the Companies Act and, although not listed, strives to report in terms of the JSE Listings Requirements and King IV.

Our governance framework

Seriti has a “flat” structure, with executives accessible to employees on site to facilitate proactive, agile and insightful decision-making processes.



Entrenching an ethical culture

Seriti is fully committed to entrenching a culture that drives ethical conduct throughout its business, and we uphold our values in every decision we make and during all interactions with stakeholders, including our host communities.

The principles articulated in the Seriti code of business conduct align with the core values of the Seriti Way (page 14). Our code guides us in everything we do and sets out:

- our commitment to a culture of honesty, integrity, accountability and respect for the communities in which we operate, our regulators, shareholders and all other stakeholders;
- the ethical standards employees, consultants, advisers and contractors must comply with;
- Seriti’s commitment to complying with all applicable laws and regulations;
- how to disclose any relevant conflict of interests;
- governance for interactions with third parties; and
- how to use Seriti’s property, including information, appropriately.

Our employees’ behaviour has a direct impact on our operations and the success of the group. Accordingly, our employees must consistently apply and conduct themselves according to the principles of our behavioural framework, as illustrated below.

Seriti’s behavioural framework



Non-adherence to the code by employees may lead to disciplinary action, including termination of employment and, for contractors, termination of contracts.

Tracking our key metrics	2023	2022
Number of grievances received against Seriti	0	0
Confirmed material incidents of corruption	0	1*
Confirmed cases of human rights violations	0	0

* Applicable governance documents were updated and disciplinary, civil and criminal action pursued in response to the vendor-related incident.

Updating our code of business conduct and related group policies

We revised our group code of business conduct during the year to ensure alignment across our businesses and remain on par with industry standards, regulatory amendments and our operating environment. We believe regular training will ensure all employees and contractors have an appropriate understanding of our expectations and, accordingly, we expect them to complete Seriti’s dedicated code of business conduct training and reaffirm their adherence to the code as part of the annual training requirements. Elements of our code of business conduct are also incorporated within other training subjects.

Subject matter experts performed a review of the areas within their field of specialisation, after which group governance documents were revised or developed. This included Seriti’s compliance manual, SHE Way, supply policy, anti-bribery and corruption policy and the concerns investigation framework.

GOVERNANCE OVERVIEW Continued

Using Speak Up

We implemented the Speak Up programme to provide a channel for our employees and contractors to raise questions and concerns, and report suspected unethical, illegal or suspicious behaviour. Seriti offers multiple channels to Speak Up, including anonymous reporting tools available online and via telephone.

Seriti is committed to treating each reported incident with the highest regard, addressing it through a fair review, objective facts determination and appropriate corrective action. Seriti does not tolerate retaliation against any person who in good faith reported any suspected misconduct or otherwise assists with an investigation or audit of a reported incident.

During 2023, we received 78 cases, and 28% of the closed cases were substantiated or partially substantiated. Corrective action in accordance with our policies were taken where allegations were substantiated.

This programme supports operational excellence, which is among our material themes outlined on page 31, incorporating global best practice to ensure excellent governance.

Ethics and compliance function

The ethics and compliance function facilitates the management of compliance risk and the investigation and reporting of unlawful or unethical concerns and incidents. To mitigate the risk of conflict of interest or impaired independent reporting, the ethics and compliance manager has no operational responsibilities and reports directly to the chairperson of the ethics and compliance committee.

The purpose of the ethics and compliance committee, comprising executive committee members, is to:

- Assist the board and executive committee in fulfilling its responsibilities relating to issues of ethics and integrity within the organisation
- Ensure the integrity and fair process of all cases managed by the ethics and compliance function
- Ensure consistent application of the code of business conduct by providing required guidance, advice and oversight on material concerns/incidents

Disclosure tool

Seriti also launched a new disclosure tool to enable automated disclosures of conflicts of interest and the giving or receiving of gifts, entertainment or hospitality.

Driving optimal performance and value creation

The board charter sets out our board's roles and responsibilities. To ensure governance practices are monitored continuously, governance reports are tabled at board and sub-committee meetings.

Governed by written terms of reference and the Companies Act, our board delegates specific responsibilities to the social and ethics, and audit and risk committees. The activities of the committees are regularly reviewed and approved by the board.

The board charter allows our board, social and ethics, and audit and risk committee members to seek independent professional advice as and when necessary.

Seriti's directors receive training when required to ensure they remain apprised of business, regulatory and market-related developments. These training sessions are facilitated by the company secretary and include, among others, information and guidance on business objectives, financial performance, reciprocal expectations, site visits, consultation with senior management, corporate policies and procedures, as well as directors' roles and responsibilities in terms of legislation, regulatory requirements and best practice.

With due consideration of people, the planet and profit in pursuit of lasting prosperity, the board continuously reviews Seriti's strategy in collaboration with management to ensure long-term planning results in sustainable outcomes and partnerships. Details are outlined in our ESG strategy (page 22).

Understanding the importance of managing those issues that could risk Seriti's sustainability, our board sets the group's direction and response to material risks by assessing the magnitude of impact and likelihood of occurrence. Details of our material themes and risks are on pages 31 and 32.

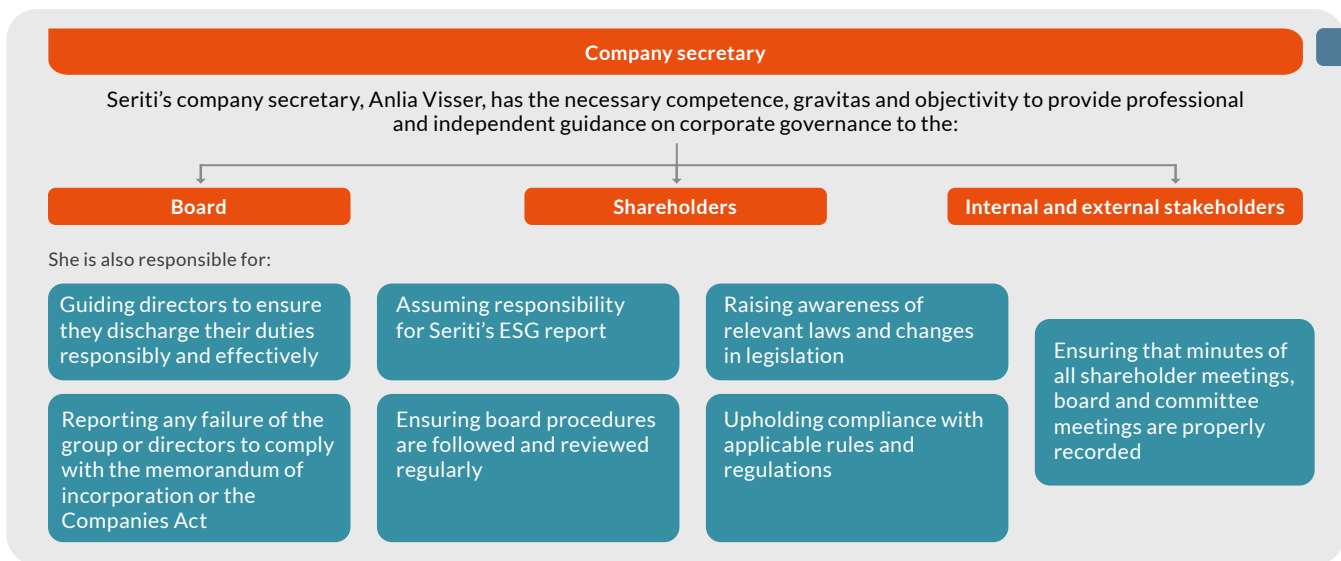
Ensuring adequate and effective control

As the highest governing body, our board ensures our business is conducted with integrity and in accordance with the highest corporate governance standards. Seriti's employees, who are individually responsible for understanding and complying with our code of business conduct, must annually declare and avoid any conflict of interest and seek permission for any exception.

Board meetings are held quarterly and ad hoc meetings are convened to consider specific issues when needed. Directors must declare any material interests with the potential for conflict and any other directorships at each board meeting.

The executive committee meets monthly and assists our chief executive officer in managing the group and executing the business strategy, subject to statutory limits and the board's limitation on delegation of authority to executive directors. The executive committee also assists our chief executive officer in guiding and controlling the general direction of the business as a way of communication and coordination between our operations, management and the board.

We have a cybersecurity incidents management system in place that is managed by a third party. This system provides unified event correlation and risk management for our IT networks to ensure we identify any potential incidents in a timely manner.



The board also oversees the production of annual publications, including our annual financial statements, ESG report, board committee reports, and other information necessary to comply with legal requirements and material stakeholders' legitimate and reasonable needs.

Our internal control systems detect and minimise the risk of error or loss and material misstatements, providing reasonable assurance of compliance with statutory laws and regulations, maintaining proper accounting records, preparing financial statements and safeguarding assets. Cognisant of inherent limitations in internal control effectiveness, our systems manage, rather than eliminate, failure risks.

We regularly review and evaluate the design, adequacy and effectiveness of our internal controls and risk management systems. These formal reviews are tabled at the board and audit and risk committee meetings for discussion with management to produce an internal audit plan approved by our board.

Seriti strives towards fair, equitable and focused procurement processes that create meaningful opportunities and engagement with suppliers. We aim to only work with suppliers who have strong values and standards of conduct, share the same commitment to lawful business practices, and whose actions will not harm or impact the company's financial performance or social licence to operate.

All engagements with suppliers are done in accordance with the relevant policies, standards and procedures, and suppliers are informed of Seriti's expectations. Seriti's group supply policy aims to provide a uniform structure and set of rules for our supply function to ensure good corporate governance at all times. The policy also aims to ensure all supply processes are conducted and managed in a way that supports company values and goals while minimising business risk. All procurement decisions are based on the best value received, considering the merits of price, quality, performance, history and suitability to meet Seriti's requirements. Suppliers must comply with lawful business practices applicable to Seriti's policies, standards, procedures and processes.

Any concerns regarding an existing or potential supplier's integrity or ability to perform the contracted services must be reported in accordance with the Speak Up programme to ensure any issues are addressed immediately. Equally, Seriti's suppliers can report any misconduct or concerns via a reporting option as outlined in the Speak Up programme.

Streamlined source-to-pay processes

Our supply chain department creates meaningful opportunities for transformation in South Africa. To ensure we capture these opportunities and create value for our stakeholders, we have partnered with Accenture since 2018. Our source-to-pay processes are streamlined with a solution that addresses our BBBEE objectives and supports our sustainable growth plans. Supported by Accenture, we retain control of business processes through a closed-loop procurement model that increases savings and compliance by unlocking value in our supply chain. We thus create shared value with focused performance improvement initiatives; closing gaps in engagements with people, processes, technology, data and general procure-to-pay governance. Our procurement function now has a solid foundation that will enable us to mature, in agreement with our key stakeholders, on our journey towards sustainable value creation.

We comply with laws and regulations that prohibit bribery and corruption and expect our suppliers, contractors and joint venture partners to do the same. In keeping with local anti-corruption laws, we strictly prohibit authorising, offering, giving or promising anything of value, directly or indirectly, to government officials to influence formal action or encourage them to perform their work disloyally or otherwise improperly. Our employees are encouraged to refrain from engaging in any fraudulent activities, and may not offer or receive any bribes, directly or indirectly, from government officials or any other people. Facilitation payments are prohibited, no matter the value. We only allow offers, giving or receiving appropriate gifts, entertainment and hospitality (including meals) with a lawful and legitimate business purpose approved by our compliance team.

GOVERNANCE OVERVIEW Continued

Seriti's representatives are expected to comply with applicable bribery and corruption laws and must be able to present appropriate policies and procedures or contractual terms to this effect.

We are committed to ensuring our business partners understand and comply with our policies and procedures. We also investigate their reputation and qualifications through appropriate controls and checks to ensure their integrity and legitimacy.

Our employees are responsible for immediately reporting any suspected unethical, illegal or suspicious behaviour through our Speak Up programme. The confidentiality of the 24/7 hotline is guaranteed, and we are committed to treating every reported incident with the highest regard. Every reported call is thoroughly investigated in line with our code of business conduct and independently managed by an external service provider. Monthly reports are tabled at executive committee meetings.

Any concerns may be reported as follows:

- Report to a manager
- Contact human resources
- Notify protection services
- Submit a confidential or anonymous report by email to seriti.ethicspoint.com – hotline number: 0800-005-790

Trust, good reputation and legitimacy

Our chief executive officer, Mike Teke, pioneered the Seriti Way (📍 page 14) to define our approach to business ownership, credibility and implementation, supported by policies and processes that uphold excellent corporate governance.

To ensure Seriti's sustainability and success, the group strives to be stakeholder-inclusive, and focused communication and governance are integrated into every aspect of the business. To this end, our board approved our stakeholder engagement policy, our social and ethics committee monitors stakeholder

relationships, and every operation has an approved stakeholder engagement plan in place.

We respect the dignity and fundamental freedoms of our stakeholders. Human rights are inherent to everyone, regardless of race, sex, nationality, ethnicity, language, religion or any other status. It is our responsibility to support government and civil society in upholding human rights principles within our host communities and ensure we are not directly or indirectly involved in any violations.

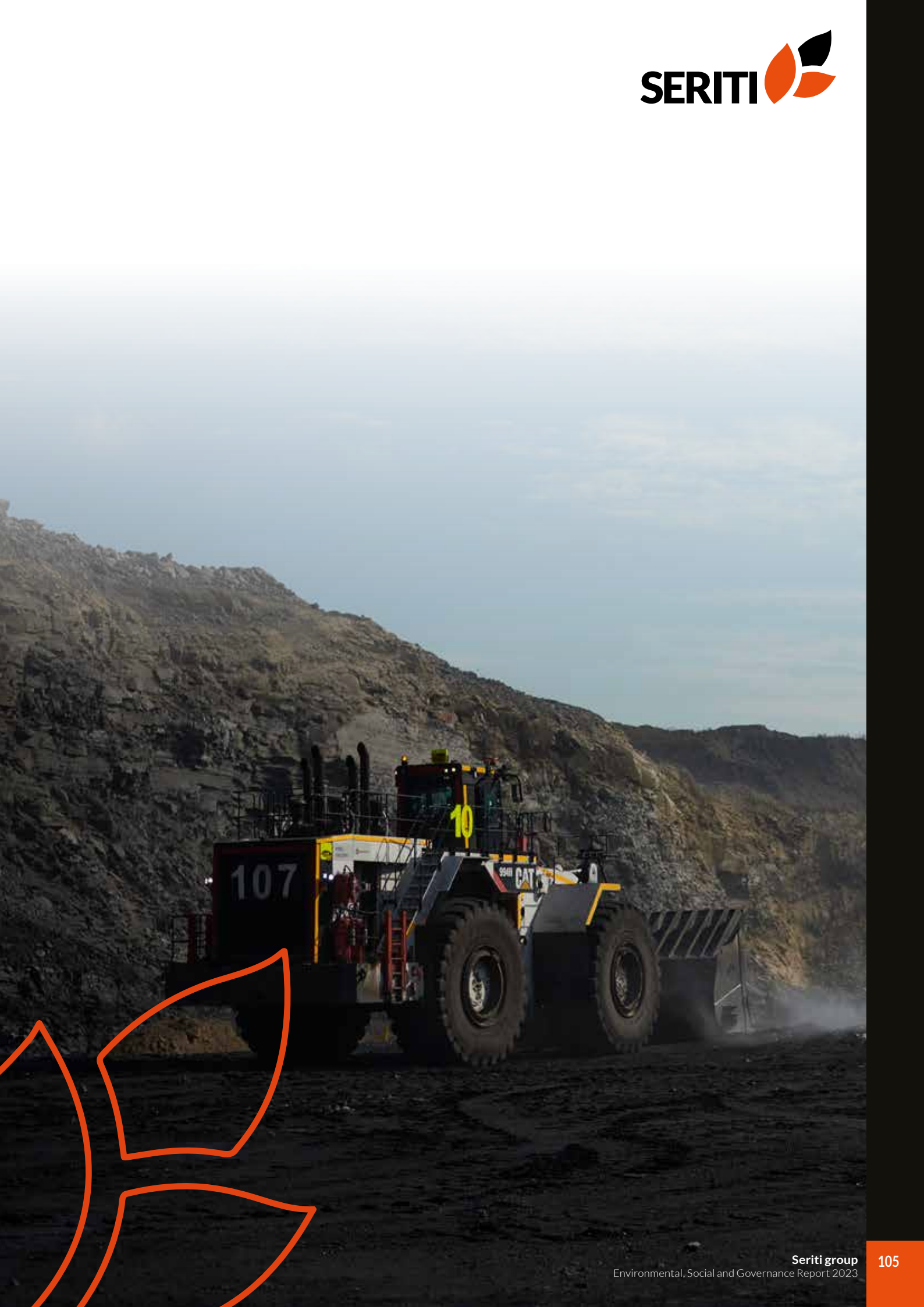
We acknowledge our activities have the potential to impact human rights and address this through our core business practices. This includes labour conditions, activities of security forces, resettlement and local community programmes. As a responsible corporate citizen, the social and ethics committee assists the board in upholding the principles of human rights through its human rights policy. In addition, as part of our objective of being a leader in the mining industry, we promote human rights through employment policies and practices, supply chain and the responsible use of products and services.

We responsibly source and procure goods and services in line with our preferential procurement and group supply policies and related legislation. Any transgressions are recorded in a non-conformance register, which is reviewed at monthly supply committee meetings, investigated and, if deemed necessary, disciplinary action is taken against offenders.

Stakeholder relationships

We approach stakeholder engagement deliberately and proactively, understanding that managing these relationships is critical to ensure long-term value creation as guardians of human and environmental rights (see details of our stakeholder engagements on 📍 page 29).

Seriti respects and protects the basic right to privacy of individuals, including employees, customers and suppliers. Data privacy and protection laws safeguard information about individuals. We collect, manage and use personal information in accordance with applicable privacy laws. If we need to share personal information with third parties, we take reasonable steps to ensure that they also manage the information appropriately and keep it secure.



OUR BOARD OF DIRECTORS

Our unitary board ensures the group's management team preserves the long-term interests of key stakeholders.

The group's ethical tone is set by the chairperson, who also leads the board and remains aware of individual board members' duties without limiting the principle of collective responsibility for decisions. The roles of the chairperson and the chief executive officer are kept separate, with a clear division of responsibilities, to ensure a balance of power and authority and that no individual has unfettered decision-making powers.

Responsibilities of our chairperson

- Provides for ethical and effective leadership by the board, chief executive officer and management
- Ensures adherence to the code of business conduct
- Presents the board's performance to shareholders and other stakeholders
- Ensures integrity and effectiveness of the governance process
- Manages conflicts of interest in accordance with applicable laws and best practice
- Maintains regular dialogue with our chief executive officer regarding operations and consults with board members about matters of significant concern
- Facilitates board meetings to manage and guide discussions and solicit opinions from directors
- Assists in ensuring effective board composition

Responsibilities of our chief executive officer

- Serves as the link between management and the board
- Monitors Seriti's day-to-day operations
- Formulates and develops Seriti's short, medium and long-term strategic vision to realise its purpose and values
- Leads the implementation and execution of the approved strategy
- Oversees the submission of reports, financial statements and consolidated budgets to the board
- Oversees financial management
- Places suitable people in key management positions with adequate resources and performance management
- Sets the tone for ethical culture at management level and maintains an ethical work climate conducive to attracting, retaining and motivating diverse talent

Our board is ultimately responsible for creating value and monitoring the relationships between the board and management, and between the group and its stakeholders. The board is also responsible for approving Seriti's financial objectives, and its long-term and short-term strategies.

CHAIRPERSON AND
NON-EXECUTIVE DIRECTOR

Dr Anna Mokgokong

Age: 66

Qualification: BSc, MBChB,
DCom (HC)

Tenure: Six years

Industry experience: 34 years



Dr Anna Mokgokong is the co-founder and executive chairperson of Community Investment Holdings (Pty) Ltd, as well as chancellor of North-West University. She has widespread experience in healthcare, academia and commerce. She serves on various boards of listed and unlisted entities as well as numerous councils of academic institutions and civil society commissions. As a social activist, she is passionate about empowering women and creating economic equality in South Africa. She is also honorary consul-general for the government of Iceland in Pretoria. She is a multi-award winner, with local and global titles and, most recently, received the 2022 "Women Who Make A Difference Award" from International Women's Forum South Africa.

CHIEF EXECUTIVE
OFFICER AND
EXECUTIVE DIRECTOR

Mike Teke

Age: 59

Qualification: B.A.(Ed),
B.Ed, BA (Hons) MBA

Tenure: Six years

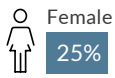
Industry experience: 26 years



Mike is the chairperson and controlling shareholder of Masimong Group Holdings (Pty) Ltd. He also serves as chairperson and non-executive director of Anchor Group Ltd, Rolfes Holdings Ltd and non-executive director of Richards Bay Coal Terminal (Pty) Ltd. He is a past president of the Minerals Council (previously the Chamber of Mines) and currently serves on its council.

Board

Gender diversity



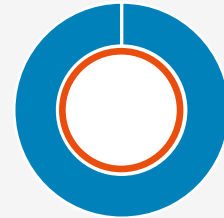
We have a highly experienced board with deep coal expertise and directorship experience.



Skills and experience	Dr Anna Mokgokong	Mike Teke	Sandile Zungu	Godfrey Gomwe
Leadership	•	•	•	•
Finance	•	•	•	•
Human resources	•	•	•	•
Legal		•	•	•
Governance and compliance	•	•	•	•
Economics	•	•	•	•
Transformation and ethics	•	•	•	•
Risk and opportunity management		•	•	•
Innovative technology and information governance		•		•
Environmental sustainability	•	•	•	•
Sales and marketing	•			•
Safety and health	•	•	•	•
Tax				•
Stakeholder relations	•	•	•	•
Project management			•	•
International	•	•		•
Local	•	•	•	•
Mining industry	•	•	•	•
Renewable energy		•		•
Water technology		•		•
Agriculture and food security		•		•

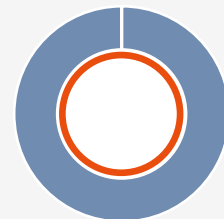
Board

Equity (%)



Black: 100

Age diversity (%)



>55 years: 100

Board meeting attendance (1 April 2022 to 31 March 2023)

Director	Attended
Dr Anna Mokgokong (chairperson)	4/4
Mike Teke (CEO)	4/4
Sandile Zungu (non-executive director)	4/4
Godfrey Gomwe (non-executive director)	4/4

NON-EXECUTIVE DIRECTOR

Sandile Zungu

Age: 56
Qualification: BSc (mechanical engineering), MBA
Tenure: Four years
Industry experience: 31 years



Sandile is the founder and chairperson of Zungu Investments Company (Pty) Ltd (Zungu), the holding company of his business interests. He led Zungu to become a formidable diversified industrial holdings organisation with interests that include financial services, media, automotive (manufacturing and services), resources and gaming.

Until 2005, Zungu was chairman of Denel, which is South Africa's state-owned arms manufacturer. He remains chairman of the Africa Vanguard group of companies, which is part of Zungu, and serves as a non-executive director on the boards of the Zungu group investee companies, associates and subsidiaries. These include (but are not limited to) Seriti, Goldrush, Qhubeka Forensics, and Shuter & Shooter. He is also a non-executive director of Grindrod Ltd and Novus Holdings (Ltd). Zungu is chairman of the Advisory Board of the UCT Graduate School of Business and a member of the presidential BBBEE Advisory Council, and was president of the Black Business Council.

NON-EXECUTIVE DIRECTOR

Godfrey Gomwe

Age: 67
Qualification: BAcc, CA(Z), MBL
Tenure: Four years
Industry experience: 41 years



Godfrey is the CEO of MC Mining Ltd. He has extensive experience as an executive in the metals and mining industry and is the former CEO of Anglo American plc's thermal coal business, overseeing the manganese interests in the joint venture with BHP. He was an executive director of Anglo American South Africa until August 2012. Godfrey's career with the company included roles as head of group business development in Africa, finance director and chief operating officer, and chairperson and CEO of Anglo American Zimbabwe Ltd. He also served on various group executive committees as well as operating boards of Kumba Iron Ore Ltd, Anglo American Platinum Ltd, Highveld Steel and Vanadium Ltd (chairperson) and Mondi South Africa (Pty) Ltd (chairperson). Godfrey also serves on several listed and unlisted boards, including Econet Wireless Zimbabwe Ltd, Orion Minerals Ltd, Tshikululu Social Investments NPC and Thebe Investment Corporation (Pty) Ltd (including chairing its energy and resources advisory council).

SERITI GREEN BOARD OF DIRECTORS

CHAIRPERSON AND
NON-EXECUTIVE DIRECTOR

Mike Teke

Age: 59

Qualification: B.A.(Ed), B.Ed, BA
(Hons) MBA

Industry experience: 26 years



Mike is the chairperson and controlling shareholder of Masimong Group Holdings (Pty) Ltd. He also serves as chairperson and non-executive director of Anchor Group Ltd, Rolfe Holdings Ltd and non-executive director of Richards Bay Coal Terminal (Pty) Ltd. He is a past president of the Minerals Council (previously the Chamber of Mines) and currently serves on its council.

CHIEF EXECUTIVE OFFICER
AND EXECUTIVE DIRECTOR

Peter Venn

Age: 47

Qualification: BSc, BCom (Hons),
MBA

Industry experience: 19 years



Peter is an experienced, highly qualified global business professional with almost two decades of energy experience. Prior to his role as CEO of Seriti Green, as managing director of Windlab Africa for 12 years, he successfully led the South African and East African teams in developing significant renewable energy projects across Africa. Before Peter's journey into renewable energy with Windlab, he was regional director: energy for the Middle East, Africa and Asia Pacific at SAS Institute.

NON-EXECUTIVE DIRECTOR

Doug Gain

Age: 46

Qualification: BCom, BCompt
(Hons), CA(SA)

Industry experience: 18 years



Doug is a qualified chartered accountant who has been active in mining and other investment industries for the past 18 years. A co-founder of the diversified Masimong Group, he led the successful acquisitions of Seriti's cost-plus mines and the New Largo project from Anglo American in 2018. He also led the successful acquisition of South32's South Africa Coal business in June 2021. Doug is responsible for Seriti's finance, procurement, business development and marketing functions as group chief financial officer.

NON-EXECUTIVE DIRECTOR

Kwabena Malgas

Age: 37

Qualification: BSc Actuarial
Sciences

Industry experience: 13 years



Kwabena is currently a senior member of the RMB Infrastructure Sector Solutions team. Kwabena has extensive experience in project finance, transaction advisory, and structuring

- His experience ranges across various sectors including energy (REIPPP and RMIPP and the C&I Private Power market), Telecoms, Public Private Partnerships (PPPs) and Concessions
- He was Instrumental in the formation of the Infrastructure Equity business, which he now heads up
- Kwabena sits on the broader Infrastructure Sector Solutions Exco, and was also a Director on the board of the DIRCO PPP

NON-EXECUTIVE DIRECTOR

Yusuf Noorbhai

Age: 48

Qualification: BA LLB

Industry experience: 20 years



Since joining Standard Bank in 2010 from Barclays Capital (London), Yusuf has successfully established, grown and led a number of key products and businesses across the investment banking franchise. He is currently head of structured capital, which is an integrated platform of products focused on private capital investors across funds, permanent capital vehicles and family offices. He is also an active member of several key deal approval, risk management and executive committees within Standard Bank, and represents the bank as a board member on key strategic investments.

NON-EXECUTIVE DIRECTOR

Layton Nenzinane

Age: 30

Qualification: BAcc (Hons) (CTA), CA(SA)

Industry experience: 5 years



Layton is a qualified chartered accountant of South Africa and specialist in corporate finance, mergers and acquisitions. He began his career as a transactor in the mining and metals corporate finance team at RMB. He worked on, among others, Seriti's acquisition of South32's South Africa coal assets, the listing of Thungela Resources, several notable black economic empowerment transactions in the South African mining industry, and more recently led the acquisition of Windlab South Africa by Seriti Green. Layton is also experienced in advanced financial analysis, capital raising and transaction structuring.

OUR EXECUTIVE COMMITTEE

We have a deeply experienced management team with core competence in coal and renewable energy. Our executive committee is involved in the group's day-to-day business activities. The members are responsible for ensuring that their decisions, as approved by the board, are implemented in accordance with their mandate.

CHIEF EXECUTIVE OFFICER

Mike Teke

Age: 59
Qualification: B.A.(Ed), B.Ed, BA (Hons) MBA
Tenure: Six years
Industry experience: 26 years



Mike is the chairperson and controlling shareholder of Masimong Group Holdings (Pty) Ltd. He also serves as chairperson and non-executive director of Anchor Group Ltd, Rolfes Holdings Ltd and non-executive director of Richards Bay Coal Terminal (Pty) Ltd. He is a past president of the Minerals Council (previously the Chamber of Mines) and currently serves on its council.

CHIEF FINANCIAL OFFICER

Doug Gain

Age: 46
Qualification: BCom, BCompt (Hons), CA(SA)
Tenure: Six years
Industry experience: 18 years



Doug is a qualified chartered accountant who has been active in mining and other investment industries for the past 18 years. A co-founder of the diversified Masimong Group, he led the successful acquisitions of Seriti's cost-plus mines and the New Largo project from Anglo American in 2018. He also led the successful acquisition of South32's South Africa Coal business in June 2021. Doug is responsible for Seriti's finance, procurement, business development and marketing functions.

CHIEF OPERATING OFFICER

Kevin Steyn

Age: 44
Qualification: BSc (Hons) (mining engineering), Mine Managers' Certificate of Competency, Management Development Programme
Tenure: Four years
Industry experience: 21 years



Kevin is a professional engineer with experience in designing, constructing and operating surface and underground mining operations at various stages in the asset lifecycle. He has worked in the South African and Canadian mining industries, with experience in managing multidisciplinary engineering projects

CHIEF PEOPLE OFFICER

Ndumi Khoza

Age: 51
Qualification: MBA, BA (Hons) (social sciences), Diploma in directorship
Tenure: One year and 10 months
Industry experience: 21 years



Ndumi is a seasoned and accomplished business executive with over 20 years of experience driving human resource strategies and solutions in multinationals across various industries in South Africa, including construction, fast-moving consumer goods and mining. In several executive roles, she led projects in world-class manufacturing principles, human resources and change management

CHIEF LEGAL OFFICER

Nick Magowan

Age: 44

Qualification: BA (LLB), Attorney of High Courts of South Africa, Solicitor of Senior Courts in England and Wales

Tenure: One year and 10 months

Industry experience: 21 years



Nick has practised as an attorney and legal adviser for more than 17 years, primarily in the fields of corporate and commercial law. He has worked in investment banking and as a lawyer in the United Kingdom and South Africa. Over the past decade, he has specialised in merger and acquisition transactions, commercial and regulatory legal advice in the South African mining industry.

CHIEF TECHNOLOGY OFFICER

Rajesh Sewraj

Age: 50

Qualification: National diplomas in micro-computing and business management

Tenure: Six years

Industry experience: 21 years



Rajesh joined Seriti in 2017 as a highly skilled chief technology officer with experience in the fast-moving consumer goods sector and as an independent IT consultant.

CHIEF CORPORATE AND COMMUNITY RELATIONS OFFICER

Thabo Masike

Age: 60

Qualification: BBA, Intermediate Leadership Programme, Management Development Programme, Diploma in Labour Relations, Human Resource Management

Tenure: Six years

Industry experience: 33 years



With over 33 years of industry experience, Thabo is a professional HR practitioner and has worked in various management leadership roles, and over the past two years served as a senior corporate human resources head. He has extensive experience in dealing with unions and associations, communities and local government structures. Thabo was also seconded to McKinsey and Company for a stint during his tenure at BHP Billiton South Africa.

SERITI GREEN CHIEF EXECUTIVE OFFICER

Peter Venn

Age: 47

Qualification: BSc, BCom (Hons), MBA

Tenure: Eight months

Industry experience: 19 years



Peter is an experienced, highly qualified global business professional with almost two decades of energy experience. Prior to his role as CEO of Seriti Green, as managing director of Windlab Africa for 12 years, he successfully led the South African and East African teams in developing significant renewable energy projects across Africa. Before Peter's journey into renewable energy with Windlab, he was regional director: energy for the Middle East, Africa and Asia Pacific at SAS Institute.

OUR EXECUTIVE COMMITTEE Continued

Skills and experience	Mike Teke	Doug Gain	Kevin Steyn	Ndumi Khoza	Nick Magowan	Rajesh Sewraj	Thabo Masike	Peter Venn
Leadership	•	•	•	•	•	•	•	•
Finance	•	•	•					•
Human resources	•	•	•	•			•	
Legal	•	•			•			•
Governance and compliance	•	•			•		•	•
Economics	•	•	•					•
Transformation and ethics	•	•		•	•		•	
Risk and opportunity management	•	•						•
Innovative technology and information governance	•	•				•		•
Environmental sustainability	•	•			•			•
Sales and marketing	•	•						•
Safety and health	•	•	•				•	•
Tax		•						
Stakeholder relations	•	•	•	•	•		•	•
Project management		•	•			•	•	•
International	•	•						•
Local	•	•						•
Mining industry	•	•	•	•	•	•	•	
Renewable energy	•							•
Water technology	•	•						
Agriculture and food security	•	•						

AUDIT AND RISK COMMITTEE CHAIRPERSON'S REPORT

The audit and risk committee was established on 29 June 2021.

Purpose	Composition and meetings
The committee was established on 29 June 2021 to assist the board in safeguarding assets, operation of adequate systems, control processes, and preparation of accurate financial reports and statements in compliance with applicable legal requirements and accounting standards.	The committee – comprising four members, appointed by the board, who are not directors – meets twice a year. Each shareholder is entitled but not obliged to nominate a representative on this committee. The role of the committee chairperson rotates annually with the election of committee members.

Audit and risk committee members		Meeting attendance during the year ended 31 March 2023
Bathabile Poro (chairperson)	Shareholder representative (appointed 31 March 2022)	2/2
Nosipho Sonqushu	Shareholder representative (appointed 8 November 2021)	2/2
Sunil Ramkillawan	Alternate director (appointed 8 November 2021)	2/2
Logamal Ramiah	Shareholder representative (appointed 8 November 2021)	2/2

Our chief executive officer, chief financial officer, financial controller and chief legal officer attend committee meetings as standard invitees. Certain members of our finance team and internal audit team, along with the senior audit partner in charge of the external audit, attend meetings by invitation.

Focus areas during the period under review:

- Overseeing external and internal audit functions and risk control systems
- Overseeing the preparation of Seriti's annual financial statements
- Considering any significant transactions not directly related to the group's regular business
- Reviewing any conflicts of interest and ethical behaviour of employees in terms of legislation and the group's code of business conduct
- Ensuring compliance with the memorandum of incorporation and company law
- Reviewing any environmental and social issues
- Ensuring the company has sufficient insurance coverage
- Evaluating Seriti's tax exposures and compliance
- Considering any accounting treatments, significant unusual transactions or accounting judgements which could potentially be contentious
- Investigating key matters arising in the current year's management letter
- Obtaining assurance from the external auditor that adequate accounting records are being maintained
- Evaluating risk and reviewing and assessing the integrity of the risk control systems to ensure risk policies and strategies are effectively managed
- Considering the nature and extent of any non-audit services provided by the external auditor to balance objectivity with value for money

As chairperson of the audit and risk committee, I am satisfied the committee fulfilled its mandate in terms of the Companies Act and related regulations, and discharged its responsibilities in line with its approved terms of reference.

We considered all material instances of non-compliance and have no such non-compliance to disclose.

Bathabile Poro

Chairperson: Audit and risk committee

31 July 2023

REMUNERATION AND NOMINATION COMMITTEE CHAIRPERSON'S REPORT

The remuneration and nomination committee was established on 25 October 2021.

Purpose	Composition and meetings
Members of the committee exercise their duties and responsibilities in accordance with its mandate. The committee was established on 25 October 2021 to assist Seriti's board in setting and administering policies for executive and senior management remuneration, which comprise incentives, share options and other benefits, and making recommendations to the board for approval.	The committee comprises three members – two non-executive directors and one shareholder representative – and meets twice a year. The chairperson is elected by committee members.

Remuneration and nomination committee members		Meeting attendance during the year ended 31 March 2023
Godfrey Gomwe (chairperson)	Independent non-executive director (appointed 25 October 2021)	2/2
Dr Anna Mokgokong	Non-executive director (appointed 25 October 2021)	2/2
Bathabile Poro	Shareholder representative (appointed 25 October 2021)	2/2

The chief executive officer and other executive directors attend meetings by invitation but do not participate in decisions relating to their own performance and remuneration.

The committee reviews and approves the remuneration and terms of employment of executive directors and senior group management. It also makes recommendations to the board for the nomination of additional executive and independent non-executive directors. The committee also discusses directors' affairs that may arise from time to time.

Directors' fees are paid to non-executive directors and independent non-executive directors every quarter and are approved by the shareholders at the annual general meeting by way of a special resolution.

Focus areas during the period under review:

- Reviewing remuneration policies and procedures
- Considering nominations, appointments and resignations of non-executive directors
- Maintaining compliance with corporate governance legislation
- Ensuring appropriate board composition and succession planning
- Ensuring there was no discrimination based on race, gender, marital status, ethnic or social origin, age, disability and religion, or any other basis
- Approving remuneration packages needed to attract, retain and motivate high-performing executive directors and executive management
- Ensuring that remuneration levels are fair and comparable relative to other companies in the industry
- Ensuring the adequacy of retirement and healthcare funding for executive directors and executive management
- Reviewing and approving performance-related incentives schemes, performance criteria and measurements
- Reviewing individual performance against set management and performance criteria and approving guaranteed and performance-based individual remuneration based on set principles

Approve remuneration packages needed to attract, retain and motivate high-performing executive directors and executive management.

Ensure that remuneration levels are fair and comparable relative to other companies in the industry.

Ensure the adequacy of retirement and healthcare funding for executive directors and executive management.

Review and approve performance-related incentives schemes, performance criteria and measurements.

Review individual performance against set management and performance criteria and approved guaranteed and performance-based individual remuneration based on set principles.

As chairperson of the remuneration and nomination committee, I am satisfied that the committee fulfilled its mandate in terms of the Companies Act and related regulations and discharged its responsibilities in line with its approved terms of reference.

We have considered all material instances of non-compliance and have no such non-compliance to disclose.

Godfrey Gomwe

Chairperson: Remuneration and nomination committee

31 July 2023

SOCIAL AND ETHICS COMMITTEE CHAIRPERSON'S REPORT

The social and ethics committee was established on 4 October 2018.

Purpose	Composition and meetings
<p>Our social and ethics committee is mandated to monitor Seriti's business activities in terms of legal frameworks and best practice. The committee is an essential component of our group's governance structure and its main objective is to assist our board in ensuring Seriti is, and remains, a good and responsible corporate citizen. The committee also monitors the group's sustainable development performance.</p>	<p>In line with the guidelines of King IV, to ensure independent judgement in committee deliberations and decisions, the composition of the social and ethics committee is reviewed annually. Our board appoints members to serve until they are removed or resign. A committee member may be removed, with or without cause, by a majority vote of our board. A change in membership takes effect upon approval of a board resolution.</p>
<p>By enforcing good corporate citizenship, the committee contributes to value creation, considering the interests of employees, consumers and communities. Our commitment to exemplary ethical conduct includes the prevention of unfair discrimination and corruption.</p>	<p>In terms of the committee's terms of reference, at least one of its members should be a non-executive director who is not involved in Seriti's day-to-day management and has not been involved in such a capacity at any time during the previous three financial years. The social and ethics committee meets twice a year.</p>

Meeting attendance during the year ended 31 March 2023

Social and ethics committee members

Sandile Zungu (chairperson)	Non-executive director (appointed 4 October 2018)	1/2
Mike Teke	CEO (appointed 4 October 2018)	2/2
Dr Anna Mokgokong	Non-executive director (appointed 4 October 2018)	1/2
Godfrey Gomwe	Non-executive director (appointed 29 October 2019)	2/2

Our chief financial officer, chief operating officer and members of our executive committee are invited to meetings of the social and ethics committee. Any person with specific skills and expertise is invited to assist committee members in their deliberations when necessary.

Focus areas during the period under review:

- Reviewing the code of business conduct
- Reviewing the safety, health, environment and quality, human rights and anti-corruption policies
- Ensuring Seriti continued to adhere to prevailing law, codes and best practice
- Reviewing the United Nations Global Compact principles and Organization for Economic Co-operation and Development recommendations on corruption
- Promoting equality and preventing unfair discrimination
- Considering Seriti's environmental impact and investment in host communities
- Maintaining the health and safety of employees and communities
- Ensuring compliance with customer protection laws
- Reviewing the compliance with the Employment Equity Act and the BBBEE Act
- Reviewing Seriti's BBBEE accreditation and compliance with the Department of Trade, Industry and Competition's Codes of Good Practice
- Overseeing the implementation of Seriti's skills development initiatives, CSI plan, labour and employment practices – including considering International Labour Organization protocol
- Overseeing the group's Speak Up programme's anonymous reporting tools
- Approving the ESG report

As chairperson of the social and ethics committee, I am satisfied the committee fulfilled its mandate in terms of the Companies Act and related regulations and discharged its responsibilities in line with its approved terms of reference.

We have considered all material instances of non-compliance and have no such non-compliance to disclose.

Sandile Zungu

Chairperson: Social and ethics committee

31 July 2023

GLOSSARY OF TERMS AND ACRONYMS

BBBEE	Broad-based black economic empowerment	KPI	Key performance indicator
BMI	Body mass index	kWh	Kilowatt hour
Board	Board of directors	LFI	Learning from incidents
CBO	Community-based organisations	MMS	Middelburg Mining Services (formerly Wolwekrans and Ifaletu mines)
CH₄	Methane	Mt	Megatonne
CO₂	Carbon dioxide	Mtpa	Million tonnes per annum
Companies Act	Companies Act 71 of 2008, as amended	MWh	Megawatt hour
CSI	Corporate social investment	N₂O	Nitrous oxide
EAP	Employee assistance programme	NGO	Non-governmental organisation
ESD	Enterprise and supplier development	NO₂	Nitrogen oxide
ESG	Environmental, social and governance	O₃	Ozone
GBV	Gender-based violence	RoMt	Run of mine tonne
GHG	Greenhouse gas	SADC	Southern African Development Community
HDSA	Historically disadvantaged South African	SAEC	South32 SA Coal Holdings (Pty) Ltd (now Seriti Power)
HPH	High-potential hazard	SHE	Safety, health and environment
HPI	High-potential incident	SLP	Social and labour plans
IBC	Inside back cover	SMME	Small, medium and micro-enterprise
IFC	Inside front cover	TB	Tuberculosis
IT	Information technology	tCO₂	Tonnes carbon dioxide
JSE	Johannesburg Stock Exchange	TMM	Trackless Mobile Machinery
King IV	King IV Report on Corporate Governance™ in South Africa, 2016	TRCFR	Total recordable case frequency rate



Administration

Seriti Resources Holdings (Pty) Ltd

Company registration number: 2015/305867/07

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