Financial capital makes it possible for other types of capital to be owned and traded. Financial capital is also representative of how successful we have been at achieving the sustainable development of our natural, human, social and manufactured capitals.

FINANCIAL CAPITAL FOCUS AREAS

MATERIAL ISSUES

- **Global economic environment**
- **Ferrochrome demand and prices**
- **Energy supply and prices**
- **Rand/US Dollar exchange rate**
- **Production costs**

Sustainable organisations need a clear understanding of how financial value is created, in particular, dependence on other forms of capital. We enhance our financial capital by:

- effective risk management;
- corporate governance structures;
- ensuring the equitable use of wealth created; and
- assessing the wider economic impact of our activities on society.

MATERIAL ISSUES See pages 8 and 9

MI1 MI2 MI3 MI4 MI7 MI12

KEY POINTS 2023

Revenue
R9 244 million
(2022: R7 939 million)

EBITDA
R2 545 million
(2022: R2 141 million)

Net Profit
R1 753 million
(2022: R1 410 million)

Cash balance of
R1 656 million
2022: R1 269 million)

Final and interim dividends for 2023
R1 050 million
(2022: R625 million)

* *For a complete appreciation of the financial results, this Financial capital section must be read in conjunction with the complete set of audited consolidated annual financial statements available on the website www.meraferesources.co.za. The Board has used its discretion in determining the material matters to be reported in this section.*

The Company's consolidated financial statements for the year ended 31 December 2023 were approved by the Board on 15 March 2024 and are available on the Company's website on this link: www.meraferesources.co.za.

The summarised financial statements on pages 17 and 18 are an extract from audited consolidated financial statements but are not themselves audited. The following individuals were responsible for the preparation of the financial statements: Busisiwe Nteyi CA(SA), Financial Manager and Ditabe Chocho CA(SA), Financial Director.

Overview

The year 2023 was complex for the chrome mining industry. It saw challenges and setbacks against a backdrop of steady, resilient growth.

Challenges included volatile prices for ferrochrome, which reduced from 2022 highs. Chrome ore prices, which increased mainly due to logistics problems, more than compensated for this challenge. Volatility is another challenge that always creates uncertainty for producers and traders. Due to a planned pullback in production in response to market conditions, only the Lion smelter operated over the three-month high electricity demand winter season, a period of elevated power prices. These factors resulted in lower ferrochrome production for the year, allowing the business to destock high volumes of finished stock that had built up. Geopolitical and economic instability continued as evidenced by the ongoing wars in Ukraine and the Middle East and global economic slowdowns that impacted demand and supply chains.

On the positive front, we've seen overall market growth. Despite the challenges, the ferrochrome market continued to expand, driven by increasing demand for stainless steel and other uses.

The business continues to manage all controllable costs as best as possible despite persistent cost pressures. For this reason, the approval of our Negotiated Pricing Agreement ("NPA") application with Eskom by both the National Energy Regulator of South Africa and Eskom is a welcome development since, among other benefits, it gives the business certainty on electricity tariffs over the term of the agreement.

A key achievement for the year was the inclusion of the Eastern Platinum Group Metals ("PGMs") operation in the Venture (refer to SENS announcement dated 7 September 2023). This operation increases the combined capacity of the Venture's PGMs processing plants and allows for further economies of scope. The addition of another PGM processing plant, PGM X, is underway, which will give the business additional scale.

We refer you to material issues on pages 8 and 9 for a review of financial matters impacting the business and our responses thereto.

Merafe recorded basic earnings from operations of R1 753 million (2022: R1 410 million), translating to basic earnings per share of 70.1 cents (2022: 56.4 cents). The headline earnings per share for the year were 60.1 cents (2022: 56.4 cents). Favourable chrome ore prices, higher volumes of chrome ore sold, and a weaker average ZAR: USD exchange rate were the main contributors to this performance.

Financial performance

Revenue was R9 244 million (2022: R7 939 million), amounting to a year-on-year increase of 16% despite 7% lower volumes of ferrochrome sold at 327kt (2022: 350kt). Higher realised chrome ore prices, higher chrome ore volumes sold, a weaker ZAR:USD exchange rate, and revenue from the Eastern PGMs operations improved revenue performance against the comparative period.

The average ferrochrome CIF price decreased by 6% to US105c/lb (2022: US111c/lb). Ferrochrome revenue was 1% higher at R6 885 million (2022: R6 795 million), supported by the ZAR:USD exchange, which weakened by 13% to R18.45 (2022: R16.37). Chrome ore sales volumes for the year increased by 77% to 470kt (2021: 265kt), and, on average, CIF chrome ore prices increased by 11% to USD262 (2022: USD237). The resultant chrome ore revenue was 114% higher at R2 222 million (2022: R1 040 million). PGMs revenue now includes results from PGMs operations in the West, the Kroondal plant, and those in the East. PGMs revenue increased to R133 million (2022: R100 million). Although the average basket price of PGMs achieved decreased by 36% to 1 284 USD/oz (2022: 2 007 USD/oz), higher volumes sold of 6 588 oz (2022: 3 055 oz) and a weaker average ZAR:USD exchange rate more than made up for the price impact.

Total operating expenses (excluding Merafe head office costs)

Operating expenses increased by 20% to R6 972 million (2022: R5 802 million). This increase was influenced by higher chrome ore sales volumes and inflationary pressures, as evidenced by our unit production cost, which increased by 28% year-on-year.

The main contributors to operating costs were:

- the increased cost of chrome ore inputs to our production;
- the increased cost of reductants;
- the increased cost of electricity due to Eskom's tariff adjustments;
- other inflationary increases, which include higher staff costs incorporating increases agreed with labour unions; and
- an increase in selling expenses due to higher chrome ore volumes sold.

The cost of reductants and fluxes increased due to insufficient local anthracite and coke. This led to the importation of this stock, resulting in higher costs.

Standing charges also increased to R346 million (2022: R108 million) due to a planned pullback in production over the more expensive winter months.

The adjustments resulting from the impairment of PPE in earlier years have decreased the depreciation charge that was capitalised to inventory by R13 million (2022: R25 million decrease).

The diesel rebate matter with SARS is ongoing and has yet to be resolved. Accordingly, the disallowed amount (net of income tax) of R20 million (2022: R17 million) and interest payable to SARS of R5 million (2022: R5 million) continue to be fully provided for at year end.

Foreign exchange adjustments

The volatility of the Rand against the US Dollar resulted in a foreign exchange gain of R99 million for the year (2022: R68 million).

EBITDA

All the above factors increased Merafe's share of the Venture's EBITDA for the year to R2 358 million (2022: R2 228 million). Merafe's EBITDA was R2 545 million (2022: R2 141 million) after accounting for its corporate costs, which were R76 million (2022: R65 million). Corporate costs include a share-based payment expense (which is influenced by the Company's share price) of R11 million (2022: R13 million), Corporate Social Investment spend of R2 million (2022: R3 million), and a bonus provision of R11 million (2022: R12 million). The higher corporate costs include an expensed VAT apportionment adjustment of R4 million (2022: R1 million), higher legal fees, and various sundry expenses.

Gain on acquisition of joint operation

Merafe's EBITDA also includes a gain on contribution to the Venture of PGM operation in the Eastern Limb.

The SENS announcement published by the Company on 7 September 2023 refers to the contribution of the Eastern PGMs production plant to the Venture. This plant's contribution led to a gain of R250 million for the Group arising from the net asset value of the operation which was acquired for no consideration by Merafe. Effective from 1 January 2023, the Group started benefiting from this operation.

Depreciation and impairment

Merafe's share price at the end of the financial year traded at a discount to its net asset value per share, thereby indicating possible impairment. Consequently, a calculation of the recoverable amount had to be made as per IAS 36: Impairment of Assets. The recoverable amount was primarily based on Merafe's share of the value-in-use of the Venture as the cash-generating unit ("CGU"). The recoverable amount includes the valuation of Unicorn Chrome (Pty) Ltd ("Unicorn Chrome"). The directors have considered that no conclusive evidence supports recognising any impairment for the year. No operational or market factors identified by management point to possible impairment other than the market capitalisation of the Group being lower than the asset value of the business.

Impairment losses from prior years have led to a much lower depreciation charge for historical assets for reporting periods since 2020. However, capital expenditures made over subsequent years have gradually increased the depreciation expense. Depreciation of R249 million (2022: R219 million) was expensed for the year.

Income from equity-accounted investments

Due mainly to high chrome ore prices, Impala Chrome (Pty) Ltd, Unicorn Chrome's only investment, had its best financial performance in 2023 since our acquisition of the investment in May 2020. Accordingly, Merafe's share of income from equity-accounted investment increased to R19 million (2022: R4 million).

Net finance income

Finance costs, mainly from commitment fees from our Absa Bank Limited's ("Absa's") Revolving Credit Facility ("RCF") and interest on the utilised portion of the RCF, amounted to R3 million (2022: R1 million). Interest on cash reserves was the source of finance income of R41 million for the year (2022: R26 million).

Taxation

The taxation expense includes a deferred tax charge of R147 million (2022: R36 million) due to temporary differences on property, plant and equipment, receivables, provisions, and accruals. Due to its taxable profits exceeding its capital expenditure as at 31 December 2023, Merafe had no unredeemed capital expenditure balance at year end (2022: Rnil). This resulted in a current tax expense of R453 million (2022: R503 million). The current tax expense was lower due to the increase in capital expenditure for the year.

Profit for the year

Merafe reported a profit after tax of R1 753 million (2022: R1 410 million) for the year ended 31 December 2023.

Financial position

Ferrochrome production at our operations was 22% lower than the comparative period, primarily due to production pullback, as discussed earlier. The pullback, which enabled a drawdown of ferrochrome finished goods, decreased inventory volumes from 109kt to 81kt at year end. The above finished goods levels represent approximately two to three months of sales, a decrease from three to four months in the prior year. The closing inventory balance was R1 916 million at year end (2022: R2 373 million). The key reason for the higher closing trade and other receivables balance of R1 545 million (2022: R868 million) was higher sales volumes in the last quarter of 2023. Working capital remains crucial to our financial position, and we continue to focus on optimising its levels. The Venture's debt facilities are unutilised, and the business remains ungeared at the end of the financial year.

Our rehabilitation obligation is assessed periodically by an independent expert. For the year under review, the liability was assessed to be lower due to the upward revision of the discount rate. The provision for environmental rehabilitation decreased by R139 million, reducing total provisions from R294 million to R155 million. Our provisioning already caters for the impact of the National Environmental Management Act.

Boshoek Mine, which was on care and maintenance, is still in the process of being sold and has been classified as held for sale. At year end, only regulatory approvals remained as the outstanding conditions to be met.

Cash position

The closing cash balance was R1 656 million (2022: R1 269 million). This comprises Merafe's share of cash in the Venture and Unicorn Chrome of R959 million (2022: R652 million) and Merafe's cash of R697 million (2022: R617 million). The cash movement includes net cash outflow from working capital movements, mainly affected by an increase in trade and other receivables by R675 million, countered by a decrease in inventories by R454 million and an increase in trade and other payables by R106 million. Additionally, there was an outflow of cash from investing activities due to sustaining capital expenditure of R618 million (2022: R466 million), expansionary capital expenditure of R54 million (2022: R18 million), and payment of both the 2022 final dividend and the 2023 interim dividend of R825 million (2022: R850 million) in total. Expansionary capital includes R47 million (2022: R15 million) spent on the PGMs processing plants.

As earlier mentioned, the Venture has set aside cash, ringfenced for its future environmental rehabilitation obligations. This cash is not restricted. With the approval of the NPA application, there will be a call for increased Eskom guarantees by the Venture. Accordingly, this cash may, in the future, also include cash set aside for Eskom guarantees. This cash is available to back any Eskom and Department of Minerals Resources and Energy bank guarantees put in place. Merafe's share of the cash sits at R328 million (2022: R301 million) and is included in its share of the cash in the Venture and Unicorn Chrome of R959 million referred to above.

Debt position

Merafe's credit facility with Absa and the Glencore debt facilities available to the Venture through Glencore Holdings South Africa (Pty) Ltd were unutilised at year end. Although R200 million of Merafe's R300 million committed revolving credit facility with Absa was used to fund the 2023 interim dividend, this utilised portion had been fully repaid by year end.

Contingent liability

The Group is subject to direct and indirect tax in the South African jurisdiction. The Group's subsidiary undertakes various cross-border transactions within the Venture, subject to the Group's transfer pricing policies. As a result, significant judgement is required to determine the Group's income tax provision. The income tax and annual assessments are subject to examination within prescribed periods by the South African Revenue Services ("SARS").

At 31 December 2023, the previously reported transfer pricing matter with SARS was still ongoing. The Group has a deadline of 30 April 2024 to respond to SARS' letter of audit findings for the 2016 and 2017 years of assessment, which the Group is contesting with SARS. Management still relies on opinions from external legal and tax advisers to inform and support the significant judgement required in interpreting relevant tax legislation. The matter has been disclosed as a contingent liability as its outcome remains uncertain, and any potential tax exposure cannot be reliably estimated. Accordingly, the consolidated financial statements have no adjustment for any effects on the Group.

Share buy-back

The Board has considered whether the share buy-back programme should be resumed and concluded that a dividend is preferable at this stage.

Dividend

The Board has declared a final cash dividend of R550 million (2022: R325 million). This amounts to 22 cents (2022: 13 cents) per share and brings the total dividend for the year to R1 050 million (2022: R625 million).

Outlook

Looking ahead:

- The market is expected to continue growing in the coming years, driven by factors such as infrastructure development and the rise of electric vehicles;
- Price stability and production predictability are crucial for ensuring industry health. Although volumes will grow, the expectation is that price volatility will continue with risk on the downside;
- ESG matters will likely gain prominence and become even more important. The Venture continues to explore sustainable practices for its operations, and its green energy initiatives will not only contribute to the decarbonisation of its footprint but to power stability as well;
- Additionally, the NPA will enable our business to plan with more pricing certainty;
- Inclusion of the Eastern PGMs further grows our business and strengthens our PGMs footprint; and
- While a thawing of geopolitical tensions was expected in 2023, further tensions were experienced, and a spillover to 2024 has been inevitable.

Overall, 2023 was a year of resilience and adaptation for the ferrochrome industry. While facing headwinds, it laid the groundwork for continued growth and a focus on sustainable practices in the future. However, a resilient 2023 appears set to be followed by a looming slowdown in 2024.

DITABE CHOCHO
Financial Director | 15 March 2024

The full set of audited consolidated financial statements from which these summarised consolidated financial statements have been derived, were prepared under the supervision of Ditabe Chocho CA(SA), Financial Director. The directors take full responsibility for the preparation of the summarised consolidated financial statements.

Summarised consolidated statement of financial position

	Notes	As at 31 December 2023 Audited R'000	As at 31 December 2022 Audited R'000
Assets			
Property, plant and equipment		1 387 714	1 074 971
Intangible asset		25 413	29 626
Investment in associate		14 150	6 709
Deferred tax		–	6 210
Long-term receivable		37 287	38 663
Other long-term receivable		14 229	14 229
Total non-current assets		1 478 793	1 170 408
Inventories		1 916 476	2 372 540
Trade and other receivables		1 544 037	868 122
Current tax receivable		65 218	–
Cash and cash equivalents		1 655 807	1 268 599
		5 181 538	4 509 261
Non-current asset held for sale	11	963	963
Total assets		6 661 294	5 680 632
Equity			
Share capital		1 288 876	1 288 876
Retained income		3 969 665	3 041 413
Total equity attributable to owners of the company		5 258 541	4 330 289
Liabilities			
Lease obligation		5 911	9 059
Deferred tax		271 554	131 020
Environmental obligations		131 330	265 350
Share-based payment liability		10 040	12 518
Total non-current liabilities		418 835	417 947
Trade and other payables		945 859	840 039
Lease obligation		3 148	3 884
Current tax payable		178	52 073
Environmental obligations		10 907	4 345
Share-based payment liability		11 258	7 794
		971 350	908 135
Liabilities directly associated with the assets held for sale		12 568	24 261
Total liabilities		1 402 753	1 350 343
Total equity and liabilities		6 661 294	5 680 632

Summarised consolidated statement of profit or loss and other comprehensive income

	Notes	For the year ended 31 December 2023 Audited R'000	For the year ended 31 December 2022 Audited R'000
Revenue	5	9 244 022	7 939 061
Gain on contribution of joint operation	6	249 909	–
Foreign exchange gain		99 377	68 310
Other expenses		(7 048 087)	(5 866 720)
Earnings before interest, taxation, depreciation, amortisation and impairment		2 545 221	2 140 651
Depreciation and amortisation		(249 319)	(219 473)
Impairment		–	(236)
Income from equity-accounted investment		19 083	3 944
Results from operating activities		2 314 985	1 924 886
Finance income		40 941	26 078
Finance expense		(2 670)	(1 487)
Profit before taxation		2 353 256	1 949 477
Taxation		(600 292)	(539 467)
Total comprehensive income for the year		1 752 964	1 410 010
Basic earnings per share (cents)		70.1	56.4
Diluted earnings per share (cents)		70.1	56.4

Summarised consolidated statement of changes in equity

	For the year ended 31 December 2023 Audited R'000	31 December 2022 Audited R'000
Issued share capital – ordinary shares	24 991	24 991
Balance at the end of the year (issued share capital)	24 991	24 991
Share premium – ordinary shares	1 263 885	1 263 885
Balance at the end of the year (share premium)	1 263 885	1 263 885
Balance at beginning of the year	3 041 413	2 481 106
Total comprehensive income for the year	1 752 964	1 410 010
Dividends paid	(824 712)	(849 703)
Balance at the end of the year (retained earnings)	3 969 665	3 041 413
Total equity for the end of the year	5 258 541	4 330 289

Summarised consolidated statement of cash flows

	For the year ended 31 December 2023 Audited R'000	31 December 2022 Audited R'000
Profit before tax	2 353 256	1 949 477
Depreciation and amortisation	249 319	219 473
Effect of exchange rate fluctuations	(7 843)	49 623
Income from equity-accounted investment	(19 083)	(3 944)
Finance income	(40 941)	(26 078)
Finance expense	2 670	1 487
Impairment	–	236
Movement in rehabilitation provision	(25 635)	11 478
Other non-cash movement	4 422	4 223
Loss/(profit) on sale of property, plant and equipment	29	(650)
Fair value adjustment on provisionally priced revenue	(781)	63 933
Movement in long-term receivable	1 376	(25 219)
Share grants vested	(10 129)	(2 284)
Share-based payment expense	11 115	12 848
Net realisable value inventory adjustment	2 046	1 288
Changes in working capital:		
Inventories	454 018	(721 650)
Trade and other receivables	(675 134)	622 565
Trade and other payables	105 820	(22 555)
Cash generated from operating activities	2 404 525	2 134 251
Interest received	37 721	23 666
Interest paid	(3 901)	(3 358)
Dividends from associates	11 642	–
Taxation paid	(570 661)	(456 863)
Net cash generated from operating activities	1 879 326	1 697 696
Acquisition of property, plant and equipment – sustaining	(617 551)	(466 396)
Acquisition of property, plant and equipment – expansionary	(53 814)	(17 841)
Proceeds from the sale of property, plant and equipment	–	697
Movement in other long-term receivable	–	(14 229)
Net cash utilised in investing activities	(671 365)	(497 769)
Repayment of capital portion on lease liabilities	(3 884)	(4 131)
Dividends paid	(824 712)	(849 703)
Net cash utilised in financing activities	(828 596)	(853 834)
Total cash movement for the year	379 365	346 093
Cash at the beginning of the year	1 268 599	972 129
Effect of exchange rate movement on cash balances	7 843	(49 623)
Total cash at the end of the year	1 655 807	1 268 599

Manufactured Capital in the mining context relates to the mining and smelting process and how it is conducted as well as the assets which are being mined and beneficiated. It is important to an organisation's sustainability because its efficient use allows an organisation to be flexible and innovative and increases the speed at which it delivers.

MANUFACTURED CAPITAL FOCUS AREAS

MATERIAL ISSUES

- Health and safety
- Project execution
- Pricing and the availability of electricity
- Raw material availability
- Business continuity and profitability
- Investing in new technology to increase energy efficiency
- Industrial action
- Community issues

We enhance our Manufactured Capital by:

- employing our infrastructure, technologies and processes to use our resources most efficiently; and
- devising technology and management systems that reduce our waste and emissions.

MATERIAL ISSUES See pages 8 and 9

MI1 MI2 MI3 MI4 MI5 MI6 MI10 MI11

KEY POINTS 2023

Merafe's attributable ferrochrome production
300kt
(2022: 384kt)

Cost of ferrochrome production per tonne increased by
28%
(2022: 30% increase)

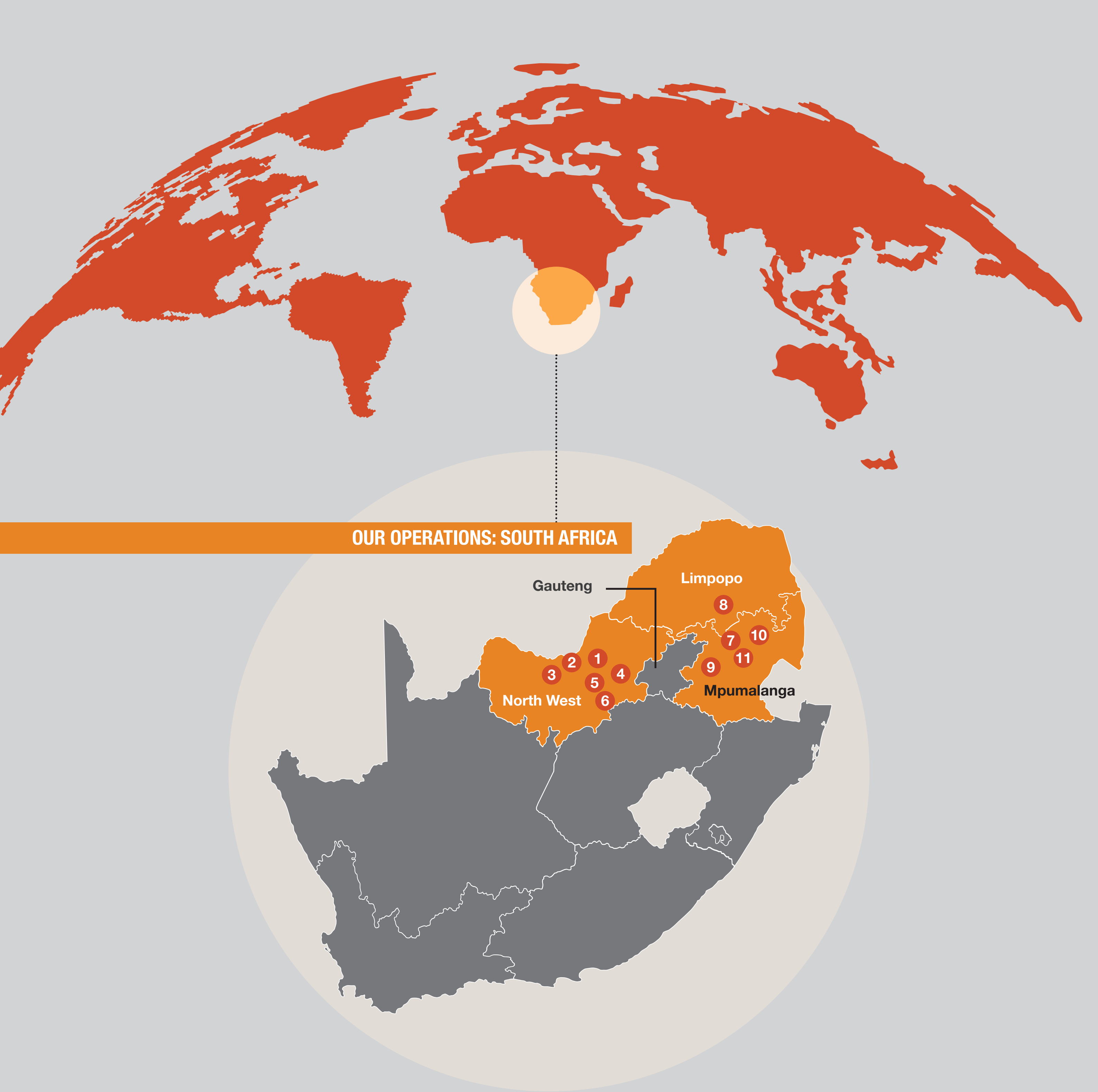
Fatalities
2
(2022: Nil)

TRIFR performance of
2.34
(2022: 2.40)

No industrial action

Railway and port challenges

Pricing and availability of electricity challenges



Glencore-Merafe Chrome Venture operations

1. Rustenburg ferrochrome plant and Tswelopele pelletising and sintering plant
2. Boshoek ferrochrome plant and Motswedi pelletising and sintering plant
3. Boshoek Mine
4. Wonderkop ferrochrome plant and Bokamoso pelletising and sintering plant
5. Waterval (east and west) and Marikana Mines
6. Kroondal Mine and PGM plant
7. Thorncliffe Mine and PGM plants
8. Lion ferrochrome plant
9. Lydenburg ferrochrome plant
10. Helena Mine
11. Magareng Mine

Operational review

Merafe's attributable ferrochrome production decreased by 22% from 384kt to 300kt for the year ended 31 December 2023. The reduction in production was mainly due to a planned pull back in production in response to weaker market conditions. During the three-month high electricity demand winter season, a period of elevated electricity tariffs, only Lion smelter operated. Post the winter period the Rustenburg smelter was not brought back to production as weaker market conditions persisted.

In the third quarter of the 2023 financial year, the JV partners reached an agreement for the PGMs plant, located at the Thorncliffe Mine (Eastern PGMs plant), to be contributed to the JV. The inclusion of this plant has contributed to increased PGMs production volumes from 3 170 oz to 6 443 oz.

Total unit cost of ferrochrome production rose by 28%. The increase was mainly due to higher inflation, higher ore market costs, higher reductants and higher plant costs. Plant costs per unit were impacted by lower volumes produced.

Massive logistic challenges continue to plague the industry, contributing to increased logistic costs. The increased reliance on road transportation, combined with higher diesel cost has pushed this cost component higher.

The Venture's decarbonisation objectives are aligned with those of Glencore Plc. Our portfolio profile provides the flexibility to decarbonise our footprint with a target of achieving a 50% reduction in our total CO_2e emissions by 2035. Some of our strategic elements towards achieving our target include managing our operational footprint as well as taking advantage of opportunities to reduce our scope 3 emissions.

Eskom

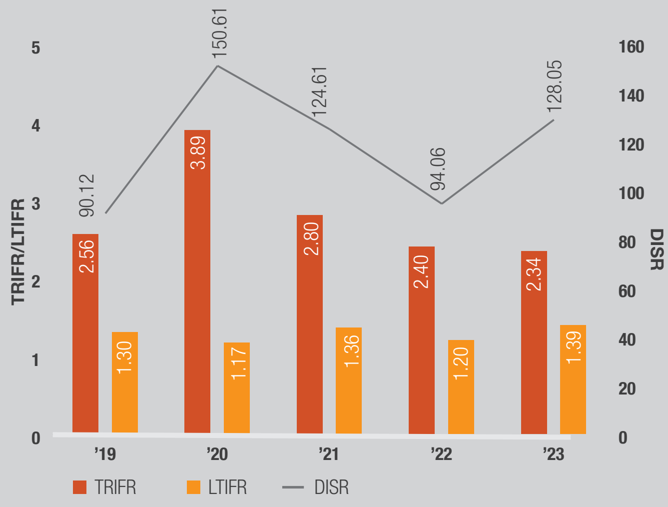
Reliability of electricity supply and above inflation cost increases remain key risks for our business. Electricity tariffs increased by 18.65% effective 1 April 2023 and NERSA has approved tariff hikes of 12.75% effective 1 April 2024.

NERSA has approved the Negotiated Pricing Agreement application between Glencore/Merafe and Eskom. The parties are in the process of finalising the agreement. This should facilitate price and planning predictability for the JV smelters.

Reductants

The cost of reductants was impacted by increased market prices and a shortage of local supply of anthracite and coke, necessitating imports which are more expensive.

Venture safety performance



Safety

Sadly, the Venture had two fatalities during the last half of 2023 and one fatality in the first month of 2024. Our total recordable injury frequency rate improved by 3% to 2.34 (December 2022: 2.40).

The safety of our employees is our number one priority, and we therefore, remain focused on implementing the SafeWork 2.0 with the aim of continual improvement and the effective implementation of the fatal hazard protocols. In addition to these initiatives, a specific focus this financial year was quality assurance and verification activities on our systems and standards. In 2024, a particular emphasis will be placed on contractor management.

Health

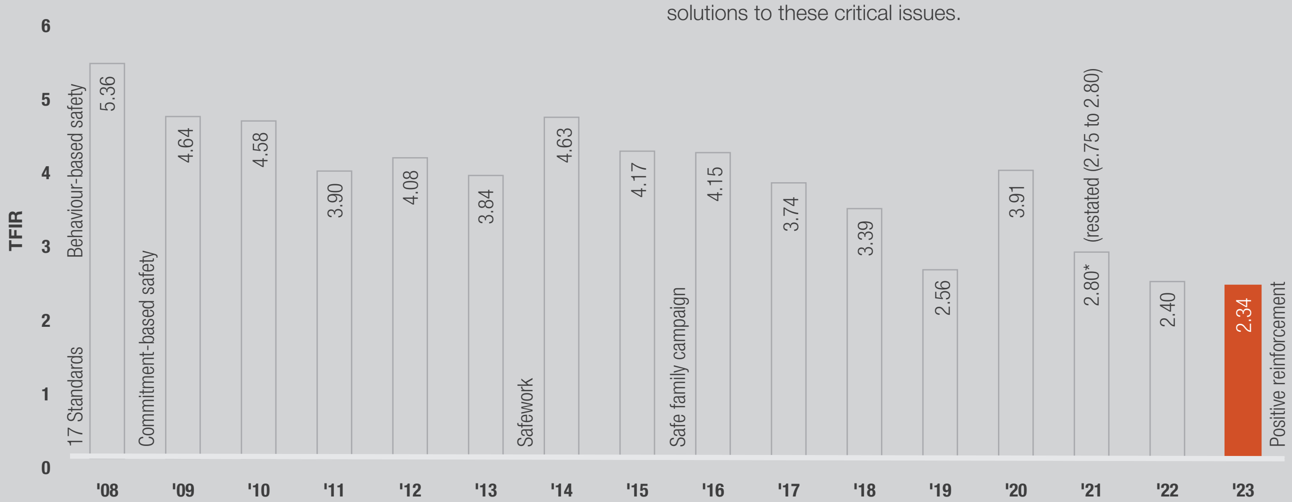
COVID-19 cases have reduced significantly over the years. We will continue to monitor these to identify any concerning trends so that necessary controls can be implemented if required.

We remain committed to creating a healthy work environment and will review all our health risk assessments during 2024. Additionally, we will continue to monitor the occupational health of our workforce.

Railways and ports

The deteriorating infrastructure of the railways and the ports continues to be a challenge to the South African ferrochrome industry. The inability of the railways to transport our product and inefficiency at the ports causes an excessive reliance on road transport. Inefficiency at the ports also results in backlog and delays at the harbours. This not only results in delays in shipping our product (and impacts the reputation of South African producers as being reliable suppliers), but also creates opportunities for corruption and theft. The Venture continues to engage proactively with the governmental departments in its attempt to find solutions to these critical issues.

TRIFR 2008–2023



Chrome ore production

Production

The Chrome mines' (including UG2) saleable chrome ore production for 2023 is 7% less than the previous year.

Chrome produced at the mines in 2023 was 5% less than in 2022 mainly due to the drop in the head grade and labour instability *(resignations of drill rig and bolter operators)* in our Eastern Operations.

Lower tonnages (11%) at the UG2 operations were mainly due to less feed received from external PGMs concentrators.

Costs

The Chrome mines' (including UG2) saleable chrome ore production costs for 2023 were 14% more than the prior year.

Production costs from mines were 14% more than the prior year mainly due to less volumes produced coupled with above inflationary increases.

Production costs from the UG2 platinum tailings were 12% more than the prior year mainly due to higher prices paid for raw material from PGMs producers *(linked to Chrome ore market prices)* and lower volume.

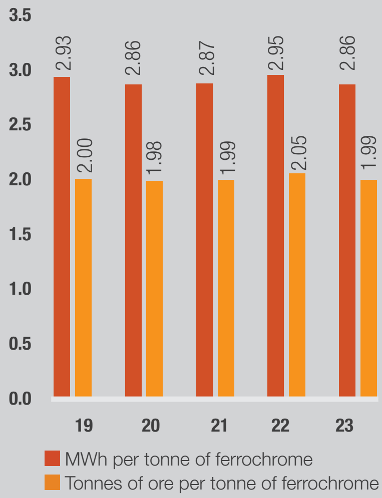
Resources and reserves

The Venture has in excess of 30 years of ore available at the current rate of mining.

Quantitative data of the Venture

The quantitative data of the Venture is set out from pages 23 to 39 of the report. Merafe's attributable portion of such data is 20.5%.

Power and ore consumption efficiencies



The Glencore-Merafe Chrome Venture's operations

Ferrochrome

Plants	Capacity	Technology	Mines
Western Limb (North West province)			
Wonderkop	553 000 tpa FeCr	Bokamoso pelletising and sintering plant using Outotec technology	Kroondal, Waterval and Marikana
	6 furnaces	Conventional semi-enclosed furnaces	
Rustenburg*	430 000 tpa FeCr	Tswelopele pelletising and sintering plant using Outotec technology	Kroondal, Waterval and Marikana
	6 furnaces	Conventional semi-enclosed furnaces	
Boshoek	240 000 tpa FeCr	Motswedi pelletising and sintering plant using Outotec technology	Waterval, Kroondal and Boshoek
	2 furnaces	Enclosed furnaces	
Eastern Limb (Mpumalanga and Limpopo provinces)			
Lydenburg**	396 000 tpa FeCr	Premus – kilns	Thorncliffe, Helena and Magareng
	4 furnaces	Three enclosed furnaces and one semi-enclosed furnace	
Lion Phase I	360 000 tpa FeCr	Premus – kilns	Thorncliffe, Helena and Magareng
	2 furnaces	Enclosed furnaces	
Lion Phase II	360 000 tpa FeCr	Premus – kilns	Thorncliffe, Helena and Magareng
	2 furnaces	Enclosed furnaces	

** Furnace 6 under care and maintenance.*
*** Smelter under care and maintenance.*

The Venture has access to various UG2 plants in the Western Limb including EPL, Kanana, Kl, K2, K4 and Rowland, and Mototolo in the Eastern Limb. The Venture constructed and operates PGM processing plants at its Western and Eastern operations.

- climate change and energy
- environment
- Abridged Mineral Resources and Mineral Reserves Statement

Natural capital includes the natural resources and processes needed by an organisation to produce its products.

This includes renewable (timber and water) and non-renewable (fossil fuels, minerals and metals) resources and processes such as energy consumption, waste creation, emissions, etc. Without access to the natural capital contained in our mineral reserves and resources, our business would not exist.

Environmental Policy Statement

"Our ambition is to be a leader in environmental performance, and to minimise harm to the environment, through environmental stewardship and responsible resource management across our global operations."

See the online 2023 Integrated Annual Report for the full Environmental Policy of Glencore and the Venture, which is also on our website at www.meraferesources.co.za

We maintain and enhance **NATURAL CAPITAL** through:

- **Reducing** our dependence on fossil fuels
- **Wherever possible, using renewable resources** from well-managed and restorative ecosystems
- **Protecting** biodiversity and ecosystems
- **Managing** resources and reserves efficiently
- **Reducing** waste by reusing or recycling it whenever possible

NATURAL CAPITAL FOCUS AREAS

ENERGY	CLIMATE CHANGE	HEALTH AND SAFETY	WATER	WASTE
• Pricing and the availability of electricity • Business continuity and profitability • Investing in new technologies to increase energy efficiency	• Environmental aspects of climate change • The Venture's production of significant quantities of indirect and direct greenhouse gas emissions ("GHGs") • Investing in new technologies to reduce emissions	• Safety of employees • Health of employees • Training • Remuneration	• Use and availability • Recycling	• Incidents and compliance • Disposal and recycling

MATERIAL ISSUES See pages 8 and 9

MI1 MI2 MI4 MI5 MI10 MI11

Natural capital: climate change and energy

KEY POINTS 2023

The CO_2e generated per tonne of ferrochrome produced was
+5.30tCO_2e and *5.68tCO_2e
(2022: 5.35tCO_2e and 5.74tCO_2e)

*+Location / *Market based*

The energy use per tonne of ferrochrome produced was
15.0GJ
(2022: 14.5GJ)

Stakeholder impact

The Venture stakeholders benefit from its energy efficiencies, which have made it one of the lowest cost ferrochrome producers in the world and the lowest cost producer in South Africa.

Managing climate change and carbon emissions

The Venture focuses on understanding the current and future impact of climate change on its operations. Climate change risks are included in each operation's risk assessment. It measures and interprets energy and GHGs data to identify areas of opportunity. The Venture continuously researches and identifies potential energy and GHG reduction opportunities and evaluates the feasibility of implementing these opportunities. It also actively participates in discussions on climate change legislation *via* various industry organisations.

The Venture's efforts to continually evaluate and improve its energy efficiency are in line with the societal demand to reduce the emissions of GHGs.

The Venture uses the Greenhouse Gas Protocol as an accounting and reporting standard for our emissions. To align with the IPCC's 6th Assessment Report ("AR6"), instead with the IPCC's 5th ("AR5"), the Global Warming Potentials ("GWPs") were updated back to the 2019 baseline. In 2022 the Venture embarked on a process to improve emission report with respect to our Scope 2 emissions. In that regard Scope 2 emissions will now be reported on a market-based and location-based basis. This will enable the Venture to show the impact of renewable energy generation and purchases on our Scope 2 emissions as the Venture may decarbonise faster than the country's grid. Previously, the Venture only reported location-based emissions. This protocol was developed in partnership with the World Resources Institute and the World Business Council for Sustainable Development. It divides GHG emissions into different types, categorising them as either direct (Scope 1) or indirect (Scope 2) emissions.

- Scope 2 Location based is GHG emission based on average energy generation emission factors for defined locations, including local sub-national or national boundaries (using mostly grid-average emission factors).
- Scope 2 Market based is GHG emissions based on GHG emissions emitted by the generators from which the asset contractually purchases electricity bundled with instruments or unbundled instruments on their own, and for which a specific emission factor is known.

For 2023 the location based emission factor obtained from the IEA was 0.9001kgCO_2e/kWh. The market based emission factor was 1.01kgCO_2e/kWh.

A representative of the Venture served on the council of the Energy Intensive User Group during 2023. The Venture, which participates in the Minerals Council of South Africa and the Ferro Alloys Producers Association environmental forum, represents the ferroalloys industry at Business Unity South Africa. The Venture's representatives play a leading role in these forums and they comment on climate change and carbon tax legislation.

The Venture also engages with government via these forums to ensure that the potential impact the proposed legislation will have on our industry and Company is understood.

During 2023, the Venture again played an important role in the engagement process between business and the Department of Fisheries, Forestry and the Environment, DMRE and National Treasury on matters relating to GHG emissions, Carbon Tax, Just Transition and Renewable Energy Generation.

Climate change performance is included in the health, safety, environment and community performance indicators that the Venture uses as part of its performance appraisals.

We are working with global specialists and draw on local expertise within our operational teams to identify value accretive abatement opportunities to further reduce our carbon footprint.

The Glencore Alloys Group Environmental Manager is responsible for climate change-related issues in the Venture.

THE VENTURE'S FOCUS FOR 2024

Climate Change and Energy Strategy	▶ The Venture has a systematic approach to decarbonisation through its Climate Change and Energy Strategy. ▶ Strategic elements include managing operational footprint, reducing emissions, collaborating with supply chains and transparent reporting.
Emission Reduction Targets	▶ The Venture aligns with Glencore's target to reduce total emissions by 15% by 2026 and 50% by 2035 (based on 2019 levels). ▶ These targets align with international climate change scenarios and pathways.
Scope 3 Emissions Calculation	▶ Rule Book to accurately calculate Scope 3 emissions, aligned with the Venture's Greenhouse Gas Protocol has been developed. ▶ The Scope 3 emissions have been calculated for 2019 to 2022. The 2023 data will be completed be the end of May 2024, Once completed, the Scope 3 emissions from 2019 to end 2024 will be available on the Merafe website.
Independent Verification	▶ Scope 1 and Scope 2 GHG emissions of the Venture are independently verified annually, complying with legal requirements.
Business Costs and Reporting	▶ The Venture is compiling information on business costs associated with climate change.
ESG Integration	▶ ESG considerations are incorporated into performance KPIs related to executive employee remuneration policies.

See our online annual report 2023 for the Venture's Renewable Energy 2024 Update.

RENEWABLE ENERGY STRATEGY

The renewable energy strategy to support 50% total CO_2e emission reduction by 2035 (as set out above) is reliant on five pillars.

01	RENEWABLE ENERGY	Offsite renewable energy: Wind and solar power transmitted *via* Eskom network.	Onsite renewable energy: Solar power generated at operations based on geographic location.
02	CO-GENERATION	Integrated heat and gas from operations to produce electricity	
03	ESKOM OPTIMISATION	Utilise available short-term Negotiated Pricing Agreement (NPA) initiatives	
04	PROCESS ENERGY IMPROVEMENT	Optimise processes to be as energy efficient as possible	
05	ENERGY STORAGE	Long duration energy storage	

Understanding the Venture's carbon footprint

The Venture generates GHG emissions from its smelting processes and from its energy use. The use of fossil fuels in the form of reductants in the furnaces contributes directly to the creation of GHGs, and the electricity supplied from coal-fired power stations contributes indirectly to the creation of GHGs. The Venture and Merafe are committed to minimising GHG emissions and improving our energy efficiency, and recognise the magnitude and importance of this challenge. The Venture also actively engages in public policy, specifically through collaboration with the DEFF on a carbon process aimed at estimating the country's annual carbon emissions.

The risks associated with climate change

Climate change remains a key longer-term risk for the Venture. The potential risks are complex in that they include operational risks such as business continuity, health and safety, environmental aspects and regulatory aspects. Risks are both physical and financial. For example, should the Venture's operations be damaged by flooding and extreme storms, this could cause business interruptions. The reduced availability of water could also interrupt business operations and have health impacts.

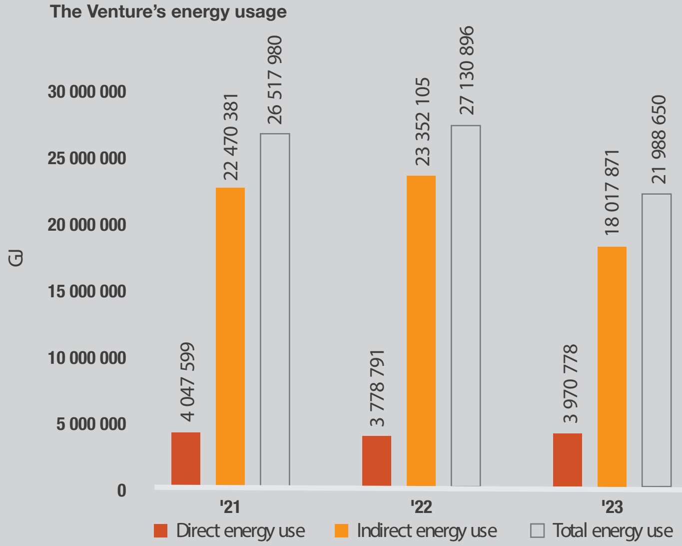
Restatements

Restatements of prior-year data occur due to improvements in testing and/or methodology. Any restatement of prior-year data relating to energy usage and emissions set out on page 25 of this report is not significant or material.

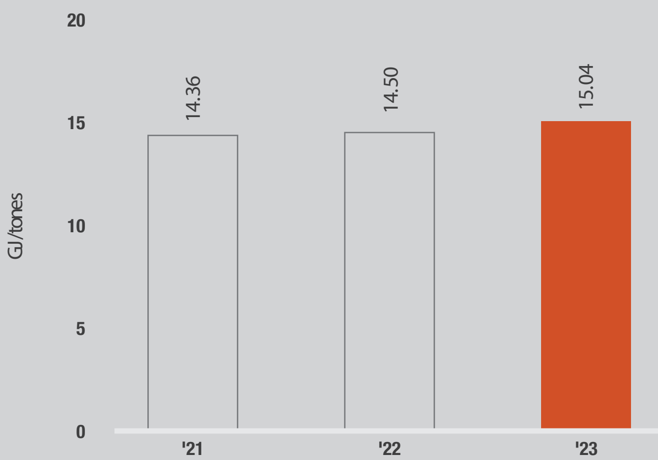
The Venture's energy consumption

Total energy consumption in the Venture's operations decreased as a result of lower production in 2023. The energy usage per tonne of ferrochrome produced increased from 14.50GJ/tonne to 15.04GJ/tonne The energy consumption and performance of the Company in any year is dependent on the production performance in that year and the contribution of the most energy-efficient plants in the Venture to that production.

The Venture's energy usage



Total energy use per tonne of ferrochrome produced



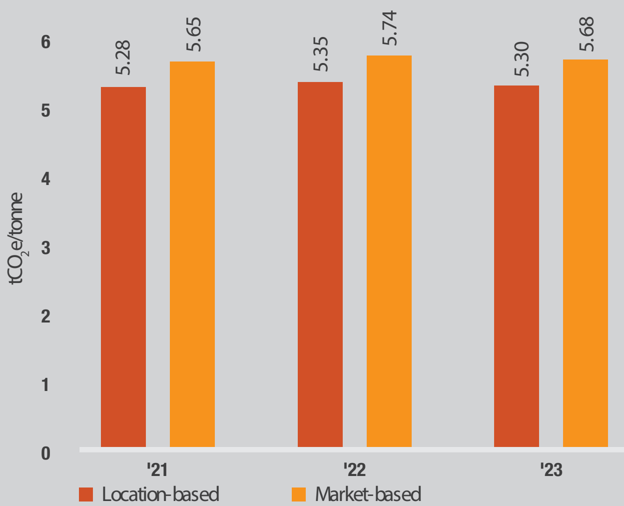
The Venture's emissions

To align with the IPCC's 6th Assessment Report (AR6) instead of the IPCC's 5th (AR5) the Global Warming Potentials (GWPs) were updated back to the 2019 baseline. The Venture's total Scope 1 (direct) and Scope 2 (indirect) emissions decreased in 2023 as a result of lower production. The CO_2e generated per tonne of ferrochrome produced decreased in 2023. The emissions performance of the Company in any year is dependent on the production performance in that year and the contribution of the most energy-efficient plants in the Venture to that production.

GHG emissions (tCO_2e)		Location-based	Market-based
2021	Scope 1	3 958 362	3 958 362
	Scope 2	5 784 249	6 481 031
	Total	9 742 610	10 439 393
2022	Scope 1	3 999 688	3 999 688
	Scope 2	6 014 144	6 738 620
	Total	10 013 832	10 738 308
2023	**Scope 1**	**3 239 639**	**3 239 639**
	Scope 2	**4 503 662**	**5 059 058**
	Total	**7 743 301**	**8 298 697**

In 2023, the Venture commenced a project to accurately calculate its Scope 3 emissions. The project has been completed and a third-party independent specialist is reviewing the data collection methodologies to determine compliance with the Greenhouse Gas Emissions Protocols. This work will be completed by the end of May 2024. Thereafter, the Scope 3 footprint from 2019 to 2023 will be disclosed in Glencore's Annual Climate Report and the Ventures Scope 3 emissions data will be uploaded to the Merafe website.

Total CO_2e generated per tonne of ferrochrome produced



Environment includes the natural resources and processes needed by an organisation to produce its products.

NATURAL CAPITAL ENVIRONMENT FOCUS AREAS

MATERIAL ISSUES

- Water
- Environmental incidents
- NO_x SO_x emissions
- Waste
- Biodiversity and land use

This section of our report focuses on the Venture's environmental approach, impact and performance. We rely on the Venture's effective environmental policies and procedures to ensure our investment is managed responsibly.

MATERIAL ISSUES See pages 8 and 9

MI1 MI4 MI5 MI6

KEY POINTS 2023

The Venture's use of recycled or re-used water increased in 2023

Water conservation plans are in place at all the operations of the Venture

An integrated approach to environmental responsibilities

The Venture's long-term success depends on prioritising environmental issues and integrating environmental responsibility into its strategic planning, management systems and day-to-day operations.

Management accountability is central to Glencore's integrated approach, which reviews its environmental risks and opportunities annually as part of its business strategy and planning process. Each site has a comprehensive environmental management system in place. The system provides access to aspects and the impact of all activities, from pre-feasibility to the operational phase, including closure and rehabilitation. The Venture's objective is to ensure environmental legal compliance, optimise its monitoring and measurement practices and to minimise and manage any waste and emission generation in an environmentally responsible manner. Environmental responsibilities are clearly included into legal appointments and job descriptions.

Restatements

Restatements of prior-year data occur due to improvements in testing and/or methodology. Any restatement of prior-year data relating to water usage set out on page 26 of this report is not significant or material.

Water

Water is a finite and precious natural resource essential to the sustainability of the communities in which the Venture operates. It is also necessary for its mining and metallurgical processes.

The Venture's operations are regulated through its Water Use Licences. One of the key legal compliance requirements is the development and annual updates of operations' Integrated Water and Waste Management Plan. The plans are underpinned by principles of responsible and sustainable water usage and pollution prevention. Various water treatment technologies including bioremediation have been implemented across the Venture's operations. The initiatives do not only mitigate water pollution but enable re-use of process water and reduces reliance on municipal potable water. The recent heat wave and interruption of electricity supply prompted operations to review their water risk assessments focusing on water availability and associated corrective measures. Based on the requirements of the Venture's HSEC & HR Strategic overview, the assets have set catchment context based local targets. The implementation of the enabling actions to achieve the targets will include local partnerships with other companies to improve the water quality in the catchment.

Water use and availability

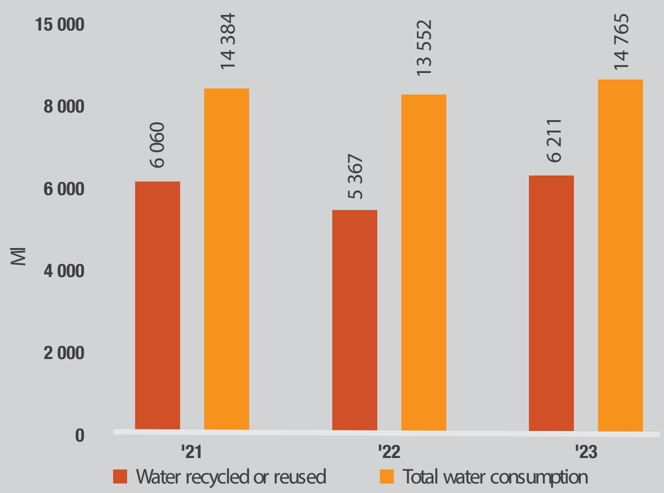
The Venture's operations work with the Department of Water and Sanitation, local communities, local authorities, the farming community and other industry users to ensure the sustainability of water resources and equitable access to water resources for stakeholders.

We recognise access to safe and clean water and sanitation as salient human rights. We seek to fully understand and minimise our operational water footprint and manage our activities in a way that protects our shared water resources. We are committed to ensuring good water management is in place at all of our assets and undertake detailed assessments, monitoring and implementation of corrective actions. Our assets consult their host communities and other relevant local water users to understand local priorities and to collaborate on sustainable solutions.

The availability of water is a key consideration when the Venture plans the expansion or construction of an operation. It uses the results of the environmental and social impact assessments it undertakes to guide its decision-making and to ensure it has the least possible impact on local water resources during the various phases of its projects.

All of the Venture's operations have water conservation plans. They have previously set water intensity targets and have measures in place to help them be as water efficient as possible. In addition, its operations are identifying possible water reduction projects.

The Venture's water usage



Waste management and effluent and biodiversity management

Waste management and effluent

The mineral waste produced by the Venture in 2023 is set out below:

Mineral waste

Aligned with legislation, our trained employees conduct internal management of waste streams where appropriate. The Venture treats and disposes of waste responsibly and reuse and recycle waste where practicable. We continuously raise employee awareness with waste reduction and sorting with our multi-coloured refuse bin system.

Category	**2023 tonnes**	2022 tonnes	2021 tonnes
Mineral waste – produced	**3 948 129**	4 335 010	4 401 937
Non-mineral waste – disposed	**8 261**	9 714	12 601
Non-mineral waste – recycled	**6 051**	7 051	6 476

Biodiversity management

Biodiversity remains a key longer-term risk for the Venture. The Biodiversity management for the Venture focuses on shifting towards Task Force on Nature related Financial Disclosure (TNFD) requirements. TNFD is a risk management and disclosure framework. The Venture is currently on LEAP (Locate, Evaluate, Assess and Prepare) assessment. This process entails assessing the business footprint where are our direct assets and operations, nature interface, priority location identification, the corresponding risks to the Venture, evaluating dependencies and impacts, preparing to respond and report or disclose in line with the TNFD disclosure recommendations. The Venture is also modernising biodiversity surveys with eDNA sampling and analysis. Environmental DNA (eDNA) is traces of DNA that animals leave behind in the environment, particularly water, it can be thought of as fingerprints left in water or the natural environment. The first ever eDNA sample for the Venture was taken at Boshoek Smelter.

Incidents and compliance

It is always the Venture's aim to have no environmental incidents at its operations. It monitors, reports, investigates and remediates any incidents that occur and applies lessons learnt to prevent similar incidents in the future. Its operations are required to report any environmental high-potential risk incidents, including near-misses, that could have resulted in a category 4 or 5 incident, even when the actual impact was less significant. Environmental incidents recorded at the Venture's operations also include incidents that occur as a result of contractor activity.

Restatements

Restatements of prior-year data occur due to improvements in testing and/or methodology. Any restatement of prior-year data relating to waste, environmental incidents and emissions set out on page 27 of this report is not significant or material.

Environmental incidents

Category	**2023**	2022	2021	2020
Category 1 – negligible (causing negligible, reversible environmental impact, requiring very minor or no remediation)	**78**	59	53	38
Category 2 – minor (causing minor, reversible environmental impact, requiring minor remediation)	**17**	12	5	10
Category 3 – significant (causing moderate, reversible environmental impact with short-term effect, requiring significant remediation)	**–**	1	–	1
Category 4 – major (causing serious environmental impact, with medium-term effect, requiring significant remediation)	**–**	–	–	–
Category 5 – disastrous (causing disastrous environmental impact, with long-term effect, requiring major remediation)	**–**	–	–	–

Note: The Venture received no environmental fines at its operations in 2023. There were no category 4 and 5 incidents in 2023.

NO_x and SO_x performance

The Venture's emissions

Category	**2023 tonnes**	2022 tonnes	2021 tonnes	2020 tonnes
NO_x (oxides of nitrogen) Stack emissions (total mass)	**3 616**	2 143	1 782	840
SO_x (oxides of sulphur) Stack emissions (total mass)	**3 035**	4 764	4 876	3 281
Total particulates Stack emissions (total mass)	**2 445**	1 860	1 979	1 219

The increase in NO_x in 2023 was mainly caused by loadshedding which impacted efficiency combustion and stability in the furnaces.

The decrease in SO_x was mainly driven by low sulphur content in the type of reductants used and not directly related to production volumes.

The emission data is based on quarterly emission data which is used to calculate emission factors and then applied to the year.

The nature of the operations at the Venture's semi-closed furnaces means that dilution air enters the air pollution control equipment. NO_x is formed as a secondary emission through the air pollution control equipment due to the presence of nitrogen in the air. Small process changes in terms of gas volume and temperature can result in step changes in NO_x emissions. The emissions at the Venture comply with Atmospheric Emissions License Limits.

Product stewardship

The Venture monitors and addresses the impacts and risks associated with the use of its products throughout their life cycles, including during stages outside of its control, such as use, recovery, recycling and disposal.

It works with national and international industry associations, its customers and suppliers to understand the environmental health and safety risks of its products and to find ways to mitigate these risks.

No products produced by the Venture, or their packaging materials, were reclaimed during 2023.

To ensure the quality of its products, the Venture aligns its systems with the requirements of ISO 9001:2015 and some of its smelters are certified. Its laboratories are ISO 17025 accredited, which ensures that the methods and equipment it uses are accurate.

Land use

For further information on land use, see the Mineral Resources and Reserves Statement being Appendix 1.

Merafe's attributable portion of the quantitative data of the Venture set out from page 23 to 39 of this report is 20.5%.

Introduction

The purpose of this report is to document an abridged version of the Mineral Resources and Mineral Reserves of Merafe Resources ("**Merafe**") in accordance with the requirements of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves ("**The SAMREC Code**") 2016 Edition. All Merafe's operations are part of a pooling and sharing venture with Glencore Operations South Africa Proprietary Limited (the Glencore-Merafe Chrome Venture ("**the Venture**"). Merafe has a 20.5% attributable beneficial interest in the Mineral Resources and Mineral Reserves of the Venture. The estimates in this document are as at 31 December 2023. To state the Mineral Resources and Mineral Reserves estimates for 31 December 2023, the budgeted production for July 2023 to December 2023 has been subtracted from the total estimates. The Mineral Resources and Mineral Reserves information in the tables on the following pages is based on information compiled by a Competent Person (as defined by The SAMREC Code).

Type of mining and mining activities

The Venture has chrome mining operations along the Western- and Eastern Limbs of the Bushveld Complex. The operations along the Western Limb of the Bushveld Complex comprise the Kroondal Mine. The LG6 Package at Kroondal Mine is mined underground using trackless mining methods on a Bord-and-Pillar lay-out. Kroondal will be targeting a production rate of 146ktpm for 2023. Boshoek Mine is 20km north-west of Rustenburg. The MG1, LG5 and LG6 Chromitite Layers have been mined in several open pits. The opencastable ore has almost been depleted and the mine has been put on care and maintenance. Townlands Extension 9 is an exploration project. The *status quo* has remained the same since the application for a retention permit in November 2017. The DMR accepted the application and the Venture is still awaiting the granting and execution of the application. No exploration costs have to be expended on the project from the date of execution of the application for the subsequent three years. Pending the outcome of the application no third party may legally apply for a Prospecting Right over this property. Thorncliffe-, Magareng- and Helena Mines are situated along the southern portion of the Eastern Limb of the Bushveld Complex. The MG1 and MG2 Chromitite Layer is being mined underground using trackless mining methods on a Bord-and-Pillar mining lay-out. Thorncliffe, Magareng and Helena Mines are situated within the same Mining Right area, but are situated on different farm properties. The farms of St George and Richmond have been incorporated into the Mining Right of the Eastern Chrome Mines Complex. The Ventures silica deposit lies 15km west of Rustenburg. The quartzite is mined mainly to supply the Ventures furnaces with silica.

Comparison of Mineral Resources and Mineral Reserves estimates with previous year's estimates

The annual Mineral Resource and Mineral Reserve estimates are compared with the previous year's statement and reconciled each year after the estimates have been finalised. Changes in the year-on-year tonnage and grade estimates are mainly due to mining depletion and changes in the Mineral Resource and Mineral Reserves tonnages and grades due to additional geological information. In addition, disposed or lapsed rights will also impact total resources and reserves.

The biggest impact to the year-on-year changes in the Mineral Resource tonnages for the Venture is mainly due to mining depletion of 7.235 Mt. There is a gain of 2.060 Mt at Thorncliffe and Magareng mainly due to the addition of pillars and a gain at Kroondal Gemini of 0.921 Mt due to the addition of pillars.

The most significant changes in the year on year estimation of the Mineral Reserves is due to the mining depletion of 5.442 Mt of ROM. The net change excluding mining depletion is an increase of 2.191 Mt. There is a gain at Klipfontein and Richmond mainly due to a change in the five-year mining plan.

There is no material difference in the silica Mineral Resource estimates from December 2022 to December 2023 and the change is mostly attributed to mining depletion. The change in the Mineral Reserves for Rietvly is mainly as a result of mining depletion.

Material risk factors

There are no foreseen material risk factors that could affect the validity of the current Mineral Resource and Mineral Reserve statement. All the legislative requirements have been met with respect to the rights to mining and prospecting for which the Mineral Resources and Mineral Reserves have been reported. All the operating mines are mining under new order, executed, Mining Rights. The Prospecting Rights of all the prospecting areas have been converted to new order Prospecting Rights.

Competent Persons

The Competent Persons involved in the Abridged Mineral Resources and Mineral Reserves statement are:

Competent Person	Job Description	Operation	Highest Qualification	Professional Affiliation	Years of Experience	Years with Alloys
Sulayman Yousuf Vaid	Group MRM	Head Office	ND Mine Survey	SAGC GTgMS0114	30 (Gold/Platinum/ Chrome)	16
Lindiwe Nkambule	MRM ECM	ECM	BSc Hons Geology	SACNASP 121632	7 (Platinum/Chrome)	8
Mogomotsi Maputle	MRM WCM	WCM	BSc Hons Geology	SACNASP 400071/14	20 (Platinum/Chrome)	16
Dean Richards	Director	Obsidian Consulting	BSc Hons Geology	SACNASP 400190/08	33 (Gold/Diamonds/ Platinum/Chrome/ Iron Ore)	18

For the complete Mineral Resources and Mineral Reserves Statement including definitions of the categorisation of mineral resources and reserves as per The SAMREC Code 2016, descriptions and exploration activities, geological settings of the reserves (including maps and diagrams), legal entitlement, methods and assumptions, material risk factors and a summary of environmental funding and management, see Appendix 1 to this report and our online Integrated Annual Report for 2023.

See page 63 for the Directors' statement on mining rights and mining operations.

Chrome Mineral Resources statement

Bushveld Complex – Western Limb

				Measured Mineral Resources		Indicated Mineral Resources		Measured and Indicated Resources		Inferred Mineral Resources		
Name of operation	**Attributable Portion**	**Mining method**	**Commodity**	**31.12.23**	**31.12.22**	**31.12.23**	**31.12.22**	**31.12.23**	**31.12.22**	**31.12.23**	**31.12.22**	**Competent Person**
Western Chrome Mines – LG6 Chromitite Package and MG1 Chromitite Layer												
Waterval	20.5%	UG	Ore (mt) Cr_2O_3 (%)	16.231 41.31	16.231 41.31	1.03 42.59	1.03 42.6	17.257 41.4	17.26 41.4	0.675 43	0.7 43	MM/DR
Marikana West	20.5%	UG	Ore (mt) Cr_2O_3 (%)	2.974 42.43	2.974 42.43	1.69 42.60	1.69 42.6	4.67 42.5	4.67 42.5	– –	– –	MM/DR
Kroondal	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	9.279 42.69	9.104 42.72	0.53 41.46	0.65 41.5	9.810 42.6	9.76 42.6	– –	– –	MM/DR
Kroondal Gemini	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	11.483 42.09	12.544 42.09	0.73 41.03	0.80 41.2	12.210 42.0	13.35 42.0	– –	– –	MM/DR
Marikana East	20.5%	UG	Ore (mt) Cr_2O_3 (%)	4.591 42.23	4.593 42.24	0.53 41.81	0.53 41.9	5.117 42.2	5.12 42.2	– –	– –	MM/DR
Klipfontein/Waterval	20.5%	UG	Ore (mt) Cr_2O_3 (%)	17.017 42.01	13.105 42.01	27.97 41.98	29.90 42.0	44.988 42.0	43.00 42.0	90.818 42	92.7 42	MM/DR
Boshoek	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	– –	– –	17.09 40.53	17.09 40.5	17.093 40.5	17.09 40.5	– –	– –	MM/DR
Townlands Extension 9	20.5%	UG	Ore (mt) Cr_2O_3 (%)	– –	– –	12.94 41.39	12.94 41.4	12.945 41.4	12.94 41.4	– –	– –	MM/DR
Total – LG6			Ore (mt) Cr_2O_3 (%)	61.575 41.98	58.551 42.05	62.51 41.5	62.51 41.5	124.09 41.7	123.19 41.7	91.5 42	93.4 42	
Western Chrome Mines – Tailings												
Kroondal Dam	20.5%	Tailings	(mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –	1.96 17.3	1.89 17.2	MM
Waterval East Dam	20.5%	Tailings	(mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	 –	0.05 22.3	0.60 14.9	MM
Waterval West Dam	20.5%	Tailings	(mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –			
Cashan Dam	20.5%	Tailings	(mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –	0.04 16.9	0.03 16.9	MM
Total Tailings			(mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –	2.04 17.4	2.52 16.7	
Bushveld Complex – Eastern Limb												
Eastern Chrome Mines – MG1 Chromitite Layer												
Thorncliffe	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	37.367 40.39	39.329 40.39	3.37 40.7	3.55 40.7	40.734 40.4	42.88 40.4	– –	– –	LUN/DR
Helena	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	21.096 39.91	21.312 39.88	11.36 38.6	11.38 38.5	32.455 39.4	32.69 39.4	8.278 38	8.3 38	LUN/DR
De Grooteboom	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	1.037 40.22	1.037 40.22	0.50 40.3	0.50 40.3	1.541 40.2	1.54 40.2	– –	– –	LUN/DR
Richmond	20.5%	UG	Ore (mt) Cr_2O_3 (%)	7.041 40.62	7.461 40.53	19.22 40.8	17.28 40.8	26.263 40.8	24.74 40.7	24.572 41	26.5 41	LUN/DR
St George	20.5%	UG	Ore (mt) Cr_2O_3 (%)	0.715 40.41	0.716 40.41	4.73 39.4	4.73 39.4	5.440 39.5	5.44 39.5	13.442 39	13.4 39	LUN/DR
Total – MG1			Ore (mt) Cr_2O_3 (%)	67.257 40.26	69.855 40.24	39.18 40.0	37.44 39.9	106.43 40.2	107.29 40.1	46.3 40	48.3 40	
Eastern Chrome Mines – MG2 Chromitite Layer												
Thorncliffe	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	– –	– –	18.29 35.1	17.64 35.1	18.288 35.1	17.64 35.1	32.0 36	32.5 36	LUN/DR
Helena	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –	49.02 40	49.2 40	LUN/DR
Richmond	20.5%	UG	Ore (mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –		31.0 36	30.96 36	LUN/DR
St George	20.5%	UG	Ore (mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –		17.52 39	17.52 39	LUN/DR
Total – MG2			Ore (mt) Cr_2O_3 (%)	– –	– –	18.3 35	17.639 35.10	18.3 35	17.639 35.10	129.5 38	130.3 38	
Total – MG1 and MG2			Ore (mt) Cr_2O_3 (%)	67.257 40.26	69.855 40.24	57.46 38.4	55.08 38.4	124.72 39.4	124.93 39.4	175.8 38	178.5 38	
Eastern Chrome Mines – Tailings												
Thorncliffe Dam	20.5%	Tailings	(mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –	5.09 18.8	4.88 18.9	SYV
Helena Paste	20.5%	Tailings	(mt) Cr_2O_3 (%)	– –	– –	–	– –	– –	– –	0.09 17.2	0.16 17.2	SYV
Total Tailings	20.5%	Tailings	(mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –	5.17 18.8	5.04 18.8	

Notes:

Tonnages are quoted as million metric dry tonnes.

Grades are quoted as %Cr_2O_3.

The measured and indicated Mineral Resources are inclusive of those Mineral Resources modified to produce Mineral Reserves.

No cut-off grades are applied to the chromitite layers currently being mined because of the exceptional regional grade consistency and continuity.

The Mineral Resources are estimated as chromitite tonnages and grades to reflect the grades of the various individual chromitite layers. Both the LG6 and MG1 chromitite layers which the Venture is currently mining, are discrete solid chromitite layers.

Merafe and Glencore have entered into an agreement for the treatment of current and historical tails at the Western and Eastern operations for extraction of PGMs. PGM values of the historic tails are not available as when deposition occurred no analysis on PGM grades were required. The current tailings have been analysed over the last 2-3 years and averages a PGM 4E grade of 5.15 g/t in the East and 3.1g/t in the West.

Competent Persons:

SYV – Sulayman Yousuf Vaid, Glencore Operations SA, (SAGC – GTgMS0114). Lead Competent Person responsible for Mineral Resources and Mineral Reserves.

MM – Mogomotsi Maputle, Glencore Operations SA, Western Chrome Mines, (SACNASP – 400071/14). Responsible for Mineral Resources and Mineral Reserves.

LUN – Lindiwe Unity Nkambule, Glencore Operations SA, Eastern Chrome Mines, (SACNASP – 121635). Responsible for Mineral Resources and Mineral Reserves.

DR – Dean Richards, Obsidian Consulting Services (SACNASP – 400190/08). Responsible for geostatistical analysis of data, Mineral Resource classification and construction of tonnage and grade block models and reporting of tonnage and grades from block models.

Chrome Mineral Reserve statement

Bushveld Complex – Western Limb

				Proved Ore Reserves		Probable Ore Reserves		Total Ore Reserves		
Name of operation	**Attributable portion**	**Mining method**	**Commodity**	**31.12.23**	**31.12.22**	**31.12.23**	**31.12.22**	**31.12.23**	**31.12.22**	**Competent Person**
Western Chrome Mines – LG6 Chromitite Package and MG1 Chromitite Layer										
Waterval	20.5%	UG	Ore (mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –	MM/DR
Marikana West	20.5%	UG	Ore (mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –	MM/DR
Kroondal	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	2.321 28.67	2.078 29.19	0.510 27.9	0.609 28.2	2.83 28.5	2.69 29.0	MM/DR
Kroondal Gemini	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	5.394 30.69	6.632 30.52	0.593 29.7	0.654 29.9	5.99 30.6	7.29 30.5	MM/DR
Marikana East	20.5%	UG	Ore (mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –	MM/DR
Klipfontein/Waterval	20.5%	UG	Ore (mt) Cr_2O_3 (%)	0.244 28.13	0.075 28.21	0.854 28.3	0.092 28.0	1.10 28.2	0.17 28.1	MM/DR
Boshoek	20.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	– –	– –	0.58 26.1	0.58 26.1	0.58 26.1	0.58 26.1	MM/DR
Total – LG6			Ore (mt) Cr_2O_3 (%)	7.958 30.02	8.786 30.19	2.54 28.0	1.94 28.1	10.50 29.5	10.72 29.8	

Bushveld Complex – Eastern Limb

Eastern Chrome Mines – MG1 Chromitite Layer

Name of operation	Attributable portion	Mining method	Commodity	Proved 31.12.23	Proved 31.12.22	Probable 31.12.23	Probable 31.12.22	Total 31.12.23	Total 31.12.22	Competent Person
Thorncliffe	79.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	14.910 35.42	17.552 34.71	2.37 33.8	2.54 33.2	17.28 35.2	20.09 34.5	LUN/DR
Helena	79.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	1.499 29.19	1.506 32.46		– –	1.50 29.2	1.51 32.5	LUN/DR
Richmond	79.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	3.524 35.66	3.745 35.40	2.943 33.3	1.46 33.5	6.47 34.6	5.20 34.9	LUN/DR
St George	79.5%	UG/OC	Ore (mt) Cr_2O_3 (%)	– –	– –	– –	– –	– –	– –	
Total – MG1			Ore (mt) Cr_2O_3 (%)	19.933 35.00	22.803 34.67	5.31 33.5	4.00 33.3	25.25 34.7	26.80 34.5	
Eastern Chrome Mines – MG2 Chromitite Layer										
Thorncliffe	79.5%	UG/OC	Ore (mt) Cr_2O_3 (%)			2.26 26.7	3.59 26.9	2.26 26.7	3.59 26.9	LUN/DR
Total – MG1 and MG2			Ore (mt) Cr_2O_3 (%)	19.933 35.00	22.803 34.67	7.57 31.5	7.59 30.3	27.51 34.0	30.39 33.6	

Notes:

Tonnages are quoted as million metric dry tonnes.

Grades are quoted as %Cr_2O_3.

No cut-off grades are applied to the chromitite layers currently being mined due to the exceptional regional grade consistency and continuity. A minimum mining cut of 1.8m is applied to the ore reserve tonnage to accommodate the mechanised mining equipment employed by the underground mining operations. External waste is included to make up the minimum cut where applicable. The chromitite layers are mined mainly underground using trackless mechanised mining methods on a bord-and-pillar mine layout design.

Competent Persons:

SYV – Sulayman Yousuf Vaid, Glencore Operations SA, (SAGC – GT g MS 0114). Lead Competent Person responsible for Mineral Resources and Mineral Reserves.

MM – Mogomotsi Maputle, Glencore Operations SA, Western Chrome Mines, (SACNASP – 400071/14). Responsible for Mineral Resources and Mineral Reserves.

LUN – Lindiwe Unity Nkambule, Glencore Operations SA, Eastern Chrome Mines, (SACNASP – 121635). Responsible for Mineral Resources and Mineral Reserves.

Statement by Competent Person

This summary has been reviewed and the relevant data extracted and compiled by Sulayman Yousuf Vaid (SYV). SYV is the Lead Competent Person, registered with the South African Geomatics Council (SAGC, PO Box 752799, Garden View, 2047), Reg. No. -GT gMS 0114 and holds a National Diploma in Mine Surveying. SYV is a Mine Surveyor with 30 years' experience in Mine Survey, Mine planning and resource and reserve estimations and is directly linked to the mining industry and currently a full-time employee of Glencore Operations South Africa. The Company declares that it has written confirmation from the Lead Competent Person that the information disclosed in terms of these paragraphs is compliant with the SAMREC Code and, where applicable, the relevant Section 12 and Table 1 requirements and that it may be published in the form and context in which it was intended.

SULAYMAN YOUSUF VAID

Glencore Operations South Africa Proprietary Limited
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PO Box 2131, Rustenburg 0300, NW, RSA
Tel: (014) 590 2415
Fax: (014) 590 2498

15 March 2024

See Appendix 1 to this report and our online Integrated Annual Report 2023 for the complete Mineral Resources and Mineral Reserves Statement. For Merafe ownership of specific mines contributed to the Venture see page 61 of this report.

Restatements of the prior year data occur due to improvements in testing and/or methodology. Any restatement of prior year data on pages 29 or 30 of this report or in Appendix 1 is not significant or material.

- safety
- health and wellness
- our employees
- training and development

The Venture believes in the possibility of a zero-harm operation. We believe that all occupational diseases and injuries can be prevented and that we must therefore all take responsibility to avoid occupational diseases and injuries. The development and well being of our employees is a core value of the Venture.

HUMAN CAPITAL FOCUS AREAS

MATERIAL ISSUES

- The safety and health of our employees and our contractors
- The training and development of our employees and our contractors
- Fair remuneration

We need a healthy, motivated and skilled workforce. Intellectual Capital and knowledge management are also recognised as key intangible creators of wealth. Damaging Human Capital by abuse of human rights or labour rights or compromising health and safety has financial and reputational costs.

The Venture enhances its human capital by:

- giving employees and community members access to training, development and lifelong learning, and capturing and sharing knowledge;
- ensuring adequate safety arrangements are in place; and
- incentives and remuneration.

Stakeholder impact and engagement with stakeholders

The stakeholders most affected by the ability of Merafe and the Venture to keep our employees safe and healthy are their families and dependants.

MATERIAL ISSUES See pages 8 and 9

MI1 MI6 MI9 MI10 MI11

Human capital: safety

KEY POINTS 2023

Fatalities
2
(2022: NIL)

Total recordable injury frequency rate
(TRIFR) 2.34
(2022: 2.40)

Lost-time injury frequency rate
(LTIFR) 1.39
(2022: 1.20)

Disabling injury severity rate
(DISR) 128.05
(2022: 94.06)

The Venture had **no safety and health penalties** in 2023

Merafe's attributable portion of the quantitative data of the Venture set out from page 23 to 39 of this report is 20.5%.

The Venture's policies and approach to safety management

The Venture's operations maintain stringent safety and risk management systems, which it aligns with the international standards: ISO 45001 and ISO 31000. Glencore collates best practice from each of its assets and from externally recognised leaders in safety management and shares this knowledge across the Glencore Group. Through Glencore, all the operations of the Venture are members of the International Council of Minerals and Mining.

The Venture takes a proactive and preventative approach towards safety, aiming to instil a positive safety culture in which everyone fully integrates its safety values into their working lives. It reviewed its approach to safety by updating its risk management framework. Glencore's fatal hazard protocols and high-potential risk incident reporting processes have been rolled out in the Venture. There are weekly meetings and discussions around the reporting of high-potential risk incidents.

Glencore's Chief HSA Officer is responsible for safety, health and wellness.

Safety programme overview

Objective	Supporting actions
Zero fatalities	We reviewed and strengthened our incident investigation process to include 24-hour notification of senior management and the Glencore corporate sustainability team for fatal incidents and launched a mandatory on-site fatality investigation process following any fatal incident. The Venture's senior management must then report to the Glencore Board HSEC Committee on fatalities and the subsequent independent investigations in person. Any lessons learned that could further improve general fatality prevention are shared across the Group. We ensure independent third-party assistance is on-site within 72 hours of a fatal incident. We developed SAFEWORK, a Group initiative to foster a safety culture based on behaviours and consequences at all levels. We maintain Fatal Hazard Protocols and safety standards (which are reviewed annually) and life-saving behaviours (part of the SAFEWORK programme) across the Group.
Reduction of TRIFR	The Venture focused on reducing the TRIFR. The supporting actions resulted in the TRIFR reducing from 4.58 (2010 baseline) to 2.34 in 2023.

The Glencore Fatal Hazard Protocols and Life Saving Behaviours, which provide a set of tools that are initially focused on the fatal risks, are being rolled out in the Venture as part of SAFEWORK.

The life-saving behaviours are aimed at strengthening the focus in the Venture on behaviours and consequences rather than a rules-based culture. The fatal risk categories that Glencore has identified as being most hazardous and responsible for the majority of its fatalities include: energy isolation, working at heights, mobile equipment, ground/strata failure, confined space and electrical safety. Over and above this, the Venture specifically highlights people–vehicle interaction as a key danger area.

In 2023, there were 59 (2022: 60) recorded injuries in a workforce of 10 685 (including contractors). An in-depth analysis by the Venture revealed that no one single factoral cause stood out in 2023, but that "at risk behaviour" remains a major problem. As safety is the number one priority in the Venture, a number of campaigns were rolled out and re-emphasised including SAFEWORK, Life Saving Behaviours and SafeWork coaching.

The effect of COVID-19 and the stop/start of operations as a result of market uncertainty negatively impacted safety at the operations.

The Venture implemented the Fatal Hazard Protocols in 2015 and continually implements positive reinforcement programmes.

Accountability

Safety in the Venture is always the direct responsibility of Glencore's senior management, who provide the leadership, systems and processes for the prevention of incidents and the elimination of fatalities in the Venture.

The formal management structure documents responsibility for safety from the Glencore Board down to each individual Venture employee and contractor.

The Venture puts considerable effort into embedding a safety culture in its operations. Its leaders are aware that they are expected to put safety before production or other considerations and to personally endorse safety initiatives and engage with employees at all levels to discuss safety issues and priorities. It concludes health and safety agreements with the trade unions.

The sustainable development policies in place in the Venture are aligned with the Glencore Group Sustainable Development Standards. They set out its commitment to zero injuries and fatalities.

The role of training

The Venture's investment in safety training is detailed on page 36 in the Human Capital section of this report. It continues to use virtual reality training, combined with easy-to-read written instructions, on all its different procedures. The training is designed to ensure that employees cannot complete their training on a procedure until they have shown they fully understand it. Training, as can be seen from the detail on page 36 of this report, was a major focus during the year. Focus for 2023 was again on supervisory development training, ensuring that all supervisors understand their legal responsibility, life-saving behaviours, fatal hazard protocols and critical controls.

Human Capital includes health, safety, knowledge, skills, intellectual outputs, motivation and the capacity for relationships of individuals.

KEY POINTS 2023

Noise-induced hearing losses
One
(2022: three)

Employees who test positive for HIV are encouraged to register for treatment

Employees receive HIV and Aids counselling, care and support free of charge

Health programmes at the Venture aim to eliminate occupational illness

Organisations depend on individuals to function. They need a healthy, motivated and skilled workforce. Intellectual capital and knowledge management are also recognised as key intangible creators of wealth. Damaging Human Capital by abuse of human rights or labour rights or compromising health and safety has direct as well as reputational costs.

We enhance our Human Capital by providing healthcare and training and education in health matters.

Our policy and approach

A business needs a healthy workforce that is able to work at its full potential. The health programmes provided by the Venture aim to eliminate and address occupational illnesses, public health issues and the overall wellbeing of its employees and contractors.

Typically, occupational illnesses such as noise-induced hearing loss (NIHL) are only diagnosed some time after the event that caused them. As a result, the occupational illnesses currently occurring in the Venture's operations are usually the result of historic mining and smelting practices.

The Venture has identified NIHL as a major occupational health risk for its employees and has employed a full-time audiologist to counteract this risk. Any of its workers exposed to the internationally accepted noise level limit of 85 decibels or above were issued with personalised noise clippers for hearing protection. The equipment it provides includes variphones/noise clippers, which are custom-made for comfort and are 100% leak tight.

Employees are trained in the use, maintenance, storage and care of this equipment. Any employees or contractors at risk of being exposed to noise that could damage their hearing are personally monitored and regularly tested as part of our hearing conservation programmes.

Wherever possible, the Venture reduces the noise from the equipment it uses in its operations to levels below the internationally recommended standards using design modifications, exclusive zones and "buy quiet" programmes for new or upgraded equipment. The Venture's operations have reduced machinery noise to less than 110 decibels. There was one NIHL case in 2023 (2022: three).

All the Venture's operations undergo an annual risk assessment of their baseline risks and legal audits are conducted by an external legal company accompanied by subject matter specialists in a three-year cycle.

HIV and Aids

HIV and Aids is a human rights issue, which Merafe and the Venture address through their policies and programmes. To ensure these policies are accessible to the Venture's employees and contractors, they are available in all the languages spoken by its employees.

Employees can choose to receive HIV and Aids counselling, care and support. Any HIV-positive employees of the Venture can receive treatment they need free of charge, together with the support and education that will make it possible for them to maintain their antiretroviral treatment programme through the membership of a medical aid.

All the Venture's occupational health nurses have been trained in the management of HIV and TB and the impact of HIV and TB. All employees who visit its occupational health clinics are screened for TB. Those whose screening tests indicate they may have TB are referred to healthcare facilities for TB investigation and treatment. The Venture's wellness programme has been incorporated into the annual/periodic medicals conducted at each operation. Medical records remain on site and are only seen by the Occupational Medical Practitioner and the nurses included in the wellness programme.

All Venture employees who are HIV-positive are encouraged to receive antiretroviral treatment.

The Venture's HIV and Aids policies commit to:

- providing employees and contractors with the knowledge they need to protect themselves and their families from HIV and Aids through workplace education programmes that explain clearly how HIV can be contracted, what can be done to prevent contracting and transferring HIV, and what should be done to enhance the quality and length of life of those who are HIV-positive;
- encouraging employees and contractors to know their HIV status and providing counselling and testing facilities for them;
- running HIV and Aids campaigns that involve employees at every level of the organisation;
- ensuring that every employee attends an HIV and Aids education session during working hours, followed by an individual wellness counselling session with a healthcare provider;
- ensuring that testing for HIV is voluntary and that employees are only tested for HIV and Aids after giving their informed consent;
- guaranteeing the confidentiality of employees' medical information;
- providing pre- and post-test counselling for employees or contractors wishing to be tested for HIV and Aids;
- forming public-private partnerships with local, provincial and national government structures in joint projects to fight HIV and Aids in the communities in which the Venture operates; and
- facilitating the training of peer educators and establishing and training home-based care workers through the Venture's corporate social investment programme.

Organisations depend on individuals to function. They need a healthy, motivated and skilled workforce.

KEY POINTS 2023

- No protected or unprotected strikes
- The Venture has recognition agreements in place at most of its operations
- Approximately **63%** of the Venture's workforce is unionised
- **18%** of the Venture's workforce in 2023 was female
- Merafe had a total workforce of 8 employees and the Venture 6 719 employees at 31 December 2023
- Key focus of the Venture is on retention strategies for junior and senior management HDSAs
- **100%** of Merafe executives, senior and middle management are Black (2022: 100%)
- **60%** of Merafe executives, senior and middle management are Women (2022: 60%)

Intellectual Capital and knowledge management are also recognised as key intangible creators of wealth. Damaging Human Capital by abuse of human rights or labour rights or compromising health and safety has financial and reputational costs.

We enhance our Human Capital by:

- giving employees and community members access to training, development and lifelong learning and capturing and sharing knowledge;
- respecting human rights;
- paying fair remuneration to our employees and our business partners; and
- creating satisfying work opportunities.

Our approach to our employees

Glencore's Code of Conduct, which is applied in the Venture, recognises and upholds the rights of employees to a safe workplace, collective representation, just compensation, job security and opportunities for development, all of which are based on the core belief that our people are fundamental to our success.

Glencore's Human Resources Director is responsible for labour relations in the Venture.

Both Merafe and the Venture are committed to providing a workplace based on:

- mutual respect;
- fairness;
- integrity;
- non-discrimination;
- equal opportunity at all levels; and
- open and two-way engagement with our employees and their representatives.

Labour relations

We consult with stakeholders in advance of any significant changes to our business.

Engagement and resolving disputes amicably plays a very important role in labour relations. The Venture undertakes to consult with its employees and their recognised representatives in advance of significant operational changes in an effort to reach consensus about any necessary business actions.

Collective bargaining and freedom of association is considered a fundamental right for the Venture's employees. Collective agreements, particularly around terms and conditions of employment and company benefits, are negotiated between the parties with due regard to the relevant legislation. The Venture seeks to reach agreement with the unions on annual wage increases for implementation in July each year.

The Venture is committed to treating all its employees with dignity and in a manner that is culturally sensitive. Unfair discrimination on the basis of race, gender, religion, political or sexual orientation, national extraction or social origin is not tolerated.

Disciplinary and grievance policies and procedures are in place at Merafe and the Venture.

Industrial action at the Venture in 2023

There were no protected or unprotected strikes during 2023.

In 2022, the Venture signed three-year wage agreements with the western smelters and the eastern smelters. During 2023 a three-year wage agreement was signed for the Western Chrome Mines.

Union membership

The Venture has recognition agreements with NUMSA and approximately 63% of its workforce is unionised.

MATERIAL ISSUES

- Industrial action in the mining industry and the Venture
- Meeting our employment equity and human resource development targets and exceeding the Mining Charter scorecard targets
- Employee work satisfaction
- Maximising local employment in the Venture
- Retaining skilled employees and securing the next generation of skilled employees
- Remuneration

See our online Integrated Annual Report for 2023 for the Venture's code of conduct.

The total workforce of the Venture by employment type*

Category	2023	2022
Full-time employees	**6 260**	6 182
Temporary/fixed-term employees	**459**	417
External contractors+	**3 966**	3 993
Total	**10 685**	10 592

** The numbers are the 2023 average numbers. The number of full-time employees and fixed-term employees at 31 December 2023 was 6 719.*

Maximising local employment

Hiring policies

When hiring employees we give preference, where possible, to members of the local community and, in some instances, the Venture offers training opportunities to community members to develop the skills they need to become our employees.

Diversity, equal opportunity and remuneration

Management and site employment equity committees monitor employment equity in the Venture's operations every month and report the results to the Venture, which in turn reports to Glencore and Merafe.

The Venture bases its employment equity policies on providing equal opportunities to all potential and existing employees.

The Venture prides itself on remuneration practices that are fair. The Venture's remuneration practices are not influenced by gender, race, religion, discriminatory or arbitrary factors. They are based on fairness, internal equity, and equal pay for work of equal value. Our sustainability framework and environmental, social and environmental values are considered a key component of the remuneration strategy ensuring that the Venture is a responsible operator who cares about the communities and the environment wherein it operates. Safety is also a key performance indicator in the determination of short term and long term remuneration incentives.

Employee challenges

- Maximising local employment in the Venture
- Achieving employment equity that is supported by everyone in the workplace
- Making careers in mining more accessible to women in the Venture
- Engaging with the Venture's employees and the trade union through open communication channels to achieve labour peace
- Providing a workplace that is free from discrimination

Venture workforce by employment and gender type at 31 December 2023

Permanent and fixed-term	Male	Female	Total
Senior management	**79**	**12**	**91**
Middle management	**110**	**69**	**179**
Supervisors, administrators, technicians	**985**	**440**	**1 425**
Operational, maintenance, production	**4 272**	**747**	**5 019**
Grand total	**5 446**	**1 268**	**6 714**

Diversity in the Venture

The term diversity used in this section of the report is based on the Mining Charter Scorecard's definition of HDSAs, which includes African males and females, coloured males and females, Indian males and females and white females. Ongoing transformation is a priority and is discussed at all levels. The Venture is again focusing on its retention strategies with specific reference to senior management and junior management HDSAs.

Venture employment equity	% Mining Charter target 2023	% achieved 2023	% achieved 2022
Senior management	**60**	**52**	50
Middle management	**60**	**72**	71
Junior management	**70**	**67**	65
Core skills	**60**	**95**	95

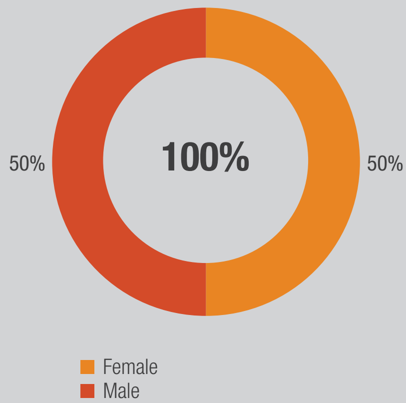
Diversity in Merafe

Mining Charter	% Mining Charter target 2023	% achieved 2023	% achieved 2022
Top management (includes Board)	**60**	**88**	88
Senior management (Exco)	**60**	**100**	100
Middle management	**60**	**100**	100

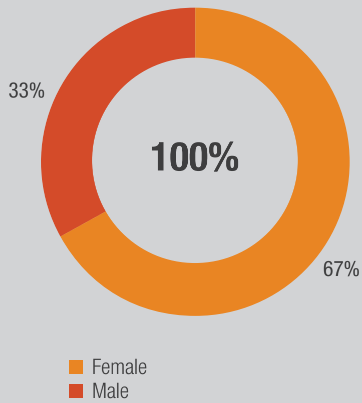
There are no junior managers employed by Merafe.

Merafe achieved a Level 5 Broad-Based Black Economic Empowerment (B-BBEE) status under the Codes of Good Practice in 2023. A copy of the certificate is on the Company website www.meraferesources.co.za together with an explanation and reasons for the rating.

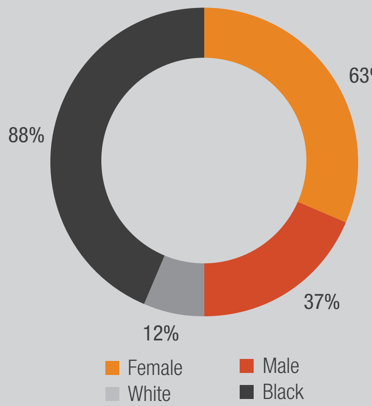
Merafe executives (gender)



Merafe senior and middle management (gender)



Merafe employees (gender and race)



The Venture provides full-time adult education and training for its employees and portable skills training that equips employees for careers beyond the Venture.

KEY POINTS 2023

Overall, the Venture invested in Skills Development **R299.79 million** (2022: R289.67 million)

The Venture invested **R185.50 million** in other Training and Development Initiatives (2022: R187.29 million)

1 019 582 Venture total training hours (2022: 804 751)

The Venture invested **R78.54 million** in artisan and other learnerships (2022: R65.17 million)

An average of **R17 360** was invested in training for each member of the Venture's workforce (employees and contractors) (2022: R17 682)

95.41 average training hours per permanent employee (2022: 73)

359 266 training hours for contractors (2022: 323 465)

90.59 average training hours per external contractor employee (2022: 81)

The Venture invested **R35.75 million** bursaries, scholarships, AET and community training (2022: R36.68 million)

Development and training

Both Merafe and the Venture are committed to meeting their human resource development targets and retaining and developing their skilled employees.

The Venture provides:

- development and training opportunities for HDSAs that will help them to further their careers;
- career development opportunities that allow it to develop and retain high-potential employees;
- training that addresses risk-tolerant or ingrained behaviours that impact negatively on our operations; and
- training on its Code of Conduct and Sustainable Development Standards and HSEC Standards and Protocols.

It continually evaluates its training methods and the best way to communicate with the various age groups and cultures in its workforce.

Training hours

	2023	2022
Total training hours	**1 019 582**	804 751
Total training hours for permanent employees	**641 030**	481 286
Average training hours per permanent employees	**95**	73
Total training hours for contractors	**359 266**	323 465
Average training hours per contractor	**90**	81
Number of health issues training sessions	**7 516**	8 656
Number of safety issues training sessions	**21 876**	21 550
Number of human rights issues training sessions	**15 701**	16 847
Number of environmental training sessions	**10 715**	11 416
Community health training	**127**	137
Community environmental training	**199**	214
Community human rights training	**185**	226

** Permanent employees: 6 719 (average)*
*** Number of contractors: 3 966 (average)*

Development of staff was a key focus in 2023 across all sites. Increased focus on computer-based training made training more efficient and structured.

Leadership development

The Venture invites senior managers whom it has identified as having leadership potential to participate in leadership programmes at universities. The Venture also provides them with additional training, support and career development opportunities. 81% (2022: 70%) of junior leaders who attended a programme to enhance their supervisory skills were HDSAs. 85% of middle management employees participating in management level programmes were HDSAs.

See the table on page 48 of this report for detail of the structure of the Venture's joint Board and top management of the Venture where executives of Glencore and Merafe are members.

Social Capital is any value added to the activities and economic outputs of an organisation by human relationships, partnerships and cooperation.

SOCIAL CAPITAL FOCUS AREAS

MATERIAL ISSUES

- Our social licence to operate
- Uncertainty of the socio-political environment. Organisations rely on social relationships and interactions to achieve their objectives. Externally, social structures help create a climate of consent or a licence to operate, in which trade and the wider functions of society are possible. Organisations also rely on wider socio-political structures to create a stable society in which to operate, e.g. government and public services, effective legal systems, trade unions and other organisations.

Being responsive to stakeholders enables the Venture to:

- contribute to open, transparent and fair governance;
- source materials ethically and treat suppliers, customers and citizens fairly;
- respect and comply with local, national and international law;
- pay our taxes;
- invest in the social infrastructure;
- provide communication;
- minimise any negative social impacts on our operations and maximise the positive impacts they can have; and
- support the development of the communities in which the Venture operates.

SOCIO-ECONOMIC DEVELOPMENT

The stakeholders most affected by the ability of Merafe and the Venture to keep our employees safe and healthy are their families and dependants.

- giving employees and community members access to training, development and lifelong learning, and capturing and sharing knowledge;
- ensuring adequate safety arrangements are in place; and
- incentives and remuneration.

MATERIAL ISSUES See pages 8 and 9

MI1 MI6 MI9

KEY POINTS 2023

The Venture spent **R96 million** on corporate social investment (2022: R121 million)

The Venture spent **R20 million** on Enterprise Development in 2023 (2022: R19 million)

58% capital and consumable procurement spend of the Venture was B-BBEE spend (2022: 64%)

The Venture total procurement spend was **R28.3 billion** (2022: R28.2 billion)

60% services procurement spend of the Venture was B-BBEE spend (2022: 61%)

Merafe's attributable portion of the quantitative data of the Venture set out from page 23 to 39 of this report is 20.5%.

Corporate social investment

The Venture

The Venture's corporate social investment (CSI) spend for the 12-month period to December 2023 was R96 million (2022: R121 million). Merafe contributes to 20.5% of this spend.

This included expenditure on *inter alia* Enterprise and Job Creation Projects, Education and skills development, Social and Community Development Projects, Health and Wellness Projects, strengthening of local institutions and Culture and Art Projects.

The Venture projects includes:

- Supporting TVET College in Mashishing with the construction of an additional eight lecture rooms
- Infrastructure projects include, community halls in Ga-makua and community crèches
- Upgrade of road infrastructure in Steelpoort
- Building classrooms for Rustenburg Primary School
- Estralita Centre for the disabled In Lydenburg
- Solar Infrastructure at House Sering
- Collaborative project in Limpopo is the rebuild of the steel bridge
- Ongoing project of electrification for 1 800 homes in Steelpoort
- Expansion of the power station in Ikemeleng
- Building of the Tshukudu multi-purpose centre
- Our ongoing sanitary towel donation drive has enabled more than 11 721 girls in three provinces to stay in school during their menstruation

Merafe

The Merafe CSI spend in 2023 was R2.2 million in addition to its contribution (20.5%) of the Venture's CSI spend referred to above.

Merafe has been supporting both Meriti Secondary School (Meriti) and Boitekong Secondary School (Boitekong) with the implementation of a variety of infrastructure, curriculum and social welfare projects through Adopt-a-School Foundation (the Foundation). Both schools are in the North West province and are situated within communities that are characterised by poverty, violence, crime, alcohol and substance abuse, family disorganisation and despair. These structural impediments have infiltrated themselves into the school environment as identified by the projects and affect the normal functioning of teaching and learning within the schools. The projects are facilitated to address these problems, hence engagement of all stakeholders including learners, educators, service providers from the community, and parents.

In 2023, the projects included Health, Sanitation and Sexuality Education projects, Moral Regeneration Projects and Psychosocial Support Services implemented across both schools. The third and final stage of these projects was completed in October 2023. The greatest achievement of this project has been to see the change in mindset and attitudes of our learners, which has been reflected in how they engage with their learning and learning environment.

Health, Sanitation and Sexuality Education Projects: The aim and objectives of the Health, Sanitation and Sexuality Education project is to provide a conducive space and platform to educate and empower teenagers (both female and male learners) in schools, to make informed decisions relating to sexual relations in order to curb teenage pregnancy at schools. The programme involves learners as active participants (led by Peer Educators) with the support of educators, parents, and relevant stakeholders within the community.

Moral Regeneration Project: Social ills and violence at communities and schools continue to have an impact on the children's well-being and their learning opportunity. The overall goal of the project is to engage learners in dialogue sessions on issues pertaining to sound morals and values (address issues of violence), and help learners develop social, ethical, emotional, physical, and cognitive competencies to enable them to set personal goals, as well as participate in the creation of a conducive learning environment.

Psychosocial Support Services: To address the needs of vulnerable learners at school, Psychosocial Support has been added to the projects. The service provider, Hartbeespoort Parent and Child Counselling Centre provides Psychosocial Support services to learners as an addition to the project. The process involves the identification of learners with social problems and creates sustainable referral pathways with external stakeholders, including follow up of all referred cases.

In addition, in 2023, Merafe also supported various education programmes at the schools, including educator development (in mathematics, physical and life sciences) and supplementary lessons in mathematics, physical and life sciences for learners.

Enterprise development

The Venture

Small and medium enterprises (SMEs) play a key role in job creation in South Africa, and our investment in their development is an integral part of Merafe and the Venture's contribution to the socio-economic capacity of communities. It also increases our ability to procure from black-owned enterprises. The Venture has enterprise development commitments in terms of the Mining Charter Scorecard. The Venture spent R20 million (2022: R19 million) on enterprise development in 2023.

In partnership with AgriSETA Accredited Short Learning Programmes we have trained farmers in Animal Health, Poultry, Cattle and Vegetable farming.

The Venture is further playing a pivotal role in the establishment of a Special Economic Zone (SEZ) in Steelpoort.

Merafe

Merafe has invested R14 million to establish an enterprise and supplier development fund, which supports SMEs through responsible investment to promote the growth and sustainability of black suppliers. Merafe has partnered with a service provider to identify black SMEs in local communities to support through various enterprise development funding initiatives.

Skills development and job creation

The Venture

The Venture recognises its commitment to employing local people whenever possible, which benefits both the Venture and the local communities. Direct employment at the Venture's operations, indirect employment through contractors, and using local suppliers provide an income for thousands of families.

Our commitment to employing local people includes providing training opportunities and skills development that enable community members to meet the Venture's competency requirements.

Our community portable skills development assisted 634 unemployed youths with skills in various areas like road work repairs, brick making, plumbing, baking, basic computer skills, and beauty and cosmetic skills which will give them the opportunity to pursue employment as an entrepreneur. We further introduced solar panel installation and maintenance and are training emerging entrepreneurs at our local business incubation hubs as well as at the Gordon Institute of Business Science.

See page 4 of this report for a review of stakeholder engagement.
See page 36 of this report for further information on the range of skills training the Venture provides and its investment in this training.

Merafe

Merafe is committed to empowering the future generation through our comprehensive bursary programme. In 2023, Merafe sponsored three black female beneficiaries studying for degrees in the engineering field.

The bursary programme offers holistic support, including financial aid, mentorship, and career and soft skills development throughout the student's academic journey.

In addition to the above, Merafe sponsored a short skill learning programme with The Hope Factory for black unemployed female beneficiaries. The Short Skills Programme is SETA-accredited and aims to equip individuals with entrepreneurial knowledge and skills.

Procurement

The Venture's performance in terms of the discretionary procurement targets of the Mining Charter Scorecard is set out below:

In terms of the new Mining Charter, procurement spend by the Venture for 2023 was approximately R28.3 billion. Of this R19.47 billion was on discretionary spend. R8.63 billion of the discretionary spend was on mining goods (57.98% B-BBEE spend) and R10.84 billion on services (60.38% B-BBEE spend).

	Total procurement spend R	Non-discretionary spend R	Discretionary spend R	B-BBEE spend R	%*
Capital + Consumables (Mining Goods)	8 851 189 136	223 690 347	8 627 498 789	5 001 921 081	57.98
Services	19 439 126 335	8 596 259 085	10 842 867 250	6 547 123 942	60.38
Total	**28 290 315 471**	**8 819 949 432**	**19 470 366 039**	**11 549 045 023**	

**B-BBEE spend as a % of discretionary spend.*

Public health and HIV and Aids

The Venture favours a united approach to public health, whereby we collaborate with government, international organisations and NGOs to make the most impact at community level. The public-private partnerships formed by the Venture provide communities access to prevention, treatment and care for HIV and Aids as well as other communicable and associated diseases.

The Venture supports the government's HIV counselling and treatment campaign by providing funding and testing sites. It has also funded health clinics and hospices in the communities in which it operates, including an HIV and Aids clinic in Lydenburg in Mpumalanga province. There is also a health clinic at the Lion ferrochrome plant in Limpopo province.

Respecting the rights of communities

Neither Merafe nor the Venture tolerate any form of discrimination and our policies clearly state that we do not tolerate any form of discrimination, and that all our employees and stakeholders are to be treated with dignity and in a manner that is culturally appropriate, irrespective of gender, background or race.

Human rights and ethics

Merafe subscribes to the fundamental principles of human rights as enshrined in our country's Constitution and Bill of Rights. Our policies and practices have been aligned with both to ensure that all our employees and stakeholders are treated with dignity and in a manner that is culturally appropriate, irrespective of gender, background or race. Furthermore, Glencore is a signatory to and has accepted the Voluntary Principles of Security and Human Rights.

Ethics

The Merafe Code of Ethics governs the way we do business and the way our directors and employees engage with our stakeholders. The Code, which is binding on our directors, employees and contractors, provides guidelines for behaviour which is above reproach.

Merafe has a formal whistleblowing policy in place for the confidential reporting of any breaches of its Code of Ethics Policy. There were no reports of any breaches in 2023.

Traditional authorities

Merafe supports the International Council on Mining and Metals (ICMM) and upholds the performance expectations associated with Traditional Authorities. Our engagements with Traditional Authorities around our operations assisted the Venture in enhancing transparency, resolving complaints and grievances promptly, and embedding cooperation with doorstep communities.

Stakeholder responsiveness

Merafe and the Venture address material issues we have identified that could impact negatively or positively on our key stakeholders. These stakeholders include national, provincial and local government in their roles as regulators and partners; the trade unions in their role as representatives of the Venture's employees who are from local communities; and our investors and business partners who are affected by all aspects of our business. The impact of our most material issues in regard to the Human, Natural, Social and Manufactured Capitals on our stakeholders, together with our responsiveness on these issues, is outlined in this report.

While Merafe has direct relationships with certain key stakeholders in connection with community matters, we also have indirect relationships through our partnership with Glencore in the Venture. As managers of the Venture's day-to-day operations, Glencore takes responsibility for engaging with the Venture's stakeholders.

All the Venture's operations and projects are expected to review the stakeholder engagement plans every year which includes Traditional Authorities. The Venture's operations held formal community stakeholder meetings where possible during the year. Virtual engagements continued during periods of lockdown.

Our corporate social investment and social labour plans are aligned to the objectives outlined in the 2030 UNSDGs, the National Development Plan for South Africa and the Integrated Development Plans for Local Municipalities.

All the Venture's operations and projects are expected to review the stakeholder engagement plans every year. The Venture's operations held formal community stakeholder meetings during the year.