



We Are One AECI, for a Better World

Integrated 20 Report 24



Integrated Report 2024



AECI Mining Chemicals, South Africa

Resilience, transformation and sustainable value creation

Our 2024 reporting theme reflects our unwavering resilience and commitment to transforming the Group's business and culture for long-term sustainable value creation. Building on a century of pioneering innovation and excellence, we continue to fulfil our responsibilities as a leading corporate citizen.

Since our inception, we have been pivotal in advancing South Africa's mining industry and contributing significantly to the national economy. Our brand is synonymous with delivering safe, innovative, high-quality products in the mining industry and chemicals sectors. Our relentless pursuit of innovation drives us not only to meet, but consistently exceed the expectations of our customers through our presence in over 20 countries and manufacturing sites on six continents.

We are proud to be Africa's leading player in the markets we serve and continue internationalising our business.

Our focus remains on ensuring the long-term success of our business by proactively driving growth through transformation and strategic transactions with a clear emphasis on expanding our international footprint.



AECI J-plant, Umbogintwini Industrial Complex (UIC), South Africa



AECI Mining Chemicals, South Africa

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Our purpose

We Are One AECI, for a Better World delivering:

- Sustainable solutions for a better world through innovation and excellence
- Societal and environmental value through our contribution to the achievement of the United Nations Sustainable Development Goals (SDGs) and our commitment to Net Zero by 2050
[More detail in the Sustainability report](#)
- A positive impact on the world through responsible business practices that create sustainable enterprise value for the benefit of our stakeholders

Values

Our BIGGER values shape our actions, decisions and help us drive sustainable growth which keeps us aligned with our purpose.



Bold

Embracing new ideas, taking risks and pushing boundaries



Innovative

Continuously seeking creative solutions to challenges and driving change



Going green

Committing to sustainable practices that benefit the environment and society



Engaged

Fostering a culture of active participation and collaboration



Responsible

Always acting with integrity, accountability and care to ensure trust and sustainability

Our ambition

- **Achieve between R5.6bn–R6.3bn EBITDA** (annualised run rate) by end of 2026
- **Attain a global market position** in Mining of #3 by 2030

Our strategic pillars

- A high-performance culture underpinned by passionate and engaged employees
- Portfolio optimisation
- Drive operational and functional excellence
- Deliver step change in growth

Our enablers

- A disciplined capital allocation
- Strong investment in innovation and technology
- Digitalisation of our business and future proof our systems
- Automatisation of manufacturing assets

Our culture

At AECI, we are building a high-performance culture anchored in service, trust, authenticity, collaboration and empowerment. We roll up our sleeves and lead by example. We push boundaries, innovate and strive for excellence, working together to create a better world.

[More detail in the Human capital section](#)



Section 1

Introduction

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Our reporting suite

Integrated Report



Our **Integrated Report**, our primary annual report to stakeholders for the period 1 January 2024 to 31 December 2024, is an opportunity to share a concise, holistic and transparent view of our progress in transforming and preparing the Group for long-term sustainable value creation.

While our report primarily addresses the information requirements of providers of capital, it is also relevant to other stakeholders and contributes value by ensuring a fair and transparent approach. It further supports good governance through the approval of policies and plans that drive value creation.

Financial Disclosures



Our **Annual Financial Statements** provide a comprehensive overview of the Group's financial position and performance. They are of interest to our equity and debt investors, credit rating agencies, regulators and various other stakeholders. The information disclosed can be used to assess AECI's financial performance, strength and prospects.

Notice of Annual General Meeting



Our **Notice of the Annual General Meeting (AGM)** includes the form of proxy, shareholding profile and essential information for shareholders.

Sustainability Report



Our **Sustainability Report**, which supplements our Integrated Report, provides a holistic picture of our environmental and social impacts on stakeholder value in the short-, medium- and long-term. It achieves this by giving a detailed account of the Group's sustainability programmes, targets and performance.

Governance Report



Our **Governance Report**, which supplements our Integrated Report, explains our Board's governance philosophy. It also outlines our approach to achieving good governance through the Board's primary governance roles, which include:

- Setting and steering the Group's strategic direction
- Ensuring business accountability through the effective control provided by our governance framework
- Overseeing and monitoring performance to uphold a fair and transparent business practices
- Approving policies and plans that contribute to value creation through good governance

Remuneration Report



Our **Remuneration Report**, which supplements our Integrated Report, provides details of our remuneration framework structure, our employee value proposition, the remuneration outcomes and how they align with the creation of long-term sustainable value for stakeholders and the achievement of our strategic ambition.

Tax Transparency Report



Our **Tax Transparency Report** supplements our Integrated Report by detailing the governance and reporting structures that support a responsible and transparent approach to tax. This report describes our tax landscape, vision and objectives, governance and tax risk management. It also addresses how AECI engages with stakeholders, which includes our relationships with the revenue authorities and public advocacy. AECI reports on our tax contribution across our markets and the types of taxes we pay.



AECI Mobile Charging Unit (MCU), Hunters Valley, Australia

The reporting frameworks applied in the preparation of our reporting suite

Principles and requirements of the International Integrated Reporting Framework (2021)

United Nations Global Compact (UNGC)

King IV™ Report on Corporate Governance™ for South Africa 2016¹

Voluntary application of the disclosure recommendations of the International Financial Reporting Standards (IFRS) S1, Sustainability Disclosure Standard General Requirements for Disclosures of Sustainability-related Financial Information and IFRS S2, Sustainability Disclosure Standard Climate-related Disclosures and SASB standards

Adheres to the

JSE Listings Requirements

JSE Debt and Specialist Securities Listings Requirements

South African Companies Act, 71 of 2008, as amended (Companies Act)

International Financial Reporting Standards (IFRS)

¹ Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved.

Assuring the integrity of our report

The underlying processes that support the credibility and integrity of our reporting is monitored by the Audit and Risk Committees, which both report quarterly to the Board on their specific oversight. Material sustainability information was subjected to limited assurance conducted by Deloitte & Touche, and has been approved internally by the Board, based on the recommendation by the Social, Ethics and Sustainability and Environment, Health and Safety committees.

[More detail in the Sustainability Report](#)

Assurance provided on our Integrated Report

- Assurance providers and assurance functions as detailed below

Auditing of our Annual Financial Statements

- External auditors Deloitte & Touche

Financial, operating, compliance and risk management controls

- Group internal audit function

B-BBEE Commission Notice of Compliance

- EmpowerLogic

Limited Assurance Report on selected key performance indicators included in our Sustainability Report

- External assurance provider Deloitte & Touche

Navigational icons used in our reporting suite

Capitals

We consider the six capitals in assessing value creation, preservation and erosion. These icons identify the capital in use. A detailed description is included in each capital section.



Financial capital



Human capital



Manufactured capital



Intellectual capital



Natural capital



Social & relationship capital

Four strategic pillars – These icons identify our strategies



A high-performance culture underpinned by passionate and engaged people



Portfolio optimisation



Drive operational and functional excellence



Internationalisation

SDGs – AECI prioritises its contribution to these SDGs:



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS



King IV™ – This icon identifies where the principles listed in the King IV™ Report on Corporate Governance™ for South Africa 2016 are being applied

Stakeholders



Employees



Customers



Suppliers



Media



Shareholders, investors, analysts and lenders



Communities



Governments, industry forums and regulators



Trade Unions

Material themes

The following icons are used to illustrate the linkage to our material themes:



Social responsibility and human capital excellence



Climate resilience



Business performance and partnerships



Governance and compliance



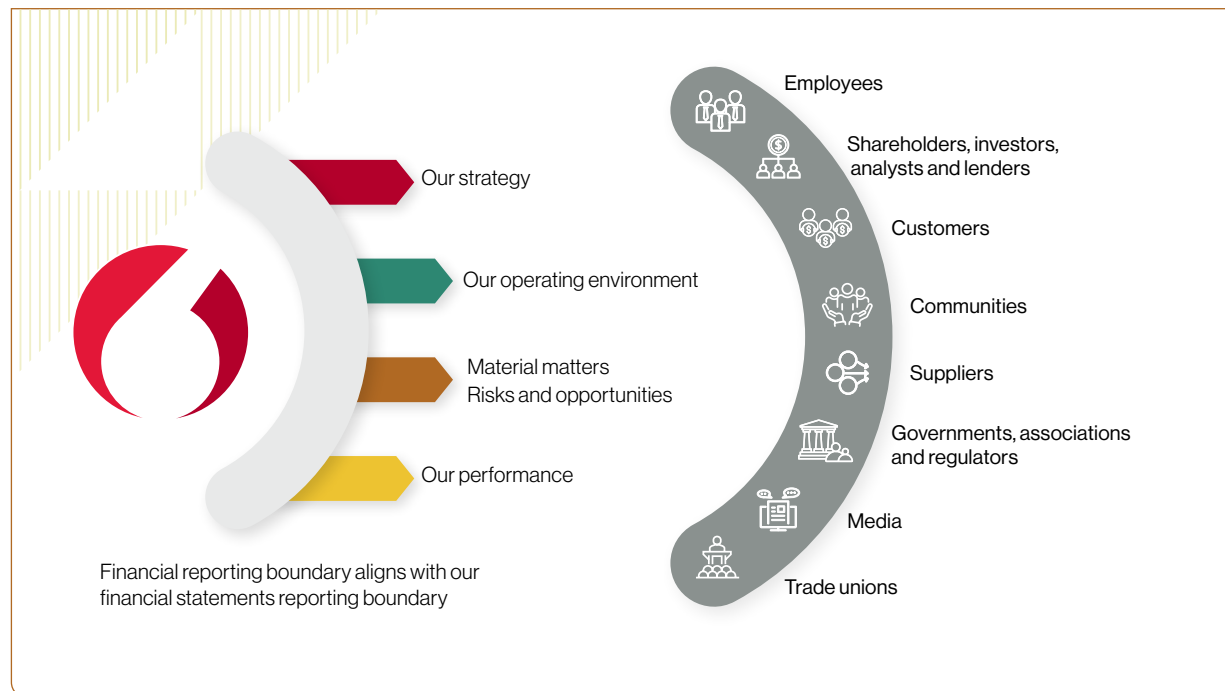
1, 2, 3, 4, 5, 6, 7, 8, 9, 10

Limited assurance

Items marked with “^” were subjected to limited assurance by Deloitte & Touche as part of the assurance provided on our Sustainability Report.

AECI Specialty Chemicals, Sasolburg, South Africa

Reporting boundary and scope



Financial reporting boundary

Our report addresses the financial and non-financial aspects of the Group and also includes information relating to our operations and the key functions over which we exercise control.

Published annually, our Integrated Report provides material information relating to our strategy, business model, operating context and, operational performance from 1 January to 31 December each year, our stakeholder relationships, governance, our material matters and the risks and opportunities they create. It also provides information on the business' prospects. Information pertaining to material matters that occurred after financial year end and up to the date of approval thereof by the Board has also been included.

Materiality determination

Double materiality

We have adopted a double materiality approach to identify and prioritise information on the Group's economic value creation for the benefit of the investor community (inward-focused financial materiality) and its impact on society, communities and the environment (outward-focused impact materiality).

A matter is material if it can significantly affect our ability to create or preserve value over the short-, medium- and long-term. Our material matters are determined through our materiality determination process.

[More detail in the Material Matters section](#)

Forward-looking statements

This report includes forward-looking statements about the Group's operations and performance prospects, which carry inherent uncertainty and risk. They are based on assumptions regarding future events that may not occur as expected. While we aim to provide accurate projections informed by Board-approved business plans at the time of publication, they should not be seen as guarantees of future performance.

We do not take responsibility for updating or revising any forward-looking statements after the report's date, except as required by law. Stakeholders are advised to consider the associated risks and uncertainties when evaluating this information.

Board approval

Our Integrated Report for the year ended 31 December 2024, is one of our primary communication channels with our stakeholders. It has been prepared to provide a balanced, transparent and integrated review of the Group's financial performance and our material sustainability matters during the financial year. The directors confirm that, in their opinion, the 2024 Integrated Report provides an accurate and balanced account of our performance, prospects and addresses all material matters.

The Board acknowledges its oversight of the integrity of the Group's integrated reporting. The Audit Committee oversees the preparation of this report and interrogates the content, process and assurance concerning its integrity. The other Board committees also provided oversight of the content related to their respective mandates.

The Audit Committee recommended the 2024 Integrated Report for approval by the Board. The Board reviewed the 2024 Integrated Report to satisfy itself as to its integrity and the balance achieved in the report. The Board satisfied itself with the authenticity of information used for internal decision-making by management, the Board and its committees, and the integrity of the Integrated Report. The Board is of the view that, to the best of its knowledge and belief, the Integrated Report provides an accurate and balanced account of the Group's performance and prospects.

The Board approved the report on 29 April 2025

Dr Khotso Mokhele <i>Chairperson</i>	Holger Riemensperger <i>Group chief executive officer</i>	Philisiwe Sibiya	Samuel Coetzer
Steve Dawson	Walter Dissinger	Fikile De Buck	Patty Mishic O'Brien
Marna Roets	Billy Mawasha	Nombulelo Moholi	July Ndlovu

Our approach to creating enterprise value

Various capitals (financial, human, manufactured, intellectual, social and relationship, and natural) are integral to all aspects of our business and serve as the foundation for creating long-term value. Our activities use these capital inputs to maximise value creation while mitigating the risk of value erosion.

Value creation

- We continually strive to **develop innovative chemical and mining solutions** by aligning with the evolving needs of our customers, the broader market and the growing demand for operational efficiency to creating long-term value
- **We optimise our portfolio** by focusing resources on operational and functional excellence within our core businesses. This includes fostering the growth of our core competencies, exiting non-core businesses that lack strategic alignment, and prudently allocating capital to strengthen our balance sheet.
- **Our research and development efforts create value** through the development creation of more efficient and environmentally friendly products and processes, contributing to our market-winning formula and sustained long-term financial performance. The pursuit of sustainability, including green business opportunities, also creates value by leveraging our intellectual capital
- **Building trust is paramount** in the value creation process, established through transparency and proactive stakeholder engagement
- **By honing our skills and expertise**, we are able to identify and extract value-creating opportunities, effectively positioning ourselves for success

Value preservation

- **Delivering on our Zero Harm and ESG commitments**, aligning every operational decision with our purpose, and committing to Net Zero by 2050, reinforces our dedication to preserving value
- To preserve value, we **prioritise maintaining the quality and safety** of our products and services. Our commitment to risk management and compliance is crucial, as we operate in industries where safety and environmental regulations play a significant role
- **Managing operational efficiencies** and on time and in full delivery of our products and services safeguards our profitability and shareholder value

Value erosion

- **Unintended value erosion** poses challenges that we proactively measure, manage and address. Economic downturns, market fluctuations and regulatory changes are potential threats, but our focus on creating a safe environment for our employees, effective risk mitigation and adaptability helps defend against erosion
- **Climate change and associated weather pattern fluctuations** also pose a risk to our operational continuity. Additionally, environmental and safety incidents are recognised as risks, emphasising the importance of comprehensive Environmental, Health and Safety (EHS) management systems as well as climate response measures
- **Adapting to changing industry trends and customer preferences** is key to preventing value erosion. Through meaningful relationships with our stakeholders we foster shared value and actively work to reduce value erosion, and reinforce our commitment to sustainable practices

Chairperson's review



Khotso Mokhele

"As we stand on the brink of this new era of AECI, I am filled with optimism. The Board wholeheartedly supports and endorses the Group's strategy, confident that this bold approach is vital for the Company's sustainable future and long-term stakeholder value creation."



Dear stakeholders

This is the last time I will address you as the Chairperson of the Board of AECI, as I will be retiring from the Board at the AGM in May 2025. It is rewarding to complete my nine years with AECI with the transformation journey which commenced during 2024 having gained full traction. I am confident that this journey will achieve its ambition to renew AECI and reposition the Company for great strategy successes.

During the reporting period, the business experienced a much-needed transformation, reshaping the organisation as a whole.

We recognise that this level of change can be challenging for our employees and all our stakeholders. Throughout this process, the Group has acted with transparency, integrity and accountability while providing support to its workforce through the employee assistance programme.

Externally, the Group faced a difficult operating environment influenced by both local and international macroeconomic and geopolitical conditions.

[More detail in the External operating environment section](#)

I have enjoyed a special privilege to serve as Chairperson of AECI during the year 2024 when we celebrated the 100 years of the successful and sustainable existence of the Company. As we celebrated AECI's centenary year, we honoured a legacy built on resilience, innovation and a steadfast commitment to progress. Our history is woven into South Africa's own — from navigating complex social and economic transitions to expanding across six continents. This milestone is a tribute to the people who have shaped AECI through every chapter. As we look ahead, we do so with humility and renewed purpose: to lead with integrity, grow sustainably and build a better, more inclusive future. The coincidence of the centenary celebration with the launch of the transformation journey means that AECI is now reinventing itself to enter its next century ready to meet the challenges of the world of today and of the future, as opposed to merely continuing on a path set under the conditions of the past.

Against this backdrop, the Board concentrated on ensuring that our transformation objectives remained consistently aligned with the organisation's long-term vision. We sought to maintain financial stability through effective leadership, meet stakeholder expectations and protect our corporate reputation. We emphasised employee morale, talent retention and skills development, while also supervising comprehensive risk management and regulatory compliance. These initiatives were closely monitored through our governance structures, guaranteeing that transformation drives sustainable value creation for the Group over the long term.

As part of our focus on the fix and optimise stage of our strategy, we have established a new operating model centered on the original mining and chemical business that formed AECI, along with a new approach that achieves higher efficiency levels.

Our current focus is on the fix and optimise phase of our strategy, giving us the leverage to achieve growth that will enable us to deliver against the four pillars of our strategy and achieve our 2026 and 2030 ambitions. Our core businesses will be equipped with the confidence, resources and diversity of skills they need to identify and exploit both organic and inorganic international growth opportunities. We will strive for excellence in all we do to achieve a significant change in the Group's growth. For detailed information on our strategy, please refer to page [54](#).

The first pillar of our strategy highlights the significance of a high-performance culture in our transformation journey and how it empowers us to meet our strategic objectives. We envision that AECI will be guided by dedicated leaders, supported by passionate and engaged teams.

The role of governance during change

The Board and the Executive Committee worked to fulfil their mandated and separate governance roles to steer and deliver our strategy and create and protect value for our stakeholders.

The changes in our operating model and growth plans required the introduction of new policies and procedures to ensure that our governance aligns with the new realities. The Board and its committees have provided oversight and monitored the review of our governance processes. We are on a maturity journey to integrate and embed proactive risk and opportunity management throughout our business.

Our risk management team conducted risk assessments regarding our compliance universe's ability to respond to our increasingly complex regulatory landscape. Furthermore, the capacity and skills of the compliance team was evaluated in line with the ever increasing legislation and regulations affecting our business. As we grow our international business, we aim to ensure our teams possess the resources necessary to evaluate and guarantee compliance with best practices and effective, ethical governance across the Group.

AECI has long been recognised for its commitment to effective and ethical governance, ensuring that the Group remains a responsible corporate citizen. As it advances its transformation strategy, the Group is dedicated to consistently embedding best-practice governance frameworks throughout its operations.

The Board welcomed a new member in September 2024, Nombulelo Moholi, as an independent non-executive director. Nombulelo brings considerable expertise in corporate governance, remuneration and risk management adds a valuable mix of knowledge, skills and experience to the Board. Her appointment further strengthens the Board's racial and gender diversity. We look forward to her contribution to the Board and its Investment, Innovation, Technology and Risk Committees.

On 1 January 2025, the Board welcomed two additional independent non-executive directors, Mr July Ndlovu and Mr Billy Mawasha both of whom bring considerable experience in mining on the African continent. Their appointment aligns with our quest to achieve a diversified and highly qualified board, strengthening our governance. Their invaluable leadership experience and extensive knowledge of the mining industry will significantly contribute to enabling the Group's sustainable growth.

It is pleasing to be handing over leadership of a Board that is well-equipped with the necessary skills to set and steer the strategic direction of the Group as it rolls out its transformation strategy and maintain its commitment to effective and ethical governance.

Post year end, the Board introduced a new Broad-Based Black Economic Empowerment (B-BBEE) transaction that will result in the AECI Foundation increasing its ownership to 15% of South Africa's mining business, ensuring 51% black ownership in line with the requirements of South Africa's mining charters. This transaction supports South Africa's socio-economic transformation priorities and reinforces our commitment towards transformation.

The right employees

To succeed, the Group needs the right employees in the right positions with the appropriate skills, attitude, and energy, who understand the organisation and its potential. The Group Chief People Officer, who joined us in August 2023, is playing a vital role in driving the essential employee aspect of implementing our new operating model and transforming our culture into one that will seamlessly integrate with the operating model and fulfill our purpose of **We Are One AECI, for a Better World**.

Building a high-performance culture anchored in service

Our Board recognises that the Group's culture must evolve to support the business transformation. When searching for a new Group Chief Executive Officer for AECI, the candidates' ability to transform the Group's culture was a key criterion for the Board. We believe our choice of the current Group Chief Executive Officer will lead to the desired cultural transformation.

If service is beneath you, leadership is beyond you. This is the expectation we have set for AECI leadership and is tied to the leadership tone we have set of 'in-service.'

Aspiring to Zero Harm

At AECI, the well-being of our employees, the communities where we operate and the natural environment is a priority. Our commitment to preventing harm to individuals and ecosystems aligns with the expectations of our customers, stakeholders, regulators and host communities.

Our comprehensive Zero Harm approach to managing and mitigating risk is grounded in accountable leadership, engaged and empowered employees, risk-based health and safety management and continuous improvement. This approach is informed by a Health and Safety policy and outlined in the AECI Health and Safety Framework. The compliance and effectiveness of implementing critical interventions within the framework are actively monitored by the Group Board's Environment, Health and Safety Committee with accountability led by the executive team.

We are pleased with our safety performance. It is critically important that all our employees return home safely, and we had no fatalities during the year under review.

The Group's Total Recordable Incident Rate (TRIR) improved to 0.31 in 2024, down from 0.35 in 2023. As we progress on our transformation journey, our safety initiatives continue to focus on proactively implementing sustainable improvements that support our Zero Harm strategy.

Invested in sustainability

I would like to recognise the significant contribution AECI has made to sustainability and the achievement of the SDGs over the past century by proactively developing a sustainable industrial business. AECI has played a vital role in the mining industry, first in South Africa and later in about 15 other African countries and internationally.

We have provided employment, paid salaries and taxes, and made significant investments in social responsibility to support the sustainability of the communities in which we operate. The social and relationship capital section of this report details our impact as a responsible corporate citizen.

[More detail in the Social and relationship capital section](#)

Our commitment to responsible environmental stewardship, compliance with applicable legislation and regulations, and our ambitious goal of achieving Net Zero by 2050 remains steadfast. This commitment is integral to pillar three of our strategy: driving operational and functional excellence. Our commitment to adhering to legislation and regulations includes addressing practices that were once legal but now require investment in rehabilitation.

The chemical industry confronts a challenging and transformative shift influenced by sustainability's effects on customer demand, manufacturing and supply chains. However, there are opportunities for our businesses to develop and implement sustainable technologies, practices, and products.

[Read more on pages 54 of the Sustainability Report](#)

In conclusion

We achieved some key financial targets in 2024 by focusing on optimising the Group, realising quick wins, and implementing our culture transformation programme through employee engagement and training. Details about what to expect from our strategy roll-out in 2025 and 2026 can be found on pages 22 to 23 of this report and in our Group Chief Executive Officer's review. [More detail in the CEO review](#)

While the Group continues to focus on optimising its portfolio and driving cost savings and reductions to achieve operational and functional excellence and growth, it must also maintain focus on transforming its culture over the next two years. I have no doubt that the Board, under the very able leadership of fellow Board member and my successor, Philiswe Sibiyi, will continue to monitor progress towards achieving a high-performance culture underpinned by passionate and engaged employees.

My thanks to my fellow Board members, the Group Executive Committee and the people of AECI for their contribution to the Group's transformation journey and the resilience they demonstrated during a challenging 2024.

I would like to thank my fellow directors for their support over the past nine years and for your contributions, which have made it possible for AECI to begin its transformation, preparing it to thrive in its next century. I look forward to tracking your progress.

Section 2

Who we are

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We Are One AECI, for a Better World

A mining services and chemicals leader operating in over 20 countries, with manufacturing sites on six continents.

Listed on
the JSE in 1966

R9 224 million
market capitalisation as at
31 December 2024

11.01 P/E ratio as at
31 December 2024



Our businesses

AECI Mining

A global leading Mining Services Business

Mine-to-mineral market-leading solutions

- Mining Explosives
- Mining Chemicals

Differentiators:

- Our partnership approach
- Our will to solve our customers' greatest challenges with our innovative products and services

AECI Chemicals

South Africa's leading supplier of chemicals

Application expertise in chemicals

- Industrial chemicals
- Specialty chemicals
- Water solutions
- Agriculture

Differentiators:

- Water management solutions in the industrial and mining segments using advanced water management technologies
- Bespoke chemical solutions

AECI Property and Corporate Services

- Property leasing and provision of utilities
- Corporate support functions
- Tenants and utilities users

Managed Businesses for divestment

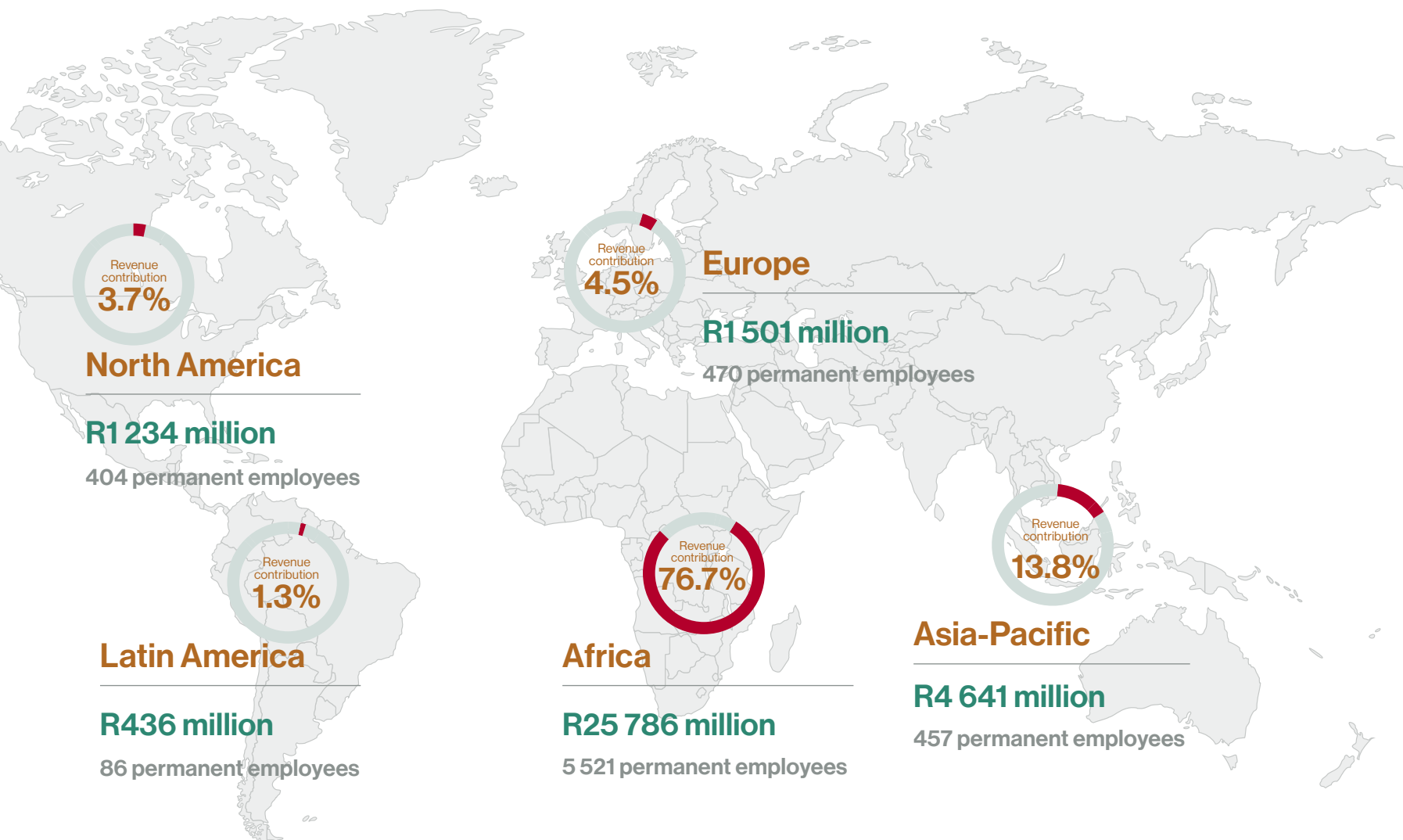
- AECI Schirm
- AECI Sans Fibers
- AECI Food and Beverage
- AECI Much Asphalt*
- AECI Animal Health
- AECI Public Water

Our core business comprises AECI Mining, AECI Chemicals and AECI Property and Corporate Services.

** Discontinued operation.*

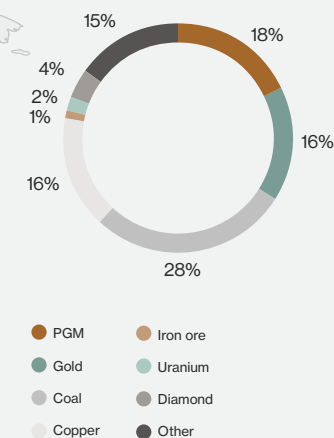
Our international presence

Our geographical spread by revenue*



AECI Mining

Our diverse commodity portfolio across customers



AECI serves the top 50 global mine owners, mining over 80 different commodities, with products and services to match mining methods.

AECI Chemicals

Our chemicals business is predominantly South African focused

* Continuing operations.

Our reporting suite endeavours to report on all financial and non-financial information on all our operating regions. Our non-financial disclosures are geared towards South Africa as the Company is currently still predominately South African and are also driven by a stringent regulatory environment. In some instances within our operating countries, local legislation restricts and prohibits the sharing and publishing of information (e.g. demographics). Other regions are not geared towards gathering and sharing information that is comparable to South African specific data requirements (e.g. previously disadvantaged individuals), and as such some disclosures only relate to South Africa. We will continue to evolve our disclosures as we grow our international presence.

Creating lasting value for a Better World

Our purpose: We Are One AECI, for a Better World



Our employees



We create and preserve value for our employees, our business and its stakeholders:

- Through the roll-out of our culture code and desired behaviours
- Rewarding employees for the value they add
- Focused capability development
- Our commitment to diversity, equity and inclusion

[Read more in the Human capital Section, the Remuneration Report and the Sustainability Report](#)



Our customers



Our customer-centric approach adds value to customers by:

- Providing innovative solutions that contribute to the efficiency, sustainability and safety of our customers' processes
- Helping customers recycle and reuse scarce and valuable resources, we contribute to developing a circular economy
- Meeting and exceeding our customers' expectations, our business units contribute to the Group's profitability and value creation for all stakeholders

[More detail in the Performance section](#)



Society



We create value through contributing to the sustainability of the communities in which we operate by:

- Investing in the education and skills development of community members
- Providing employment in our operations
- Enterprise supplier development and preferential procurement
- Social programmes focussed on sustainability



The investor community



Through ongoing and transparent engagement with the investor community, we are able to provide regular, transparent and comprehensive financial, operational and ESG information that makes it possible to assess the Group's ability to create sustainable enterprise value.



Government



The corporate taxes we pay and the personal tax our employees pay make a meaningful contribution to the economic and social development of the countries in which we operate.



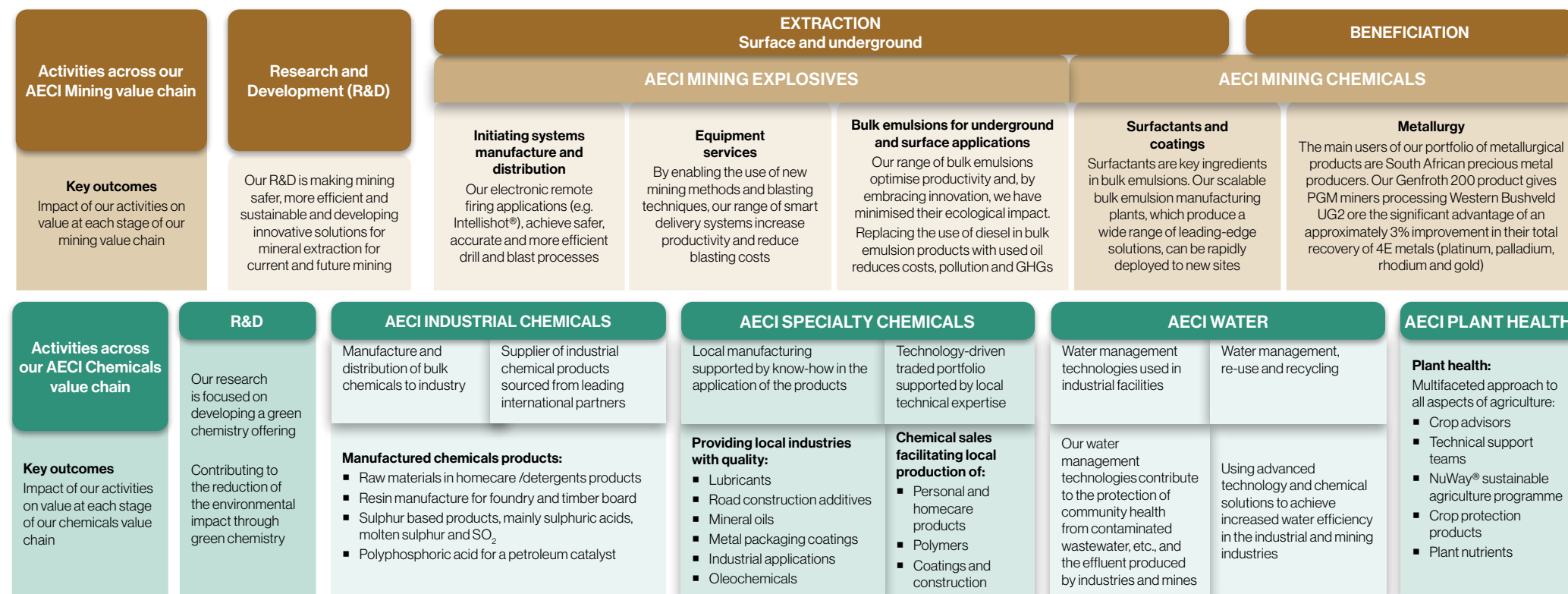
Regulators



The regulation of the industries in which we operate is designed to protect people, economic value and the natural environment.

By complying with applicable legislation and regulations, we protect and create value for our regulators, our business and its stakeholders by keeping our employees and the communities in which we operate safe and healthy and protecting our business from penalties for non-compliance, and the environment from damage caused by non-compliance.

The core business value chain activities and impacts



Underpinning and driving the performance of our value chain, and the achievement of our Purpose and our Ambition is our strategic focus on:
A high-performance culture • Portfolio Optimisation • Driving operational and functional excellence • Internationalisation

Capitals employed



Stakeholders impacted



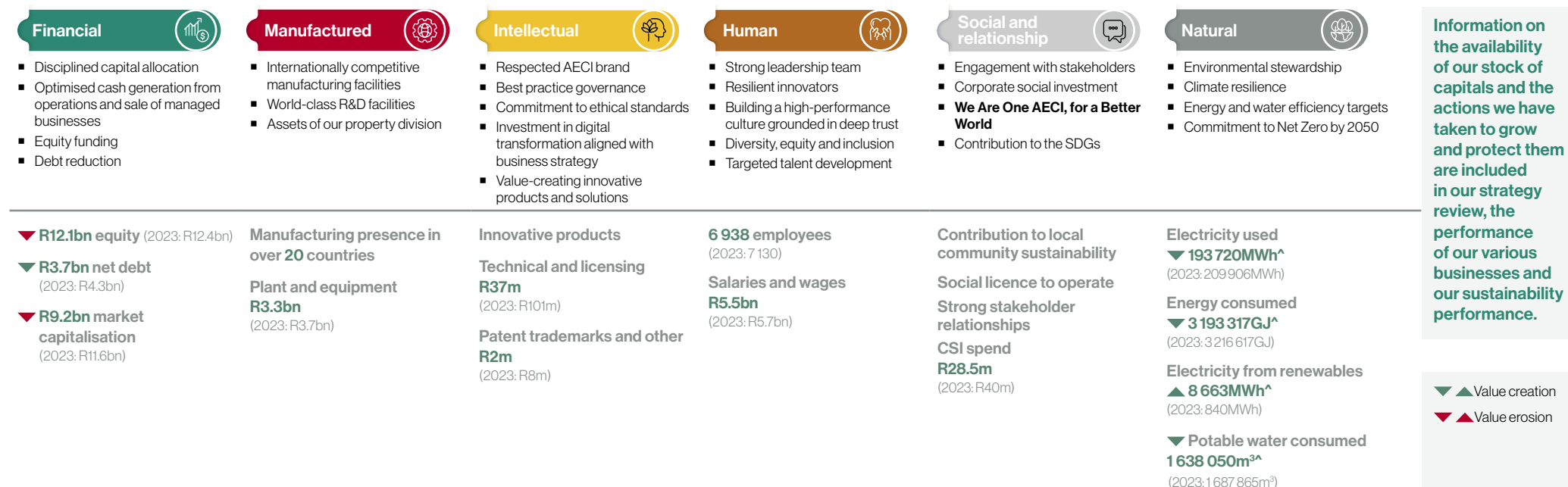
The SDGs to which we contribute



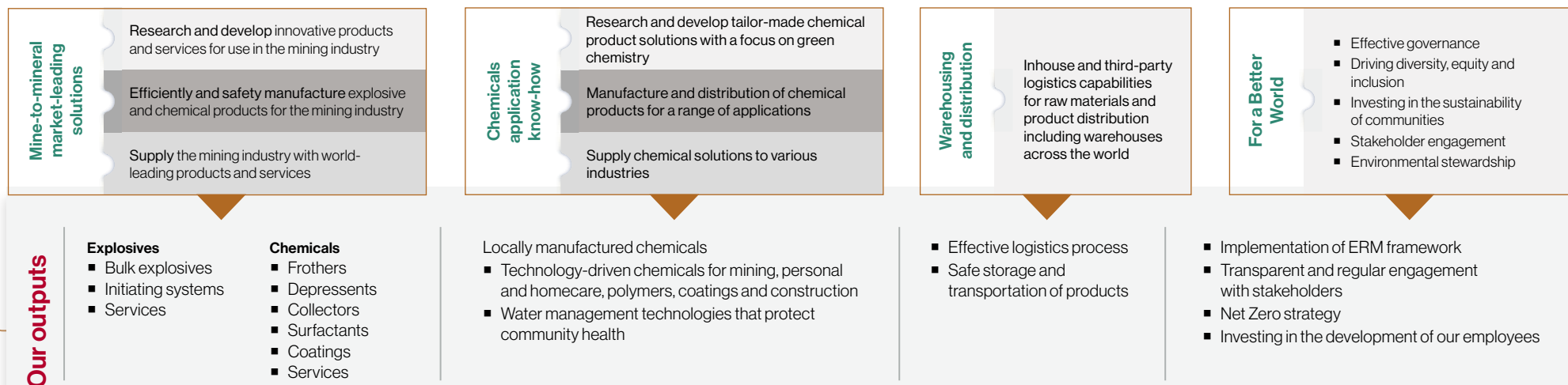
Our purpose-driven business model

Our business model and strategy are designed to ensure we can create value by delivering on our purpose, which guides our approach to creating social and economic value. Our core business activities across our Mining and Chemicals value chain align with our purpose of delivering sustainable solutions for a better world through innovation and excellence, and our strategy drives sustainable growth, profitability and environmental responsibility.

Our inputs



Our activities



[^] Subjected to limited assurance. [See page 90 of this report and page 78 of the Sustainability Report](#)

The risks affecting the availability of our capitals

 [Link to risks](#)

Impact on our stock of capitals

Financial



4,5,6,10

- The uncertain and unpredictable socio-political and international economic climate
- Supply chain disruption

- The stock of financial capital we will have available for our business in 2025 was affected by R860 million in once-off investment costs partially offset by R504 million TMO uplift
- Management of working capital (16%) and R2.2bn free cash flow generation from core business
- Achievement of R800 million EBITDA run-rate from TMO initiatives
- Impairment recognition of R1.1 billion and on going losses in our managed businesses

Manufactured



5,7

- Performance of the mining industry
- Availability of key raw materials

- AECI Mining business growth internationally and in Central Africa
- AECI Chemicals achieved a substantial increase in operating profit driven by disciplined cost management and enhanced operational efficiencies
- Plan shutdowns incurred will prolong the life of our assets and improve efficiencies

Intellectual



2,3

- Increase in cybercrime, fraud and corruption

- Our investment in the intellectual capital we needed to support implementing our strategy required a substantial investment of financial capital. However, the transference of skills that has taken place has contributed significantly to the Group's stock of intellectual capital
- Our investment in developing critical skills and future leaders Our investment in our digital transformation will accelerate our sustainable business growth and unlock value

Human



8,9

- Access to adequate and appropriate skills
- Safety performance

- To grow and enhance our stock of human capital we invest in a compelling employee value proposition. This supports employees' health and wellness, offers fair and equitable remuneration, upskilling and reskilling of our employees. Further providing compelling career development and mobility opportunities across the Group and work experiences that position AECI as an employer of choice
- Investing in the safety of our employees
- Roll out of our culture code

Social and relationship



8

- Social licence to operate
- Maintaining key stakeholder relationships

- Our investment in education from early childhood development to improving the quality of education for both teachers and learners and enabling economic inclusion in the communities in which we operate we are contributing to the future sustainability of these communities
- The quality of our relationships play a crucial role in the retention of our social licence to operate

Natural



1,4,8

- Climate change
- Power and water supply
- Compliance with legislation and regulations

- We made good progress with addressing our material natural capital matters, including increasing our water use efficiency, improving our carbon efficiency and reducing our carbon footprint

Our outcomes

▼ Cash generated from operations **R3.3bn** (2023: R4.0bn)
 ▼ Normalised EBITDA **R3.7bn** (2023: R3.8bn)
 ▼ Normalised profit from operations **R2.5bn** (2023: R2.7bn)
 Dividend declared **219cps** (2023: 219cps)

Capex of **R973m** (2023: R1.3bn)
 ▼ Growth **R208m** (2023: R434m)
 ▼ Maintenance **R765m** (2023: R869m)

▼ **91 employees** attended leadership development programmes (2023: 99)
 Goodwill and intangible assets **R2.0bn** (2023: R3.2bn)

Roll out of culture code
 ▼ **TRIR – 0.31** (2023: 0.35)
 ▲ Woman in senior, middle and junior management – **29%** (2023: 28%)
 ▲ Learnerships/internships apprenticeships – **376** (2023: 245)

▼ Total tax contribution – **2.7bn** (2023: 3.4bn)
 Certified a Top employer in SA B-BBEE **Level 3** (2023: Level 3)
 ▼ Jobs created – **321** (2023: 616)
 ▲ SMME supported – **51** (2023: 50)

▼ **Zero**[^] serious or major environmental incidents for more than 10 years
 ▼ **5%**[^] reduction in total carbon footprint (Scope 1 and 2)
 ▼ **2%**[^] decrease in potable water consumption

Trade-offs

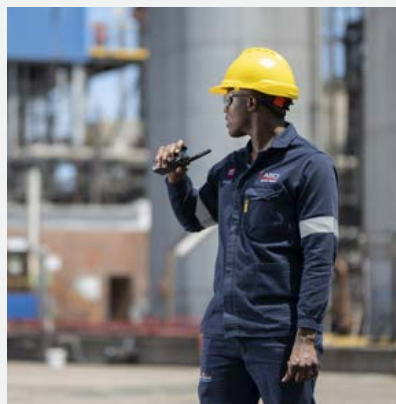
Optimising value inevitably involves trade-offs. In 2024, we allocated financial capital to several areas that did not yield immediate returns but are expected to drive long-term value creation. Once-off transformation and operational costs accounted for the majority of our trade-off expenditure. These included developing and implementing our new operating model, establishing the Transformation Management Office – which has already delivered sustainable recurring savings of R428 million and once-off savings of R76 million – and designing and introducing our new Culture Code. Trade-offs also included planned shutdowns, with R204 million invested during the period to extend the life of our assets and improve operational efficiency. We further invested R186 million in preparing selected businesses for sale as part of our portfolio optimisation strategy. Sales agreements have since been signed for two of these businesses. While these investments impacted short-term returns, they are aligned with our commitment to sustainable growth and long-term value delivery across our stakeholder base.

 [More detail in the Acting CFO review and Manufactured capital section](#)

Section 3

Our governance

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Executive leadership	<u>25</u>



Our approach to governance

An integrated approach to governance is essential for ensuring that strategic, operational, financial, environmental, social and ethical considerations are aligned across the Group. This holistic view enables more effective decision-making, strengthens risk and opportunity management, enhances accountability and supports long-term value creation for all stakeholders. It also ensures that sustainability and good governance are embedded into every aspect of the business.

Role in corporate culture

Governance is the bedrock of our corporate culture, championing ethics, integrity, transparency, honesty, trust and openness. This serves to emphasise the significance of ethical conduct and responsible decision-making at all levels of the organisation. The AECI Leadership Compact and Culture Code provides the framework for behavioural characteristics. As the highest governing body, our Board provides ethical leadership that drives an organisational culture anchored in **trust, accountability** and **integrity**.

Board oversight

The Board is responsible for the supervision of all governance policies, processes, controls and systems, thereby guaranteeing that they are in accordance with the highest ethical and integrity standards.

Alignment to strategic ambitions

While maintaining integrity and overall responsibility for the Group's success, the Board is responsible for enabling the achievement of AECI's strategic ambitions. This ensures that the Company's long-term vision and strategic ambitions are in alignment with its governance initiatives.

Supportive structures and processes

The value creation process is supported by governance structures, policies, internal processes, risk, opportunities, sustainability, supervision and remuneration practices that are intended to ensure effective, ethical leadership and management within the Group.

Performance metrics and accountability

Performance metrics and procedures that are consistent with strategic ambitions are implemented to ensure that all employees are held accountable.

Inclusive stakeholder engagement

Overseeing our reporting and disclosure to enable stakeholders to make informed assessments of our performance and impact; ensuring that our approach to stakeholder engagement supports transparent and ongoing consultation and collaboration, as well as informed decision-making.

Commitment to sustainability

The Board is committed to creating long-term value through a sustainability approach that promotes transparency, accountability and responsible corporate citizenship. Aligned with international reporting frameworks, our efforts focus on accurate ESG performance reporting, proactive environmental stewardship, strong oversight of health and safety and delivering meaningful social impact for stakeholders.

Value creation

Value creation is a central pillar of effective governance, ensuring that the Group's strategies, decisions and operations deliver sustainable benefits for all stakeholders. Through robust governance frameworks, the Board guides the business to balance short-term performance with long-term growth, while considering the economic, social and environmental impact of its activities. This approach underpins the Group's ability to build trust, maintain resilience and generate enduring stakeholder value.

How our Board governs

The AECI Governance Framework sets out the structures, processes and practices the Board uses to direct and manage the Group's operations. We comply with the Companies Act, the JSE Listings Requirements, King IV™ and all applicable legislation and regulations.

The Group's Memorandum of Incorporation (MOI) defines the Board and director responsibilities. The Board Charter outlines the Board's powers, authority and clarifies the roles and responsibilities of its members, ensuring no single director holds unfettered decision-making power.

• Embedding global standards in governance

The integration of the Ten Principles of the UN Global Compact (UNGC) and the anti-corruption recommendations of the Organisation for Economic Co-operation and Development (OECD) into AECI's governance practices reinforces the Board's commitment to ethical leadership and responsible business conduct. This supports sustainable value creation, strengthens our corporate social responsibility efforts and promotes an organisational culture rooted in integrity and accountability.

• Our commitment to King IV™

AECI's governance structures and delegation frameworks establish the Board as the custodian of corporate governance across the Group. These governance structures ensure that leadership is exercised with integrity, accountability and strategic foresight, in alignment with the principles of King IV™. Our application of King IV™ is centered on delivering the four desired governance outcomes: ethical and effective leadership, sound performance, effective control and legitimacy. Through these mechanisms, the Board provides a strong foundation for sustainable value creation and responsible corporate citizenship.

[King IV™ application table available in the King IV™ Application Statement in the Governance Report.](#)

Our Board

Established Board with diverse expertise and experience levels relevant to AECI

The Board provides oversight and strategic guidance to the Group.



Khotso Mokhele⁶⁹
Chairperson

Independent non-executive director

BSc (Agriculture), MSc (Food Science), PhD (Microbiology)
Appointed: Board 2016, Chairperson in 2017



Billy Mawasha⁴⁶

Independent non-executive director

BSc Electrical Engineering
Appointed: January 2025



Philisiwe Sibiya⁴⁸

Independent non-executive director

CA(SA)
Appointed: 2018



Stephen Dawson⁶⁰

Independent non-executive director

BEng (Hons), MBA,
Graduate Australian Institute of Company Directors
Appointed: 2020



July Ndlovu⁵⁹

Independent non-executive director

BSc (Metallurgical Engineering),
MBL (UNISA)
Appointed: January 2025



Walter Dissinger⁶²

Independent non-executive director

MEng (Industrial)
Appointed: 2020



Patty O'Brien⁵⁹

Independent non-executive director

BSBA Industrial Marketing, MBA
Appointed: 2021



Fikile De Buck⁶⁴

Independent non-executive director

BA Economics and Accounting,
FCCA (UK)
Appointed: 2019



Nombulelo Moholi⁶⁵

Independent non-executive director

BSc Electrical and Electronics Engineering, Stanford Executive Programme
Appointed: 2024



Sam Coetzer⁶³

Independent non-executive director

BEng (Mining)
Appointed: 2022



Marna Roets⁵⁸

Independent non-executive director

CA(SA)
Appointed: 2020



Holger Riemensperger⁵⁴

Executive director

Dipl.Ing (FH), Mannheim University of Applied Sciences
Global Management Certificate, INSEAD
AkzoNobel MDP, Hult International Business School, UK
Appointed: 2023

Committee

- Audit
- Investment, Innovation and Technology
- Nominations and Directors' Affairs
- Risk
- Remuneration and Human Capital
- Social, Ethics and Sustainability
- Environment, Health and Safety
- Chairperson

[See Governance report/ Notice of AGM website for detailed CVs](#)

[See Governance report for board changes during the year](#)

CC

Changes to the Board

Changes that we announced on SENS that took effect in 2024 as well as those that took effect in 2025, were as follows:

- Nombulelo Moholi joined the Board as an independent non-executive director effective 1 September 2024
- Rochelle Gabriels stepped down as Group Chief Financial Officer and Executive Director of AECI on 31 December 2024 on mutually agreed terms. Ian Kramer has been appointed the Acting Group Chief Financial Officer, but not as Executive Director, effective 31 December 2024

- July Ndlovu and Billy Mawasha have been appointed to the Board as independent non-executive directors, effective 1 January 2025
- Khotso Mokhele the Chairperson of the Board has elected to retire as a Director of the Board at the upcoming Annual General Meeting. Philisiwe Sibiya has been elected as the new Chairperson by the Board effective 27 May 2025

[See Governance Report for Board committee changes](#)

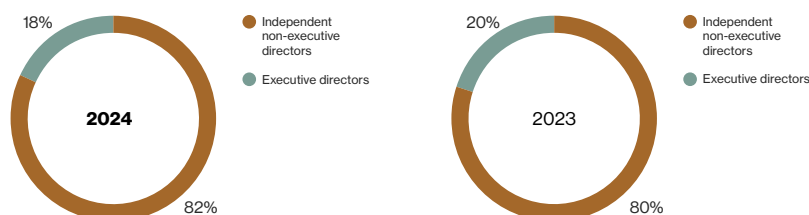
Our Board profile

The Board of AECI is committed to maintaining a high standard of independence, diversity and ethical leadership in line with King IV™ principles and the Group's governance philosophy. A majority of the directors are independent non-executives, ensuring objective oversight and accountability. The Board reflects a strong commitment to race and gender diversity, with meaningful representation by women and historically disadvantaged individuals. In addition, the Board benefits from a balanced mix of tenures, combining institutional knowledge with fresh perspectives, which supports robust deliberation.

The Nominations, Governance and Directors' Affairs Committee (NGDAC)'s roles and responsibilities, set out in its Terms of Reference, include ensuring that the Board and its sub-committees have the appropriate composition to execute their duties effectively and recommending targets for gender and race representation on the Board. Our Board is satisfied with its level of independence and that its composition reflects an appropriate mix of knowledge, skills, experience and diversity. In accordance with JSE Limited Listings Requirements, AECI has a Board Nomination, Composition and Diversity Policy that provides for, *inter alia*, the Board's racial and gender diversity voluntary targets.

Independence

As per King IV's™ recommendations, the Board conducts a thorough annual internal assessment of the directors' independence, with a particular emphasis on directors who have been on the Board for nine years or more. For the 2024 financial year, the Board was satisfied that all of its NEDs satisfied the criteria.

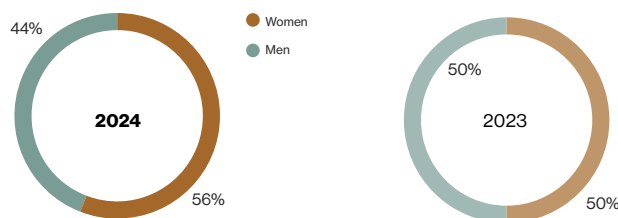


The appointment of two new independent non-executive directors post-year-end affected the gender and racial composition of the Board as set out below.

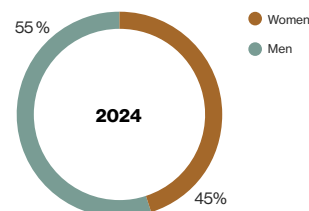
Diversity

The voluntary gender target for non-executive directors in our Board Nomination, Composition and Diversity Policy is 40% women. In September 2024, the addition of a new independent non-executive director, Nombulelo Moholi, exceeded this target. The company endeavours to, at a minimum, achieve 50% black people representation on the Board as defined by the B-BBEE codes. To date, AECI has achieved 55% black people representation. Five Board members are foreign-based.

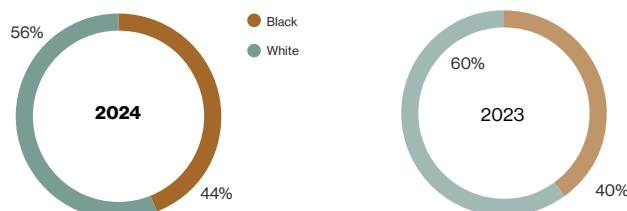
Gender diversity of non-executive directors as at 31 December 2024



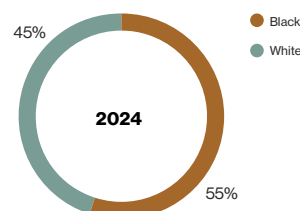
Gender diversity of non-executive directors post year-end



Racial diversity of non-executive directors as at 31 December 2024



Racial diversity of non-executive directors post year-end

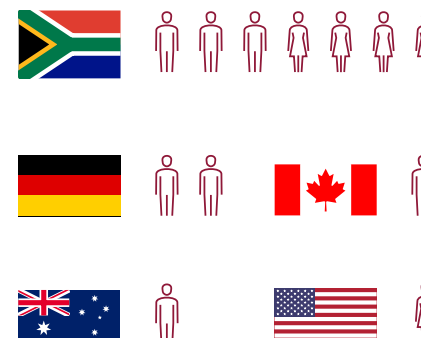


Independence

The Board requires all directors to act independently in the best interests of the Group and its stakeholders. The NGDA Committee annually assesses the independence of non-executive directors and are satisfied that all non-executive directors comply with the prescribed governance standards pertaining to independence, and continue to provide unbiased and valuable contributions, based on King IV™ principles.

99.91%
Average Board attendance

Nationalities of Board members



Key Board focus areas during 2024

In 2024, the AECI Board maintained its strategic focus on enabling effective execution of the Group strategy, supporting investment and portfolio optimisation and overseeing core business performance. Key governance priorities included enhancing risk, ethics and compliance frameworks, while championing a cultural transformation anchored in the newly adopted AECI Leadership Compact and Culture Code. Through these initiatives, the Board demonstrated its commitment to ethical leadership, sound governance and sustainable value creation.

1 Cultural Transformation Journey

The Company's Executive Committee introduced the new AECI Leadership Compact and Culture Code, where employees have a common call to action – embedding principles of trust, transparency and servant leadership. This focus ensures that AECI remains future-fit and competitive in a demanding market. As the Board, we are proud to have pledged our commitment to the AECI Leadership Compact and Culture Code, setting the ethical and culture tone, from the top.

2 Group Strategy Execution

The Board enabled management to take decisive steps to execute the Group strategy, focusing on efficiency, cost optimisation and integration. Through these transformation initiatives, the Company successfully delivered R504 million to the profit line and achieved the promised R800 million run-rate. AECI's commitment to building internal capabilities ensures that teams are equipped to execute the strategy.

3 Investment and Portfolio Optimisation

AECI continued to make progress in executing our divestment strategy for the Managed Businesses. Despite a subdued mergers and acquisitions environment, we received credible offers for AECI Animal Health and AECI Much Asphalt, with the latter transaction successfully concluded in March 2025. Work is ongoing to finalise the divestment of the remaining Managed Businesses.

4 Our Core Business Performance

The Board oversaw progress made across both our Mining and Chemicals businesses during the year. In Mining, the focus remains enhancing operational resilience. The Chemicals business delivered an outstanding performance in 2024, driven by disciplined cost management, efficiency improvements and diligent margin management.

5 Risk, Ethics and Compliance

Risk management, regulatory compliance and ethical conduct remains a top priority for the Board, particularly considering the vast number of jurisdictions in which we operate. The Group continued to optimise its risk, ethics and compliance frameworks in 2024, building on the progress made in previous years. This encompassed the enhancement of monitoring and assurance capabilities by enhancing corporate functions with specialised subject-matter expertise. The Board is dedicated to the principles of good corporate practices and conduct as detailed in King IV™ and remains committed to sound governance. The Board is satisfied that the Group adhered to the provisions of King IV™, the JSE Limited Listings Requirements and the JSE Limited Debt and Specialist Securities Listings Requirements, and is operating in compliance with the provisions of the Companies Act and in conformity with its MOI.

Effective control

Leadership structures

The Board's leadership role

The Board sets the tone and leads the Group ethically, effectively and responsibly. When making decisions, Board members ensure that they are well-informed, act independently and with courage of conviction, demonstrate awareness and insight, and appropriately manage any conflicts of interest that may arise.

The Board works together with the executive team to deliver on our purpose. It steers the Group's strategic direction to create value for all our stakeholders in the short-, medium- and long-term. It retains flexibility and agility to adapt rapidly to changing market conditions and innovation. It guides and oversees the Group's performance in terms of the critical role the Group plays in society as an employer, taxpayer and contributor to transformation and economic growth.

To mitigate conflicts of interest, Board members annually update their general disclosure of personal financial interests as required by the Companies Act. At each Board or committee meeting, members are reminded to declare any material personal financial interests in contracts entered into or authorised by the Group.

A clear balance of power and authority

Through the appointment of independent directors and the separation and clear definition of the roles and responsibilities of the Chairperson and the Group Chief Executive Officer, the Group has established a clear balance of power and authority at Board level. The Group Chief Executive Officer has an employment contract which will cease at retirement age if it does not cease at an earlier date for any other reason recognised by law. A standard six-month notice period applies to the Group Chief Executive Officer role. In the event of termination, the Group Chief Executive Officer will not receive any remuneration for the remainder of the contract if the termination occurs before the end date.

Responsibility for the Group's performance

To maintain oversight and ongoing assessment of the Group's value-creation process, the Board retains specific powers regarding strategic planning, risk and opportunity management, including setting our risk appetite and risk tolerances, financial controls, compliance oversight and compensation of executive management, talent management and succession planning, social responsibility, environmental stewardship and climate change. Our Board uses its quarterly meetings to discharge its duties in terms of its Charter, the Companies Act, the JSE Limited Listings Requirements, King IV™ and other legislation regulating the industry in which we operate. It considers quarterly reports on the Group's:

- Operating and financial performance
- Progress on strategic ambitions
- Risks and opportunities
- Update on regulatory compliance
- Social performance, including the safety, health and well-being of our employees
- Environmental performance, including the results of our efforts to mitigate climate change
- Update on the human capital and remuneration matters

In addition to quarterly meetings, the Board also convenes a two day strategy meeting and a budget review meeting on an annual basis. It also monitors the macro environment and its potential impact on our business.

The role of the Group Company Secretary

The Group Company Secretary plays a key governance role, advising the Board on compliance with the Companies Act, King IV™ and JSE Limited Listings Requirements. Responsibilities include monitoring regulatory developments, supporting statutory compliance and maintaining accurate records.

Although an employee of the Company, the Group Company Secretary operates at arm's-length from the Board, and provides independent guidance on directors' legal and fiduciary duties.

The Board is satisfied that Cheryl Singh possesses the qualifications, expertise and experience required for the role.

Delegation of authority

Our governance practices facilitate delegation of authority to Board committees, which are chaired by independent non-executives. The composition of the committees complies with the application of regulatory and legal requirements and any non-binding rules, codes and standards.

The delegation structures in place provide for the assignment of authority while ensuring that the Board retains effective control.

This includes the Board's delegation of authority to its designated committees and to the Group Chief Executive Officer. The Group Chief Executive Officer then delegates responsibilities to the Executive Committee, in line with the Group's delegation of authority framework.

Board and committee evaluation

The effectiveness of our Board and committees is assessed through external reviews conducted every two years. The last review was completed in 2023, and the next review is scheduled for 2025. The remediations of findings raised by the 2023 evaluation is actively tracked by the Board.

The role of the Board committees

The Board has seven standing committees. Each Board committee is chaired by an independent non-executive director, with the majority of committee members being independent non-executive directors. The Chief Executive Officer, Chief Financial Officer, and relevant members of management are standing invitees to committee meetings.

The Board committees support independent judgement, maintain a balance of power and assist in fulfilling the Board's responsibilities. Each committee operates under its terms of reference, which define its composition, role, responsibilities, functions and authority.

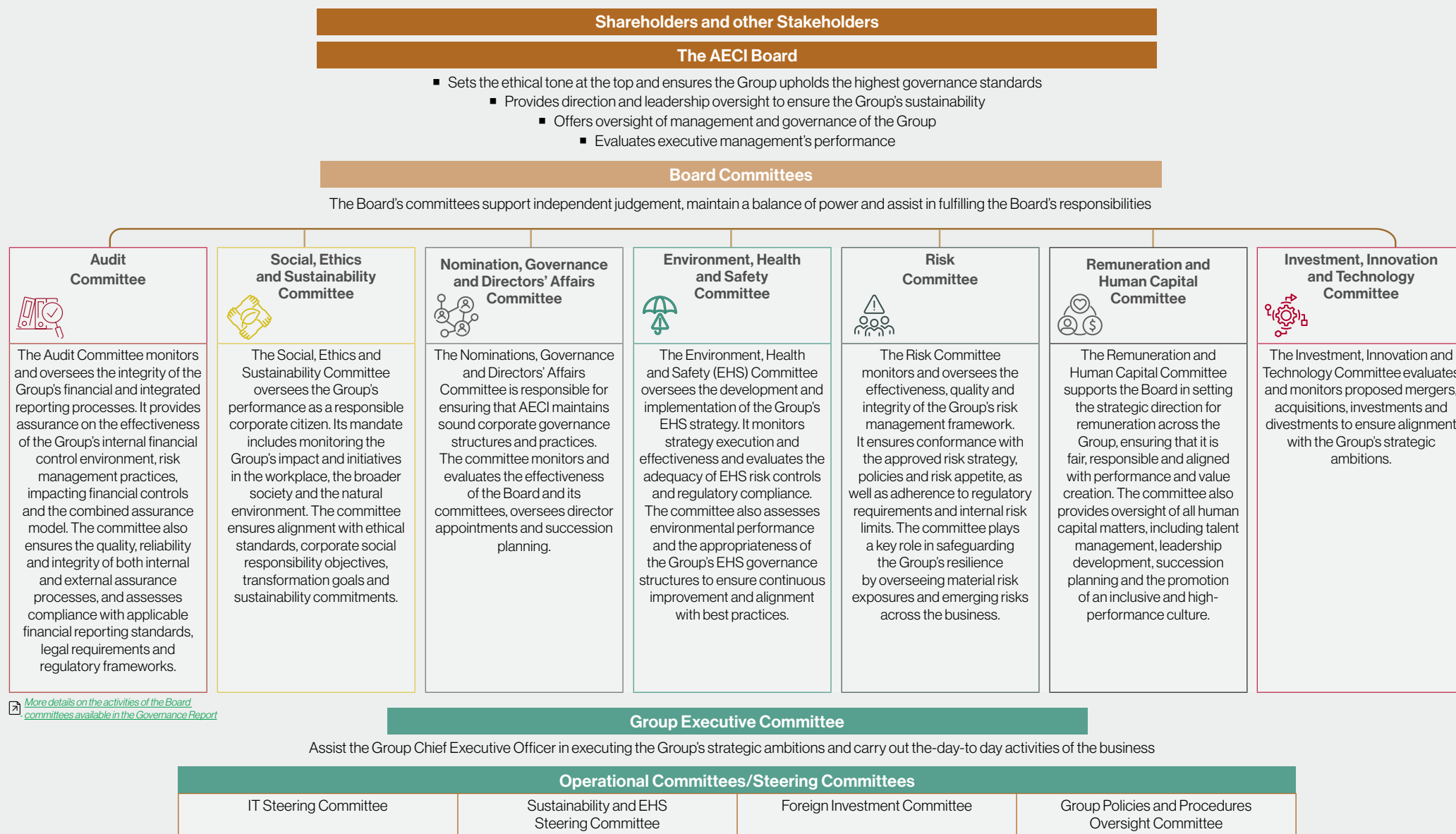
In line with King IV™ recommendations, the Board annually reviews the terms of reference for all committees and approves any necessary updates. Committees are also required to report quarterly to the Board on the fulfillment of their obligations in terms of the respective Terms of References.



AECI Industrial Chemicals, Chloorkop, South Africa

Our governance structure

A well-defined governance structure enables effective oversight, decision-making and accountability across AECI. It establishes clear roles, responsibilities and reporting lines between the Board, its committees, executive management and operational leadership. This structure ensures that AECI adheres to the principles of sound corporate governance, including ethical leadership, transparency and stakeholder inclusivity. It also supports the consistent application of policies, alignment with strategic ambitions, effective risk management and compliance with legal and regulatory requirements – ultimately contributing to sustainable value creation.



More details on the activities of the Board committees available in the Governance Report

Ethical leadership

AECI's Board provides ethical leadership and oversight of the Company's performance objectives, ethics and core values. In fulfilling these responsibilities, the Board is guided by the Company's MOI, Board Charter and the AECI Code of Ethics and Business Conduct (the Code of Ethics).

"At AECI, we have a zero-tolerance approach to unethical and unlawful conduct and business practices."

Our commitment to ethical and responsible business conduct remains a cornerstone of our organisation and long-term strategy. We believe that integrity, trust and accountability are not only fundamental to maintaining the trust of our stakeholders, but also essential to sustainable success.

During 2024, we have continued to strengthen our corporate governance practices, upholding rigorous compliance standards, and fostered a culture that empowers employees to act with integrity in every aspect of their work. These principles guide our decision-making, shape our relationships and reinforce our reputation as a trusted partner to our stakeholders.

Ethical governance

Ethics, integrity and responsible business conduct are fundamental to our governance philosophy and are governed in alignment with the principles of King IV™. King IV™ underscores the importance of ethical leadership and the establishment of an ethical culture as critical drivers of sustainable value creation.

In line with these principles, our Board assumes ultimate responsibility for setting the tone at the top and ensuring that ethical standards are deeply embedded throughout the organisation. This is supported by the Code of Ethics and associated policies, our regular training initiatives and the oversight from governance structures. These mechanisms ensure that ethical considerations remain central to our strategic decision-making, stakeholder engagement and day-to-day operations.

Ethical governance is ingrained in every aspect of our organisation, with our Ethical Custodians of governance at AECI embodying this principle. Their roles and responsibilities are clearly defined to guarantee robust oversight and accountability.

Ethical Custodians of Governance at AECI

Board

Sets the leadership tone at the top as the highest governing body.



Executive Committee

Promoting a culture of ethical decision-making, open communication, accountability for ethical behaviour and appropriate consequence management when violations occur.



Group compliance

Is responsible for the implementation of the Code of Ethics, and related policies, ensuring continued compliance and fostering ethical behaviour among employees.



Internal audit

Plays a critical role in evaluating the effectiveness and efficiency of internal control systems, identifying areas for improvement and supporting continuous enhancement.



Whistle-blowing Committee

Acts as an independent mechanism for receiving processing and investigating reports of ethical misconduct, further reinforcing our commitment to transparency and accountability.



A culture of ethics and integrity

An ethical culture encompasses the shared values, principles and standards that shape the behaviour of our employees and guide decision-making across the organisation. Referencing our global presence, our culture of ethics serves as the foundation of our overarching purpose. **We are One AECI, for a Better World** culture journey, ensuring consistency, accountability and integrity across diverse regions and operating environments.

We promote a global culture of ethics, integrity and responsible conduct through strong leadership, a clear ethical framework and ongoing training through the application of our Code of Ethics.

We also deploy culturally-inclusive implementation strategies which are aligned with local laws and norms, without compromising core ethical principles. Strong governance structures, including clear reporting lines, ethical oversight and whistle-blowing mechanisms, play a critical role in embedding ethical behaviour and enabling early identification and resolution of ethical concerns/breaches. This integrated approach ensures that ethics remain central to our organisation, risk management and long-term value creation across our global footprint.



AECI Plant Health, Boksburg, South Africa

Ethical leadership continued

The Code of Ethics

In 2024, the Board, through the Social, Ethics and Sustainability Committee, undertook a comprehensive review and significant revision of the Code of Ethics. The updated Code of Ethics aligns with global best practices in ethics and governance and clearly reflects AECI's cultural transformation objectives. Central to the revised Code of Ethics are the AECI Leadership Compact and Culture Code, which serve as foundational pillars.

It provides the ethical framework that underpins our decision-making and guides our interactions across our operating geographies. The Code of Ethics is designed to ensure that all employees, regardless of business unit, region or role, clearly understand what is expected of them and consistently act in a manner that reflects our values, supports lawful conduct and safeguards our license to operate. To facilitate consideration and application, the Code of Ethics further sets out the standards of behaviour in critical areas such as anti-bribery and corruption, conflicts of interest, data privacy, human rights and responsible leadership.

To demonstrate the Board's strong leadership on ethical conduct, the revised Code of Ethics imposes a mandatory reporting obligation on all senior managers at AECI to disclose any actual or suspected unethical behaviour immediately upon becoming aware of it.

In 2025, we are committed to integrating the revised Code of Ethics across the entire organisation, ensuring it becomes a fundamental part of our business practices. This comprehensive approach will not only promote a practical understanding of the Code, but ensures it is actively embraced and practised at all levels of the organisation.

Whistle-blowing

AECI has a formal Whistle-blowing Policy, which provides the following:

- Creating an ethical culture of openness and transparency where persons share concerns without fear of retaliation
- Protecting the identity of whistle-blowers and respecting their confidentiality
- Providing whistle-blowers the opportunity to report anonymously
- Processing and investigating whistle-blowing reports in an appropriate and effective manner

Beyond compliance, the Board further demonstrated its commitment to upholding ethical conduct by establishing an independent whistle-blowing Committee (WBC) consisting of the Vice President of Internal Audit, the Group Company Secretary and the Group Compliance Officer. The WBC acts as a central mechanism for receiving, assessing and investigating all tip-off reports. All reported incidents are subject to thorough investigation, using internal or external resources as appropriate to the nature and complexity of the matter. The outcomes of these investigations are carefully reviewed to ensure that appropriate corrective actions are implemented, with a focus on strengthening internal control environments and mitigating future risks. The credibility of the WBC is reinforced through its direct reporting line to the Audit Committee, the formalisation of its responsibilities via a defined Terms of Reference, and the support of robust Board committee reporting matrices and escalation procedures.



Executive leadership

Committee

Audit

Investment, Innovation and Technology

Nominations, Governance and Directors' Affairs

Risk

Remuneration and Human Capital

Social, Ethics and Sustainability

Environment, Health and Safety



Holger Riemensperger (54)

Group Chief Executive Officer
Executive Director

Dipl.Ing (FH), Mannheim University of Applied Sciences
Global Management Certificate, INSEAD
AkzoNobel MDP, Hult International Business School, UK

Appointed to the Executive Committee in May 2023

Board Committee Member:

Permanent invitee to all Board Committees. Mr Riemensperger has recused himself from the Nominations, Governance and Directors' Affairs Committee.

Holger brings a wealth of international leadership experience, having held senior executive roles across Europe and the United States. With deep expertise spanning the mining, chemicals, agriculture and manufacturing sectors, Holger has served in global vice president and senior management capacities at prominent companies including Bunge Loders Croklaan, BASF, Frutarom, and AkzoNobel. Prior to joining AECI, he was the Chief Operating Officer and executive director of K+S Group in Germany. His strategic vision and global perspective continue to drive AECI's growth and transformation.

Key areas of responsibility

In his capacity of Group Chief Executive Officer, Holger takes overall responsibility for Executive Committee shared responsibilities as detailed below:

- Achieve the strategic ambitions as set out:
 - Achieve between R5.6 billion to R6.3 billion EBITDA (annualised run-rate) by the end of 2026
 - Attain a global market position in Mining of #3 by 2030
- Foster a safety-first culture and continuously enhance the protection and wellbeing of our employees
- Commit to drive Diversity, Equity and Inclusion (DEI) goals to enhance business performance and workplace culture by building multifaceted teams within an environment that values diverse talents, perspectives and ideas – while strongly supporting South Africa's transformation agenda as measured by B-BBEE targets
- Executive and leadership succession planning, with focused talent management and development, remains a priority – ensuring leadership continuity, advancing transformation, and building a diverse pipeline of future-ready leaders aligned with our strategic ambitions and evolving market needs

- Cultural transformation, building a high-performance team underpinned by purpose-led passionate and engaged people, through the effective and meaningful roll-out of the AECI Leadership Compact and Culture Code
- Lead and drive the highest standards of ethics, governance and compliance in our business practices
- Optimise the product and service portfolio of AECI through divestments of non-core businesses and investments into core businesses to deliver our strategic ambitions
- Meet Group ESG targets

Focus areas in 2025

- Culture transformation
- Continue portfolio optimisation
- Progress internal value unlock
- Further improvement of governance processes
- Continue with internationalisation strategy



Ian Kramer (54)

Acting Group Chief Financial Officer

B.Com (Hons) Accountancy, University of Pretoria
CA (SA), The South Africa Institute of Chartered Accountants (SAICA)

Appointed to the Executive Committee in December 2024

Permanent invitee to all Board Committees

Ian is a Chartered Accountant (SA) with over 30 years of experience. He has held senior finance roles at AngloGold Ashanti, where he led key initiatives in corporate restructuring, external reporting and treasury. Prior to that, he was an audit and advisory partner at KPMG in South Africa and Canada. His expertise spans financial management, taxation, risk and IT. At AECI, he is responsible for overseeing the Group's financial strategy and supporting its growth during a critical transition period.

Key areas of responsibility

- Lead balance sheet optimisation in accordance with Transformation Office workstream objectives and timelines to achieve targeted free cash flow
- Sale of Managed Businesses
- Board-approved M&A roadmap
- Embed functional finance operating model and finance structure
- Enhancing management reporting and implementing integrated business planning
- Determine way forward for the technology operating model and roadmap considering digital workstream priorities
- Finalise project to achieve 50% black ownership for the South African Mining Business

Focus areas in 2025

- Balance sheet optimisation, including working capital management and return on invested capital (ROIC)
- Reduce effective tax rate through tax optimisation, Group restructuring and other tax initiatives
- International tax management
- Capital allocation framework including revision of the dividend policy
- Cost optimisation to achieve the Group's strategic ambitions
- Integrated business planning with a focus on enhanced management reporting
- Optimising the current IT structure and digital transformation with a focus on artificial intelligence and digital systems integration across the Group

Ian has not been appointed as an executive director of the Company.

Changes in Executive Committee

- Rochelle Gabriels stepped down as Group Chief Financial Officer and Executive Director, by mutual consent, on 31 December 2024.
- Ian Kramer has been appointed Acting Group Chief Financial Officer from 31 December 2024.
- Denvor Govender exited the employ of the Company at the end of February 2025.
- Zanele Salman re-joined the Company and was appointed as Chief of Staff on 1 April 2025.

Executive leadership continued



Rafael Fernandes (53)

Group Chief Transformation Officer

BCom (Hons) Accountancy, University of Pretoria
CA (SA), The South Africa Institute of Chartered Accountants (SAICA)
ACMA, The Chartered Institute of Management Accountants (CIMA), UK
Strategic and Financial Leadership Programme, Stanford University, USA
Executive Strategy Execution Programme, INSEAD, France

Appointed to the Executive Committee in May 2023

Group Chief Transformation Officer at AECI Limited, appointed in January 2024, Rafael was appointed to the Executive Committee in May 2023 as Acting Chief Financial Officer. In his current role, he leads the implementation of the Group strategy across all business units. Rafael has held various senior roles at AECI, over his near-two-decade tenure with the Company. His broader experience includes leadership positions at G4S Africa and Ernst & Young LLP in London. Rafael is a Chartered Accountant (SA) and also holds the ACMA qualification from CIMA (UK) and has completed executive programmes at Stanford University and INSEAD. Known for his strategic insight and deep operational knowledge, Rafael plays a key role in driving AECI's transformation, fostering sustainable growth and innovation across the Group.

Key areas of responsibility

Enterprise strategy execution and development

- Drive execution of the approved strategy across the Group
- Lead the design, implementation and optimisation of the Group's new operating model to enhance agility and integration

Transformation Management Office (TMO) leadership

- Establish and lead a high-performing Transformation Management Office to support strategic delivery
- Instil a culture of accountability, agility and performance excellence within the TMO and across transformation initiatives through improved visibility and transparent reporting
- Build capability within the TMO, ensuring the team is empowered, developed, resourced and aligned to transformation goals
- Implement integrated performance monitoring, reporting and feedback mechanisms across all transformation programmes

Financial performance and value creation

- Ensure transformation initiatives deliver measurable financial value, including margin uplift and cost optimisation
- Support delivery of sustained free cash flow through operational efficiencies and strategic alignment
- Identify and drive value-adding opportunities linked to transformation objectives and business unit synergies

People and talent

- Lead the design and implementation of a unified, purpose-driven Group incentive scheme that supports strategic execution
- Cultivate employee development initiatives that build leadership capacity and critical transformation skills
- Guide talent management and succession planning within the TMO and across transformation projects

Stakeholder engagement and reporting

- Engage with internal and external stakeholders to communicate transformation progress, impact, and value creation
- Ensure robust governance and reporting on transformation metrics to the Group Executive Committee and Board
- Align transformation efforts with investor, regulatory, and broader stakeholder expectations

Focus for 2025

- Continue driving initiative through the TMO, for true value uplift and attaining targets set for 2025, in pursuit of AECI's strategic ambition of doubling EBITDA (annualised run rate) by 2026
- Optimising the current TMO way of work, by developing employees to drive stronger achievements
- Stringent cost optimisation



Stuart Miller (47)

Executive Vice President of AECI Mining

BEng (Mining), WASM Curtin University

Appointed to the Executive Committee in September 2024

Permanent invitee: ●

With more than 25 years of international experience in the mining industry, Stuart has led operations across over 20 countries in the EMEA and Asia-Pacific regions. His expertise spans strategic planning, project management and cross-cultural leadership, with a strong foundation in the drill and blast sector. Prior to joining AECI, he served as Vice President at Orica Asia, a global provider of mining and infrastructure solutions. At AECI, he plays a central role in advancing the Company's strategic goal of becoming a #3 global player in mining by 2030, leveraging his deep industry knowledge and results-driven leadership to deliver growth and operational excellence.

Key areas of responsibility

Strategy execution and development

- Champion the implementation of a new operating model to support the growth and internationalisation of AECI Mining, aligning capabilities with strategic markets
- Lead the execution of AECI Mining's manufacturing excellence strategy, delivering improvements in overall equipment effectiveness and driving improved productivity across key facilities
- Leveraged AECI Mining's global footprint and longstanding industry experience to drive operating excellence and unlock synergies across regions
- Position AECI to succeed in complex and demanding environments by applying deep technical expertise across the mining value-chain
- Established strategic global partnerships to enhance technology access, customer reach and market positioning
- Optimise and reinforce supply chain resilience, ensuring continuity, cost-efficiency, and responsiveness in a volatile global landscape

Cultural transformation

- Enhance AECI Mining's Safety culture
- Roll-out of culture transformation across AECI Mining Explosives and Mining Chemicals

Financial value-added delivery

- Free cash flow generation
- EBITDA delivery
- Stringent working capital management

Focus areas in 2025

- Ongoing focus on culture transformation
- Deliver a step change in growth
- Portfolio optimisation and disciplined capital allocation
- Continue to drive Group targets within AECI Mining

Executive leadership continued



Dean Murray (56)

Executive Vice President of AECI Chemicals

National Diploma in Chemical Engineering
Global Executive Development Programme
Gordon Institute of Business Science (GIBS)

Appointed to the Executive Committee in January 2019

With over 18 years of service at AECI, Dean brings deep industry expertise and a proven leadership track record across the company's chemical operations. He joined AECI in 2006 as Managing Director of Chemiphos and went on to lead Lake International in 2007. Dean became part of the AECI Chemicals Executive in 2013 and was appointed to the AECI Executive Committee in 2018. He currently oversees AECI Chemicals, with a focus on enhancing cash generation and driving growth. His vision and commitment continue to shape AECI's contribution to the chemical sector and the Group's broader transformation journey.

Key areas of responsibility

Strategy execution and development

- Implementing the new operating model and executing the Group strategy across the chemicals business, supporting growth
- Achievement strategic targets in business development
- Water business recovery and restructure
- Growth in the Australian market
- Internationalisation of Oleo Chemicals Agri Health business
- Achieving commercial excellence in Chemicals

Cultural transformation

- Safety culture strategy implemented
- Roll-out of culture transformation across AECI Chemicals

Financial value-added delivery

- Free cash flow generation
- BAU EBITDA growth
- Stringent working capital management

Focus areas in 2025

- Ongoing focus on culture transformation
- Drive cash generation supporting growth
- Focus on reduction of inventory
- Acceleration of internationalisation strategy



Khabonina Ramoupi (57)

Group Chief People Officer

BA (Psychology), University of KwaZulu-Natal
Postgraduate qualification in Industrial Relations
Various leadership development programmes

Appointed to the Executive Committee in August 2023

Permanent invitee :



Khabonina is a seasoned human capital executive with 30 years relevant experience, 15 of which were at executive leadership level. Her wealth of experience and deep expertise in human capital as well as the mining chemicals industry, places Khabonina in the ideal position to drive the strategic focus of the Group from a human capital perspective.

Key areas of responsibility

Strategy execution and development

- Implementing the culture change through a change management journey
- Define and implement human capital initiatives driving strategy execution
- Embedding functional human capital operating model and structure

Culture transformation programme

- Responsible for the employee value proposition
- Creating a high-performance culture framework and rolling it out
- Custodian for the organisational culture transformation journey

Diversity and inclusion

- Ensuring diversity and inclusion strategy execution

People and process

- Ensure relevant policies and processes are in place to enable successful execution of the human capital strategy
- Group-wide talent and succession planning management
- Spear-head governance that protect employees

Focus areas in 2025

- Enhance AECI's employee value proposition (EVP), with the aim of attracting, engaging and retaining top talent to support the Group's future growth
- Rolling out of a revised performance management system to support a high performance culture
- Ongoing focus on culture transformation
- Completion of a comprehensive policy review – update and ensure policy governance processes are in place
- Focus on talent development and succession plan
- Ensuring remuneration practices are supportive of global mobility

Executive leadership continued



Cheryl Singh (49)

Group Company Secretary and General Counsel

BProc, University of KwaZulu-Natal
LLB, University of KwaZulu-Natal
MBA, Gordon Institute of Business Science (GIBS)

Appointed to the Executive Committee in August 2021

Permanent invitee to all Board committees

Appointed in 2021, Cheryl is an admitted attorney with two decades of experience in legal, governance, compliance and risk management. She holds an MBA from GIBS and is a certified Ethics Practitioner. Her career spans roles in both listed and unlisted entities across the mining, financial services and industrial sectors. She previously served as Company Secretary of Afrox Limited for eight years. At AECI, Cheryl plays a critical role in embedding ethical leadership and sound corporate governance across the Group. Her expertise and commitment to responsible business practices contribute significantly to AECI's integrity, performance and long-term sustainability. In 2025, she was recognised on Legal500's South Africa GC Powerlist.

Key areas of responsibility

Provision of effective and efficient advisory services including:

- Legal and compliance support for strategy execution
- Support divestment of managed businesses
- Embed functional legal operating model and legal structure

Corporate governance

- Policy and procedure universe for AECI Group
- Assess current policy governance, update current policies and close gaps where policies are not in place
- B-BBEE strategy and compliance

Board support

- Board and Committee administration
- Director governance and training
- Annual reporting and disclosure

Regulatory and compliance oversight

- Company law and regulatory compliance
- Data privacy and protection
- Contract lifecycle management

Risk management and crisis response

- Legal risk mitigation
- Litigation and dispute resolution
- Crisis management and incident response

Ethics, sustainability and transformation

- Effective management of whistle-blowing and ethics management
- Oversight of sustainability and ESG compliance
- Transformation and oversight of equity compliance

Entity management and international legal compliance

- Subsidiary governance
- Cross-border legal advisory

Focus for 2025

- Strengthening legal and compliance capability across the Group
- Enhance corporate governance and Board effectiveness
- Leading cultural and ethical transformation within the policy and procedure universe.
- Advancing risk and crisis management
- Driving ESG, sustainability and transformation outcomes from a legal and ethics perspective
- Ensuring subsidiary and global compliance



Zanele Salman (45)

Group Chief of Staff

BSc Chemistry (Honours), University of Johannesburg
Diploma in Marketing Management, IMM Graduate School of Marketing,
MBA, University of Cape Town, Graduate School of Business

Appointed to the Executive Committee in April 2025

Zanele is a highly experienced business leader with over two decades of executive-level experience in business development, corporate strategy and investor relations. Her career includes leadership roles in leading JSE-listed companies and innovative ventures, where she has consistently driven high-impact projects and transformative strategies. With deep expertise in manufacturing, chemicals and green energy, Zanele brings together strategic creativity and disciplined execution. As Chief of Staff, she plays a critical role in advancing strategic alignment and delivery, enhancing key stakeholder engagement, and ensuring operational coherence across the organisation.

Key areas of responsibility

- Strategic advisory and execution, through shaping and executing strategic initiatives across the Group
- Executive coordination, through enhancing collaboration across the Group Executive Committee to drive alignment and operational efficiency
- Stakeholder engagement, by managing key internal and external stakeholder relationships to advance AECI's strategic objectives
- Organisational effectiveness, in supporting business transformation efforts and ensuring that leadership decisions are effectively implemented
- Governance and performance monitoring with overseeing the tracking of strategic projects and initiatives to maintain accountability and deliver results

Focus areas in 2025

- Culture transformation
- Continue portfolio optimisation
- Progress internal value unlock
- Further improvement of governance processes
- Continue with internationalisation strategy

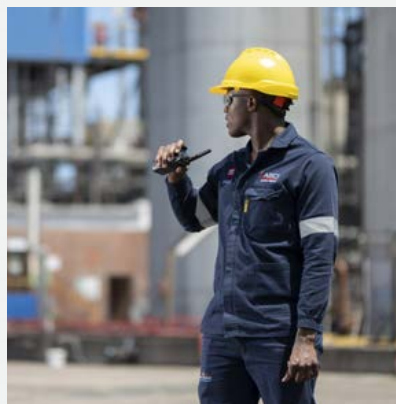
Executive Committee shared responsibility

- Achieving the strategic ambitions as set out:
 - Achieve between R5.6 billion to R6.3 billion EBITDA (annualised run-rate) by the end of 2026
 - Attain a global market position in Mining of #3 by 2030
- Foster a safety-first culture and continuously enhance the protection and wellbeing of our employees
- Driving DEI goals to enhance business performance and workplace culture by building multifaceted teams within an environment that values diverse talents, perspectives and ideas – while strongly supporting South Africa's transformation agenda as measured by B-BBEE targets
- Executive and leadership succession planning, with focused talent management and development – ensuring leadership continuity, advancing transformation, and building a diverse pipeline of future-ready leaders aligned with our strategic ambitions and evolving market needs
- Cultural transformation, building a high-performance team underpinned by purpose-led, passionate and engaged people, through the effective and meaningful roll-out of the AECI Leadership Compact and Culture Code
- Leading and driving an organisation that adheres to the highest standards of ethics, governance and compliance in our business practices.
- Optimise the product and service portfolio of AECI through divestments of non-core businesses and investments into core businesses to deliver our strategic ambitions
- Meet Group ESG targets

Section 4

Our business context

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Our operating context

Our external operating environment

We operate in over 20 countries on six continents, mainly focusing on the mining industry. As a result, our Group is exposed to a diverse external environment and is subject to international and local drivers that influence our ability to do business and create value. These include macroeconomic, geopolitical and sociopolitical factors, impacting the mining industry, global supply chains, commodity prices, market trends, Environment, Social and Governance (ESG) matters as well as regulatory requirements.

We analyse trends in our external environment to ensure we are well-positioned to take advantage of opportunities, manage risks and make informed strategic decisions.

Our operations are in South Africa, Botswana, Zambia, DRC, Burkina Faso, Ghana, Australia, Papua New Guinea and Indonesia, among others, across diverse commodities and customers.

[Link to risk, strategy and material matters](#)



International economic conditions

In 2024, international economic activity saw steady but uneven growth, weakening inflation, persistently restrictive monetary policies and interest rates remaining at multi-decade highs. It was a pivotal year during which significant elections took place across the globe, and conflicts in Ukraine and the Middle East continued. Trade protectionism significantly impacted the international economy, as did the uncertain future of relationships between the United States, the European Union and China, which will likely affect the geopolitical environment in the years ahead.

In 2023 and 2024, the international mining industry faced falling commodity prices (except gold) and rising costs, which impacted the performance of the world's Top 40 mining companies. Despite the increased production of key commodities, revenues fell more than 7%, and profits shrunk.

The chemical industry is one of the industries most exposed to the effects of geopolitical and supply chain disruptions. The slowing of economic growth and rising interest rates have raised concerns about future demand. Meanwhile, producers have had to manage the ever-growing shift towards eco-friendly chemical products.

Regional macroeconomic conditions

Africa

While the average Gross Domestic Product (GDP) growth in Africa slowed from 4.1% in 2022 to 3.1% in 2023, it is estimated to rise to 3.7% in 2024 and 4.3% in 2025. This is despite inflationary pressures from persistently high food and energy prices, currency volatility and weak international demand affecting exports. Climate change and unpredictable weather events continued to impact agricultural production and power generation.

Mining

The mining and natural resources sector is critical in driving economic growth and development on the African continent.



Africa — Selected countries contribution significantly to our revenue



AECI Mining Explosives, Emulsion Vertical Drop System (EVDS), Sasolburg, South Africa



South Africa's economic performance

South Africa continued to grapple with transport and logistics challenges, particularly ports, rail and a deteriorating road infrastructure. The South African economy was expected to start improving on the hope of a brighter political future, however, by year end, GDP growth for 2024 was 0.6% from 0.7% in 2023.

A more favourable macroeconomic environment, including lower diesel costs and the start of interest rate cuts in September 2024, supported economic growth in the fourth quarter of 2024. These factors, together with post-election optimism, spurred business and consumer confidence which could lead to a more pronounced GDP recovery in the future. South Africa's GDP is expected to grow by 1.5% in 2025.

Mining industry trends

The mining industry is a critical part of South Africa's economy and a significant contributor to our business. Policy uncertainty has limited investment in exploration and, consequently, the growth of the South African mining industry.

South Africa is the world's top producer of platinum and a major coal exporter. It holds the largest-known reserves of platinum group metals (PGMs) globally and also produces several minerals used in clean energy technologies – such as manganese, nickel, and copper. While its output of other green metals like silver, zinc, cobalt, and lithium is limited, South Africa plays a key role in the broader energy transition through its mining industry.

Commodity prices were under pressure during 2024, except for gold and the green metals sector which demonstrated robust performance, propelled by surging worldwide demand for clean energy solutions and electric vehicles.

Challenging market conditions for chemicals

Inflation, high interest rates and slow economic growth adversely impacted chemical demand in a very competitive market. AECI Chemicals' performance is closely tied to the South African macroeconomic landscape. To develop the resilience necessary in this challenging environment, AECI Chemicals, a leading player in Sub-Saharan Africa, has had to rethink its business as usual principles by driving operational and commercial excellence, focusing on cost reduction, efficiency improvements and cash-generative initiatives.

[More detail in AECI Chemicals in the Performance section](#)

AECI's role in supporting the mining industry – improved, more cost-effective 4E PGM recovery



Mining companies face ever-increasing operating costs. To meet its commitment to assist its PGM customers with cost-effective products without compromising on metallurgical performance, AECI Mining Chemicals developed Genfroth 200. An advantage of using the Genfroth 200 product when processing Western Bushveld UG2 ore in South Africa is that it significantly improves the total recovery of 4E metals (platinum, palladium, rhodium and gold).



AECI Mining Chemicals, Flotation, Sasolburg, South Africa



AECI Mining, Fibre Disk Filter Operating at Industrial Customer Site, South Africa



Botswana

Botswana's economy was highly challenged in 2024, impacted by a slow down in diamond trading. The country's GDP continued to shrink in 2024, the country entered a technical recession in the second quarter of 2024.

Mining

The government's efforts to diversify the country's economy, which has long been dependent on diamond mining, resulted in non-minerals' contribution to GDP increasing to 76.2% in 2023, with the mining industry's contribution falling to 16.7%. However, mining is likely to play an important long-term role in Botswana's economy as they possess substantial diamond reserves, and also have extensive reserves of coal, copper, nickel and uranium.



Zambia

In 2024, Zambia's economy faced significant challenges, primarily due to a severe drought induced by El Niño, which adversely affected agricultural output and hydropower generation. This climatic disaster slowed GDP growth to 1.2% in 2024, down from 2.5% during the same period in 2023, reflecting contractions in the agriculture and energy sectors.

Looking ahead, the International Monetary Fund (IMF) projects a substantial economic rebound for Zambia, with GDP growth anticipated to reach 6.6% in 2025. This optimistic outlook is attributed to expected improvements in the mining and agriculture sectors.

Mining

The mining industry continues to be a cornerstone of Zambia's economy, contributing significantly to the country's GDP, tax revenues and export earnings.

Copper is a significant contributor to Zambia's export revenue, and cobalt is a by-product of its copper production. In 2022, Zambia signed a memorandum of understanding with the DRC that will allow the two countries to jointly develop a supply chain for electric vehicle batteries. Nickel production in Zambia has increased substantially in recent years, while the decrease in its gold production is attributed to low ore grades. Gemstones, particularly emeralds, play an increasingly significant role in the country's mining industry output. This is expected to increase as geophysical mapping is expected to reveal new discoveries.



AECI's innovation in nickel recovery



Nickel is a valuable metal, making its extraction and beneficiation crucial. AECI Mining Chemicals developed Senkol 1010 and Senkol 700 to address nickel flotation challenges. The key benefits of these products are:

- Improved nickel flotation kinetics resulting in notably accelerated nickel recovery compared to pyrite recovery, leading to the quicker separation of nickel-bearing minerals from undesired iron sulfides
- Increase in total nickel recovery of 6.3% without any compromise of the overall nickel concentrate grade and final product quality
- Increased efficiency through innovatively enabling the transfer of the first rougher concentrate directly to the final concentrate, simplifying the flotation process while maintaining concentrate quality
- Superior selectivity of nickel-bearing minerals over sulfides, ensuring efficient recovery of nickel minerals and improved concentrate quality
- The further enhancement of nickel concentrate purity through the reduction of the concentration of magnesium silicate metals in the final concentrate



The Democratic Republic of Congo

The DRC, the second-largest country in Africa, enjoyed robust GDP growth of 8.4% in 2023, which is expected to moderate to 4.9% in 2024 and to stabilise around 4.8% in 2025. This anticipated reduction in GDP growth is due to a deceleration in mining activity from an 18.2% growth in 2023.

Mining

Strategically located at the continent's centre, the DRC has the potential to become a top contributor to economic growth and stability in Africa. Currently the largest producer of cobalt internationally, with untapped gold, cobalt, high-grade copper and diamond reserves (second only to Botswana's reserves), it presents future opportunities.



Ghana

Ghana's GDP is expected to grow by 3.4% and 4.3% in 2024 and 2025, respectively, driven by growth in the industrial sector, particularly in oil and gas. Tight monetary policy and stable exchange rates helped reduce inflation by half in 2023. However, due to higher food prices and a depreciating cedi, inflation increased in 2024.

Mining

Ghana is the largest gold exporter in Africa. It is also an important source of bauxite, manganese, iron ore, diamonds and oil.

Ghana's gold reserves are estimated to exceed those of key regions such as Peru and Papua New Guinea. Over the past few years, the country has made concerted efforts to become more investor-friendly to mining companies by introducing new legislation regulating support services, minerals and mine licencing, and health and safety in mining.

While gold is the primary mineral mined in the country, iron ore and lithium are also mined. Minerals yet to be explored include diamonds, bauxite and manganese in south Ghana.

Defending our #1 position in Africa

We maintained our leadership in South Africa and saw strong growth across the rest of the continent in 2024, driven by mining industry performance primarily in Central Africa.

In 2025 and beyond, we aim to defend our position by:

- Leveraging mutually beneficial partnerships
- Continuing to provide value-added products and services
- Cementing leadership positions in products, services and expertise
- Innovating for customer value proposition



Burkina Faso

Burkina Faso's GDP growth was 4.1% in 2024 and is expected to grow by 4.3% in 2025, despite security concerns remaining. Climate shocks (temperatures are rising 1.5 times faster in the Sahel region than in the rest of the world), security concerns and commodity price volatility are all downside risks for the Burkina Faso economy.

Mining

Burkina Faso is the continent's fourth-largest gold producer, and gold is currently the country's number one export commodity. The country also has significant zinc, manganese, lead, silver and phosphate deposits, as well as reserves of diamonds, bauxite, nickel and vanadium that remain largely unexploited. Increased investment and the progressive opening of industrial mines have led to the development of the mining industry.

Several legislative and regulatory changes have been introduced to encourage further investment and increase revenues from the mining industry. The country's mining legislation provides for artisanal, semi-mechanised and industrial mining.



The Asia-Pacific region



AECI Mining, Hunter Valley Operation, Australia



Australia

Australia's GDP growth fell to 1.3% in 2024. It is expected to reach 2.3% by the end of 2025. The country's export income decreased as falling international demand resulted in declining export prices for iron ore and coal.

Mining

Australia produces and exports various metals and minerals, including coal, copper, cobalt, gold, iron ore, lithium, manganese, nickel, silver, tin, uranium, zinc and bauxite. It also mines lead, diamonds and rare earth elements. Australia is a key international supplier of gold, with its most significant mines in Western Australia. It is also the fourth largest producer of uranium.

The country's top export is low-cost, high-grade iron ore, with its largest deposits in Western Australia. It is also the world's largest exporter of metallurgical coal, which is also an important resource in the country's energy, cement and steel-making industries.



Papua New Guinea

Papua New Guinea (PNG) occupies the eastern half of the West Pacific Island of New Guinea, together with the main islands of New Britain and New Ireland, the autonomous region of Bougainville, and another 600 smaller islands and atolls.

The minerals and energy extraction sector accounts for most of PNG's export earnings and GDP. The economy is projected to expand by 4.8% in 2024 compared to 2.7% in 2023.

Mining

The country's mineral exports are gold, copper, silver, nickel and cobalt. It has estimated recoverable reserves of about 1.96 tonnes of gold, over 180 million barrels of oil, and 5 Trillion Cubic Feet (TCF) of natural gas.

The main mineralisation styles are porphyry copper-gold and epithermal gold. However, there are also volcanogenic massive sulphide deposits, lateritic nickel-cobalt-chromite and bauxite occurrences, and placer deposits of gold, platinum, titaniferous magnetite and chromite.

Strengthening AECI's position in the region

Australia is currently the Group's growth engine with a five-year average Compound Annual Growth Rate (CAGR) of approximately 18%, based on bulk explosive volumes.

We were awarded a five-year contract by the open-pit Lihir Gold Mine PNG, one of the world's largest producing gold mines, located on a geothermally active extinct volcano in Papua New Guinea. We will integrate various capabilities and products to address this project's specific needs, including mine rehabilitation and a potential solution provided by AECI Chemicals and Water.

For 2025 and beyond, the Group will be looking at expanding and solidifying a #3 position in the region.



AECI Mining, Mobile Manufacturing Units (MMU), Indonesia Operation



Indonesia

Indonesia's GDP growth is forecasted to average 5.1% annually from 2024 to 2026. The country's emphasis on investment, infrastructure development, downstream mineral processing and maximising domestic consumption is expected to achieve sustained economic growth despite international economic uncertainties and domestic challenges.

Mining

Indonesia is the world's largest nickel producer and largest exporter of seaborne thermal coal. Nickel prices, which started high in 2023, declined nearly 50% in 2023 due to the growth in the nickel supply from Indonesia and subdued demand from China. Prices in 2024 declined by 7.7% in comparison to 2023. However, the use of nickel in electric vehicle batteries will continue to drive future demand for the metal. The country also produces significant quantities of copper, cobalt, tin and gold.

AECI's innovative blasting and sustainable solutions in Indonesia

PT Kaltim Prima Coal (KPC), located in East Kalimantan, Indonesia, operates one of the world's largest open-pit coal mines. The mine moves approximately 500 million bank cubic metres (BCM) of overburden to produce 60 million tonnes of coal annually, which requires 13 blast locations (approximately 420 monthly, and over 5 000 annually).

The conventional non-electric initiation initially used in the KPC Contract Mining Division (CMD) required a lead-in line to be run from the blast location to the firing position, which used approximately 650 metres of lead-in line per blast location.

By introducing IntelliShot® (an advanced electronic blasting system that can be used as a remote blast initiator), we, the blasting services provider, used around 90 metres of harness wire compared with the 650 metres of lead-in-line used in conventional blast initiation.

Introducing the IntelliShot® remote firing technology, which we developed, reduced the cost of blast initiation in KPC CMD by over 50%. The remote firing application also has safety benefits, including an advanced security system, the ability to initiate the blast at further, safer distances, and a reduction in risks such as flyrock.

Fuel and explosives are the mine's two main operating costs. Mining activities generate over eight million litres of used oil and use 85 000 tonnes of bulk explosives annually. Previously, some of this oil was used in Ammonium Nitrate Fuel Oil (ANFO), and a local licenced waste processor disposed of the remaining oil. AECI Mining introduced its S300 Eco Series product, designed to reduce a mine's environmental impact and carbon footprint by incorporating used oil as a replacement for diesel in emulsion manufacturing. The introduction of used oil for emulsion manufacturing resulted, on average, in an annual saving of 2.3 million litres of diesel and the resultant cost.



Latin America

Brazil's GDP grew by 3.4% in 2024 on the back of strong household expenditure and expansion in the industrial and services sectors. 2025 growth is expected to slow to 2.3% due to monetary tightening and a more moderate fiscal impulse.

Chile's GDP grew 2.4% in 2024, underpinned by growth in the mining industry. Given its potential for renewable energy and its endowment with copper and lithium deposits, critical electrification inputs, Chile is likely to benefit from the green transition.

Peru is one of the most stable economies in Latin America. In recent years, it has achieved significant advances in social and development indicators and macroeconomic performance, with very dynamic GDP growth rates, reduction of external debt, a stable exchange rate and low inflation.

Mining

Brazil is among the top five mineral producers in the world – producing and marketing more than 90 mineral commodities. It is the world's largest producer of niobium and the second-largest iron ore producer. Other important minerals from the Brazilian mining industry include gold, kaolin, nickel, coal and phosphates. The country has proven reserves of several strategic commodities.

Chile has long been the world's top copper producer and the second-largest lithium producer. Both are crucial for the international shift to a green energy economy.

Chile's mining industry has felt the effects of the changing climate. It has faced severe climate-related challenges, including droughts, abnormal rainfall and cold spells, which have intermittently halted mining operations.

However, its mining companies have shown remarkable resilience in overcoming these obstacles and are setting international precedents by using technological and innovative solutions. The Chilean mining industry has slowed due to debates over constitutional and permitting reforms.

Peru is the second-largest producer of zinc in the world, and it stands among the top producers of copper, silver, lead, tin and molybdenum. It has 12.0% of the world's copper reserves, 3.9% of its gold, 15.3% of its silver, 9.5% of zinc, 5.3% of lead and 2.8% of tin reserves, according to the most recent data published by the US Geological Survey.

In 2024, mining investment in Peru thrived, driven by increased copper demand, signalling solid growth and economic prosperity.



Looking ahead

Strengthening AECI's international presence

By diversifying into new territories, AECI Mining and AECI Chemicals are reducing their reliance on the South African market and capitalising on the growing demand for our products in emerging and developed markets. We are expanding our international mining footprint by focusing on the Asia-Pacific and Latin American regions.

By offering a broader range of high-value mining services and solutions, we aim to secure long-term growth and strengthen our international partnerships by differentiating ourselves in local and international markets.

 [More detail in the AECI Mining Performance section](#)



AECI Mining, operation on site team, Brazil



AECI Plant Health, BioCult seed application garden, South Africa

The impact of commodity markets

The World Bank commodity price index declined by 24% in 2023, the sharpest decline since the COVID-19 pandemic. This led to aggregate commodity prices reaching their lowest levels since 2020, except gold. However, the international shocks of the early 2020s – including the recession caused by the COVID-19 pandemic, rising inflation levels, Russia's invasion of Ukraine, and correlated swings in commodity prices – have begun to subside. As the economic impact of these shocks abates, international economic growth is stabilising, and by the end of 2024, inflation levels were returning to target levels.

Ammonia and sulphur are the main commodity chemicals used in our operations; sourced locally and via imports. The impact of frequent price fluctuations extends beyond mere market dynamics; they also shape our production costs, pricing strategies and therefore agreements with customers.

Our contract arrangements with our customers have cost pass-through mechanisms, which protects our margins.



AECI Solar Park, Sasolburg, South Africa

Energy

In 2024, international energy prices saw an array of activity with wholesale electricity prices declining in many countries, particularly in the EU, India, the UK and the USA, while some regions experienced diverging trends and the main European gas price benchmark, the TTF, doubled by December. The South African energy prices increased by an average of 12.74% driven by the energy supplier's need to address financial challenges.

South Africa is facing a severe energy crisis marked by frequent power outages due to the aging infrastructure and resource challenges. Our renewable energy initiatives, including several successfully commissioned pilot projects, lay the foundation for long-term scalability. We remain focused on expanding these efforts, reducing GHG emissions and contributing to a sustainable, low carbon future.

[More details in the Sustainability Report](#)

[Link to risk, strategy and material matters](#)



Base metals

In contrast to the overall commodity price index, the World Bank base metals price index was up 10% in the fourth quarter of 2024 in response to improved international industrial activity. Initially, prices climbed following the Chinese government's announcement of economic stimulus measures in late September, but lost momentum in October following uncertainty regarding the scale of these measures. In contrast, iron ore prices have significantly underperformed the broader base metals index, reflecting its exposure to the ample availability of iron ore supplies and its exposure to the ongoing weakness of China's construction sector.

Precious metals

Gold prices, sensitive to geopolitical tensions, were 27% above their December 2023 level in the fourth quarter of 2024. Towards the end of 2024, the platinum industry saw some increase in demand, leading to some price improvement.

Agricultural commodities

The World Bank's index of food commodity prices was up 4% in 2024 due to favourable growing conditions contributing to good harvests.



AECI Mining Chemicals, UIC, South Africa



AECI Plant Health, Chloorkop, South Africa

Supply chain challenges

[Link to risk, strategy and material matters](#)

4



The international economy's volatility, exacerbated by geopolitical tensions, resulted in fluctuating commodity prices and supply chain disruptions.

Logistics challenges and disruptions have been crucial factors in supply chains since COVID-19. Three potential flashpoints – Ukraine, the Middle East and the South China Seas – impact international supply chains and trade. Attacks in the Red Sea significantly disrupted one of the world's most important shipping routes, causing delays in distribution and increasing transport and insurance costs, all undermining efforts to curb inflation. Extreme weather has also impacted supply chains.

In South Africa, rail and port constraints continue to negatively impact the reliability and availability of critical infrastructure and support services required to transport commodities efficiently. However, improvements implemented in 2024 have helped to ease some of the congestion.

The volatility in international ammonia prices, influenced by supply disruptions in regions such as the Middle East and Indonesia, underscores the need to secure consistent and cost-effective ammonia supplies.

In 2024, the global ammonium nitrate market experienced steady growth, driven by robust demand in agriculture and mining industries, despite regional price fluctuations and supply chain challenges. The market is projected to continue its upward trajectory, with forecasted CAGR growth of 3.7% to 2033.

Export restrictions on ammonium nitrate from Russia have negatively impacted international trade flows, raising prices. Europe has replaced imports from Russia with imports from other exporters, including Egypt, Saudi Arabia and the United States.

A major supplier, supplies natural gas to industrial customers in South Africa, including AECI, from its reserves in Mozambique. However, these reserves are depleting and are expected to be exhausted within the next decade. To preserve its own supply, the supplier has signalled a halt on gas sales in 2027, posing a significant risk to South Africa's manufacturing sector.

By expanding our sourcing network for ammonia and gas to include alternative suppliers from various domestic and international geographies, we are reducing reliance on a single region, safeguarding AECI from unforeseen disruptions and ensuring greater procurement flexibility.



AECI Mobile Manufacturing Unit (MMU)



Looking ahead

Strategic ammonia and ammonium nitrate sourcing will remain a key priority for us, driving procurement excellence and securing the raw materials needed to support our growth in local and international markets. Despite ongoing uncertainty in local and international markets, we anticipate growing demand for minerals and chemicals in emerging markets in 2025. We remain well-positioned to capitalise on these trends through adaptive supply chain management, and we are exploring long-term supply alternatives internationally and locally.

Digital disruption and cybersecurity

[Link to risk, strategy and material matters](#)



Technological advancements such as artificial intelligence (AI), automation and data analytics are reshaping industries, while cybersecurity threats are increasingly complex and presenting the corporate world with ever-increasing risks. Digital transformation is essential if companies are to remain competitive. It presents businesses with opportunities to serve customers better and optimise business efficiencies.

AECI digital transformation for innovation and efficiency

We have a strong history of using digital technologies to drive product innovation. We are now expanding their application to boost productivity, optimise operations, and further integrating digital technologies across our products and services value chain.

Our increasing use of technology will drive business efficiencies and access data, we will continually enhance our defences against breaches and unauthorised access to safeguard our critical data and digital infrastructure.

Ongoing investment in increasing our digital capabilities will drive our operational and functional excellence and ensure AECI remains competitive as a global leader in innovative product development.

Climate change

[Link to risk, strategy and material matters](#)



The impact of climate change in the form of extreme weather events and their devastating impact is more prevalent worldwide. The need for the world to transition to renewable energy sources and prioritise emissions reduction has become ever more urgent.

Furthermore increasing legislative and regulatory pressures require corporates to invest in reducing their carbon footprint, improving water management, embracing more sustainable practices and paying carbon taxes.

Our sustainability practices and approach to climate change are integral to our corporate strategy. Our sustainability goals align with legislative and regulatory demands and the need to do what is right for the environment as we aim to create long-term value for our stakeholders through our responsible environmental and social stewardship.

Climate-related risks present challenges and opportunities. Compliance with environmental legislation and regulations is essential to achieving good corporate governance. Transitioning to greener technologies will help reduce our carbon footprint and allow us to explore new market opportunities in the sustainability sector.

Our primary objective is to ensure that our strategy addresses the potential consequences of climate change. We have committed to a Net Zero goal for 2050 to achieve this objective. We have also initiated processes to evaluate the potential physical climate risks at all our manufacturing facilities.

[See more on pages 53 – 56 of the Sustainability Report](#)



AECI Mining Solar Project, Modderfontein, South Africa



Stakeholder engagement

Maintaining good, mutually beneficial relationships with our stakeholders is integral to our purpose, **We Are One AECI, for a Better World** and creating economic value for all our stakeholders. We have mutual goals and interests and depend on each other to realise our purpose and ambition.

How we define our relationships

We identify key stakeholders, the matters material to them, the matters material to us and the risks and opportunities arising from these matters through independent surveys and assessment of relationships based on the outcome of engagements. We address any area where our assessments indicate a need for improvement in a relationship.

We design and implement engagement strategies and plans that will assist us in adding value to our business and our stakeholders, through our engagement. We also categorise our relationships as being:

- Strong relationships that benefit both parties
- Good quality relationships
- Relationships with room for improvement

Our approach to engagement

Stakeholder engagement is a business imperative that requires the participation and coordination of multiple functions and roles across the business. We apply integrated thinking and a strategic approach to maintaining and further developing our relationships in an increasingly complex operating environment.

Our engagement includes our corporate website, interim and annual reporting and electronic announcements including the Stock Exchange News Service (SENS).

Our key stakeholders and what is material to them

Employees



- A safe and healthy workplace
- Skills and career development
- Broad-based ownership
- Fair and equitable remuneration

Suppliers



- Source of ethical business opportunities, skills development and growth

Shareholders, investors, analysts and lenders



- Sustained growth in enterprise value

Governments, associations and regulators



- Meeting our commitments and complying with legislation and regulations

Customers



- Through a customer-centric approach, meet and exceed our customers' expectations

Media



- Timeous, accurate and transparent communication

Communities



- Employment and procurement opportunities and addressing, where possible, their needs and expectations

Trade unions



- Maintaining a mutually beneficial relationship

Strong relationships that benefit both parties

Good quality relationships

Relationships with room for improvement

Stakeholder engagement

Employees	Shareholders, investors, analysts and lenders	Customers	Communities
Why we engage	Why we engage	Why we engage	Why we engage
<ul style="list-style-type: none"> To keep employees informed, engaged and productive To understand and respond to concerns and expectations To embed an ethical culture and encourage whistleblowing 	<ul style="list-style-type: none"> To understand and respond to the requirements of our investors and their value creation expectations To achieve open and transparent communication and maintain trust Demonstrate commitment to sustainable growth Showcase ESG performance 	<ul style="list-style-type: none"> To develop the products and services they need and that enable them to be productive, improve their ESG credentials and enhance their resilience to climate change To exceed their expectations 	<ul style="list-style-type: none"> To maintain regular, open and transparent engagement To avoid misunderstandings To ensure we understand community needs and expectations and communicate on our ability to address these
How we engage	How we engage	How we engage	How we engage
<ul style="list-style-type: none"> Engagement forums and roadshows One-on-one performance management feedback Intranet and emails Policies, procedures and frameworks Employment equity forums 	<ul style="list-style-type: none"> SENS announcements Interim and annual results presentations and reports Investor road-shows and conferences One-on-one meetings AGM and remuneration roadshows Debt market road-shows Corporate website Media channels 	<ul style="list-style-type: none"> Customer engagement meetings and forums Industry meetings, including forums on safety, security and the environment Industry association conferences Site visits and AECI events, including product launches Corporate website Media channels 	<ul style="list-style-type: none"> Through community engagement structures With traditional and community leaders Non-profit partner networks AGMs of CSI trusts Handover events Corporate website Media channels

Key matters in 2024

<ul style="list-style-type: none"> Impact of the introduction of the new operating model Open and transparent leadership communication, particularly regarding the impact of change in the business Introduction of our Culture Compact and Code A safe and healthy workplace Skills and career development Embedding our Code of Ethics and Business Conduct Employee wellness and an inclusive workplace 	<ul style="list-style-type: none"> Group financial performance Balance sheet strength Growth prospects Capital allocation strategy and philosophy Business performance risks and opportunities Portfolio optimisation Commitment to sustainable growth ESG performance against targets Safety performance Progress with culture transformation Step change in growth Digitising of the business Cybersecurity 	<ul style="list-style-type: none"> Minimise environmental impact and meet regulations Access to cutting-edge technology and solutions Tailored products for specific operational needs Ongoing training and field support Consistent, on-time delivery and logistics Products ensuring workplace health and compliance Maximising profitability without compromising quality 	<ul style="list-style-type: none"> Access to quality education and skills development opportunities Job creation, empowerment and procurement opportunities Access to clean water and sanitation Social services that are a basic human right Community share scheme and its ongoing long-term benefit to our communities who will have a direct stake in the success of AECI through 15% ownership in the South African mining business
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Our response





<ul style="list-style-type: none"> Keeping our employees informed Driving a new employee value proposition Employee learning opportunities Revise policies and processes to accommodate employees with disabilities in our workplace Implement an integrated talent management approach 	<ul style="list-style-type: none"> Ongoing and transparent engagement with the investor community Regular transparent and comprehensive financial, environmental, social and governance reporting Use of technology to communicate with shareholders effectively Improved disclosure to the market Proactive engagement with investors on matters that arise during the year Attending local and international investor conferences 	<ul style="list-style-type: none"> We prioritise eco-friendly products and practices, ensuring compliance with environmental regulations Our advanced technologies and tailored solutions optimise efficiency and address unique site conditions AECI offers comprehensive technical support, training, and products that enhance safety and operational success We guarantee timely, reliable deliveries backed by a robust logistics network to avoid operational disruptions Our solutions are designed to improve yield and reduce costs, enhancing overall profitability 	<ul style="list-style-type: none"> Work to understand key local development imperatives Holistic stakeholder engagements Align development imperatives and funding criteria with the focus areas of our CSI funds Identify strategic and credible partners Implement sustainable water solutions Communication regarding the Community share scheme to explain the scheme and its long-term benefits to communities
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[Link to strategy and material matters](#)

[Link to strategy and material matters](#)

[Link to strategy and material matters](#)

[Link to strategy and material matters](#)


 Suppliers	 Government, associations and regulators	 Media	 Trade unions
Why we engage	Why we engage	Why we engage	Why we engage
How we engage	How we engage	How we engage	How we engage
<ul style="list-style-type: none"> To communicate contractual terms and our Code of Ethics and Business Conduct To communicate regarding discretionary procurement opportunities To inform suppliers of our commitment to environmental stewardship To understand our suppliers' progress regarding reducing their carbon emissions 	<ul style="list-style-type: none"> To foster relationships, reinforce compliance and safeguard our operations To build trusted long-term relationships with governments and regulators in the countries in which we operate To support ongoing projects with other stakeholders 	<ul style="list-style-type: none"> To communicate our strategy, performance and to effectively foster transparency and trust To position AECI as an organisation reinventing itself for growth and value creation To position AECI as a responsible corporate citizen 	<ul style="list-style-type: none"> To keep trade unions informed To reduce disputes and align with legislative requirements To recognise the union's responsibility to protect its members
Key matters in 2024 <ul style="list-style-type: none"> Contractual and payment terms Inconsistency in ammonia availability and volatility in international ammonia prices Long-term gas supply Procurement opportunities Preferential procurement ESD opportunities Compliance with AECI's governance and ethical standards 	<ul style="list-style-type: none"> Compliance with laws, regulations and policies Alignment with the values and objectives of the countries in which we operate Total tax contribution Capital expenditure investments 	<ul style="list-style-type: none"> New strategy and roll-out of new operating model New appointments to AECI Board Results presentations Capital Markets Day Launch of Culture Code and Leadership Compact AECI Community share scheme 	<ul style="list-style-type: none"> Solidify the relationship between trade union leadership and our leadership Consultation on restructuring process Wage negotiations Trade union consultation on proposed employee share scheme Safety and health of union members Compliance with relevant legislation and regulations Ongoing sustainability of the business
Our response <ul style="list-style-type: none"> Meeting contractual terms Building sustainable businesses through enterprise and supplier development Expanding our sourcing network to include alternative domestic and international suppliers to safeguard the business from unforeseen disruptions and reduce reliance on a single region Ensure greater flexibility in procurement of key commodity inputs Regular engagement on procurement opportunities 	<ul style="list-style-type: none"> Form partnerships with government structures and other organisations Implement a Compliance Management Framework External assurance from in-country legal firms, to validate and confirm localisation requirements Risk assessment workshops to identify risk of non-compliance with localisation requirements as well as mitigation actions 	<ul style="list-style-type: none"> AECI spokespeople readily available to the media Invitations to results presentation extended to the media Media releases provided to the media on key AECI events Maintain a presence in the media that reflects our brand and reputation 	<ul style="list-style-type: none"> Communication with union leaders regarding the new strategy and the impact of the roll out of our new operating model Participate in wage negotiations with good faith Face-to-face engagement and training sessions with unions to highlight benefits of the proposed employee share scheme

[Link to strategy and material matters](#)

[Link to strategy and material matters](#)

[Link to strategy and material matters](#)

[Link to strategy and material matters](#)


Our material matters and the risks and opportunities they create

Management of our risks and opportunities for sustainable value creation

In line with our strategy, we have embarked on a journey to integrate and embed proactive risk and opportunity management throughout the Group. As part of this journey, we have adopted a structured risk management approach to ensure consistency in assessing and treating all risk types across every component of our operations.

The Risk Committee, under delegated authority from the Board, is accountable for overseeing the effectiveness of risk management. This includes identifying the material risks facing us, monitoring compliance with the Risk Management Framework, and periodically reviewing risk appetite. Our top-down and bottom-up governance approach supports this framework and the process. The Group Risk Management team facilitates these activities.

Our risk appetite model applied

The AECI Risk Appetite Framework and approach demonstrates an integrated strategy, governance, risk, compliance, performance processes, values and behaviours.

Material matters

Our integrated report aims to provide stakeholders with the necessary decision-making information to assess the Group's ability to be resilient, adapt to unanticipated challenges and create sustainable future enterprise value. To achieve this, we identify what is material to our ability to create, maintain or erode enterprise value and base our reporting on the results of this process.

In 2024, we adopted double materiality to identify and prioritise matters that provide information on:

- Matters material to our ability to create enterprise value, including the impact of climate change (inward-focused)
- Matters material to the Company's impact on society, the economy and the environment (outward-focused)

Our material matters have been updated to align with our double materiality. Managing the risks and opportunities our material matters create is key to achieving business sustainability and strategy. In a volatile and challenging environment, we continue to refine our material matters as we review and evolve our strategy. These matters are those most likely to affect our ability to create sustained value for the business and our stakeholders over the short- medium- and long-term. The outcome of our materiality process informs our reporting.

Materiality determination process

We analyse and distil the information we obtain from engaging with key internal stakeholders. This includes:

Assessing trends and considering dynamic materiality

- Trends in our operating environments
- Possible impacts on the resources we rely on in the form of the six capitals
- Other factors material to our short-, medium- and long-term enterprise value

Analysing and distilling

To ensure our reporting focuses on enterprise value, we analyse and distil the material matters identified to those sustainability matters that can create, maintain or erode enterprise value.

Agreeing on what is material

- Presentation to Exco of the matters identified as material to our ability to create, maintain or erode enterprise value for approval
- The presentation of Exco-approved material matters to the AECI Board for approval

Outcome

An integrated report that provides information material to AECI's ability to create future enterprise value.

The outcome of our materiality determination process forms the basis of our reporting and includes information on our:

- Material financial disclosure
- Quantitative information on our material sustainability (ESG) issues
- Qualitative information on how we have addressed our:
 - Stakeholders' expectations and concerns
 - Governance
 - Strategy
- Risks, opportunities and compliance

Inward-focused financial and non-financial materiality

1. Rollout of our new operating model [\[2\] See page 73](#)
2. Our external operating environment [\[2\] See page 30](#)
3. A customer-centric approach [\[2\] See page 72](#)
4. Leveraging digital transformation to serve our customers better and optimise efficiencies in our business [\[2\] See page 52](#)
5. Effectiveness of our internal control environment [\[2\] See Governance Report](#)
6. Optimising capital allocation to create value and deliver on our strategy [\[2\] See page 64](#)
7. Optimising our portfolio [\[2\] See page 55](#)
8. Our increasingly more complex regulatory environment [\[2\] See Governance Report](#)
9. Ability to evaluate new market opportunities [\[2\] See page 56](#)
10. Employee safety, health and well-being [\[2\] See page 78](#)
11. Talent planning and training [\[2\] See page 76](#)
12. A high-performance culture underpinned by passionate and engaged employees [\[2\] See page 74](#)

Impact materiality

13. Stakeholder engagement and transparency [\[2\] See page 40](#)
14. ESG performance [\[2\] See Sustainability Report](#)

Material themes

The matters identified as material to the Group in 2024 have been grouped under four materiality themes.

See adjacent material topics as reference.

Material theme	Material matter
 Social responsibility and human capital excellence	10, 11, 12
 Climate	14
 Business performance and partnerships	1, 2, 3, 4, 6, 7
 Governance and compliance	5, 8, 9, 13

Our Enterprise Risk Management Framework

Aligned with our strategy and business plans

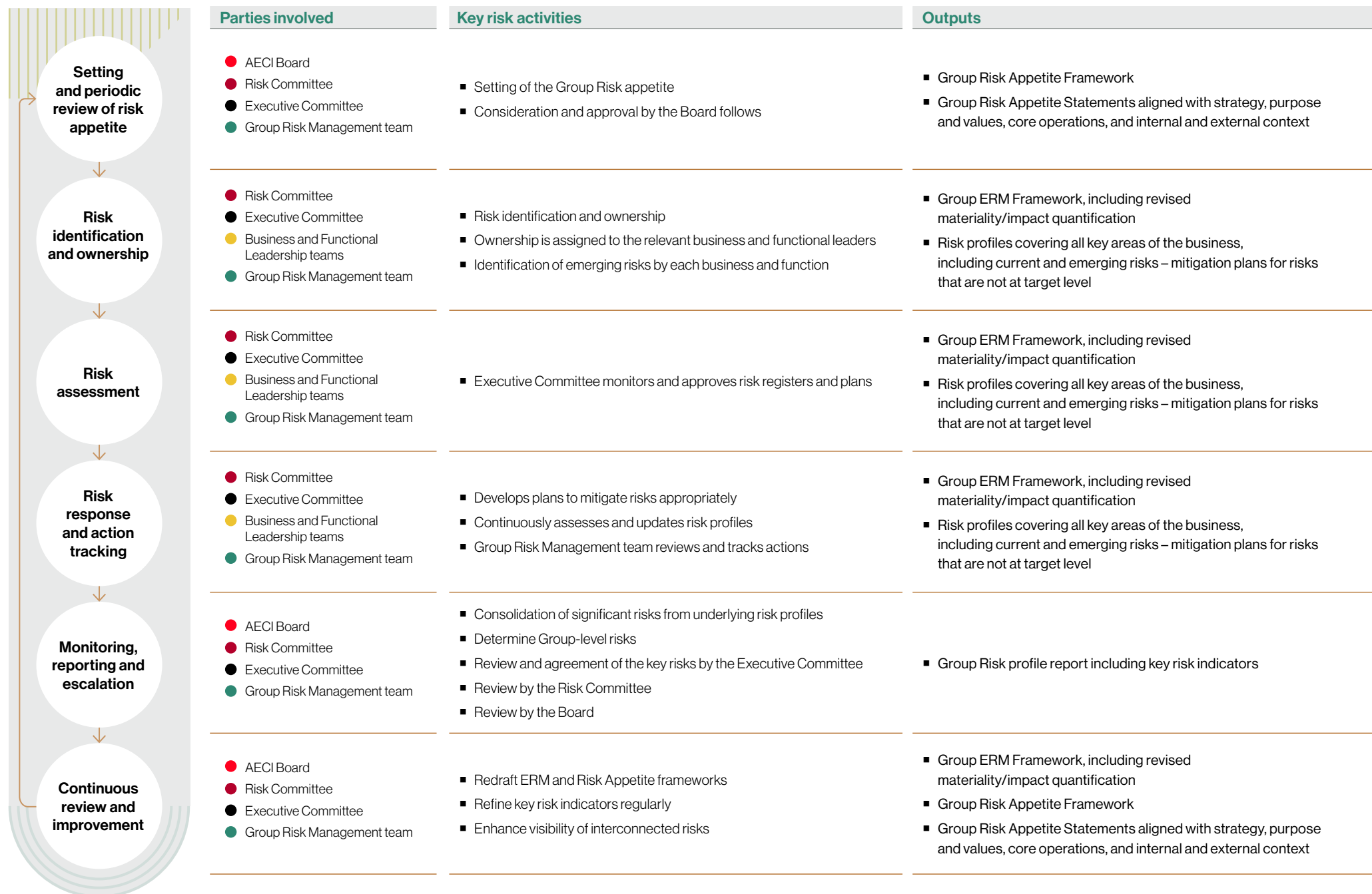
We apply ISO 31000:2018 as our risk management standard to assist the Group in integrating risk management into all our significant activities and processes.



The outcome of risk oversight

Our Enterprise Risk Management (ERM) framework, a vital element of the Group's Integrated Governance Framework. It aligns our strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the uncertainties we face in protecting and creating stakeholder value. In accordance with the ERM plan approved by the Risk Committee, the ERM framework is applied during our annual strategy and budget setting process. The framework comprises a risk management tool, fully sponsored by our Group Chief Executive Officer, designed to be used by our senior management and their teams to assist them with identifying threats and opportunities relevant to achieving the Group's strategic objectives and operational business plans. The key objective of this tool is embedding a sound risk culture driving the protection and creation of value and business resilience.

Risk management process



Management of our risks and opportunities

for sustainable enterprise value creation

Our risk appetite framework applied

- The Group's Risk Appetite framework, a crucial part of our corporate governance system, formally articulates our propensity for appropriate levels of risk and our capacity to tolerate risk. The Board is the only authority that can introduce and approve any exceptions to the framework
- The setting of our risk appetite integrates risk with the business strategy and demonstrates a clear link between risk and business decisions. It serves as a bridge between risk management and the business's desired outcomes, connecting the two by highlighting how different levels of risk-taking can either support or hinder the achievement of our long-term objectives
- Our Risk Appetite Statements set out AECI's appetite for risk-taking and tolerance in pursuit of its strategic objectives and normal operating activities. They endorse our commitment to best practice risk management and embody the risk governance principles that should guide risk-taking in decision-making at all levels throughout the Company
- We aim not to eliminate risk from our activities, but to ensure that all our risk management actions are appropriate and critical decisions at all levels are within the limits of our stated risk appetite
- The framework is reviewed annually to align with our strategy and incorporate any learnings from our iterative risk management process. Changes are reviewed by the Executive Committee before being submitted to the Risk Committee and the Board

Our key strategic risks




Likelihood

	Almost certain	Likely	Even	Unlikely	Rare
Impact					
Catastrophic				9	
Critical				6, 7, 8	
Major		1, 2, 3	4, 5	10	
Moderate					
Minor					

1. Governance Process Controls
2. IT Capability and Infrastructure
3. Cyber Security
4. Supply Chain
5. Country risk
6. Sustainable Profitability
7. Portfolio Optimisation
8. ESG
9. Environmental, Health and Safety
10. Commodity Prices

Our key strategic risks and opportunities

The table below summarises our key risks and opportunities, the material matters driving them, and our strategic responses. Changes in our external environment can materially affect the Group's operating performance and our ability to deliver on our strategy (See page 39). Our key risks and opportunities have been assessed in accordance with the ERM Framework outlined on the preceding pages. The key risks and opportunities have been aligned with our strategic priorities to show where they may impact the achievement of these priorities.

Material matters	Primary risk lens
  	<ul style="list-style-type: none"> Strategic Financial performance Investment Growth
Risk	

Risk Trend



1. Governance process controls

AECI acknowledges the low maturity of certain key governance processes across the Group's value chain. This reflects both the complexity of our operating environment and the evolution of our organisational structure as we align with new strategic objectives.

Risk drivers/contributing factors

- Absence or underdevelopment of critical frameworks and policies
- Limited internal capability to manage governance processes effectively
- Inconsistent enforcement of rules and standards

Our response to the risk

- Group Delegation of Authority framework revised and communicated to improve decision-making accountability
- Implementation of policy management lifecycle
- Development and implementation of an ERM and Risk Appetite framework, coupled with comprehensive communication and training
- Roll out Capital Project Governance Framework, policies and procedures
- Implement a robust Procurement and Contract Management Guideline to ensure consistent practice
- Embedding governance and ethics as a key part of the AECI culture code

The opportunity it creates


Foster ethical, corporate governance and risk management across multiple markets and jurisdictions, and in so doing build trust with our stakeholders.

Capitals impacted



Stakeholders affected



Material matters	Primary risk lens
	<ul style="list-style-type: none"> Strategic Financial performance Operational performance IT, Cyber and Digital Innovation
Risk	

Risk Trend



2. Information Technology (IT) capability and infrastructure

Leveraging technology, infrastructure and IT capability to enable strategy.

Risk drivers/contributing factors

- Misalignment between IT and business strategy
- Legacy systems
- Integration of IT systems and processes across the business
- Internal skills and capability
- IT infrastructure and key inputs
- Reliance on IT third-party service providers

Our response to the risk

- Development of a Digital Transformation Strategy and roadmap, aligned with the Group strategy
- Base line Operational Technology digitalisation and frameworks with pilot implementation in selected manufacturing processes
- Capex investment with a dedicated focus on modern, scalable IT infrastructure
- Recruit specialised IT talent to fill critical gaps, particularly in cyber security, data analytics and digital transformation

The opportunity it creates

Accelerate digital and technology innovation that is focused on building value added capability, future proofing our business and creating a competitive advantage we.g.: Digitally Enabled Smart Mining.

Capitals impacted



Stakeholders affected

Material matters



Primary risk lens

- Strategic
- Financial performance
- Operational performance
- IT, Cyber, and Digital Innovation

Risk

Risk Trend

**3. Cyber security**

Failure to adequately and timeously respond to evolving cyber threats.

Risk drivers/contributing factors

- Sophistication and evolving nature of cyber attacks
- Large number of connected devices increasing vulnerability
- Vulnerability resulting from employee lack of awareness and training in cyber security risk
- Inadequate cybersecurity protocols and monitoring tools

Our response to the risk

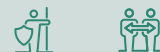
- Identify IT assets and understand vulnerabilities
- Proactive assessment and increased IT security measures and controls across projects and infrastructure
- Continue to strengthen incident detection and response capabilities
- Review and enhance IT security governance and operational structures
- Investment in the upgrade of the IT security environment.
- Implementation of strategic programmes to fast-track implementation of IT security capabilities
- Develop capabilities to address IT third-party security risk and compliance management
- Ongoing IT security training and awareness campaigns

The opportunity it creates

Development and optimisation of integrated and scalable security capabilities to drive a mature cyber security posture.

Capitals impacted**Stakeholders affected**

Material matters



Primary risk lens

- Strategic
- Financial performance
- Operational excellence

Risk

Risk Trend

**4. Supply chain**

Key supplier failures and supply chain disruptions impacting business's ability to maintain consistent operations and meet customer demand.

Risk drivers/contributing factors

- Lack of availability and profitable sourcing of key raw materials
- Dependence on sole source suppliers
- Geopolitical tensions resulting in business disruption, high prices and margin erosion
- South African rail network negatively impacting supply chain

Our response to the risk

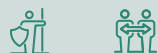
- Dedicated and proactive focus on the strategic sourcing of key raw materials
- Ramp up of on shoring and near shoring activities in key regions
- Leverage multi-sourcing approaches and enhance logistic network agility
- Supply risk assessments and supplier performance management with key strategic suppliers
- Alternative suppliers in place for key raw materials to ensure continuity of supply or substitution of raw materials
- Strengthen ammonia supply resilience via increased rail capacity and import storage facilities

The opportunity it creates

Robust supplier risk management programmes that mitigate the risk of supply chain disruption by providing additional sources of sustainable supply.

Capitals impacted**Stakeholders affected**

Material matters



Primary risk lens

- Strategic
- Investment
- Growth
- Financial performance

Risk

Risk Trend



5. Country risk

Country political, economic, localisation, regulatory compliance, judiciary and security risk.

Risk drivers/contributing factors

- Onerous regulatory frameworks in key markets
- Restriction on repatriation of capital, cash/dividends
- Localisation and tax pressures in countries in which we operate
- Government stability
- Currency volatility
- Availability of in-country skills
- Social and community expectations

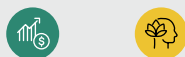
Our response to the risk

- Conduct country risk assessments in line with Risk Appetite Framework
- Develop in-country business continuity plans and crisis management plans including scenario planning and testing
- Engagement with regulators and other stakeholders on existing and emerging issues
- Regulatory compliance framework and policies

The opportunity it creates

Continue to build a deeper understanding of the macroeconomic, societal, geopolitical threats in the markets and jurisdictions in which we operate, thereby enhancing our international growth strategy, business planning and future competitive advantage.

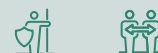
Capitals impacted



Stakeholders affected



Material matters



Primary risk lens

- Strategic
- Financial performance
- Investment
- Growth

Risk

Risk Trend



6. Sustainable profitability

Failure to achieve profitability and sustainability strategies and objectives

Risk drivers/contributing factors

- Managed business impairment due to softer market
- Under performing assets
- Aged assets and unplanned maintenance disruptions
- Poor project management processes
- Access to capital or sub-optimal capital prioritisation and allocation
- EBITDA gap from divested businesses

Our response to the risk

- Execute M&A strategy, framework and processes
- Divest managed business portfolio
- Devise a long-term strategy for-core businesses
- Rightsize business's high cost structure and optimise tax efficiency
- Strengthen accuracy of budget, forecast, cash flow and information management
- Accelerate our ambitions on key strategic initiatives

The opportunity it creates

Continue to transform the business through operational and functional excellence initiatives aimed at customer centricity, cost optimisation, digital transformation and market growth.

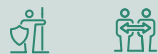
Capitals impacted



Stakeholders affected



Material matters



Primary risk lens

- Strategic
- Financial performance
- Investment
- Growth

Risk

Risk Trend



7. Portfolio optimisation

Failure to optimise asset portfolio through M&A and capital investments.

Risk drivers/contributing factors

- Poor execution of M&A process
- Poor focus on and execution of innovation processes
- Lack of adequate capacity and capability in the business
- Access to capital or sub-optimal prioritising and allocation of capital
- EBITDA gap from divested businesses
- Managed business impairment due to softer market

Our response to the risk

- Execution of M&A strategy, framework and processes against plan
- Use of external M&A advisors where necessary
- Clear approach to post merger integration
- Portfolio investment choices informed by country risk assessments
- Execution of the divestiture process (managed business portfolio)

The opportunity it creates

Focus on growth opportunities in Asia Pacific, and Latin America. Acquisition that are core to the AECI business with a focus on portfolio offering, scalable technology and go to market, synergies.

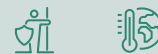
Capitals impacted



Stakeholders affected



Material matters



Primary risk lens

- Strategic
- Operational performance
- Financial performance

Risk

Risk Trend



8. ESG

Failure to achieve ESG commitments, targets and effective response to climate change related risks and opportunities.

Risk drivers/contributing factors

- Changes in regulatory environment
- Stakeholder expectations
- Climate change events
- Carbon pricing mechanisms
- ESG standards and goals
- ESG linked financing

Our response to the risk

- Sustainability Framework and Strategy
- Compliance monitoring with licenses, permits and authorisations
- Analytical and predicative tools and technologies developed and enhanced to aid in business planning and customer support
- Implementation of Greenhouse Gas abatement technologies
- Investment in renewable energy solution to optimise the Group's energy mix
- Sustainability, linked finance framework
- Progressive development of the Group's Net Zero by 2050 pathway linked to reduction goals and targets

The opportunity it creates

Leverage our ESG performance and reporting as a competitive advantage to drive a stronger licence to operate.

Sustainability initiatives in place to transition our products and customers to a less harmful and more sustainable future.

Capitals impacted



Stakeholders affected



Material matters



Primary risk lens

- Strategic
- Operational performance
- Financial performance

Risk

Risk Trend

**9. Environment Health, Safety**

Catastrophic Environment, Health and Safety (EHS) and process safety incidences.

Risk drivers/contributing factors

- Use of highly hazardous products
- Failure to comply with health and safety regulations and processes
- Encroachment of local communities in proximity of key operational sites

Our response to the risk

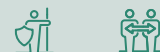
- Integrated EHS management systems
- EHS Framework and manual standards, procedures and requirements
- Process safety management system
- Major Hazard Installation (MHI) regulations management
- Emergency preparedness response plans
- Regular internal and external audits, inspections and management interventions
- EHS training and capacity building
- Ongoing community interactions and engagement
- Focused initiatives for mental wellness and psychological safety to be implemented

The opportunity it creates

Health, safety and wellness initiatives that encourage safe behaviours and promote mental well-being.

Capitals impacted**Stakeholders affected**

Material matters



Primary risk lens

- Strategic
- Financial performance
- Operational excellence

Risk

Risk Trend

**10. Commodity prices**

Negative impact of commodity cycle on demand, pricing and competition.

Risk drivers/contributing factors

- Commodity price fluctuation
- Poor economic growth
- Low customer demand
- Competitor behaviour leading to heightened margin pressure

Our response to the risk

- Strategy Execution – Operational Excellence initiatives focused on cost and price optimisation
- Continued roll out and maturing of the Group's Sales & Operational Planning and Sales & Operational Execution processes
- Focused strategic supplier management including supplier risk assessments and supplier performance management with key strategic suppliers
- Assess and maintain appropriate buffer stock levels
- Commodity and forex hedging strategies in line with Group policies

The opportunity it creates

Continue with portfolio optimisation and drive commercial excellence with the objective of growth in our core business, as well as driving operational and functional excellence.

Capitals impacted**Stakeholders affected**

Section 5

Strategy review

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Group Chief Executive Officer's review



Holger Riemensperger

“2024 represented the start of our transformation journey, with significant progress towards our strategic ambitions being achieved. We have sharpened our strategy, strengthened our organisation and enhanced efficiencies to meet evolving market demands. With a solid foundation in place and our strategic initiatives delivering value, we are well-positioned to seize new opportunities and create lasting impact.”



Dear stakeholders

AECI's centenary year has been both fulfilling and challenging. As we reflect on 2024, we acknowledge the significant progress we have made in strengthening our business, while navigating a complex operating environment. Our commitment to operational excellence, strategic growth and cultural transformation has reinforced our ability to drive long-term value creation for all stakeholders.

Safety and sustainability

Safety remains our highest priority, and I am pleased to report that we recorded zero fatalities in 2024, with our Total Recordable Injury Rate (TRIR) improving to 0.31 from 0.35 in 2023. We remain acutely aware of our responsibility to place employee safety at the heart of everything we do. Through our ZeroHarm strategy, we continue to make meaningful progress in embedding a culture where every employee returns home safely.

Sustainability is at the core of our purpose – **We Are One AECI, for a Better World.** Our strategy integrates environmental responsibility, social impact and governance excellence. In pursuit of Net Zero by 2050, we are committed to reducing our carbon footprint, enhancing resource efficiency and embedding climate risk considerations into our business planning. Our commitment extends to human rights, skills development and the well-being of our employees and communities.

Strategic progress and key milestones

In 2024, we took decisive steps to execute on our strategic ambitions, focusing on efficiency, cost optimisation and integration. Through these transformation initiatives, we successfully delivered R504 million to our profit line and achieved the promised R800 million run-rate. Additionally, our commitment to building internal capabilities ensures that our teams are equipped to execute the strategy going forward:

- Achieve between R5.6 billion to R6.3 billion EBITDA (annualised run-rate) by the end of 2026
- Attain a global market position in Mining of #3 by 2030

AECI Chemicals showed a marked improvement in 2024, through the transformation of the business, diligent optimisation across all units, and exceeding on targets through stringent margin management.

People and Culture remain a core enabler of our transformation. A high-performance culture is integral to our success, and in 2024, we strengthened our human capital by attracting and retaining top-tier talent aligned with our ambition. Having introduced a new Leadership Compact and Culture Code, our employees have a common call to action – embedding principles of trust, transparency and servant leadership. This focus ensures that AECI remains future-fit and competitive.

Divestment and portfolio optimisation

We continued to make progress in executing our divestment strategy for the Managed Business Portfolio. The strong performance of these entities reaffirmed that our decision to divest is driven by strategic alignment rather than underperformance. Despite a subdued mergers and acquisitions environment, we received credible offers for AECI Animal Health and AECI Much Asphalt, with the latter transaction successfully concluded in March 2025. Work is ongoing to finalise the divestment of the remaining Managed Businesses.

Core business performance

In our Mining business, our primary focus was on asset maintenance and supply chain stabilisation. We successfully reinforced our ammonia and ammonium nitrate supply chains, ensuring operational resilience. Our Australian business is now nearly as large as our South African operations, measured by EBITDA, by achieving a #3 market position in the country. This positions us as a formidable competitor in the Asia-Pacific region. Meanwhile, in Indonesia, we hold the #4 market position and are well on track to securing the #3 position in the region. We continue to defend our leadership on the African continent.

Our Chemicals business delivered an outstanding performance in 2024, driven by cost discipline and efficiency enhancements and working capital unlock. The business is well-positioned for sustained success, leveraging its integration within our new operating model.

Strides with B-BBEE transformation

We successfully finalised the B-BBEE transaction for its South African Mining business, marking a significant milestone in the Group's transformation journey. This transaction reflects our firm commitment to meaningful and sustainable empowerment, aligning with South Africa's national agenda for inclusive economic growth. Through this initiative, we are not only strengthening our compliance with B-BBEE legislation but also creating long-term value for our employees and communities. It positions AECI Mining for enhanced competitiveness and shared success in a sector that plays a vital role in the country's economic development.

Looking ahead

As we enter the next phase of our strategy, we will continue to drive efficiency, optimise assets and expand our global footprint. Key priorities in 2025 include:

- Continue to drive our divestment programme, reduce debts to strengthen our balance sheet and prepare for inorganic growth as opportunities arise.
- Complete our turnaround program at Schirm Germany, bolstering the value of the business.
- Rightsizing and repurposing assets in our Mining and Chemicals divisions to enhance operational efficiency and adjust to market demand.
- Using our expertise and track-record from operating successfully on the African continent, we will continue our expansion efforts in Asia-Pacific and Latin America.
- Benchmarking and optimising our employees to align with industry best practices while maintaining our culture and values.

We remain committed to delivering a step-change in growth, as promised, in line with our ambition and strategic targets.

Acknowledging leadership and our employees

Post year-end, our Chairperson, Dr. Khotso Mokhele, announced his retirement after nine years of dedicated service to the Group. His visionary leadership has played a pivotal role in AECI's transformation, and we are deeply grateful for his contributions. We are confident that our newly elected Chairperson, Philisiwe Sibiya, with her deep understanding of AECI's journey and strategic ambitions, will guide the Group into the next phase of growth.

Conclusion

AECI stands at the threshold of an exciting future. Our diverse and talented employees, our integrated approach and our commitment to sustainability, position us for another century of success. By harnessing the strength of One AECI, we will continue to create value, drive innovation and contribute to a Better World.

I am confident in our ability to execute our strategy, navigate challenges and seize opportunities as we move forward. Thank you for your continued support and trust in AECI.

Holger Riemensperger

Group Chief Executive Officer



AECI Mining Chemicals, UIC, South Africa

Strategy review

Our transformation strategy at work

Towards 2026 and 2030

In November 2023, we announced the strategy that would better position the Group to achieve its 2026 and 2030 ambitions.

2024 was a year of transition, defined by resilience, strategic focus and renewed commitment to sustainable growth. We focused on the roll-out of our culture code, the improvement of internal value efficiencies through excellence and the optimisation of our balance sheet.

The graphic and narrative on this page, which continues on the following pages, sets out the progress we have made in 2024 in the three key areas of our Ambition and Strategic pillars, as well as the Enablers of our strategy.

To ensure alignment with our purpose, vision and strategy, a set of measurable and clear targets, encompassing financial and non-financial strategic indicators (KPIs) at both Group and business levels are tracked. The KPIs encompass the consideration of all capitals and are linked to our strategic pillars. These targets are benchmarks against which our progress and success in executing our strategy can be measured. By defining these targets, we establish a framework for accountability and focus, guiding our efforts towards realising our overarching objectives.

[See page 57 for more info.](#)

Ambition

Achieve between R5.6bn–R6.3bn EBITDA (annualised run rate) by end of 2026

Attain a global market position in Mining of #3 by 2030

2024 Progress

- Target for 2024 of R800 million run-rate achieved
- R504 million EBITDA achieved, against a target of R400 million
- By year end 2024 AECI retained #1 position in Africa, was #3 position in Australia and #4 position in Indonesia

Capitals employed



Strategic pillars



A high-performance culture underpinned by passionate and engaged employees

- We defined our culture code and embarked on our culture change journey, which positions us for sustainable growth
- We hired relevant talent, attracted by our new strategy
- We were rated as a Top 10 employer in South Africa by Forbes



Portfolio optimisation

- Muted M&A market slowed down progress
- Post year end, the disposal of AECI Much Asphalt was successfully completed, the AECI Animal Health disposal process continues, and we entered into a Memorandum of Agreement (MOA) to dispose of our Public Water business
- We are committed to finding the best possible buyer and deliver shareholder value



Drive operational and functional excellence

- TMO was established in 2023 to drive functional excellence. Driving operational excellence has already made good progress with optimising and repurposing our assets and improving equipment efficiency
- Over 600 TMO initiatives identified in the year, with about 200 initiatives already implemented



Internationalisation

- Further growth in our Australian business in the year
- Acquired a significant land development in Peru
- Growth in central Africa



Enablers



A disciplined capital allocation

- Ensures a balanced approach between growth, efficiency, financial health and shareholder returns. We aim to achieve a Return On Invested Capital (ROIC) in excess of our Weighted Average Cost of Capital (WACC).
- We achieved a reduction in net debt and working capital and invested in maintenance of our plants



Strong investment into innovation and technology

- We are a tier 1 mining solutions provider
- We invested in the development of Intellishot® X, S 300 volcano emulsion and Powerboost X



Digitalisation of our business and future proofing of our systems

- Our strategy to drive AECI's digital transformation through to 2030 is built on continuous delivery and integration of technology aligned with our broader business objectives. We are progressively deploying emerging technologies to digitalise operations across the value chain, enhance operational efficiency, and deliver increasingly seamless digital experiences for both customers and employees. The transformation will progressively shape AECI into a fully integrated digital enterprise by 2030



Automation of manufacturing assets

- Our future investment in implementing manufacturing process automation will streamline tasks such as quality checks, product mixing and packaging. Predictive maintenance using AI integrated with the operational technology systems will analyse machinery data and predict required maintenance



2024 Progress against strategic pillars

To achieve our 2026 ambition we need to achieve an R800 million run rate annually.

The work carried out under our strategic pillar to drive operational and functional excellence, has been a major contributor to the achievement of our 2024 target. Combined with our historic CAGR in the region of 8%, our portfolio optimisation and disciplined capital allocation, the ongoing work under this pillar will allow us to achieve our 2026 target.

We are well-positioned to attain a global market position in Mining of #3 by 2030. The growth we have already achieved in Asia Pacific provides a strong foundation for future growth. Through our new operating model we are leveraging the full potential of our African footprint, which we expect to grow going forward.

In Latin America, we will evaluate business case investments focusing on commodities of our choice.



A high-performance culture underpinned by passionate and engaged employees

Our culture change journey positions us for sustainable growth

- We made key leadership and management changes
- Implemented our new leadership compact, culture code and desired behaviours
- Improved employee engagement
- Achieved transformative, organisation-wide alignment and commitment

[More information in the Human Capital section of this report](#)



Portfolio optimisation

During the period, we made progress in our divestment strategy by signing sale agreements for AECI Much Asphalt and AECI Animal Health, two of the six targeted divestments. This being a crucial step in our commitment to streamline our portfolio and focus on our core business. Post year end, the disposal of AECI Much Asphalt was successfully completed and the AECI Animal Health disposal process continues. In April 2025, we entered into a MOA to dispose of our Public Water business. The subdued mergers and acquisitions environment experienced this year impacted our divestment process. We, however, remain committed to a disciplined approach, prioritising long-term value creation as we navigate the divestment process under these conditions.



Driving functional and operational excellence

Functional excellence

The TMO identified 600 initiatives that would make up our R2.4 billion target by 2026. It engaged with the business and worked with initiative owners to drive the implementation of, circa, 200 initiatives during 2024. Our functional excellence workstreams included commercial excellence, growth projects, procurement and our physical supply chain. We achieved commercial excellence by focusing on the basics, including the review of customer/product profitability and looking at cross selling opportunities between AECI Mining and AECI Chemicals. Using the techniques developed with the support of our consultants we worked on how to set pricing depending on the market, the product and the customer.

We made good progress with our growth projects by expanding our value proposition, focusing on new geographies, new customers and new products. To optimise our physical supply chain we focused on optimising our route planning and minimising product handling. In procurement we focused on optimising, collaborating, consolidating our spend and engaging with our suppliers. The centralising of procurement has resulted in improved pricing and review of supplier terms.



AECI Mining Hunter Valley Operation, Australia



Driving functional and operational excellence

Manufacturing excellence

We reviewed our asset base for rightsizing and consolidation opportunities, which resulted in the optimisation and repurposing of our current assets.

An important focus for our mining business in 2024, was completing delayed statutory shutdowns in both the chemical and mining businesses in the first half of the year. We have seen good improvements in overall equipment efficiency since the shutdowns.

We previously committed to increasing our spend on maintenance to ensure a healthy asset base in our core businesses. This investment has seen our plant availability increase.

In response to changing market demand, one of our key projects in 2024 was the rightsizing of our sulphuric acid plant in Durban. The AECI team developed an innovative engineering solution to adapt the plant, which was previously

designed to produce volumes exceeding current market requirements. As part of our capability-building efforts, the team also successfully optimised the output of a high-margin downstream product by over 40%, enabling our marketing team to access greater volumes of this higher-value product. At our Modderfontein complex, we have invested in new, greener technology that has increased nitric acid production capacity by 5%.

To reduce our reliance on the importation of our strategic raw material quantities for our mining surfactant business, we were able to optimise some of our reactors. As a result, we have been able to replace over 50% of previously imported raw materials with locally produced materials and consequently reduced our exposure to shipping risks and related costs.

We have repositioned our oleo chemicals business to support the growth in mining chemicals and have already started exporting product from our Jacobs plant.

Creating resilience

During 2024 we commissioned three of our solar plants, giving us in excess of six megawatts of electricity. While these plants only provide 5% of our energy consumption, they displace 5% of our previous use of energy produced from the burning of fossil fuels. We invested R140 million in these plants, however, the return on our investment is good as we will be saving R30 million annually on energy costs.



Internationalisation

While our strategic ambition is to attain a global market position in Mining of #3 by 2030, the Group has adopted a disciplined and phased approach to international growth. In 2024, the focus was on stabilising legacy international operations and resolving structural inefficiencies that stemmed from earlier expansion efforts. This groundwork sets the stage for accelerated, targeted international expansion from 2025 onward. Key growth corridors include Mining Chemicals on the African continent and Mining Explosives in Latin America, Southeast Asia, and Australia, where we are developing scalable platforms through new partnerships, talent deployment and customer-driven expansion models.

[See Our Operating Context section on page 30](#)



AECI Mining Chemicals, Sasolburg, South Africa

Achieving our ambition

Our journey towards this target began with the goal we set for ourselves for 2024, which was achieving an EBITDA run rate of R800 million, which we achieved by 31 December 2024.

Strategy execution against measurable KPIs

The reported 2024 results reflect the impact of strategic enablers which include strategic divestments costs, transformation spend, and one-off impairments. These enablers underpin the transitional phase of our strategy and form a platform on which the Group can build towards achieving a strong and sustainable future performance.

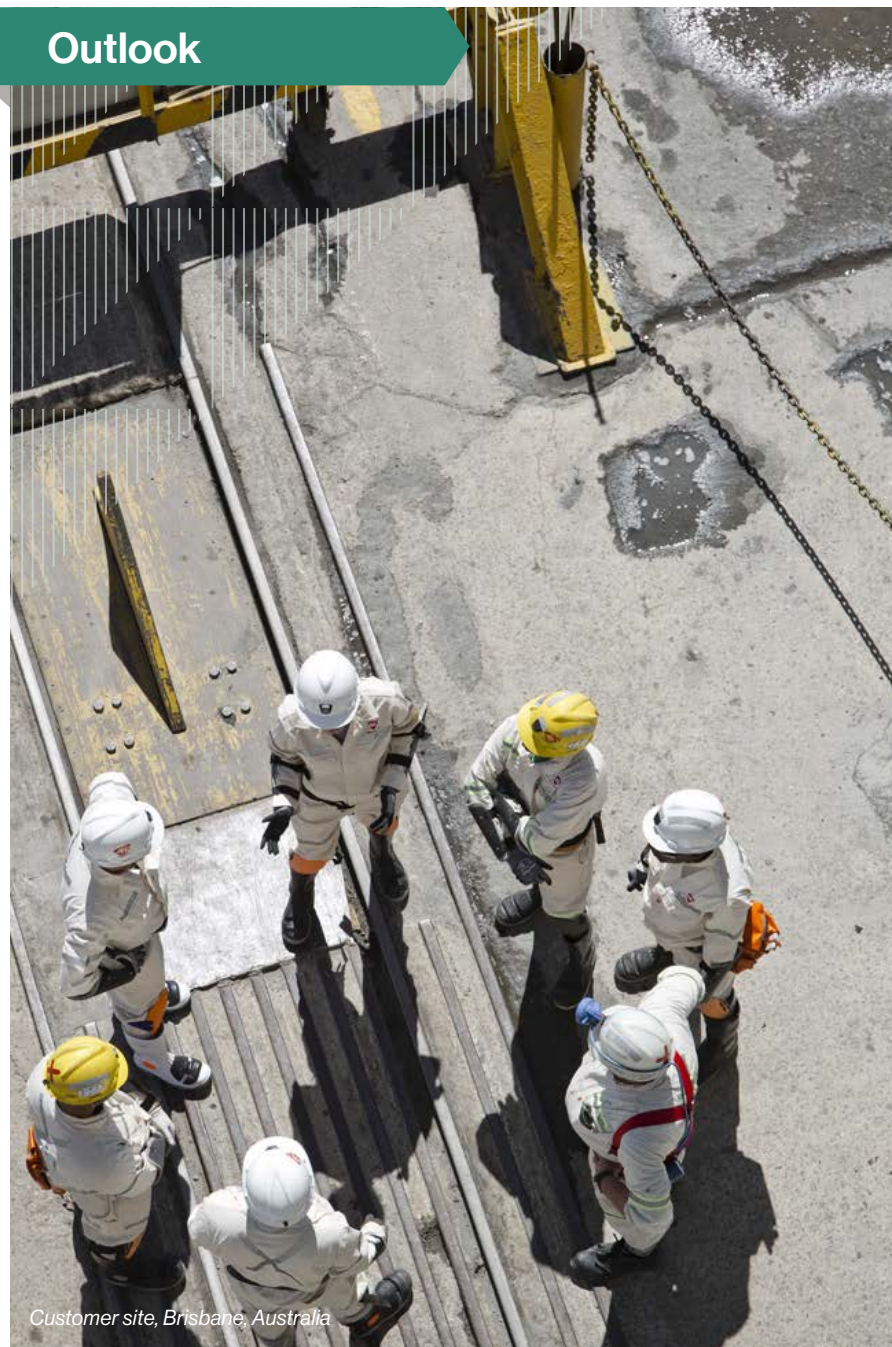
[More detail in Acting CFO Review page 61](#)

Operational, investment and balance sheet categories based on core businesses only

Category	KPI	Baseline (Actual) 2022	Actual 2023	Actual 2024	Target 2026	Capital impacted
Operational	Normalised EBITDA (Rm)	3 100	3 401	3 270	5 600–6 300	Financial
	Normalised EBITDA margin (%)	11.0	11.2	11.0	13%–15%	
	Free cash flow conversion ratio (FCF/EBITDA)	(10)	64	39	31%–34%	
Investment	ROIC (%)	11.6	14.3	14.6	17%–21%	
Balance sheet	Net working capital (%)	19	15	16	14%–16%	
Capital allocation	Net debt/EBITDAC	(1.5x)	1.2x	1.2x	<2.5x	
	Net debt/FCF	(10x)	2x	3x	2x–4x	
Environmental	Effluent discharge (sea or sewer)(m³)	751 880^	652 572^	603 672^	10% reduction in 2025	Natural
	Potable water – consumption (m³)	1 793 455^	1 678 865^	1 638 050^	10% reduction in 2025	
	CO ₂ footprint – scope 1 and 2 (tCO ₂ e)	493 801^	439 888^	416 337^	10% reduction in 2025	
Operational	Safety (TRIR)	0.27^ (restated)	0.35^	0.31^	Zero Harm	Human
Social	Gender equity	27%^	28%^	29%^	31% female representation at top, senior and middle management by 2025	

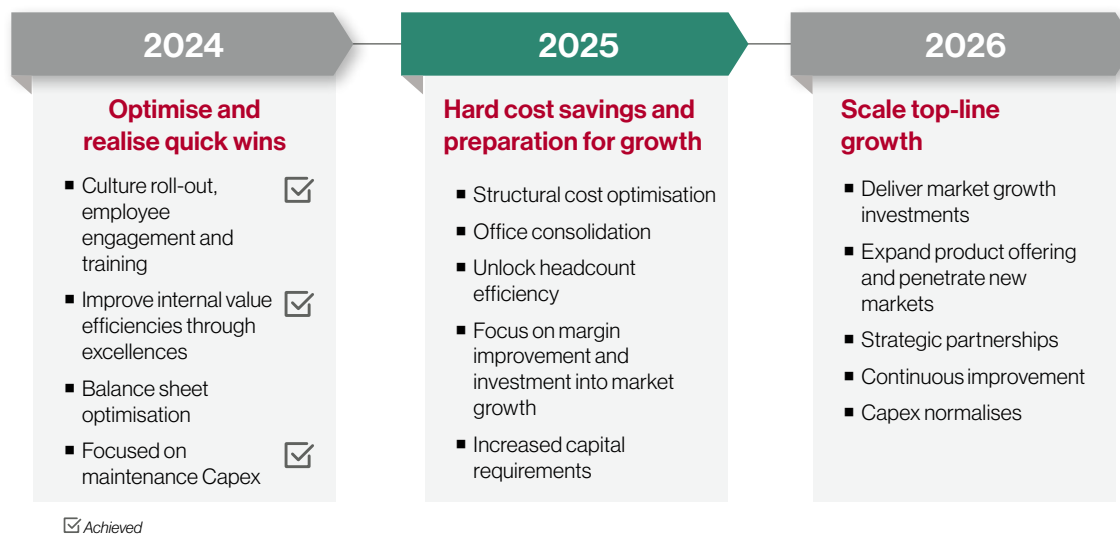
[See page 90 of this report and page 78 of the Sustainability Report](#)

Outlook



Customer site, Brisbane, Australia

2025, a year of hard cost savings with a focus on free cash flow generation



Looking ahead

2024 set a strong platform from which we can build and grow towards meeting our 2026 strategic ambitions. In 2025, our attention moves from the transition phase of our strategy to the execution phase with an emphasis on driving hard cost savings, preparing for growth and focusing on free cash flow (FCF) generation.

Key focus areas for 2025 include:

- Driving structural cost optimisation, margin improvement, investment into market growth, unlocking headcount efficiencies and consolidating offices
- Achieving the 2025 TMO targets linked to the overall 2026 EBITDA delivery of R2.4 billion
- Reinvesting in asset health to mitigate future business disruption risks
- Continuing to position AECI Mining for growth and improved operational performance by:
 - maintaining the good performance momentum recorded in the fourth quarter of 2024
 - investing in growth capital as guided by the capital allocation framework
 - internationalisation of the business with AECI Mining Chemicals at the forefront
- Continue exploring and exploiting synergies between AECI Mining and AECI Chemicals
- Advancing the divestments programme and optimising the balance sheet to enhance capital allocation
- Continue strengthening our leadership critical skills and capacity, including continuing the roll-out of the culture journey

Section 6

Our performance

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Social and relationship capital	<u>84</u>
Natural capital	<u>86</u>



Summary of our performance

In 2024, our commitment was to fulfill our purpose and our future ambition, which requires an unwavering focus on strategy execution.



Financial capital¹

Normalised² Group EBITDA

R3 670m ▼

(2023: R3 763m)

Normalised profit from operations

R2 487m ▼

(2023: R2 672m)

Headline earnings per share

716cps ▼

(2023: 1137cps)

Total dividend declared

219cps ►

(2023: 219cps)

Net debt

R3 738m ▼

(2023: R4 338m)

Net debt/EBITDAC

1.2x ►

(2023: 1.2x)

¹ Continuing and discontinued operations.

² Reconciliation of EBITDA in the Acting Chief Financial Officer's review section.



Manufactured capital

AECI Mining infrastructure on client sites

56

Distribution centres

5

AECI Mining manufacturing sites

12

AECI Chemicals manufacturing sites

11



Intellectual capital

Transforming our technology to drive operational, commercial and execution excellence

Achieving a significant blasting innovation milestone leveraging digitalisation

Emulsion technologies developed for use in extreme geothermal conditions

Enhancing PGM processing efficiency and profitability by developing customised collector components



Human capital

In response to critical skills gaps we have invested:

R112m

in skills development programmes

376 ▲

learnerships, internships and graduates (2023: 248)

29%[^] ▲

female representation at senior, middle and junior management (2023: 28%)

Safety performance: ▼

TRIR **0.31** (2023: 0.35)

0 fatalities: ▼
(2023: 2)

1 major product transportation incident: ►
(2023: 1)



Social and relationship capital

We assisted

32 799

learners with education

Provided

1.8m

meals to learners

Supported

23

Early Childhood Development centres

A total of

355

schools supported

Trained

12 176

young people in green entrepreneurship

51 SMMEs were supported by our supplier development programme

R11m

invested in the year



Natural capital

B score ►

for our voluntary participation in the CDP Climate change (2023: B)

Group carbon footprint: 15% decrease in tonnes CO₂e (tCO₂e) to

416 337 tCO₂e[^]

▼ from baseline of 493 801 tCO₂e established in 2022

B score ►

for our voluntary participation in the CDP Water Security (2023: B)

Group potable water consumption: 9% decrease metric litres to

1638 050m^{3^}

▼ from baseline of 1793 455m³ established in 2022

[See page 90 of this report and page 78 of the Sustainability Report](#)

▲ Value creation ▼ Value erosion ► Value preservation

Financial capital

Acting Group Chief Financial Officer's review



Ian Kramer

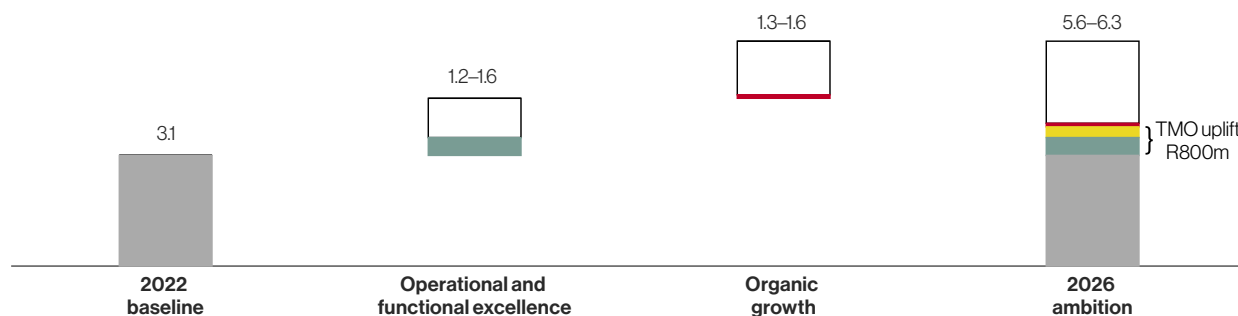
"Despite facing headwinds, we remained financially disciplined and our transformation initiatives continued to gain momentum."



It is my pleasure writing to you in my capacity as the Acting Group Chief Financial Officer. I joined AECI in December 2024 as a financial adviser to the Group Chief Financial Officer and was subsequently appointed Acting Group Chief Financial Officer on 31 December 2024.

2024 was the first full year of implementing our strategy. During the year, we established the foundation for our long-term sustainable growth. This required essential concessions that are key enablers of our strategy's successful execution. Our results reflect the impact of these strategic enablers, which include divestments, transformational investments and once-off impairments. Despite facing headwinds, we remained financially disciplined and our transformation initiatives continued to gain momentum. Our strategic TMO initiatives programme contributed R504 million to EBITDA and we expect a further R300 million to crystallise into profit and loss in the coming year.

EBITDA run rate and organic growth contribution for the year (Rbn)



We continued to focus on the implementation of the capital allocation framework to ensure a balanced approach between growth, efficiency, financial health and sustainability, while enabling disciplined capital allocation to relevant, accretive investment opportunities. Together with this, we focused on our balance sheet optimisation which led to another year of improving working capital management and a reduction in our net debt position.

Notable items for the year

Normalised EBITDA

Our normalised EBITDA from both continuing and discontinued operations of R3 670 million adjusts for non-recurring costs, which include transformation costs (R467 million), divestiture costs (R186 million), statutory mining shutdowns (R204 million) and the investment in Schirm's turnaround (R56 million).

Discontinued operations

In accordance with IFRS 5 (Non-current assets held for sale and discontinued operations), AECI Much Asphalt has been classified as a discontinued operation, and prior year figures have been restated accordingly.

Change in segmental reporting

To align with our new strategy and operating model our segments are now AECI Mining, AECI Chemicals, AECI Property and Corporate, and Managed Businesses.

Impairments

We assess our Net Asset Value (NAV) in relation to our fair value less costs to sell annually and evaluate fair value adjustments upon disposal. This resulted in the recognition of an impairment of R1 109 million (2023: R20 million) for the year. These impairments negatively impacted our earnings, however, they are non-cash in nature in the current year and reflect the strategic repositioning of the Group to create long-term shareholder value.

Financial performance for the year

Our financial results from both continuing and discontinued operations for the year were affected by R860 million once-off strategic costs and significant impairments recognised on our divestiture programme.

Extracts from the statement of profit and loss



Impairments

While the impairments recognised negatively impacted earnings, they are non-cash in nature during the current year and reflect the our strategic repositioning to create long-term shareholder value.

R377 million (34%) of the total amount relates to our continuing operations, while R732 million (66%) relates to the discontinued operation, AECI Much Asphalt.

Goodwill is reviewed for impairment at least annually and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

In AECI Schirm Germany (impairment recognition of R220 million), the Russia-Ukraine war negatively affected customer demand, particularly for crop protection products in the Ukrainian agricultural industry. Due to challenging

trading conditions, cost increases – including energy and labour – were not fully recovered from customers. The unsatisfactory performance, along with a detailed review of the operations, highlighted impairment indicators related to property, plant and equipment as of 31 December 2024.

In AECI Brazil, R90 million impairment was recognised on the back of changing economic environment, along with aggressive pricing strategies in the market which contributed to a significant reduction in sales volume. This was exacerbated by the loss of two major customers due to the revocation of their environmental licences. Consequently, a review of the business strategy was undertaken, focusing on a transition to a reseller/toll-manufacturer model, which is less capital-intensive and this resulted the recognition of an impairment loss.

Rand million

Continuing operations

	Property, plant and equipment	Right-of-use assets	Intangible assets	Goodwill	Total 2024
AECI Mining	86	2	42	5	135
AECI Managed Businesses	220	–	–	22	242
Discontinued operations (AECI Much Asphalt)	14	–	8	710	732
Net impairment and derecognition of assets	320	2	50	737	1 109

Group tax

Tax expense from continuing operations for the 2024 financial year was R747 million and represents an effective tax rate (ETR) of 71%, up from 44% in 2023. The elevated ETR resulted from higher non-deductible expenses, impairments and foreign withholding taxes from increased dividends received from the foreign subsidiaries. The necessary resources have been made available to assist in developing solutions that will reduce the rate into a manageable range.

Key measures include settling loans while undergoing tax investigations, discontinuing interest on legacy loans from December 2024 to curb unproductive interest and addressing management fees with respect to in-country deduction limitations. Additionally, the implementation of a monitoring system for Pillar Two and a holistic review of Group recharges are considered necessary.

The focus also extends to reviewing the impact of functional currency determinations in each country and ensuring the completeness of R&D incentive applications in South Africa.

The once-off investment of R860 million in strategy execution was the primary driver of this EBITDA reduction, partially offset by the R504 million uplift delivered by the TMO, of which 85% is sustainable, and R53 million in insurance recoveries.

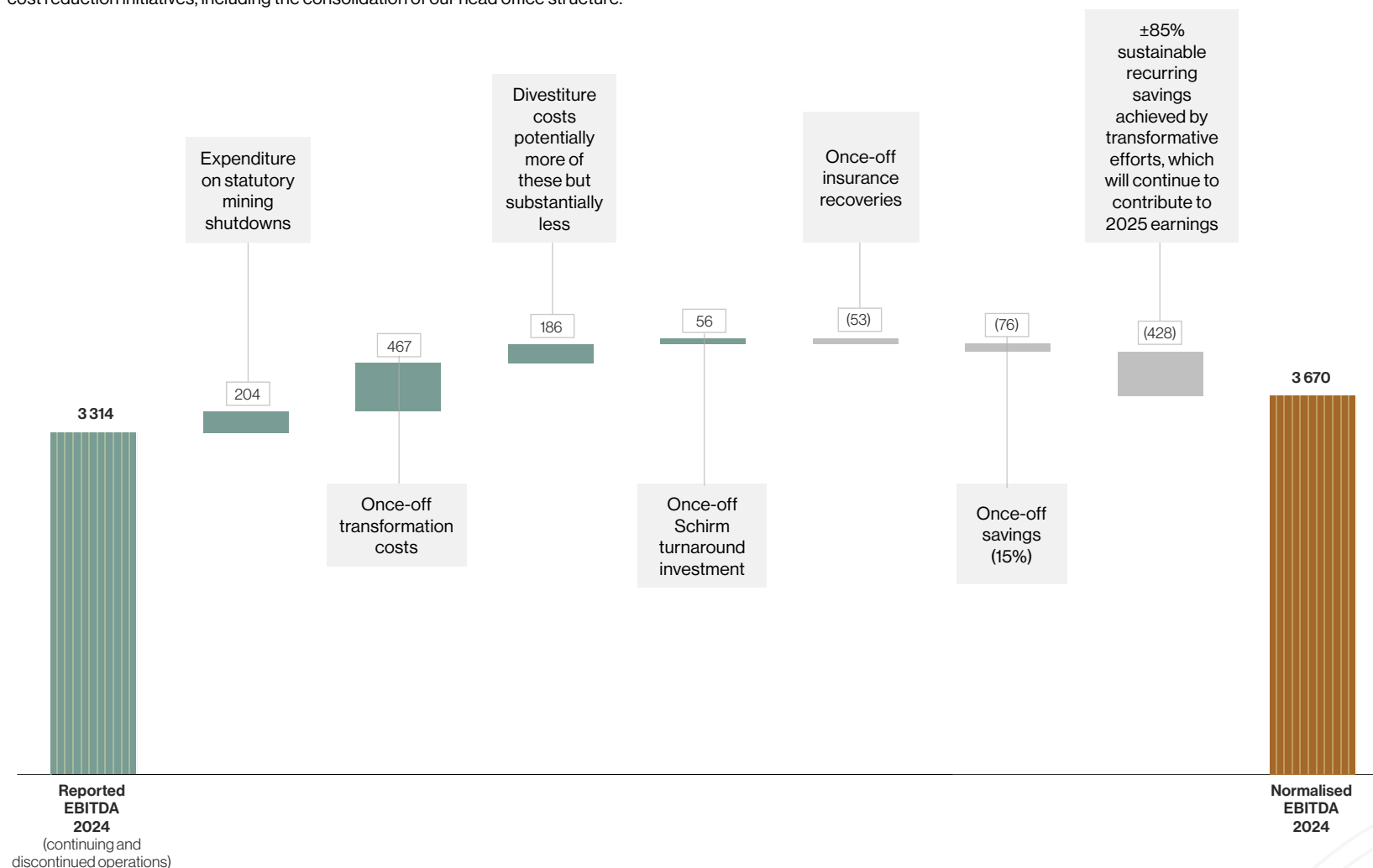
The prior year's reported EBITDA included a R106 million once-off payment on the employee share trust. Except for the extraordinary items mentioned above, EBITDA from both continuing and discontinued operations was mainly consistent with the previous year.

EBITDA from continuing operations was R3 034 million (2023: R3 474 million) after accounting for the once-off costs, partially offset by the TMO uplifts of R504 million. EBITDA from discontinued operations was R280 million (2023: R208 million).

Analysing the financial impact of strategy execution in 2024 (R million)

We achieved an EBITDA run rate of R800 million by the end of 2024, crystallising R504 million into the profit and loss account. Our results were positively impacted by R428 million in recurring savings and R76 million in once-off savings from procurement rebates, short-term opportunities and inventory disposals.

Our efforts to accelerate opportunities and increase the run rate by an additional R800 million will raise the expected cumulative sustainable run rate to R1 600 million by the end of 2025. The conversion of the 2025 pipeline will yield additional value from new initiatives throughout 2025 with the main focus on cost reduction initiatives, including the consolidation of our head office structure.



Balance sheet optimisation

Our balance sheet optimisation programme is focused on strengthening the balance sheet and positioning the Group to identify and pursue opportunities for value creation.

Net working capital

Net working capital as a percentage of revenue (WC%) was 16% (2023: 15%), which falls within the Group's guidance of 14% to 16%. AECI Mining's WC% of 13% was below the target, reflecting the efforts and commitment made to manage working capital effectively. The performance in the year was mainly driven by excellent inventory management, however, we still note an area for improvement in our accounts payable and receivable indicators.

Working capital
percentage
16%

Net debt

Our net debt decreased to R3 738 million (2023: R4 338 million), translating to a gearing ratio of 31% (2023: 35%), which was well within the Group's guidance of 20% to 40%. As defined in our covenant agreements, net debt to EBITDA was 1.2 times (2023: 1.2 times), remaining well within the loan covenant threshold of 2.5 times. Cash and cash equivalents were R2 358 million (2023: R1 901 million).

The proceeds from the sale of AECI Much Asphalt, were received in the first half of 2025, and will further reduce our net debt. Additionally, we had significant undrawn cash facilities amounting to R3.1 billion at year-end, along with R2.2 billion unrestricted cash on hand, which leaves us in a healthy liquidity and solvency position. The net debt continues to decline due to our ongoing focus on working capital and its management.

14% decrease
in net debt to
R3.7bn

Net Asset Value

At year-end, the Group's Net Asset Value (NAV) was R11.9 billion (excluding non-controlling interest). AECI Much Asphalt's NAV was R1.1 billion, with the remainder of the managed businesses valued at a NAV of approximately R2.7 billion. With the expectation that all divestments will be completed on or about the guided strategic timelines, anticipated increased cash levels on our balance sheet will provide us with an opportunity to explore value accretive investments.

NAV
R11.9bn
Market cap
R9.2bn

Implementation of our capital allocation framework

Core to our strategy is the implementation of a capital allocation framework that ensures a balanced approach between growth, efficiency, financial health, sustainability and shareholder returns while enabling disciplined capital allocation to relevant, accretive investment opportunities.

Free cash flow

Group free cash flow for the year was R1 214 million (2023: R2 415 million). The prior year result was boosted by our concerted effort in managing our working capital which continued in the current year. Current year free cash flow was affected by all once-off non-recurring costs linked to strategy execution.

Cash generated by our operations was R3 345 million. Despite a challenging year, disciplined cost management and enhanced operational efficiencies saw AECI Chemicals contribute R917 million to free cash flow, reflecting a 3% increase year-on-year.

Our ability to generate free cash flow is essential for ensuring the Group has adequate capital to invest in achieving its targeted growth. Increased capital spend on growth is a crucial lever we can use to assist in achieving our EBITDA growth ambition through to 2026.

AECI Chemicals
delivered more than
R900 million in
**Operational
FCF**

Capital expenditure

Capex for the period was R973 million (2023: R1 303 million), of which R765 million (2023: R869 million) was for maintenance, and R208 million (2023: R434 million) was for expansion. AECI Mining accounted for R619 million of the total spend after spending on statutory shutdown maintenance and new contract wins in Australia. Historically, the Group has underspent on maintenance capex, but we began to address this in 2023 when our maintenance capex increased to 67% of total capex spend, which is 0.9 times budgeted depreciation and 2024 spend was in line with our guided spend at 0.9 times.

We intend to maintain our maintenance capex at a minimum of 0.8 times the budgeted depreciation for 2025. However, if the business generates sufficient free cash flow, as outlined in the capital allocation framework, and after any dividend payouts, our intention would be to increase our total capex spend to levels between R1.2 billion and R1.6 billion, with a significant focus on capex in growth initiatives. Our growth capex spend will depend on our ability to execute our growth capex plans. We do not anticipate that this elevated level of capital expenditure will carry over into 2026.

Capex spend in line
with guidance of
0.8x–1.2x

Converting our dividend yield

Currently, in terms of our capital allocation framework our dividend policy pays out on a dividend yield. Since our most important KPI drives free cash flow, we are considering to convert AECI's dividend yield pay-out policy to a cover payment policy based on free cash flow generation.

2024 total dividend
declared of
219cps
(2023: 219cps)

On track to achieve our strategic targets

2024 was a year of transition underpinned by setting a platform from which the Group can springboard into achieving its future targets. Our EBITDA performance slowed due to the impact of strategic investments while our free cash flow to EBITDA conversion was ahead of our target. ROIC was impacted by lower profitability in the year. Pleasingly, our other balance sheet indicators were within the guided range.

2024

2026 target

- Normalised EBITDA R3 270 million
- 2022 baseline: R3 100 million
- Free cash flow conversion ratio (FCF/EBITDA): 39%
- 2022 baseline: (15%)

Achieve EBITDA of between R5.6bn-R6.3bn (annualised run-rate) by the end of 2026

Operational

31–34%

Investment

- ROIC: 14.6%
- 2022 baseline: 11.6%

17–21%

Balance sheet

- Net working capital: 16%
- 2022 baseline: 19%

14–16%

Capital allocation

- Net debt/EBITDAC: 1.2x
- 2022 baseline: 1.5x
- Net debt/FCF: 3x
- 2022 baseline: (10x)

<2.5x

2x–4x

Operational, investment and balance sheet categories based on core businesses only.



Looking ahead

The 2025 finance focus areas include:

- Accounting for the remaining divestments processes anticipated to be concluded in 2025
- Enhancing management reporting and integrated business planning processes
- Continuing our efforts in strengthening our balance sheet
- Enhancing risk management and governance processes relating to financial reporting
- Continuing with efforts to develop solutions that will reduce our effective tax rate

Appreciation

I would like to thank my predecessor, Rochelle Gabriels, who set the implementation of the strategy in motion with significant progress already made towards achieving our strategic ambitions. To my colleagues, particularly in finance, thank you very much for your warm welcomes and commitment shown. I look forward to working with you for the foreseeable future.

Ian Kramer

Acting Group
Chief financial officer

Manufactured capital

Our manufactured capital, which is essential to our business, includes the infrastructure and operational processes our segments use to create value for our stakeholders by offering sustainable solutions for a better world. These include world-class R&D facilities and also encompass assets of our property division and the services it provides to the Group.

Our segments

AECI Mining

Providing a comprehensive mine-to-mineral solution to the international mining industry

Mining Explosives

- Sustainable explosives
- Initiating systems and electronics
- Smart delivery and services
- Digital solutions

Mining Chemicals

- Frothers
- Depressants
- Collectors
- Surfactants
- Coatings
- Services

AECI Chemicals

Industrial chemicals

- Sulphur
- Homecare
- Phosphoric acid
- Foundry and timber

Agriculture

- NuWay® programme
- Crop protection products
- Plant nutrients

Specialty chemicals

- Oleo chemicals and mineral oils
- Personal and home care
- Metal coatings
- Polymers and PVC

Water

- Mining water
- Industrial water
- Water solutions

Differentiators:

- Our partnership approach
- Our will to solve our customers' greatest challenges
- A leader in metallurgical innovation

Differentiators:

- Water management in the mining industry using advanced water management technologies
- Bespoke chemical solutions for ore processing

Business performance impacted by headwinds

Normalised EBITDA -8% ▼ R2 459m 2023: R2 684m	Normalised profit from operations -13% ▼ R1 860m 2023: R2 146m	Working Capital (%) Opts 13% 2023: 13%	ROIC (%) -5pts ▼ 19% 2023: 24%
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Normalised EBITDA % -1pt ▼ 13% 2023: 14%	Normalised profit from operations % -1pt ▼ 10% 2023: 11%	Free cash flow -55% ▼ R1 143m 2023: R2 539m
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Profitability boosted by effective cost management and free cash flow generation

Normalised EBITDA +12% ▲ R901m 2023: R802m	Normalised profit from operations +14% ▲ R752m 2023: R658m	Working Capital (%) -1pt ▼ 18% 2023: 19%	ROIC (%) +5 pt ▲ 19% 2023: 14%
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Normalised EBITDA % 1pt ▲ 9% 2023: 8%	Normalised profit from operations % 1pt ▲ 7% 2023: 6%	Free cash flow +3% ▲ R917m 2023: R888m
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Reconciliation of normalised EBITDA and profit from operations 2024 (Rand million)

Reported EBITDA	Strategy execution costs	TMO uplift	Normalised EBITDA		Reported EBITDA	Strategy execution costs	TMO uplift	Normalised EBITDA	
2 284	494	(319)	2 459		972	108	(179)	901	
Reported profit from operations	Strategy execution costs	TMO uplift	Impairments	Normalised profit from operations	Reported profit from operations	Strategy execution costs	TMO uplift	Impairments	Normalised profit from operations
1 550	494	(319)	135	1 860	823	108	(179)	—	752

Delivering manufacturing excellence and tangible results that are benefiting business performance

Guided by our capital allocation framework, we are reinvesting in the health of our assets to mitigate future risks of business disruption by allocating an estimated 60% of our capex to maintenance and 40% to growth.

Asset turnaround and reliability

- **28%** overall equipment effectiveness (OEE) improvement
- Enhanced asset reliability
- Improved engineering capability
- Commitment to operational excellence and efficiency

Facility enhancements at Mining Explosives

- Production throughput increased **5%** at Modderfontein and ammonium nitrate throughput improved
- Greener technology implemented
- Higher conversion rates and lower ammonia losses achieved

Plant optimisation at Industrial Chemicals

- Boosted sulphur dioxide production by **40%**
- Improved efficiencies by aligning production output with market demand
- Increased oleochemical production throughput

Increased operational resilience

- **55%** baseline energy requirements replaced through commissioning of renewable energy plants
 - **R140** million investment
 - **R30** million savings per annum
- Aligned to our sustainability goals
- Position the business for future growth

AECI Mining

Weak market conditions and inefficient international logistics affected AECI Mining (AECI Mining Explosives and AECI Mining Chemicals) throughout 2024. While sales volumes of bulk explosives rose by 4.4% year-on-year, supported by increased volumes, this gain was partially offset by reduced offshore volumes due to shipping delays. The weak market, contributed to a 13.3% decrease in normalised profit from operations, which fell to R1 860 million (2023: R2 146 million). In the first half of the year, four planned statutory shutdowns, postponed in the prior years, impacted AECI Mining's operating capacity and resulted in the alternate sourcing of ammonium nitrate at higher prices. These prices fell outside the parameters of the rise and fall pricing mechanism we have with our clients.

Operational performance significantly improved during the second half of 2024, culminating in a particularly strong fourth quarter, during which the average monthly EBITDA run rate surpassed fourth quarter of 2023, as well as the second and third quarters of 2024. This was driven by strong performance in Central Africa and Australasia, supported by robust mining activity, which helped to offset subdued growth in other regions. Additionally, enhanced utilisation of our manufacturing assets lowered the cost of alternative sourcing.



The way forward

While our focus during 2024 was on unlocking internal value, we also developed plans to internationalise our mining business through organic growth, further increasing our international explosives sales. We have established a strong foundation from which to build and grow. In 2025, we will enter the execution phase, continuing to position AECI Mining for growth and enhanced operational performance. AECI Mining Chemicals will lead the internationalisation of our business, and we will continue to explore and leverage synergies between AECI Mining Explosives and AECI Mining Chemicals.

Repurposing a Schirm site in Germany into a Mining Chemicals factory allows us to serve the southern hemisphere from South Africa while utilising the factory in Germany to support our Mining Chemicals business in the northern hemisphere.

In Africa, we will maintain our position as #1 by leveraging mutually beneficial partnerships, offering value-added products and services, cementing our leadership in products, services and expertise, and innovating to provide our customers with increased value. In 2024, we experienced strong organic growth in other key markets outside South Africa.

In the Asia-Pacific region, we are committed to strengthening our position as #3, fostering mutually beneficial partnerships, and delivering value-added products and services by leveraging our expertise and innovative offerings.

In Latin America, we are selecting our commodities of choice and leveraging our strengths to grow our footprint.



AECI Mining, Hunter Valley Operation, Australia

AECI Chemicals

The business was a highlight of 2024, demonstrating full potential and outperforming the market. Core focus on efficiency and cost played a crucial role in this achievement. We were the first business area to initiate our transformation process and embraced new working methods as evidenced by results. We prioritised the right areas to significantly enhance our operating profit despite a challenging business environment, generating R917 million in free cash flow.

We have repurposed and rightsized some of our assets, allowing us to leverage our chemical skills and expertise. The business is well-positioned for success due to its alignment with our new operating model, which will further integrate with our mining operations.

This segment includes AECI Industrial and Speciality Chemicals, focusing on blended and bulk chemical products. AECI Plant Health concentrates on crop protection and plant nutrients, while AECI Water specialises in water treatment chemicals and technology.

Despite ongoing challenges in the South African manufacturing and industrial sectors, alongside an oversupply of key products exerting pressure on pricing and demand, an increase in normalised profit from operations was achieved. The 14% year-on-year increase to R752 million (2023: R658 million) arose from disciplined cost and margin management, enhanced operational efficiency and robust free cash flow generation.

AECI Plant Health profit from operations rose by 45.9% compared to the previous year. The Malawian business demonstrated improved performance following the effects of currency devaluation in 2023. AECI Specialty Chemicals reported flat profit from operations due to reduced off-takes from key clients. AECI Industrial Chemicals profit from operation declined by 19.4% on the back of lower sales volumes of sulphuric acid and a statutory shutdown that occurred in April 2024. AECI Water, which includes the public water business earmarked for divestment, recorded an increase in profit from operations by 65.9%. The public water business continued to underperform during the 2024 financial year.



The way forward

We plan to improve plant utilisation throughout the AECI Chemicals business, maintain our market share and grow the AECI Chemicals business through internationalisation. We will maintain our focus on cost and margin to generate strong cash flow. AECI possesses an exceptional set of chemical skills and knowledge, which we intend to use to internationalise AECI Chemicals and leverage our mining presence. We will primarily apply this skill set in our African operations. Africa is a market we know well, and we have the expertise to continue succeeding in it.



AECI Mining Chemicals, South Africa

AECI Managed Businesses

This segment houses businesses earmarked for sale, including AECI Schirm, Animal Health, Sans Fibers and Food and Beverage. These businesses are planned for disposal in 2025. To date, having found the right buyers, we have successfully concluded the sale of AECI Much Asphalt (classified as a discontinued operation at financial reporting date) and signed a sale agreement for AECI Animal Health. Our divestiture process continues and we are in talks for all the remaining managed businesses. We hope to achieve our 2025 goal, but we will not sell any of these businesses if we cannot do so at a fair price.

The segment reported an operating loss of R383 million (2023: R298 million loss, restated), with all businesses except AECI Schirm generating profits. The strong performance of these businesses, excluding AECI Schirm, is attributable to the management attention they are receiving through the divestment process. Their good performance confirms that we are not divesting these businesses due to performance issues, but because they do not align with AECI's new strategy.



AECI Plant Health, South Africa

AECI Property Services and Corporate

AECI Property Services and Corporate primarily focuses on leasing and managing properties in the office, industrial and rental sectors. Its corporate functions encompass centralised areas such as Treasury and Finance, Human Capital, Environment, Health and Safety, Stakeholder Relationships, Company Secretarial, Legal, Risk and Compliance, Sustainability, Information Technology and Strategy Execution.

The segment recorded a loss of R1 330 million in 2024, having previously reported earnings of R106 million in 2023. The factors influencing its 2024 earnings include an inter-company impairment of R970 million related to an investment in AECI Much Asphalt, which is eliminated at Group level against inter-segment transactions. In 2023, the reported earnings included an insurance recovery of R184 million (2023: R39 million), along with restructuring costs related to the establishment of the TMO, which were accounted for during the period under review.



Intellectual capital

Our intellectual capital is a key driver of our sustainable growth. It is more crucial than ever that we apply integrated thinking, an essential part of our intellectual capital, to address the impact of increasing digital disruption and macroeconomic external factors, including climate change, on our business.

Our intellectual capital includes our broad range of knowledge, operational capabilities, R&D results, and integrated thinking, which are intrinsic to our Group. It also includes our brand, reputation, best practice governance, innovative product and solution development, proprietary technologies and investment in digital technologies, which will enable us to achieve our strategy and our ambition to attain a global market position of #3 by 2030 in mining.

By applying our intellectual capital to achieve functional and operational excellence, we create value for our stakeholders. By investing financial capital in the training and development of our employees, we grow our human capital and contribute to our intellectual capital through their increased capabilities, which allows us to achieve a sustainable competitive advantage.

Our brand and reputation

The Group's brand and reputation are built on over 100 years of consistently meeting customer expectations. We use our intellectual capital to deliver cutting-edge innovation, which has helped change the face of mining internationally and positioned AECI Mining as a provider of choice in the mining industry. The Group also meets and endeavours to exceed its role as a responsible corporate citizen.

Best practice governance

Employing best-practice governance as an integral part of our business strategy allows us to establish and maintain stakeholder trust. Our approach to governance and leadership has made it part of our intellectual capital and contributors to our value creation.

Key elements of our governance approach include effective control achieved through our best practice governance structures and processes and our uncompromising commitment to embedding and maintaining an ethical culture in our business, reflected in our Code of Ethics and Business Conduct.

The strategies, frameworks, policies and procedures we have in place to govern our approach to our people, society and the environment play a crucial role in the sustainability of our business, our contribution to the SDGs, our protection of the environment in which we operate, and our response to climate change.

The Group IT policies, which enable IT governance assurance at AECI are currently being reviewed. This review aims to ensure that our policies are up-to-date and aligned with our strategic goals and industry best practices. New policies were added in 2024, which included the Mobile Voice, Data and Device Policy. The introduction of mobile computing technology and the demand for remote access to corporate data has drastically increased. Voice and data connectivity enables employees and contractors to work from locations other than the Company's facilities, such as customer sites or airports. While mobile technology brings efficiency and other productivity benefits to the organisation, it also exposes AECI to new security risks, as the devices used are more vulnerable to many potential exploits. This policy addresses these risks and vulnerabilities. The other policies added were AECI's Group Information, Communications and Technology (ICT) Monitoring and Logging Policy and our Group IT Change Management Policy and Procedure.

The IT Steering Committee

In addition to the key metrics provided by the Group IT scorecard, this subcommittee of the Group Executive Committee focuses on three key areas:

- IT service performance
- Business resiliency metrics
- Projects portfolio performance

Integrated thinking is driving the achievement of our strategy

Integrated thinking fosters a holistic view of our business, enabling us to seamlessly align our strategic objectives, allocate capital to achieve our value creation objectives, anticipate challenges, find innovative solutions, and ensure the sustained growth of our business. Integrated thinking is but one of the many elements of intellectual capital that are crucial contributors to value creation and preservation.



AECI Mining, PowerBoost™,
South Africa

Technology at work in our business

The transformation of our Group IT function is crucial to achieving our strategic objectives. It is vital for driving operational, commercial and execution excellence and achieving our strategic ambitions.

Our digital transformation

The first step in our IT strategy, designed to achieve our digital transformation by 2030, is the transitioning of the Group IT function from its traditional support role to become a pivotal driver of digitisation, innovation, efficiency and growth in the business. We will focus on aligning technology, data and digital capabilities with our overarching business objectives, which will achieve by leveraging cutting-edge emerging technologies to digitalise our operations throughout our value chain, enable operational efficiencies and create enhanced customer and employee digital experiences.

Our digitalisation strategy in support of our strategic ambitions

Ambitions

Build a resilient, secure and future-proof digital platform that will unlock new revenue streams

Drive sustainable business growth through digitisation by 2030

Strategic pillars

- Enable Data- Driven Decision Making
- Accelerate agile transformation by evolving our IT delivery model
- Establish a connected and integrated ecosystem across the mining value chain
- A secure, modernised, scalable and modular architecture that fuels business growth

Enablers

- World-class enterprise digital, data and AI assets that are monetised
- Resilient and future proof core technology stack underpinned by a Zero Trust Network Architecture
- Establish strategic ecosystems and partnerships for innovation and value delivery at speed
- Drive digital innovation and intelligent automation for operational efficiencies (ML, RPA, AI)

Interdependencies

Innovation culture	World class tech and digital organisation	Commercial investment	Modernise our technology stack
to keep employees engaged with the innovation agenda – build new business capabilities and capture future market value through a human-centric AI discipline	with a strong emphasis on IT business partnering – adapt IT operating model and strengthen organisational, technical and data capabilities	to jump start new tech and digital capabilities – strengthen foundations and augment with investment in emerging technologies	to reduce technical debt and modernise our technology stack – Accelerating digital, data and AI capabilities while future proofing our systems

Our key strategic priorities include:

- Drive sustainable business growth by generating new revenue streams through innovative, cutting-edge digital products, services and value-added solutions that meet the evolving needs of our customers
- Intelligent Automation, digitalisation and AI to improve operational efficiency, reduce manual workloads and deliver faster, more accurate outcomes across various business functions
- Cloud adoption and technology stack modernisation to increase flexibility and cost efficiency while reducing operational risks and future proofing our systems
- Advanced data analytics and business intelligence capabilities to drive data-driven decision-making, enhance business insights and unlock new opportunities for innovation and competitive advantage
- Ensure robust protection against evolving cyber threats and maintain data privacy through the ongoing strengthening of IT security frameworks and data privacy policies
- Invest in digital talent and skills development by upskilling and reskilling our employees to have the necessary expertise to support digital initiatives
- Exploring sustainable IT practices, including energy-efficient infrastructure and green technology, in support of our long-term sustainability objectives



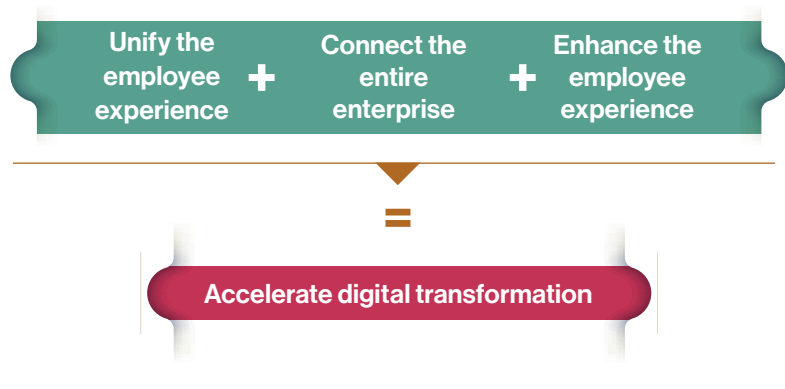
Transforming our employee experience

People have grown used to finding a new home, getting pet care and organising travel, all with just a swipe of their finger on the touchscreen. They expect the same level of ease when it comes to the technologies they use at work.

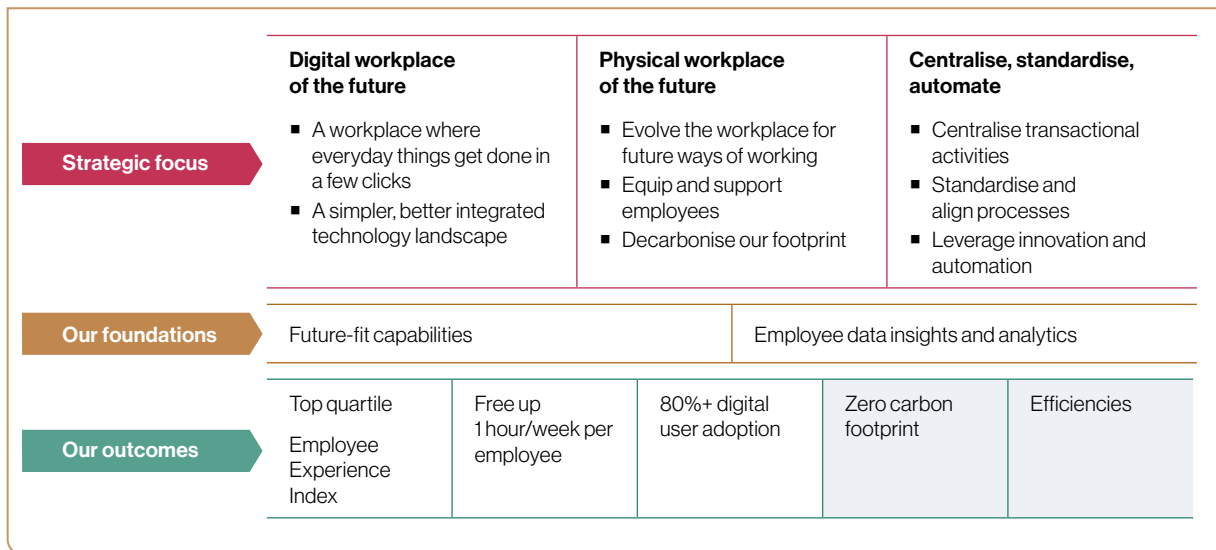
Dave Wright, Chief Innovation Officer, ServiceNow, Forbes BrandVoice, 1 April 2022

Our drive is to provide our employees with a simple, consistent, innovative end-to-end experience by:

Evolving to deliver unified service experiences



AECI Mining, team at site, Katanga, DRC



Reducing costs

Following a review of our mobility costs, we have significantly reduced these expenses. To ensure AECI gains value from its technology investments, we are evaluating system usage and exploring ways to streamline processes.

Future focus

We contribute to the Group's intellectual capital by investing in our stock of intellectual capital, fostering innovation and making financial investments to accelerate our drive to achieve AECI's digital transformation by 2030.

R&D, achieving safety, efficiency and sustainability in the mining industry

R&D are critical components of our value proposition and stock of intellectual capital. By collaborating with clients and stakeholders in the mining industry. We gain insights into both current and future challenges and opportunities in the sector, which we use to guide the direction of our research and development efforts. Our technological advancements are yielding significant improvements in safety, sustainability and operational efficiency across our value chain.

CyberDet 1 wireless through-the-earth technology

Explosives, by their very nature, are destructive. However, they serve an important purpose by providing a safe, efficient and cost-effective means of rock breaking, which is crucial for the mining value chain. CyberDet 1 is an explosive that leverages digitalisation to facilitate communication through the rock strata, thereby mitigating the risk of misfires due to damaged down-lines – a significant milestone for blasting innovation. Magnetic transmissions permeate the rock, operating at ultra-low frequencies. By streamlining the blast preparation process and significantly reducing overall on-bench time, the product enhances the entire mining cycle.

Electronic detonators

The electronic detonators developed by AECI Mining including the IntelliShot® system, provide improved blast efficiencies, enhanced safety features and superior recording of blast activity to aid in blast data collection, reconciliation to deliver superior blast outcomes.

AECI is a pioneer in the electronic delay detonator industry. This includes developing innovative solutions in the initiating systems and commercial explosives sector with electronics that have been extensively tested. The Digi-Shot® Ranger's built-in long-range antenna allows the system to transmit a safe encrypted blasting signal up to 3km away from the blast, provided that line-of-sight is maintained. This gives users the ability to blast remotely, reducing the need for personnel to be in close proximity to potentially hazardous areas during blasting operations. Our research in this area focused on enhancing our offerings for mid-tier open cast mines, civil blasting activities and quarrying operations. The new Digi-Shot® Ranger system retains the portability and ease of use of our original Digi-Shot® system, while doubling the detonator capacity and providing the operator with flexible tagging options and automatic detonator detection.

Advancing Tailings Management with Senfloc Secondary Flocculation

In response to escalating environmental regulations and operational challenges in the mining industry, we are developing the Senfloc Range — an innovative solution utilising secondary flocculation to facilitate the dry stacking of tailings material. This technology aims to address critical issues such as inefficient water recovery and the limited capacity of existing disposal areas.

Our Senfloc Range—including products like Senfloc 2550, 2660, and 3360—has been specifically formulated to optimise this process. Laboratory and pilot-scale studies have shown that these products significantly improve water release and reduce turbidity compared to standard plant flocculants like 923 VHM.

We are now moving towards commercialisation and are set to conduct an industrial trial to validate the effectiveness of the Senfloc Range on a larger scale. Implementing secondary flocculation with Senfloc is expected to offer numerous benefits, including:

- Maximisation of Disposal Areas
- Improved Water Recovery
- Enhanced Co-disposal
- Elimination of Reworking
- Faster Trafficable Surfaces

In the current mining environment—characterised by stringent environmental stewardship, water scarcity, and increasing regulatory pressures—our technology presents a promising solution.

Investing in the development and commercialisation of this technology aligns with global trends toward sustainability and operational excellence. We are committed to advancing these solutions to meet the evolving needs of the mining industry, ensuring that our partners remain at the forefront of sustainable mining practices.

Surface emulsion innovation

Certain geologic conditions, such as reactive ground and hot holes, present significant challenges, particularly in the coal sector. Our commitment to research and development led to the creation of new surface emulsion technologies, like the Powergel X² base emulsion range, which enhances safety, and contributes to sustainability. A single-solution technology not only improves safety, but also reduces the need to maintain large inventories, offering significant benefits to our customers dealing with a variety of extreme ground conditions.

Powergel X² is specifically designed for surface mining operations that face extreme blasting conditions, effectively addressing both reactive ground and hot holes simultaneously. It is developed in a safe, non-explosive form as a base emulsion, which is sensitised upon loading into the blast holes, transforming into an explosive after completing a chemical process.

The optimal shelf life of this product aids customers in managing working capital and inventory, as well as improving product flowability, leading to cleaner storage silos.

The Powergel product was originally developed for our customers in the South African coalfields. It has since been further refined to provide a solution called S300 Volcano for use in extreme geothermal conditions in Papua New Guinea, and is being used alongside AECI Mining's specially designed delivery systems and hot-hole initiation systems. These technologies not only address the immediate challenges posed by extreme geothermal conditions, but they are also intended to sustain mining operations well into the future. By meeting current and emerging needs, our innovations continue to support the mining industry's growth and adaptability in increasingly complex environments.

AECI Mining Chemical's innovative approaches and advances in reagent technology

AECI Mining Chemicals focuses on developing high-performance flotation reagents and flocculants to enhance the efficiency and effectiveness of mining processes. We collaborate with our clients to tailor chemical solutions that address their specific operational challenges. Dr. Natalie Shackleton of AECI Mining Chemicals presented a paper on AECI's research into innovative approaches and advances in reagent technology at the International Mineral Processing Congress held in National Harbor, Washington DC, in 2024. She shared insights on the new generation of collectors developed by us to improve the recovery and selectivity of valuable minerals during the flotation process. This research indicates that customising the collector components, based on the specific minerals present in the ore being processed, can enhance efficiency and profitability for mines processing platinum group metals (PGMs). The paper Dr. Shackleton presented discussed how the mineral composition of ore influences the effectiveness of these collectors.



AECI Mining, Modderfontein, South Africa



Human capital

Purpose-led, Passionate and Engaged Employees

Our employees are our key differentiators for our business. They possess the knowledge, skills, leadership and commitment that differentiate us and enables us to create sustainable value. We recognise that the success of our business is deeply intertwined with the commitment, well-being and development of our employees.

As we celebrate 100 years of innovation and growth, we are embarking on a new chapter of transformation, one that places our employees at the core of our strategy. Our Human Capital strategy supports the attainment of the business strategy, through our four critical strategy pillars.

Fostering organisational culture and employee engagement

Foster an inclusive, agile and innovation-driven culture that motivates employees to perform at their best and embrace the organisation's values.

Differentiating capabilities for a future-fit organisation

Proactive talent management and succession planning.

A leadership culture that prioritises growth, innovation and servant leadership and empowers leaders to serve their teams and drive organisational success.

Collaborative and high-performance-enabling reward

A performance management and rewards system that is transparent, fair and aligned with the organisation's goals of high performance, collaboration and innovation.

Compelling employee value proposition

Enable AECI to attract, retain and motivate our employees with critical skills across multiple generations, geographies and cultures, in support of our business now, and into the future.



To deliver our human capital strategy, we have identified Key Strategic Drivers and Enablers that outline the foundational elements that enable the achievement of our goals.

Key drivers

Key drivers are the critical factors that shape our ability to succeed in executing our human capital strategy. These include:

- **Change management:** Effectively guiding our employees through transformation and adapting to new ways of working
- **Rewards and incentives:** Aligning employee efforts with our objectives, recognising performance and encouraging the motivation to embrace change
- **Human capital digitisation and systems:** Streamlining HR processes, enhancing employee experiences and improving organisational efficiency

Key enablers

Key enablers are the factors that empower us to successfully implement our human capital strategy. These include:

- **Inclusive leadership:** Driving a DEI culture while empowering employees to thrive
- **Engaged and purpose-led people:** Cultivating a passionate workforce aligned with our vision for sustainable growth
- **Decisive and courageous management:** Leading with confidence, agility and a forward-thinking mindset to navigate challenges and seize opportunities

A fully centralised services delivery model, managed out of South Africa, underpins the delivery of the Human Capital Value Chain. Our HC Global services was strengthened with additional capabilities, enabling operating model centralisation and scalability of human capital services across regions. Governance has also been improved through the centralised administration of key programmes, including both the Employee Share Scheme and Bursary Scheme, as well as end-to-end facilitation of the Talent Acquisition process ensuring consistency, governance, and alignment across the organisation.

HC Global services manages payroll across all our operations, and continues to provide end-to-end capability including third-party payments, reconciliations, and compliance processes.

A key milestone in our digital journey was the launch of an employee-facing chatbot, providing 24/7 access to essential employee related information such as payslips, tax certificates, leave balances, and connecting employees with a global services agent to deal with general queries. This multilingual bot has significantly enhanced both the employee experience and service efficiency.

Looking ahead, the focus will shift toward predictive analytics to proactively address workforce trends and evolving organisational needs.

Together, these developments mark a major step toward a scalable, high-performing Human Capital operating model that delivers global consistency, operational excellence, employee mobility and strategic impact.

Employee profile

6 938 permanent employees
(2023: 7 130)

744 temporary employees
(2023: 696)

22.9% of SA employees covered by a collective bargaining agreement
(2023: 25.6%)

R5.5 billion spent on total employee remuneration
(2023: R5.7 billion)

Diversity, equity and inclusion

86.7% of our South African employees are black
(2023: 85.7%)

24.6% of our employees are women
(2023: 24.1%)

0.8% of our employees are people living with disabilities
(2023: 1.2%)

Fostering our organisational culture and employee engagement

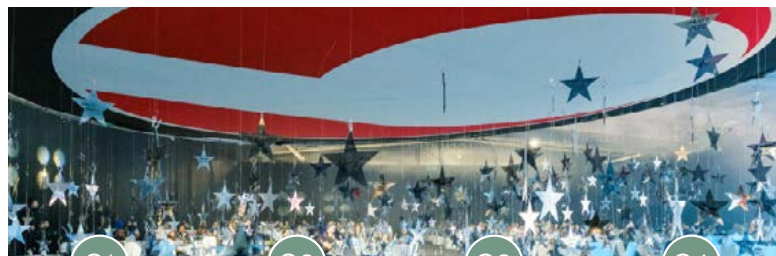
We are committed to building an inclusive, high-performance culture where every employee is empowered, valued, and equipped to contribute meaningfully to our business goals. As part of our strategic journey in 2024, we recognised the essential role of culture in enabling collaboration, engagement, and execution.

Our culture transformation journey commenced in January 2024 alongside the rollout of our new Group strategy. The first step was to define the culture required to support successful strategy execution. Through a series of focused workshops and deep engagement with leaders and employees across the business, we developed the AECI Leadership Compact – a shared leadership framework outlining the behaviours and commitments expected at all levels. This process also gave rise to the Culture Code – a clear articulation of our shared values, beliefs, and behaviours that guide how we work, interact, and make decisions.

This culminated in a group wide leadership and culture masterclass to ensure a shared understanding and commitment throughout the business.

Culture change journey milestones

Our journey has been marked by several key milestones since January 2024, each reinforcing our ambition to create a purpose-driven, people-centred culture that drives performance and long-term success:



Q1

Initial discovery and alignment of culture with strategic objectives

Q2

The Executive Committee defines the high performance culture and leadership behaviours to drive the culture transformation journey. Launch of the leadership compact and culture code.

Q3

Friday Feels is launched to socialise the leadership compact and culture code with senior and middle management teams

Q4

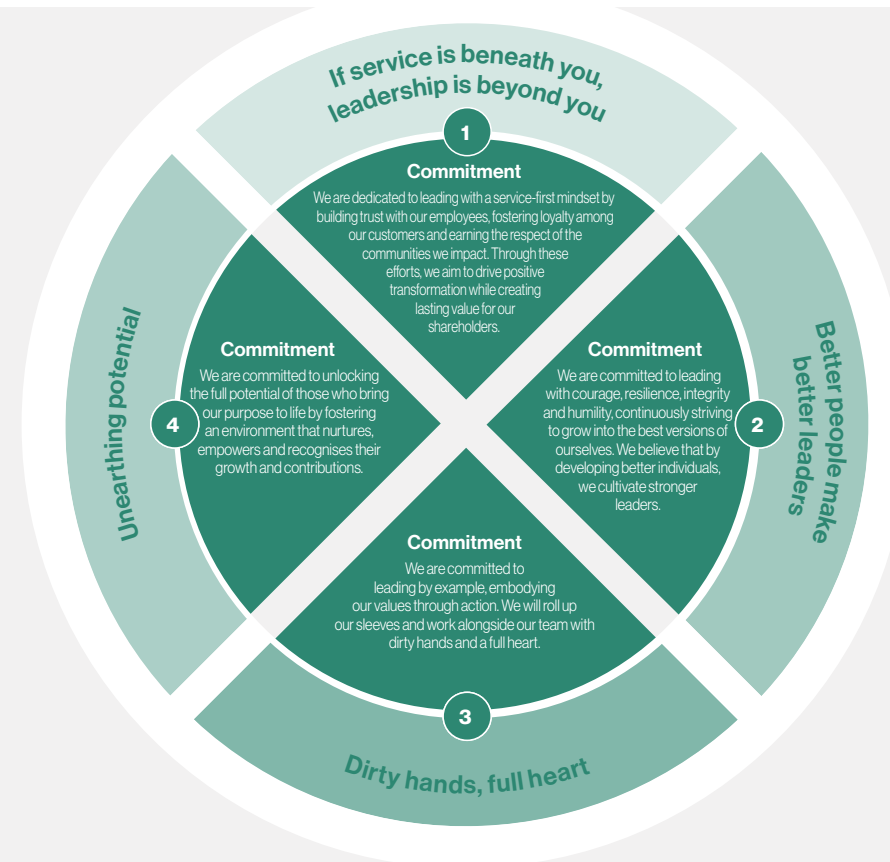
Culture Master Class: culture code and leadership compact are cascaded to employees. Leadership Competency Framework is developed.

Our leadership philosophy

Servant leadership

At AECI, our leadership compact is a set of shared commitments that underscore our leadership philosophy. Our leadership compact emphasizes serving others as the primary goal of leadership. We lead with the purpose of transforming lives, unlocking the full potential and growth of our employees, creating a supportive, transparent environment and creating value for our customers and shareholders and leaving the world in a better place than we found it.

We drive our Leadership Compact through four commitments, as depicted



Culture matters because our employees matter

For us to build a high-performance culture we need some key ingredients:

- A shared understanding of our vision and strategy
- A leadership collective that is brave enough to do things differently
- Trust so that we can bridge silos

Our Culture Statement

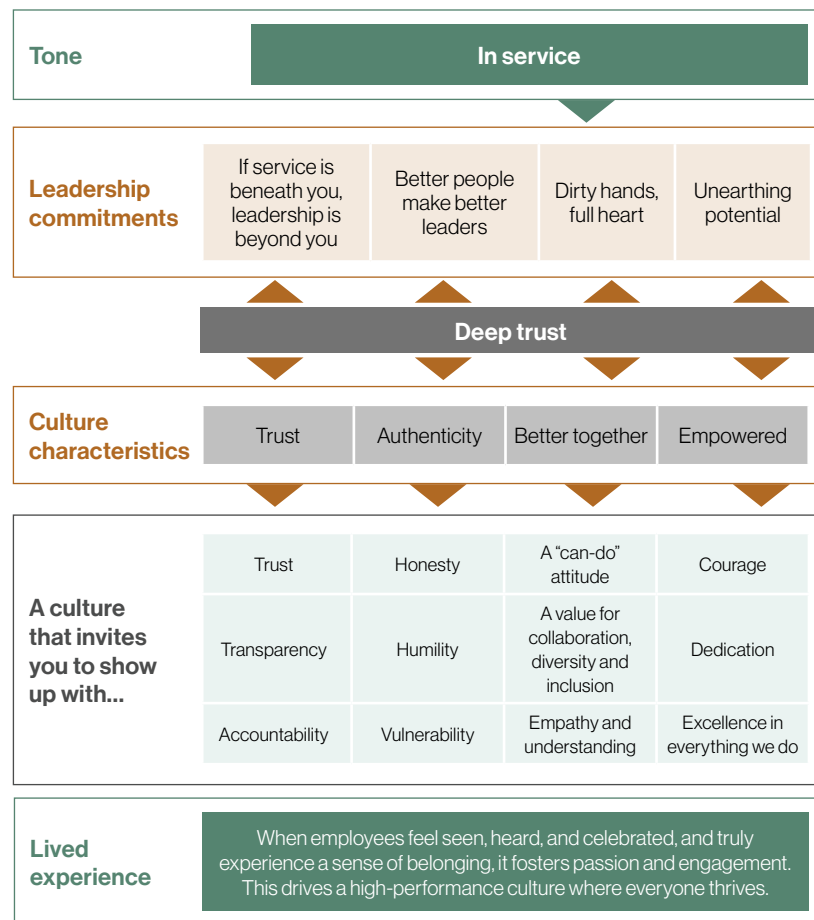
At AECI, we are building a high-performance culture anchored in service, trust, authenticity, collaboration and empowerment. We roll up our sleeves and lead by example. We push boundaries, innovate and strive for excellence, working together to create a better world.

Our Culture Code

The blueprint for how we show up in and for AECI. Our Culture Code incorporates the concept of servant leadership. Our leadership commitments further the servant leadership philosophy we have embraced.

The culture code

Our culture : A high performance culture grounded in deep trust



Employee value proposition

Our culture transformation journey underpins our ambition of creating a work environment and lived experience for our employees to feel seen, heard, celebrated and feel that they truly belong. Our employee value proposition (EVP) will reflect this commitment, outlining the unique offerings that position the Group as an employer of choice.

top
EMPLOYER

South Africa
2025

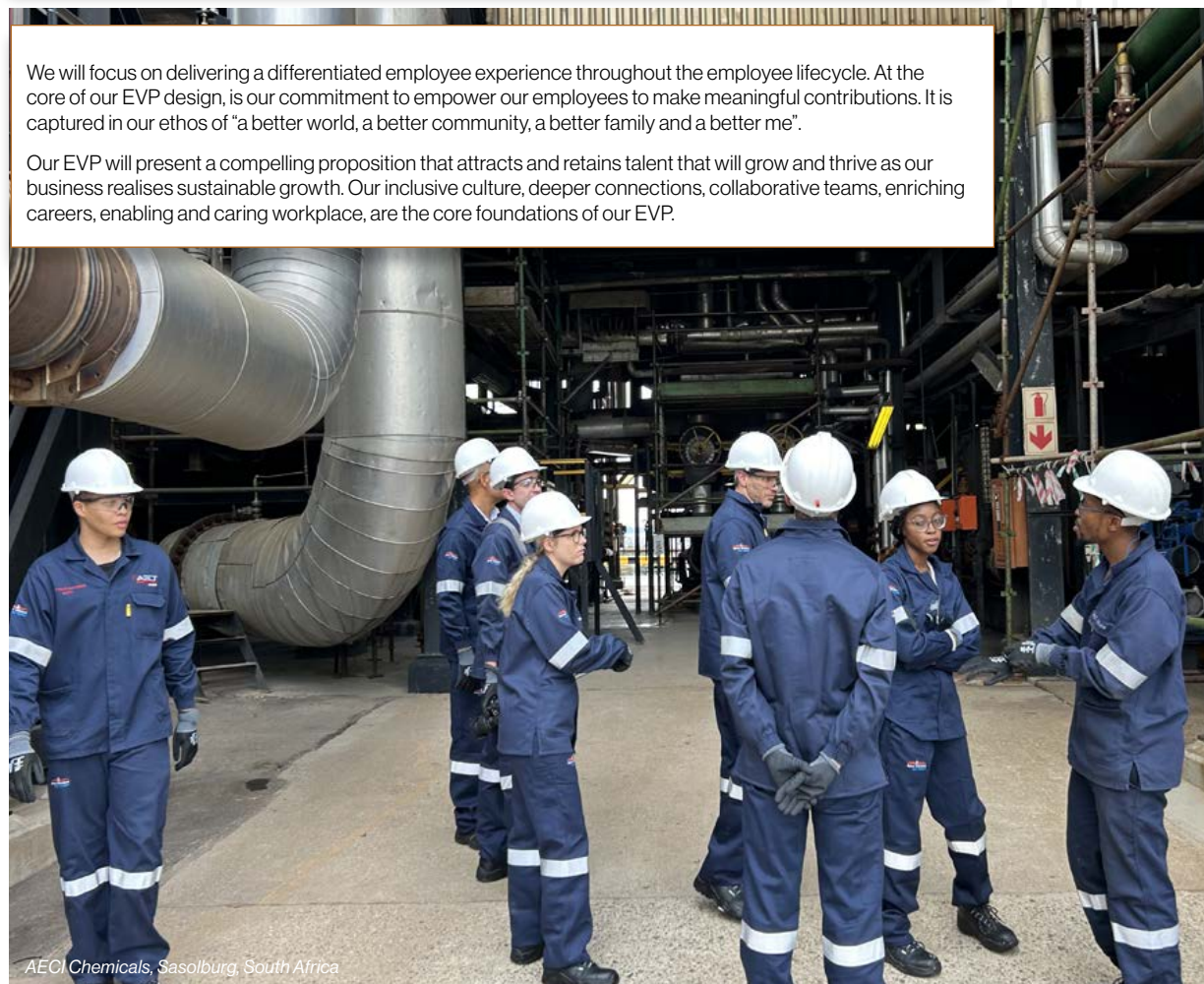
FOR A BETTER WORLD OF WORK

Top employers

For the fifth consecutive year, we were recognised as a "Top Employer" in South Africa in 2024. The Top Employers Institute programme certifies organisations based on their participation and results of their HR Best Practice Survey. This recognition also showcases an organisation's dedication to a better world of work, exhibited through excellent HR policies and people practices.

We will focus on delivering a differentiated employee experience throughout the employee lifecycle. At the core of our EVP design, is our commitment to empower our employees to make meaningful contributions. It is captured in our ethos of "a better world, a better community, a better family and a better me".

Our EVP will present a compelling proposition that attracts and retains talent that will grow and thrive as our business realises sustainable growth. Our inclusive culture, deeper connections, collaborative teams, enriching careers, enabling and caring workplace, are the core foundations of our EVP.



AECI Chemicals, Sasolburg, South Africa

Future proofing our organisation

A future-proofed organisation continuously adapts and evolves to stay ahead of industry changes and challenges. This involves developing differentiating capabilities and talents that can execute the vision and drive the strategy forward.



Talent attraction and retention

We will continue to:

- Attract and retain critical and scarce skills at leadership levels with an intentional focus on diversity, equity and inclusion
- Build a pipeline of skills through effective workforce planning and succession management
- Retain scarce and critical skills such as engineering to support operational excellence
- Talent data analytics – predictive modelling and scenario planning to support strategic workforce planning
- Identify talent that possesses the skills required in the future

In 2024, we invested a total of R112m towards the development of both our employees and the future proofing of our organisation through the implementation of Early Career Development Programs, aimed at building a sustainable pipeline of skills.

Learning programme focus	Amount invested
Management Development	R62.5m
Early Career Development	R33.4m
Bursaries (both internal and external)	R16m

Our Early Career Development programmes facilitate the building of a pipeline of sustainable skills through effective workforce planning and succession management. We have appointed 327 learners, interns and graduates in various Early Career Development Programmes as we build a future pipeline. We have also disbursed bursaries to 108 students, enrolled towards higher educational qualifications aligned to our priority areas.

Learning programme

	No of learners
Learnerships	148
Apprenticeships	37
Internships and Graduate Development	142
External Bursaries	104
Total	480

In 2024, 20 of the learners, interns and graduates were absorbed, this equates to 6% of the learner pool. To increase our absorption rate we have partnered with our suppliers and customers to create a talent marketplace, where we share the profiles of the learners and the programme they have completed.

Succession management

Succession management is key to the sustainability of our organisation and we have identified potential successors for critical roles at top and senior management across our business.

In 2025, our focus will be twofold: executing targeted development plans for identified successors and expanding our succession planning initiatives globally- including identifying critical roles at junior management and skilled technical levels.

We have also identified a pipeline of high-potential employees who not only possess the capabilities and skills required for advancement but also demonstrate a clear aspiration to grow within the organisation.



Upskilling and reskilling

We will:

- Continue to build future-fit capabilities through various learning programmes
- Understand the changing landscape of jobs and support employees in acquiring future skills
- Continued behavioural, technology and cybersecurity awareness upskilling of our employees with a focus on core skills
- Develop functional academies to support functional capability development and high performance
- Alignment of our leadership learning programmes in line with our Leadership Framework

We have implemented various learning programmes to build future fit capabilities. The development of our Skills Framework in 2025 will form the basis for the development of our continuous learning culture. Additionally, the development of our employees will be focused on the core skills that will enable the attainment of our strategy.



Early career
development
programmes



Study
assistance



Management
development
programmes

Diversity, equity, inclusion and belonging



Inclusive growth and collaborative engagement with our employees remain central to our transformation efforts, which align with South Africa's Broad-Based Black Economic Codes and its legislative provisions and support the achievement of our SDGs. We plan to duplicate the good processes and lessons learned in South Africa over the past 20 years, to our international operations.

At AECI, we are committed to fostering a culture where diversity is celebrated, equity is upheld, inclusivity is embedded, and belonging is nurtured, in everything we do. We believe that a diverse workforce strengthens our innovation and success and we are dedicated to creating a workplace where every individual, regardless of background, race, gender or seniority, feels valued, respected, and empowered.

In 2024, we did not meet our target of having 2% of our employee headcount represented by persons with disabilities. This was primarily due to the expiry of the 24-month contracts of learners with disabilities appointed in 2022, which lapsed in December 2024. As a result, the number of employees with declared disabilities was reduced to only the remaining permanent employees.

Looking ahead, we are committed to strengthening our diversity, equity, and inclusion (DEI) impact, with an increased focus on both gender and disability inclusion. Key initiatives will include line manager and employee awareness training, disability declaration campaigns, targeted recruitment, and participation in disability and employer summits to position AECI as an inclusive and progressive employer.

Our focus areas include:

Inclusive talent attraction practices

Implementing strategies to attract, recruit and retain diverse talent at all levels of the organisation

Equity in opportunities

Ensuring fair access to career development, training and leadership opportunities for under-represented groups

Leadership accountability

Embedding DEI goals in leadership objectives and holding leaders accountable for progress

Pay equity and transparency

Conducting regular audits to identify and close pay gaps across demographic groups

AECI Mining, Modderfontein, South Africa



AECI Mining, Hunter Valley Operation, Australia

Broad-based ownership schemes



Broad-Based Black Economic Empowerment (B-BBEE) aims to achieve social and economic inclusion in South Africa. Post year-end we introduced a new B-BBEE scheme to be implemented as a Broad-Based Ownership Scheme (B-BOS).

The B-BOS Transaction entails the AECI Foundation (formerly known as the "Tiso AEL Development Trust") (Foundation) subscribing for a new class of ordinary shares (B Ordinary Shares) in AECI Mining) resulting in the Foundation holding an effective interest of 15.5% in AECI Mining. The B Ordinary Shares will entitle the Foundation to participate in the economic interest arising from the South African operations of AECI Mining, comprising the AECI Mining Explosives and AECI Mining Chemicals divisions.

Health and safety

Our AECI Environment, Health, Safety and Quality (EHSQ) Policy which is outlined in the EHSQ Framework informs the Group's health and safety approach and our aspirations of achieving Zero Harm through continuous improvement.

Safety governance

Our comprehensive Zero Harm approach to managing and mitigating risk is anchored in the principles of accountable leadership, engaged and empowered employees and a proactive focus on risk factors, especially those that are exacerbated by uncertainty and challenges in the workplace.

Employees are directly involved in decision-making regarding workplace safety through their 7% representation on the formal joint management/worker health and safety committees. By embedding safety as a shared responsibility we are building a resilient culture that safeguards our employees and strengthens the foundation for sustained excellence and growth.

We address the complexities of diverse operating environments by integrating accountable leadership, employee empowerment and risk-based management.

Zero Harm

Our paramount concern relates to prioritising the prevention of harm to employees and the environment, aligning with the expectations of our stakeholders in our areas of operation. Our steadfast pursuit of Zero Harm remains a key focus area in support of our social licence to operate across various industry sectors, geographies and operating contexts.

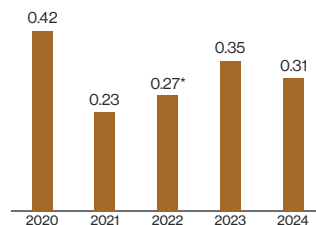
Comprehensive information on our commitment approach to Zero harm is included in the Group's Sustainability Report 2024.

Safety performance

Over the past three years, the Group experienced an overall deterioration related to safety performance as evidenced in the deterioration in our safety rate up to the end of 2023, in which year we also experienced, *inter alia*, two fatalities. In our current reporting year, while we are pleased to report that we have not had any fatalities, we did unfortunately experience a life altering event. Although our safety performance improved in 2024 from 0.35 to 0.31, we are reminded of the fact that there is a great deal of work ahead of us as we continue our safety improvement journey, putting people first.

[Read more on pages 40 to 42 of the Sustainability Report](#)

Total recordable incident rate (TRIR)



*2022 Restated TRIR

Hours worked: 20 156 961
(2023: 20 896 990)

Safety management

During 2024 we focused on strategies, initiatives and innovative measures to strengthen our safety culture and foster accountability and responsibility across all levels of our operations. The execution of safety-focused initiatives was enhanced by visible leadership from the Board, executives, operational and functional leaders, who engaged with our employees at site level.

We launched a targeted safety intervention focusing on:

- Production pressures
- Fatigue
- Substance abuse

The aim of this initiative was to equip employees with the knowledge, tools and support they need to maintain safety standards without sacrificing productivity. To demonstrate their commitment to employee safety and well-being, leadership across the business initiated and participated in safety stand-downs to proactively prevent incidents and encourage a culture of accountability.

Key health and safety metrics

0.31 TRIR (2023: 0.35)	0 fatalities (2023: 2)	One life-altering injury (2023: 1)	0.64 PSTIR (2023: 0.63)	0 major process safety incidents (2023: 0)
One major product transportation incident* (2023: one)	57 first aid injuries (2023: 72)	30 recordable work-related injuries (2023: 36)	19 non-lost-time work-related injuries (2023: 15)	11 lost-time work-related injuries (2023: 21)

* Although the volume of product lost was material, there was no impact on the environment.

Occupational health

Work-related health issues

AECI's main work-related health issue is noise-induced hearing loss (NIHL), which is one of the four non-fatal conditions listed among the leading causes of the international burden of disease.

In 2024, one case of NIHL was recorded. To safeguard our employees from NIHL, we provide them with personal protective equipment designed to shield against noise, as well as implementing engineering controls and task redesign to reduce workplace noise.

Process safety

We consistently implement best practices to align with emerging international standards as technology and engineering progress. Our development of relevant process safety standards has concentrated on the critical elements, supported by the Risk-based Process Safety model, which has also been endorsed by our industry association.

We have observed an increase in the number of minor and moderate process safety incidents over the past year. Fortunately, we did not have any major process safety incidents. We remain focused on addressing the critical risk and hazard aspect of our operations to mitigate risks associated with manufacturing.

Product transportation and stewardship

In 2024, we had 27 product transportation incidents all involving road transport, primarily heavy-duty vehicles (2023: 22).

The Transportation Indicator of Performance (TiOP) is a key metric used for assessing incident rates relative to the kilometres travelled during product transportation. In 2024, inbound and outbound transporters collectively covered an estimated 35.8 million kilometres by road (2023: 40 million). A significant portion of this travel occurred across Africa, where road transportation remains inherently risky due to challenges such as poor infrastructure, extreme weather conditions and criminal activity.

To mitigate these risks, we have implemented rigorous safety protocols, regular transporter assessments and enhanced driver training programmes. We have also launched a trial AI-based fatigue management programme for transporters.

By prioritising risk management and collaborating closely with our transport partners, we aim to reduce the frequency and severity of transportation incidents while upholding the highest standards of product stewardship.



AECI Mining, Product Trials, South Africa

Employee wellness

Supporting our employees during change



Our **Better You** programme focuses on physical, financial and mental wellbeing while aiming to nurture passionate, engaged and purpose-led people. It creates our purpose of **We Are One AECI, for a Better World**.

In appreciation of the vital role of mental and emotional wellbeing on employee engagement and productivity, we have further expanded our Employee Assistance Programme (EAP) to more of our operations, namely in Botswana, Mauritius, Malawi and Zimbabwe. Our EAP engagement increased to 22.9% in 2024 (from 15.9% in 2023). Our EAP forms the cornerstone of the **Better You** programme as it provides confidential, professional support and practical tools to help employees navigate life's challenges. This support system is instrumental in helping our employees build resilience, maintain focus and foster a sense of stability, enabling them to thrive and contribute meaningfully.

The **Better You** programme provides a solid support system to help employees cope by offering tailored resources to address specific challenges. These resources include:

Resilience and wellness workshops

- Wellness days
- Personalised counselling, support, and guidance through our Employee Assistance Programme
- Managerial support through our Employee Wellness Programme
- Resilience and wellness workshops
- Manager upskilling with psychological training
- Financial coaching and education
- A mental health awareness campaign
- An executive wellness programme

3 453 employees participated in the **Better You** programme sessions throughout 2024. International engagement on the programme increased to 17.5% (from 11.5% in 2023) with employees from South Africa, Ghana, Botswana and Zimbabwe having been among the most active participants.



AECI Employee Wellness Programme, South Africa

Summarised Remuneration Report

A summary of our approach to remuneration which aligns with our business strategy

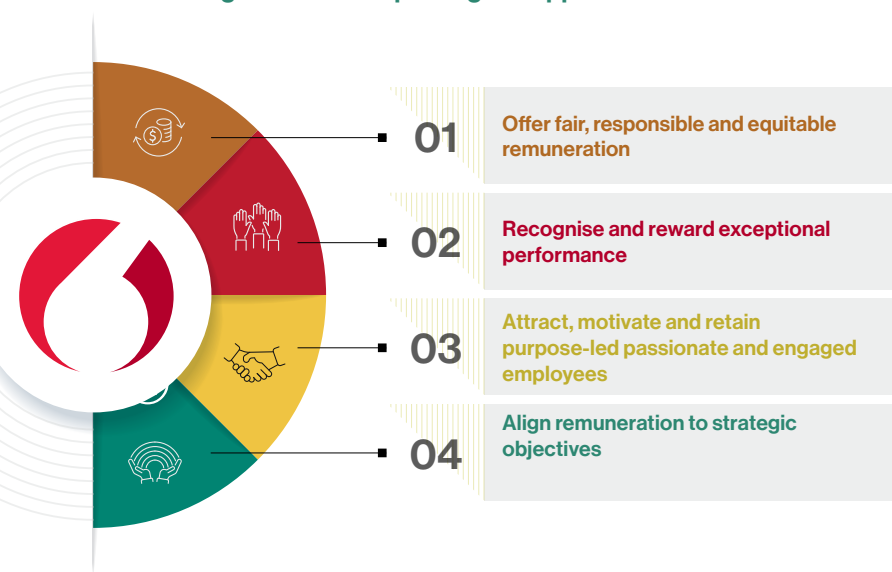
This section of our integrated report is a brief summary of key elements of our remuneration report that is available on our website at <https://investor.aeciworld.com/results-reports-presentations.php#integrated-annual-reports>.

Our remuneration philosophy is integral to the Group strategy, with a primary focus on our employees as the key enabler of strategic execution delivered in the right way. Remuneration in its various forms plays a crucial role in aligning, focusing, collaborating, and engaging our team to achieve our goals and initiatives. In addition it serves as a tool to deliver operational excellence, long-term sustainability and the transformation of our Group, aligning with our vision and people culture. Attracting, developing, deploying and recognising our talent globally is how we envision delivering on our purpose.

Our philosophy

Our remuneration philosophy is anchored on principles that balance competitiveness with performance-driven rewards. The aim is to position guaranteed packages at the 50th percentile, ensuring that our remuneration is aligned with market benchmarks. However, our commitment to recognising and rewarding exceptional performance is reflected in our approach to outperformance. In cases of significant outperformance, we embrace a philosophy that allows total remuneration to reach and exceed the 75th percentile. This ensures that extraordinary contributions and achievements are duly acknowledged and generously rewarded. By adopting this approach, we strive to create a remuneration structure that motivates and incentivises our talent to consistently exceed expectations, fostering a culture of excellence, sustainability and continuous improvement.

The building blocks underpinning our approach to remuneration



Our remuneration structure

Our approach to aligning our guaranteed packages with market benchmarks and the 50th percentile has been discussed in terms of our philosophy. These packages consist of a basic salary, fixed allowances and company contributions to retirement, medical and Group life. Short-term Incentive (STI) include incentive bonuses or a 13th incentive cheque and the value unlock is a medium-term scheme that is either share-based or cash-settled, depending on seniority. Our Long-term Incentive (LTI) scheme is an annual performance share scheme vesting after a three-year period.

Our approach to variable pay

STI

Enabling strategy execution	Our STI scheme is an annual cash incentive designed to reward the delivery of real growth through robust financial performance, achievement of performance indicators and goals, and to foster a culture of high performance, inclusive leadership and transformation.
Participation	All eligible employees participate to some degree in the STI with the range of weighting towards the Company's financial metrics increasing progressively for management and senior leadership.
Operation	A Group balanced scorecard is used where appropriate financial and non-financial measures are weighted, and the outcomes of which may be modified based on individuals KPIs against key strategic measures.

Three-year Value Unlock Incentive Scheme

Supporting transformative strategy	The scheme is specifically designed to reward step-change performance delivered through strategic initiatives coordinated by the TMO which are excluded from the BAU performance baseline.
Participation	All D, E and F band employees are eligible to participate in this scheme as they are deemed to be involved in the execution of TMO initiatives.
Operation	The scheme is structured as a share option plan (with a zero strike price), which will be equity-settled for executive management and eligible senior management team members, while the remainder of eligible employees will be cash-settled. The scheme is aligned to the key transformation milestones of the Group and the delivery of the Group's medium-term EBITDA ambition.

LTI

Supporting strategy	Our LTI scheme is an annual performance share scheme vesting over a three-year period and is designed to reward consistent, long-term financial performance, shareholder returns and sustainable growth.
Participation	Executive management and senior management participate in the scheme.
Operation	The LTI is a performance share scheme and the number of shares which vest are dependent on the Company's performance over the intervening three-year period. The value per share which vests is the full value (i.e., there is no strike price).

Extracts from remuneration policy

Key changes to the remuneration policy for 2025 and beyond

We have introduced a number of changes to our remuneration policy. These changes enhance our performance measurement and align executive management's interests more closely with the Group's strategy and those of our shareholders. To achieve this, and as we committed last year, we revisited our STI and LTI schemes with the intention to ensure that they are optimal and future fit, so that they enable the correct behaviours to achieve our ambitious strategic goals. These changes are summarised below.

The introduction of the value unlock incentive scheme will ensure that we motivate and reward delivery across both the annual performance cycle, and longer-term strategic execution. In parallel, we are enhancing our global mobility framework to support the attraction and retention of globally mobile, strategically critical talent-underpinned by our **"Better Me, Better Us, Better Together"** People Strategy.

For STIs:

1. A balanced scorecard of financial and non-financial metrics was introduced to move away from concentration risk of a single financial metric to a more balanced and holistic view of Group performance for 2025 and 2026 (excluding TMO initiatives).
2. The weighting for the financial measures vs the non-financial measures were adjusted to a 70% (financial) and 30% (non-financial) split to align the Group with the market, while also incorporating key strategic and individual KPIs that will be cascaded at appropriate levels to the wider Group.
3. Improved the assessment of the performance criteria by using two core financial performance measures, i.e., EBITDA and FCF conversion rate, instead of one, which place a greater emphasis on the Group's profitability objectives.
4. We have introduced a gatekeeper condition for the settlement of STIs at a Group level. Entry into the STI will be subject to a minimum level of EBITDA. This approach aligns the Group with its pay for performance principle and reinforces appropriate accountability on the part of participants.
5. To support our strategic culture journey we introduce two modifiers, one being culture, which is positive or negative, and safety which is only negative.

For the three-year Value Unlock Incentive Scheme:

1. A new three-year incentive scheme was introduced to directly support the medium term achievement of our strategic ambition to achieve between R5.6 billion and R6.3 billion EBITDA (annualised run-rate) by the end of 2026 from our 2022 base across the core businesses.
2. The scheme is structured as a share option plan with an equity settled mechanism for executive management and other eligible senior management, and a cash settled mechanism for remaining eligible employees.
3. The scheme accrues in three tranches. The entitlement to tranches will be over three years as 25/25/50 proportions. The pay out for:
 - Equity settled, will have a one year deferral and will pay out 50% in April 2027 and 50% in April 2028 (based on the sustainable delivery of the 2026 strategic ambition).
 - Cash settled, will have no deferral and will payout 25% in 2026, 25% in 2027 and 50% in 2028.

For LTIs:

1. Replaced the RONA performance measure with ROIC. This change was necessitated by the Group's growth strategy which would be better assessed with the utilisation of the ROIC measure that focuses on returns derived from the effective use of the capital allocation policy.
2. Replaced the HEPS performance measure with EPS to ensure closer alignment with shareholders, which are rewarded based on EPS, and to align the Group with global market practice.
3. Inclusion of culture change as a non-financial performance measure aimed at ensuring the Group's strategy is delivered in the right way.

 See our Remuneration Report for more details on page 14



Extracts from the Implementation Report

STI for 2024

HEPS for 2024 was driven by performance against prevailing market conditions, both in South Africa and globally. It was further impacted by costs relating to strategy execution and statutory shut downs. While the AECI Mining business continued to perform well and grew its underlying business, the overall AECI Group experienced a slump in HEPS performance. The performance hurdles for the 2024 STI are as follows:

1. AECI Group HEPS growth, from an aged base of R13.21.
2. AECI Business units' Earnings before Interest and Tax (EBIT) growth from the aged base, under the principles of the current STI methodology.

The performance hurdles for the Group and Corporate Office as approved in 2022 are reflected in the table below with the outcome for 2024 indicated.

The final outcome for Group HEPS is R7.16.

HEPS outcome

	2021	2022	2023	2024
	R11.16	R12.87	R11.37	R7.16
Achieved				0%

LTI for 2024 (awarded in 2022)

The awards granted in 2022 vested on 31 March 2025. The vesting of the awards were linked to the continued employment by the participants until the vesting date (or being a good leaver). The vesting percentage achieved was determined by performance metric thresholds for TSR, HEPS, RONA and ESG where the actual performance is measured over the respective performance period.

TSR was measured on 31 December 2024, with a 20-day volume-weighted average price (VWAP) applied at the end of the period. HEPS is a cumulative total over the three-year performance period that ended on 31 December 2024. RONA is the weighted average calculated over the three-year period that ended on 31 December 2024. Financial outcomes are based on the audited financial results for FY2024. ESG metrics are subject to a limited review opinion and are disclosed in the Sustainability Report. The vesting for the LTI award allocation in 2022 ended at 24.34%.

We have detailed below the overall LTI performance outcomes for 2024 against the targets which were set:

Measure	Weighting	Base (0% vesting)	Threshold (50% vesting)	Target (100% vesting)	Stretch (150% vesting)	Out-perform (200% vesting)	Outcome achieved (%)
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Financial objectives: 75%

TSR	30%	15 to 9	8	6	4	1 to 2	0
RONA	25%	Below 15%	15%	17%	18.50%	20% or more	0
HEPS	20%	Less than CPI+GDP	CPI+GDP	CPI+GDP+2%	CPI+GDP+3.5%	CPI+GDP+5% or more	0

Non-financial objectives: 25%

ESG	25%	Baseline	80% of target	Target	12% above target	14% above target	97.35%
Total	100%						24.34%

One incentive implemented in 2024

In the 2023 Remuneration Report, the concept of a one year deferred bonus scheme – referred to as the One Incentive Scheme, was introduced to support the accelerated execution of AECI's 2026 strategic ambition.

The scheme was designed to incentivise the successful development and implementation of 2024 transformation initiatives. Specifically, it aimed to reward initiatives capable of delivering an annual EBITDA run-rate impact of more than R800 million, with a minimum profit contribution of R400 million in 2024 – both targets were successfully achieved.

However, two additional performance criteria were not met:

- ROIC of greater than 21%.
- Free cash flow from working capital improvement of more than R450 million.

The weighted outcome of the One Incentive Scheme for the Group is 86.84%.

216 staff qualified for participation.

The scheme pays out in either cash only, or a combination of cash and share awards for senior eligible employees. The One Incentive scheme cost of R21 million to cover the cash component has been provided for in the FY2024 Annual Financial Statements and subsequently settled and the share awards of R10 million will be accounted for in terms of IFRS2, share-based payments in FY2025 and FY2026.



Looking ahead

We will focus on advancing the People Strategy by evolving incentive metrics to reflect stakeholder feedback and aligning remuneration practices with the new organisational model and TMO initiatives. We will also prioritise talent retention, scarce skills acquisition, and succession planning for senior management and critical technical roles to support long-term competitiveness.

Fair pay

Fair, responsible and equitable remuneration

Our guiding principle upholds fairness, responsibility, and equity in remuneration across all our international operations. The Remuneration and Human Capital Committee conducts a full annual review of, and receives regular feedback on pay equity at all levels within the Group. Over the last two years, this review has expanded to include an in-depth assessment of the links to talent management and succession. We seek to understand and close pay parity gaps where such differences are inequitable, and to improve the standard of living of employees and their families within the broader social and ethical imperatives facing the globe.

Our fair pay principles and initiatives

Our fair pay principles govern our approach to reward and remuneration across the organisation and we have implemented a number of initiatives to support these principles.

Fair pay principle

Market Competitiveness

Internal Equity

Decent Standard of Living

Performance-Based Pay

Regular Reviews

Transparency

Initiative

We perform annual salary reviews and salary benchmarking to ensure that our salaries are market-aligned. The pay of our employees is reflective of their skills, role and function, and the external market.

As part of our wage gap analysis, we also analyse any anomalies identified. This has ensured that any pay disparities are investigated and addressed, and this has resulted in closing the gaps identified, year-on-year.

We engaged WageIndicator to provide holistic global data on living wage standards in all areas in which we operate. Globally, a living wage is defined as the level of pay needed to secure a decent standard of living and WageIndicator's data incorporates factors relating to the cost of housing, education, typical family size and overall cost of living.

All our employees are eligible to receive performance-related incentives which aim to reward each employee based on their individual efforts, with the exception of bargaining unit employees, who receive a 13th cheque.

We periodically assess and adjust remuneration based on market trends, cost of living changes, and organisational performance to maintain fairness and competitiveness.

We aim to provide employees with easy-to-understand and accessible information on their pay.

In addition, we monitor and disclose our wage gap ratios, which includes the determination of the Group CEO's total annual fixed remuneration ratio to the lower, median and upper quartile, and the ratio of average total annual remuneration of the top 10% as compared to the bottom 10%.

Wider workforce (wage gap) disclosures

AECI remains committed to fair and responsible pay practices. While the amendments to the South African Companies Act – requiring formal wage gap disclosures – have been promulgated, they are not yet effective, and may still be subject to revision. As such, we have elected not to adopt the Companies Act requirements at this stage, but we continue to monitor developments and will comply in full once the provisions come into effect.

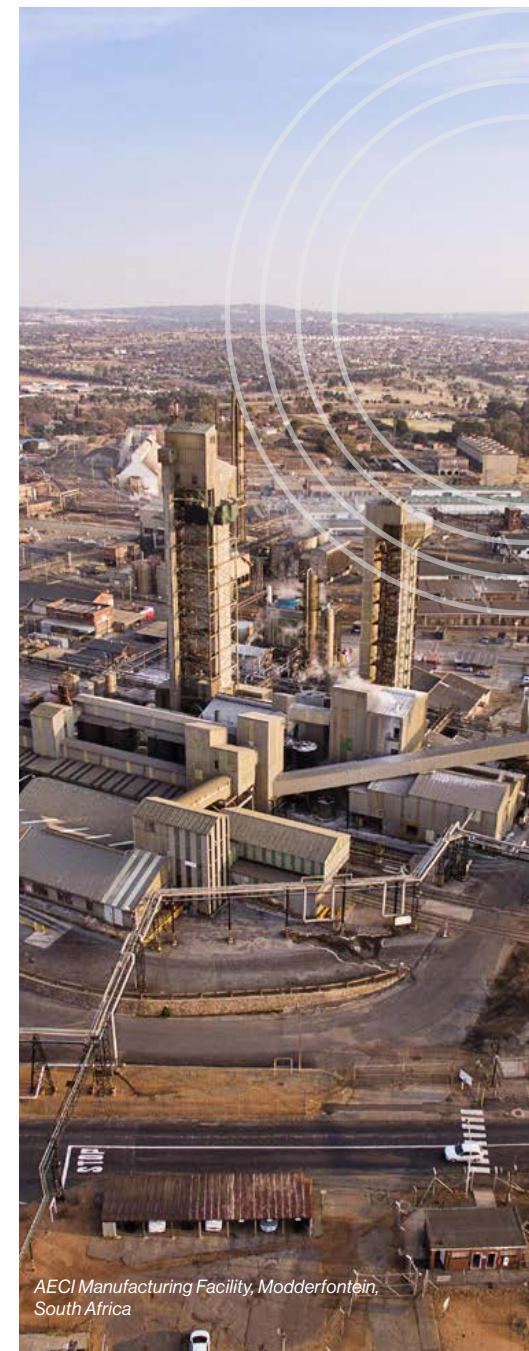
In the interim, we continue to disclose wage gap information in accordance with the JSE Sustainability Disclosure Guidance (2023), which we have followed since last year. These are aligned to the spirit of the Companies Act amendments, and include:

- The ratio of the Group CEO's annual guaranteed package (GP) to the lower quartile, median, and upper quartile of employees' pay. GP is defined as basic salary plus standard benefits;
- Remuneration of the highest- and lowest-paid employees in the Group;
- Average and median remuneration of all employees; and
- The ratio of GP between the top 10% and bottom 10% of employees.

This proactive and transparent approach ensures alignment with good governance standards, while maintaining readiness for full regulatory compliance once the Companies Act provisions become effective.

	Annual GP	Ratio to highest 2024	Compared to prior year	Ratio to highest 2023
Highest	R11 258 000	1	←	1
Upper Quartile	R863 247	13	↓	17
Average	R706 680	16	↓	19
Median	R545 161	21	↓	22
Lower Quartile	R400 947	28	↓	30
Lowest	R168 017	67	↓	71
Top 10% Average	R1 887 687	1		1
Bottom 10% Average	R279 012	7	↓	8

The figures in the table are for South African employees and exclude non-permanent employees. The only non-permanent employee included in the dataset is the CEO because he is on a work permit. The figures exclude variable remuneration items and expatriate benefits.



AECI Manufacturing Facility, Modderfontein, South Africa



Social and relationship capital

Our social and relational capital is built through strong, collaborative relationships with key stakeholders (see page [60](#) – [73](#)) and a commitment to delivering meaningful, long-term socioeconomic value.

Our role in society

We are committed to our purpose **We Are One AECI, for a Better World**, delivering social value by driving systemic change through targeted investments and partnerships. In alignment with the SDGs, we focus on enabling vulnerable communities to achieve sustainable livelihoods, safety and overall well-being. We are also guided by the UNGC principles to uphold and protect the human rights of the communities in which we operate.

Our social responsibility philosophy is rooted in people-centred, needs-driven development. This approach strengthens community resilience and fosters long-term impact.

Our Social Responsibility Framework

Our Social Responsibility Framework outlines our ambition, target groups and their needs, the funds we draw on and our focus areas.

Vision

IMPROVING THE QUALITY OF LIVES

in vulnerable communities around our operations through sustainable initiatives

TARGET GROUP

- Vulnerable members in the communities around our operations
- Those living below the poverty line

NEEDS

- Our programmes address needs identified through community engagement and the national development imperatives. They are also aligned with the SDGs and UNGC Principles.

FUNDS

- AECI Social Responsibility Fund
- AECI Foundation
- AECI International Social Responsibility
- Value-in-kind support

FOCUS AREAS

- Education
- Climate action and response
- Disaster relief
 - Support for orphans and vulnerable children
 - Food and water security
- Primary healthcare

2024 outcomes

- Expanded international social responsibility investments and geographic reach
- Improved quality and strategic alignment of internationally supported projects
- Deepened collaboration with key partners to deliver sustainable, high-impact programmes
- Increased employee participation in volunteer initiatives
- Enhanced monitoring and evaluation framework with clearer theories of change and outcome-based metrics
- Achieved collective community impact across demographic groups (children, youth, parents)
- Maintained collaboration with strategic customers in mining regions
- Recognition received for programme excellence from:
 - PETCO
 - Ecologic Awards
 - CAIA: Responsible Care Awards

Governance

We apply the UNGC principles and uphold the UN Declaration of Human Rights as part of our responsible corporate citizenship. Oversight is provided by the Group Social, Ethics and Sustainability Committee, who oversees the implementation of relevant Board-approved policies.

The AECI Group Executive Committee leads the Group's social responsibility strategy. Function-specific councils, such as the Social Responsibility Council and the Foundation Board of Trustees, ensure policy alignment, legal compliance and the application of global best practices. While AECI leads programme design and support, independent firms conduct monitoring and evaluation.

Our approach

To support our transformation agenda and strengthen impact, we undertook several strategic shifts in 2024:

- Developed blueprints for flagship programmes to drive systemic change
- Prioritised partnerships with national-scale potential
- Focused on scaling high-performing programmes
- Realigned our geographic footprint to match global growth objectives
- Transitioned the Tiso AEL Development Trust to the AECI Foundation

Equity

Empowerment

Economic inclusion

Advancement

Social inclusion

Our programmes address interconnected systems and community needs holistically from education, enterprise development, environmental sustainability in addition to basic needs such as food security, sanitation, healthcare, psychosocial support and well-being. This integrated approach enables sustainable development outcomes.

We have been resolute in our commitment to the social and economic empowerment of the communities in which we operate. In support of this commitment over the past century, we have increasingly engaged and collaborated with communities and partners to drive social impact. Our consistent investment has yielded sustainable impact through meaningful empowerment. Despite this commitment in 2024, we experienced challenges related to declining financial performance, which in turn resulted in a decrease in our year-on-year social investment. We, however, continued to support our communities and maintained our partnerships to achieve our strategic objectives.

[Read more on pages 61 to 74 of the Sustainability Report](#)

A blueprint for achieving positive, sustainable impact

The off-the-grid eco-friendly, self-sustaining ecosystem at Oliver's Village, which supports 600 beneficiaries, provides multidimensional socioeconomic support services that create development opportunities for different community groups. These services include: commercial agriculture, baking, an early childhood development centre, a youth skills centre, a soup kitchen, an agricultural college, water security and primary healthcare.

The successes at Oliver's Village have been used to craft a blueprint designed to drive impactful social change. Siyabonga Africa and AECI partnered to form the Level Up programme in 2024 and apply this blueprint to achieve sustainable change. Using insights from key successes at Oliver's Village, Level Up is focusing on economic inclusion through business development and social responsibility initiatives to create more jobs, promote economic participation and drive positive change through:

Job creation and economic empowerment

- **321 jobs** have been created
- The social enterprises it supports **reinvest their profits** in the community, which reduces their need for external aid
- Improved business operations and sales using innovations such as delivery bicycles and solar-powered sales pods, which have resulted in community bakes reporting a **significant increase in income**

Food security and social impact

- Community bakeries and food gardens have provided over 1 400 community members with monthly food support
- Rainwater harvesting at food gardens has improved food availability and reduced operational costs
- A poultry farm initiative, The Hope Hatch, is contributing to food security by providing affordable eggs, and it is creating income streams for community members

Sustainability of enterprises

- By providing business skills training and mentorship Leap Up is increasing the long-term viability of social enterprises
- An example of the positive impact from empowering community members to manage their operations effectively is the 17.8% increase in collective income and the 10% increase in profits following monthly business skills workshops

Our strategic focus

Our strategy is anchored in integration, scalability, accountability and long-term value creation:

- **Integrated Programme Development:** Delivering interconnected initiatives that address multiple community needs
- **Scalable Models:** Replicating proven programmes across regions to expand impact
- **Partnerships and Collaboration:** Strengthening ties with non-profits, customers and local leaders to drive shared value
- **Impact Measurement:** Using theory of change and defined indicators to monitor effectiveness and partner accountability
- **Sustainability Practice:** Ensuring long-term viability and ownership within communities
- **Good Governance:** Promoting transparent reporting and aligning investments with our Group's strategic mandate
- **Global Best Practice:** Building and maintaining sustainable programmes aligned with international standards



Natural capital



To create value, our business relies on natural resources to provide us with electricity, water and manufactured capital that support our infrastructure, as well as the natural resources we use to produce the products we sell. We are committed to protecting and preserving natural capital by understanding our impact and limiting any adverse effects we have on the natural environment. Additionally, we are dedicated to reducing our impact on climate change and its effects on our business.

An organisation's sustainability and the likelihood of future success are increasingly evaluated based on its ESG performance. The AECI Sustainability Report, which addresses multiple stakeholders, provides a comprehensive overview of our ESG performance. Our integrated report, which serves as our primary communication to the investor community, discusses the matters we have identified as material to the Group's value creation and offers a summary of our environmental stewardship that is likely to be useful to investors. This includes addressing climate change and decarbonisation, promoting water efficiency and conservation, enhancing energy efficiency and increasing waste recycling. Additionally, we assess our environmental performance in relation to minimising the impact of our operations on the environment and the communities in which we operate.

Our performance in 2024

For more than 10 years, AECI has not reported a serious or major environmental incident.

Water use

- Our **potable water consumption** of 1 638 050m³* decreased 2% (2023: 1 678 865m³)
- Our **water use efficiency** of 0.58m³/tonnes was a 3% improvement from 0.60m³/tonnes in 2023
- We achieved a pleasing 7% reduction in our **discharge to sea or sewer** of 603 672m³* (2023: 652 572m³)
- Our **water discharge efficiency** of 0.22m³/tonnes in 2024 was a 4% improvement year-on-year (2023: 0.23 m³/tonnes)

Energy use

- In 2024 we improved our carbon efficiency by 6% year-on-year (2023: 11% year-on-year)
- 5% reduction in our total carbon footprint year-on-year (Scope 1 and 2) (2023: 11% reduction year-on-year)
- 1% reduction in our total energy use year-on-year (2023: 2% reduction year-on-year)
- 8 663 MWh* of our electricity was generated from renewables in 2024 (2023: 840 MWh), a pleasing increase of 900% year-on-year
- 8% reduction in our consumption of electricity to 193 720 MWh* (2023: 209 906 MWh)

Hazardous waste reduction

- We achieved a 8% reduction in our hazardous waste that required disposal (2023: 13 866 tonnes – 13% reduction year-on-year)
- Our recycled waste decreased 15% to 3 407* tonnes (2023: 4 016 tonnes – 12% increase year-on-year) due to lower outputs in our managed businesses on the back of weak market demand

Governance

The AECI Board is responsible for the overall governance and strategic direction of the business. It has delegated primary responsibility for overseeing and monitoring climate change and environmental matters to the Social, Ethics and Sustainability Committee and the Environmental, Health and Safety Committee. The execution of our sustainability strategy is assigned to the Vice President: Sustainability, ESG and EHS.

Throughout the year under review, we reinforced our governance structures to align with business strategies, facilitate improved decision-making, enhance accountability and boost engagement with stakeholders to address sustainability challenges.

We enhanced the assurance of our non-financial reporting through third-party verification to support its credibility and integrity. By improving data management systems, enhancing data ownership and quality, and implementing on-demand dashboards, we plan to bolster data assurance and integrate regulatory frameworks into a streamlined management system.

Aligned with international best practices, we employ a precautionary and risk-based strategy to manage the environmental aspects of our operations. This strategy primarily focuses on legal compliance and protecting our social licence to operate.

ESG factors have been incorporated into our remuneration framework to align leadership incentives with our sustainability objectives. To encourage our executives and enhance accountability for sustainability, their LTIs include ESG KPIs related to areas such as water management and carbon emissions reduction.

Water management

We recognise that water is a scarce and essential environmental resource. Consequently, water management is a strategic KPI for the Group. Our focus on monitoring and improving potable water consumption, as well as managing wastewater disposal to the sea and sewer systems, has led to significant advances in conserving this vital resource.

AECI Water's innovative and sustainable water and process treatment solutions are essential for assisting various sectors, including public utilities, mining and industry. These solutions allow the mining and industrial sectors to significantly decrease their potable water use by substituting it with recycled and treated process water. This practice lessens their impact on water drawn from authorities and reduces their costs. The Group also utilises AECI Water's expertise to optimise its water usage.

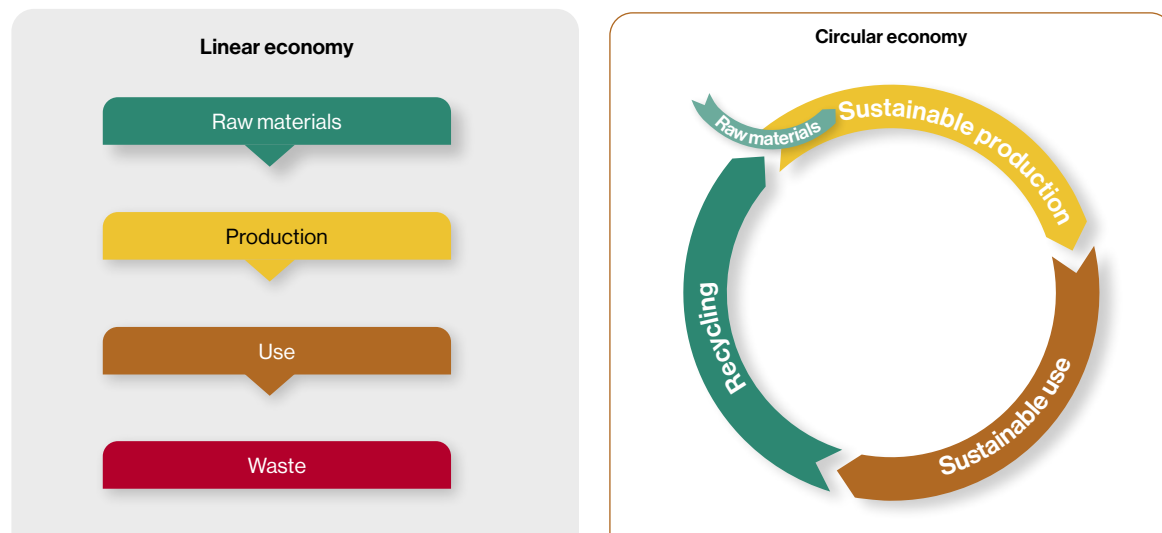
AECI Water's ability to enhance water quality often alleviates the pressure on freshwater resources, and its innovative approach to treating effluent can mitigate the risks linked to traditional discharge methods. A variable-speed drive developed by AECI Water regulates water pressure in pipelines, helping prevent pipe breaks and reducing the risk of losing high-quality potable water.

AECI Food and Beverage and AECI Specialty Chemicals have developed various solutions that conserve water in agriculture and food production.

CDP water security scoring

Our Carbon Disclosure Project (CDP) water score for 2024 of B, which is higher than the chemical sector average of C and is in the management band. AECI has maintained a B score for the past two years.

Towards a circular economy



We aim to align our broader sustainability goals with the principles of the circular economy and our ambition for zero waste to landfill through sustainable production, responsible consumption and recycling.

Our waste management strategy incorporates circular economy principles. The key principles guiding our approach include developing processes to eliminate waste and pollution, foster the circulation of products and materials and enable a regenerative system.

Over the past two years, we have made significant progress in reducing waste across our operations through targeted efforts in our waste management. These efforts have yielded a Group-wide reduction in hazardous waste volumes. To further reduce our waste and enhance our recycling practices, we will continue to refine and extend our efforts.



AECI has participated in voluntary (CDP) reporting since 2009, enabling us to benchmark our environmental impact, particularly in areas such as carbon emissions and water security. This helps us monitor our progress, identify areas for improvement and reaffirm our commitment to sustainability aligned with international best practices.



Climate resilience, response and action

As concerns about climate change intensify, the way we are addressing our climate-related risks and opportunities is receiving greater scrutiny from the investor community, regulators, governments and clients.

Aligning with international goals

We intend to reduce our carbon emissions by 20% by 2030, compared to our 2022 baseline, which is in line with international decarbonisation goals. However, the changes to our operating model have made it necessary to restate our baseline during 2025.

Our significant progress in 2024 resulted mainly from our transition to renewable sources, which strengthened our decarbonisation efforts, reduced costs and improved our electricity security.

The Group acknowledges the vital role the private sector can play in facilitating a just transition and ensuring that the shift to Net Zero emissions is equitable and inclusive, particularly for vulnerable communities affected by climate change and historical inequalities. We believe that the private sector can fulfil this role by forming partnerships, sharing insights and collaborating on initiatives that promote a just transition.

Product innovation contributes to a greener mining industry

AECI Mining and AECI Chemicals are continually developing products that help mines and agricultural businesses reduce their environmental impact. Our Sustainability Report 2024 includes several examples of these products.

Carbon taxes

Four companies in the AECI Group currently pay carbon taxes. Our GHG emissions and carbon tax liabilities are verified annually.



CDP climate change scoring

We achieved a B CDP carbon score for 2024 which matches the chemical sector average.



AECI Mining Hunter Valley Operation, Australia

Our Net Zero Pathway

We launched our Net Zero Pathway projects, supporting the strategy in 2023 to strengthen the Group's resilience to climate change challenges. Our first step involved conducting a thorough review of our carbon footprint. We identified significant energy consumers and key sources of emissions within our operations. This critical analysis guided our development of targeted strategies to reduce our Scope 1 and Scope 2 emissions.

Achieving Net Zero is a corporate responsibility that we must pursue by advancing toward a low-carbon economy. We have identified key projects in energy, technology and the supply chain that will contribute to reducing our GHG emissions. Our focus on the five main Scope 3 emission categories will help us establish specific targets to support our goal of achieving Net Zero by 2050. The decarbonisation projects we are currently working on, along with proposed initiatives that are not yet underway, are detailed on page 55 of the AECI Sustainability Report for 2024. The report also includes a table outlining our Indicative Net Zero transition journey on page 54, which begins in 2025 and concludes in 2050. Actual targets are set from 2025 to 2030, while proposed targets are planned from 2031 to 2050.

These projects are part of our journey to Net Zero. We have categorised our emission reduction opportunities based on the required capital investment and the anticipated impact of each project on reducing our emissions. This approach ensures that we establish measurable milestones and maintain the momentum necessary to achieve our climate goals.

Key milestones we have achieved include:

- Conducting 12 site assessments to identify emission reduction opportunities
- Identifying 234 emission reduction opportunities, 201 of which have been fully quantified
- The opportunity to decrease emissions by 27%

Our next steps include:

- Formulating a comprehensive implementation plan by prioritising initiatives based on their impact, cost and feasibility
- Exploring diverse pathways for emission reduction by leveraging technological advances and adapting to regulatory changes
- Designing a roadmap with clear short-, medium- and long-term targets specific to each business unit. Conducting regular progress reviews to monitor outcomes and, if necessary, refine our strategies to ensure we stay on track



Energy efficiency and renewable energy

Our approach to environmental stewardship and operational excellence involves introducing renewable energy into our energy mix. Our renewable energy installations now replace 5% of our baseline energy needs, enhancing our energy resilience by reducing our reliance on conventional energy sources, lowering our environmental footprint and reducing our costs. While the R140 million invested in our installed renewable energy is substantial, it has already resulted in an annual savings on energy costs of R30 million.

Our operations are finding innovative ways to reduce their energy consumption, examples of which are included in the AECI Sustainability Report 2024.



AECI Modderfontein Solar Park, South Africa

Section 7

Additional information

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Assurance certificate

Independent Assurance Practitioner's Limited Assurance Report on Selected KPIs

To the directors of AECI Limited

Report on selected KPIs

We conducted a limited assurance engagement on selected KPIs in the AECI SR for the year ended 31 December 2024. This engagement was led by a multidisciplinary team with expertise in environmental, health, safety and sustainability reporting.

We have been engaged to provide a limited assurance conclusion on the selected KPIs, marked with a “^”, as detailed in Appendix A (pages 74 – 75) of the report. These KPIs were prepared following the relevant definitions and AECI's occupational injury, illness and environmental reporting guidelines, which are available upon request.



CBEP Facility, Modderfontein, South Africa

Assurance statement

Environment performance data	Unit of measurement	Boundary
Environmental incidents (Major and Serious)	Number	AECI Group
Environmental incidents (Moderate)	Number	AECI Group
Environmental incidents (Minor)	Number	AECI Group
Potable water consumption	m ³	AECI Group
Effluent discharged to sea and sewer	m ³	AECI Group
Hazardous waste disposed	Tonnes	AECI Group
Recycled waste	Tonnes	AECI Group
GHG emissions: Scope 1	Tonnes CO ₂ e	AECI Group
GHG emissions: Scope 2	Tonnes CO ₂ e	AECI Group
GHG emissions: Total carbon footprint (Scope 1 and Scope 2)	Tonnes CO ₂ e	AECI Group
Electricity	MWh	AECI Group
Energy consumption	GJ	AECI Group
Production volumes	Tonnes	AECI Group
Safety performance data	Unit of measurement	Boundary
Fatalities	Number	AECI Group
First aid injuries	Number	AECI Group
TRIR	Rate	AECI Group
Occupational illness rate	Rate	AECI Group
Major product transportation incidents	Number	AECI Group
Process safety: Reportable incidents	Number	AECI Group
Process safety: Non-reportable incidents	Number	AECI Group
Gender equality performance data	Unit of measurement	Boundary
Gender equality: female representation in top, senior and middle management levels	Percentage	AECI Group

Directors' responsibilities

The directors are responsible for selecting, preparing and presenting the selected KPIs in accordance with the reporting criteria. This includes identifying stakeholders and their requirements, addressing material issues and ensuring commitments related to sustainability performance are met. They are also responsible for designing, implementing and maintaining internal controls to ensure the report is free from material misstatement, whether due to fraud or error. Additionally, the directors must determine the appropriateness of the measurement and reporting criteria for the intended users of the selected KPIs and ensure that these criteria are publicly available to the report's users.

Inherent limitations

The quantification of GHG emissions involves inherent uncertainty due to the limitations in scientific knowledge, particularly in determining accurate emission factors and the values required to aggregate emissions from different gases.

Our independence and quality management

We have adhered to the independence and ethical requirements in the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code). This code is based on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour. The IRBA Code aligns with the relevant sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Deloitte follows the International Standard on Quality Management 1 which mandates the firm to establish, implement and maintain a quality management system. This system includes policies and procedures to ensure compliance with ethical requirements, professional standards and applicable legal and regulatory obligations.

Assurance practitioner's responsibility

Our responsibility is to provide a limited assurance conclusion on the selected KPIs based on the procedures we performed and the evidence we obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and, for GHG emissions, in accordance with ISAE 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These standards require us to plan and perform our engagement to obtain limited assurance that the selected KPIs are free from material misstatement.

A limited assurance engagement conducted under ISAE 3000 (Revised) and ISAE 3410 involves evaluating the appropriateness of AECI's use of reporting criteria in preparing the selected KPIs, assessing the risk of material misstatement, whether due to fraud or error and responding to these risks as needed. It also involves evaluating the overall presentation of the selected KPIs. A limited assurance engagement is considerably narrower in scope than a reasonable assurance engagement, particularly in risk assessment procedures, understanding of internal control and the procedures performed in response to the assessed risks. Our procedures, based on professional judgement, included inquiries, process observations, document inspections, analytical procedures and evaluation of the appropriateness of quantification methods and reporting policies, as well as reconciling the data with underlying records.

Considering the engagement circumstances, we conducted the following procedures:

- Interviews with management and senior executives to understand the internal control environment, risk assessment process and information systems relevant to sustainability reporting
- Reviewed documentation to verify the statements of management and senior executives during our interviews
- Performed a walkthrough of the processes and systems used to generate, compile, aggregate, monitor and report the selected KPIs

- Inspected supporting documentation on a sample basis and carried out analytical procedures to assess the data generation and reporting processes against the established reporting criteria
- Evaluated if the selected KPIs presented in the report align with our overall understanding and experience of sustainability management and performance at AECI

The procedures conducted in a limited assurance engagement differ in nature and timing and are less extensive than those in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is significantly lower than that achieved through a reasonable assurance engagement. Therefore we do not provide a reasonable assurance opinion on whether AECI's selected KPIs have been prepared, in all material respects, in accordance with AECI's reporting criteria.

Limited assurance conclusion

Based on the procedures we have performed and the evidence obtained and subject to the inherent limitations outlined in this report, nothing has come to our attention that causes us to believe that the selected KPIs, as described in the Subject Matter paragraph above, for the year ended 31 December 2024, have not been prepared, in all material respects, in accordance with the reporting criteria.

Other matters

Our report includes the provision of limited assurance on the following KPIs:

- Environmental incidents (minor)
- Production volumes
- First aid injuries
- Gender equality: female representation in top, senior and middle management levels

We were not previously required to provide assurance on these selected KPIs. The maintenance and integrity of AECI's website are the responsibility of AECI's management. Our procedures did not address these matters and as such, we accept no responsibility for any changes to the information in the report or our independent limited assurance report that may have occurred since its initial publication on AECI's website.

Restriction of liability

Our work was conducted to allow us to express a limited assurance conclusion on the selected KPIs to the directors of AECI, in line with the terms of our engagement and for no other purpose. We do not accept or assume liability to any party other than AECI for our work, this report, or the conclusion we have reached.

Deloitte & Touche

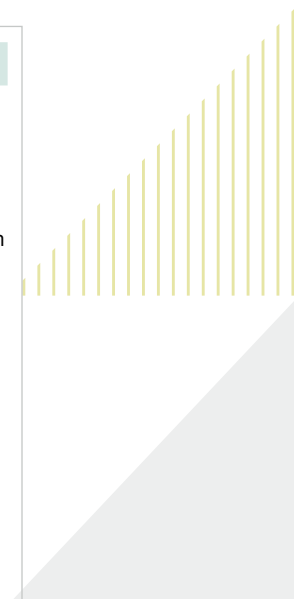
Registered Auditors

Per Jyoti Vallabh
Chartered Accountant (SA)
Registered Auditor
Partner

Glossary of terms

Term	Description
AGM	Annual General Meeting
A&EI	African Explosives and Industries
AEL	African Explosives Limited
AIChE	American Institute of Chemical Engineers
AI	Artificial intelligence
BAU	Business as usual
B-BBEE	Broad-Based Black Economic Empowerment, in South Africa
B-BOS	Broad-Based Ownership Scheme
BBRI	PT Black Bear Resources Indonesia, a manufacturer of ammonium nitrate part-owned by AECI
BCM	Bank cubic meters
BIGGER	AECI's values of being Bigger, Innovative, of Going Green, and of being Engaged and Responsible
BSO	Balance sheet optimisation
CAIA	Chartered Alternative Investment Analyst Association
CAGR	Compound Annual Growth Rate
Capex	Capital Expenditure
CDP	Carbon Disclosure Project
CDP	Company's disclosure and environmental performance
CEO	Chief Executive Officer/Group Chief Executive Officer/Group CEO – we use all three in document
CFO	Chief Financial Officer/Group Chief Financial Officer/Acting Chief Financial Officer
Chemical Technology Incubator	NPO business incubator; the principal agent in establishing small and micro enterprises in the downstream chemical manufacturing sector in South Africa
COVID-19	Corona virus disease
CO₂	Carbon dioxide
CO₂e	Carbon dioxide equivalent
CSI	Corporate social investment
DEI	Diversity, Equity and Inclusion

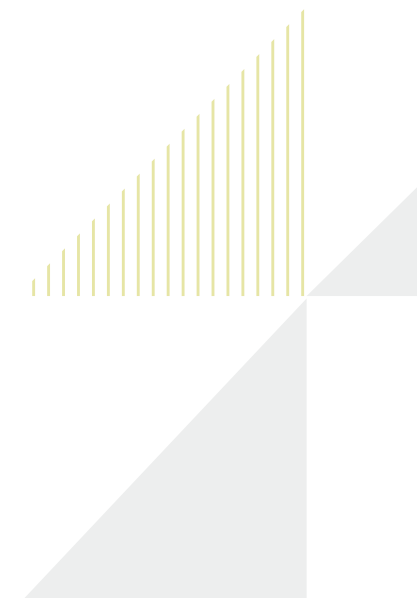
Term	Description
EAP	Employee assistance programme
EBIT	Earnings before interest and taxation, calculated as profit before interest, taxation and share of profit of equity-accounted investees, net of taxation
EBITDA	Earnings before interest, taxation, depreciation and amortisation calculated as profit from operations and equity-accounted investees plus depreciation, amortisation and impairments. EBITDA is not audited by the Company's external auditor
EBITDAC	EBITDA as defined in lender agreements
EE	Employee Equity
EHS	Environment, Health and Safety
EHSQ	Environment, Health, Safety and Quality
EPS	Earnings per Share
ETR	Effective Tax Rate
ERM	Enterprise risk management
ESD	Enterprise and supplier development
ESG	Environmental, social and governance
EVDS	Emulsion Vertical Drop System
EVP	Employee Value Proposition
FCF	Free cash flow
GDP	Gross Domestic Product
Gearing	Net debt as a percentage of equity
GHG	Greenhouse gas
GJ	Gigajoule
GP	Guaranteed Package
HC	Human Capital
HEPS	Headline earnings per share
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
ISAE	International Standard on Assurance Engagements
ISO	International Organisation for Standardisation



Glossary of terms

Term	Description
IT	Information Technology
JSE	Johannesburg Stock Exchange
King IV™	The King Report on Corporate Governance for South Africa, 2016
KPIs	Key performance indicators
KWh	Kilowatt hour
LATAM	Latin America
LTD	Limited
LTI	Long-term incentive
m³	Cubic metre
MCU	Mobile charging unit
M&A	Mergers and Acquisitions
MHI	Major Hazard Installation
MWh	Megawatt hour
MMU	Mobile manufacturing unit
MOA	Memorandum of agreement
MOI	Memorandum of Incorporation
MPU	Mobile processing unit
MSR	Minimum shareholder requirements
NAV	Net Asset Value
NED	Non-executive Director
NGDA	Nomination, Governance and Directors' Affairs Committee
NGO	Non-Governmental Organisation
NIHL	Noise-induced Hearing Loss
OECD	Organisation for Economic Cooperation and Development
OEE	Overall equipment effectiveness
P/E	Price Earnings Ratio
PETCO	A collective organisation set up and owned by members such as Coca Cola, Unilever and Pepsi Co
PGM	Platinum group metals

Term	Description
P&L	Profit and Loss
PVC	Polyvinyl Chloride
PPE	Property, plant and equipment
PSTIR	Process Safety Total Incident Rate
R&D	Research and development
ROIC	Return on Invested Capital
RONA	Return on Net Assets
TCF	Trillion Cubic Feet
SASB	Sustainability Accounting Standards Board
SDGs	Sustainable Development Goals
SENS	Stock Exchange News Service
SEO	State-Owned Enterprises
SHEQ	Safety, Health, Environment and Quality
SMF	Stakeholder management framework
SMME	Small, Medium and Micro-sized Enterprises
STEM	Science, Technology, Engineering and Mathematics
STI	Short-term incentive
TCF	Trillion Cubic Feet
TiOP	Transportation Indicator of Performance
TMO	Transformation Management Office
TRIR	Total Recordable Incident Rate, which measures the number of occupational safety incidents per 200 000 hours worked
TSR	Total shareholder return
TTF	Title transfer facility
UIC	Umbogintwini Industrial Complex
UN	United Nations
UNICEF	United Nations International Children's Emergency Fund
UNGC	United Nations Global Compact
VWAP	Volume-weighted average price
WACC	Weighted average cost of capital
WC	Working Capital



Corporate information

AECI Limited

(Incorporated in the Republic of South Africa)
 (Registration No. 1924/002590/06)
 Taxation reference No. 9000008608
 Share code: AFE ISIN: ZAE000000220
 Hybrid code: AFEP ISIN: ZAE000000238
 Bond company code: AECI
 LEI: 3789008641F1D3D90E85
 ("AECI" or the "Company" or the "Group")

Registered office and business address

AECI Place
 24 The Woodlands
 Woodlands Drive
 Woodmead
 Sandton, 2191
 South Africa

Group Company Secretary

Cheryl Singh
Email: AECICompany.Secretary@aeciworld.com

Investor relations

Itumeleng Lepere
Email: AECIInvestorRelations@aeciworld.com

Debt officer

Trevor Starke
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Email: trevor.starke@aeciworld.com

Postal address and contact details

Private Bag X21, Gallo Manor, 2052
Telephone: +27 (0)11 806 8700
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Web address

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London Secretary

St James's Corporate Services Limited
 Suite 31, Second Floor
 107 Cheapside, London EC2V 6DN
 England

Transfer Secretaries

Computershare Investor Services Proprietary Limited

Rosebank Towers
 15 Biermann Avenue
 Rosebank, 2196

Private Bag X9000
 Saxonwold, 2132
 South Africa

and

Computershare Investor Services Public Company Limited

PO Box 82
 The Pavilions, Bridgwater Road
 Bristol BS99 7NH
 England

External auditor

Deloitte & Touche
 5 Magwa Crescent
 Waterfall City
 Waterfall, 2090
 South Africa

Primary transactional and funding banks

Absa Bank Limited
First National Bank of Southern Africa Limited
 (A division of FirstRand Bank Limited)
Investec Bank Limited
Nedbank Limited
Sanlam Specialised Finance
 (A division of Sanlam Life Insurance Limited)
Standard Chartered Bank
The Standard Bank of South Africa Limited

South African JSE equity sponsor

One Capital
 17 Fricker Road
 Illovo
 Sandton, 2196
 South Africa

South African debt sponsor

Questco Corporate Advisors Proprietary Limited
 Investment Place, 10th Road,
 Hyde Park, 2196
 Johannesburg