



growing resilience

BUILDING VALUE FOR
GENERATIONS

CONTENTS

FY26 salient features4

INTRODUCTION6

Message from the chairman of the social and ethics committee8

About this report10

Reporting suite and connectivity10

Reporting boundary and scope11

Comparability of FY26 data12

Our operations14

Climate and nature context of our operational footprint14

Our geographical footprint14

CLIMATE AND NATURE MATERIALITY16

Linking climate and nature disclosures to the Group's material matters18

Climate and nature risks, opportunities, dependencies and impacts overview19

Climate-related materiality20

Nature-related materiality21

Cross-cutting (climate and nature) considerations23

Consolidated overview per site24

Climate and nature focus24

Integration and financial relevance26

Climate and nature – financial relevance and integration at Pan African26

GOVERNANCE28

Integrated governance framework30

Climate- and nature-related matters considered by the board and committees during FY2631

Key climate- and nature-related matters overseen during FY2632

Climate and nature governance and oversight32

Tailings governance and strategic value driver34

Governance development priorities35



Consider the environmental impact of deforestation before printing this report to help preserve sensitive ecosystems.

STRATEGY36

Climate strategy and transition planning38

Transition planning approach and implementation39

Just Energy Transition considerations40

Strategic priorities and future development40

Nature, biodiversity and ecosystem strategy41

Strategic approach41

Ecosystem dependencies42

Ecosystem dependencies across Pan African's operations42

Biodiversity and restoration strategy44

Pan African's biodiversity impacts, management and restoration strategy44

Value chain dependencies and risks46

Integration into strategic planning48

Alignment with emerging frameworks50

Tailings retreatment as a strategic pillar54

Scenario analysis and resilience55

Methodology57

Key assumptions and inputs59

Resilience insights60

Implications for strategy and capital allocation61

Current position and development priorities62

Scenario analysis maturity pathway63

Scenario analysis journey64

Overview of current and anticipated financial effects65

Current financial effects65

Potential future financial effects68

Ecosystem impacts and dependencies per operation72

Financial impact maturity summary75

RISK MANAGEMENT76

Climate-related risk management78

Climate-related risk management process at Pan African78

Management of physical climate risks80

Management of transition-related risks81

Cross-cutting risk management approach81

Nature-related risk management82

Nature-related risk management at Pan African82

Nature-related risk management measures84

Integration into enterprise risk management85

Governance oversight of climate- and nature-related risks85

Areas of integration85

Going forward86

Integration into enterprise risk management86

METRICS AND TARGETS88

Climate performance metrics90

Core climate and nature performance metrics90

Cross-industry and management metrics96

Targets, financial impacts and performance tracking96

Overall interpretation97

Performance interpretation97

OUTLOOK AND NEXT STEPS98

IFRS S1 and S2 alignment roadmap100

Forward position101

OTHER INFORMATION102

Appendices104

Basis of preparation and reporting boundary104

Measurement approaches and methodologies105

Conversion of indirect energy to Scope 2 GHG emissions (indirect emissions)106

Scenario analysis methodology107

Key performance indicators108

IFRS S1, IFRS S2 and TNFD cross-reference index110

Assurance and data validation111

Glossary112

Corporate information

The following tools will assist you throughout this report:

 Find more information on our website, www.panafricanresources.com/

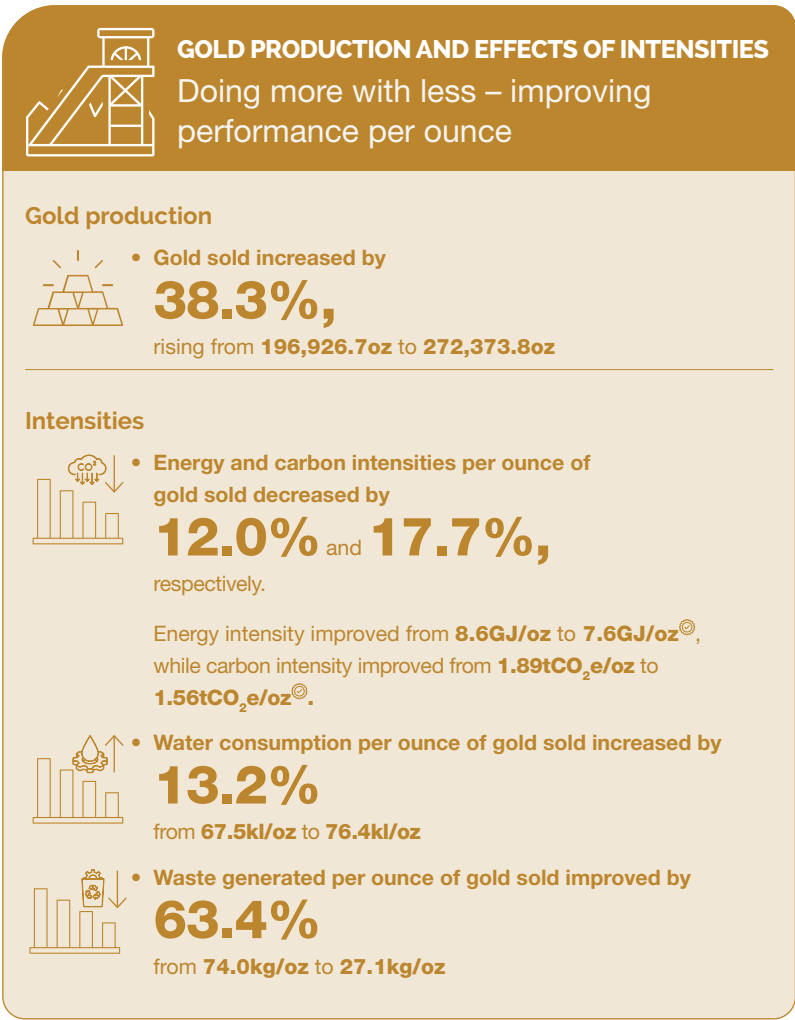
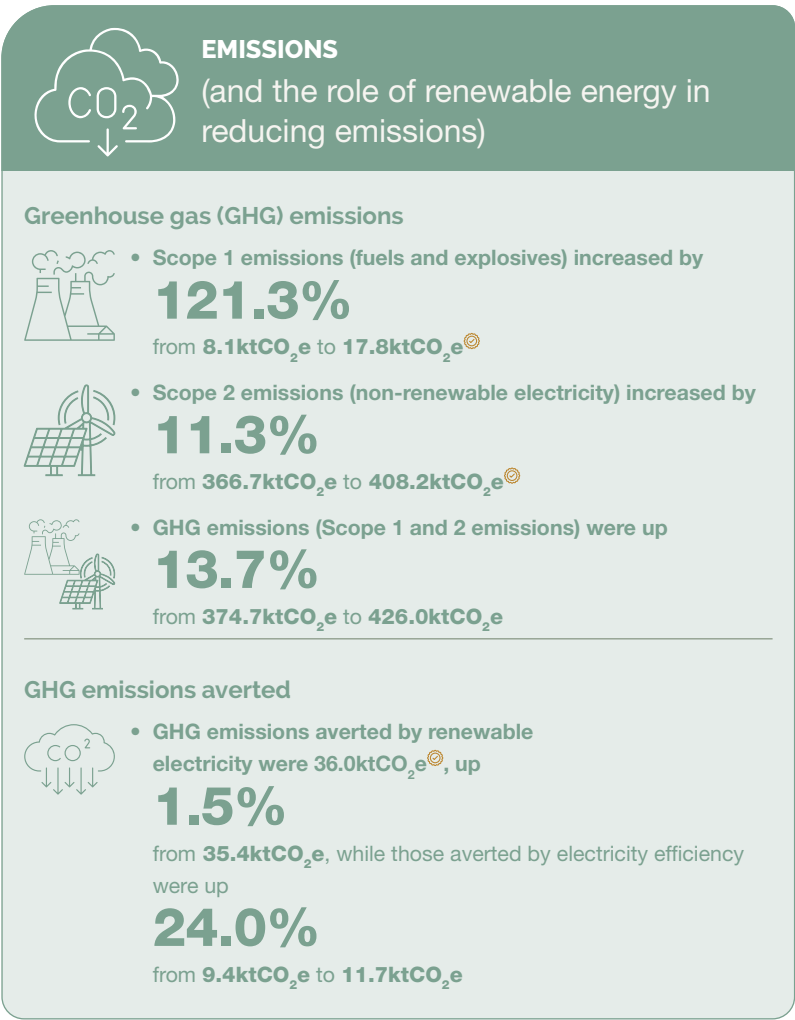
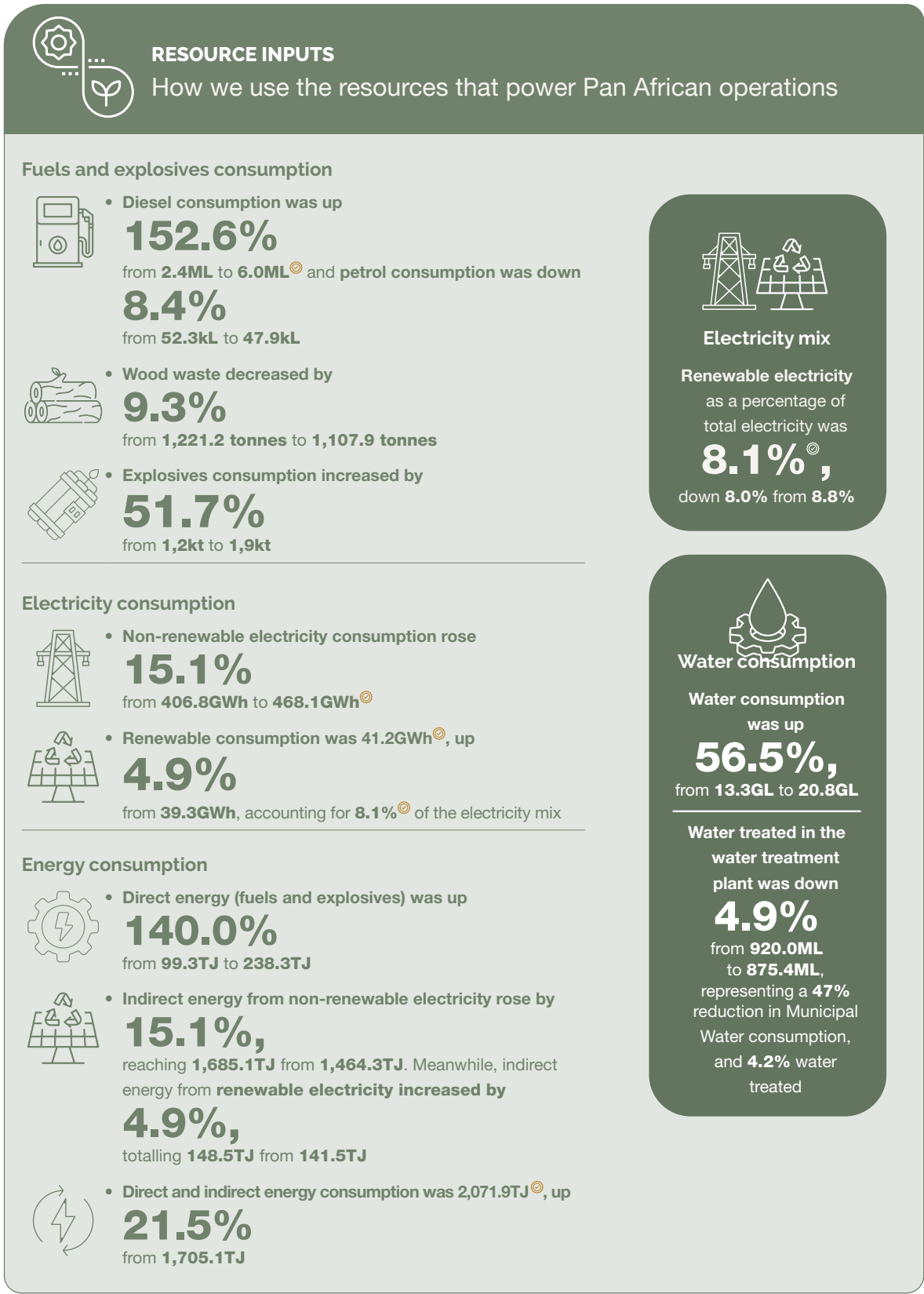
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FY26

SALIENT FEATURES

How operational inputs flow through energy use to emissions, avoided emissions and production intensities



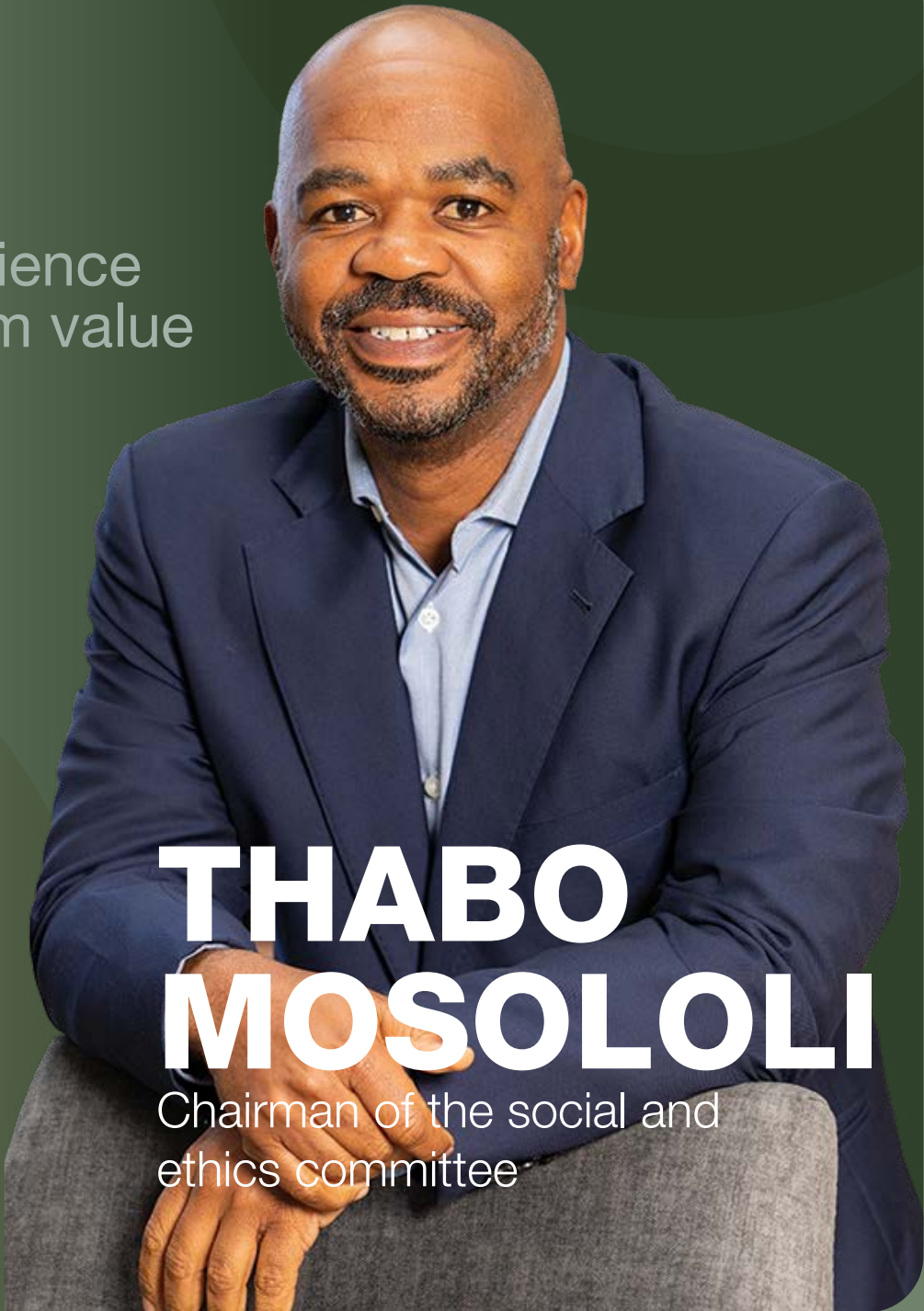
Message from the chairman of the social and ethics committee	8
About this report	10
Reporting suite and connectivity	10
Reporting boundary and scope	11
Comparability of FY26 data	12
Our operations	14
Climate and nature context of our operational footprint	14
Our geographical footprint	14

Introduction

The report covers the Group's operations in South Africa and Australia and, where practicable, applies reporting boundaries that are aligned with those used for financial reporting.

MESSAGE FROM THE CHAIRMAN OF THE SOCIAL AND ETHICS COMMITTEE

Building resilience and long-term value



THABO MOSOLOLI

Chairman of the social and ethics committee

The year under review was marked by record temperatures in many locations globally, energy insecurity, geopolitical volatility and a rapidly evolving sustainability landscape. At the same time, the gold price, although off the all-time record high prices achieved in early 2026, remained exceptionally strong, supported by sustained investor demand, continued central bank purchases and gold's role as a strategic store of value amid periods of instability. These market conditions have reinforced the value of high-quality gold mining companies and highlighted the importance of responsible stewardship and disciplined long-term decision-making.

While favourable commodity prices create opportunities for financial growth, they also present an opportunity to invest with discipline to strengthen our organisation's resilience. The long-term success of Pan African Resources is measured not only by production volumes or short-term commodity prices, but by the quality and sustainability of our assets, the resilience of our infrastructure, the safety and capability of our people, the strength of our relationships with host communities and the care with which we manage natural resources. The Group's ability to manage both current opportunities and emerging risks ensures that today's performance contributes to sustainable value creation for future generations.

As expectations from investors, regulators and other stakeholders continue to evolve, so too must the way we understand and disclose the factors that influence long-term business performance. This year, we have expanded our disclosure approach, moving from separate climate and Taskforce on Nature-related Financial Disclosure (TNFD) reports to a combined **climate and nature report**, recognising that climate and nature-related matters are intrinsically connected and increasingly relevant to the long-term resilience of our operations. Water security, biodiversity, energy availability, land stewardship and ecosystem health all play an important role in supporting operational continuity and sustaining value over time.

The publication of this report marks an important milestone in the Group's reporting journey. Throughout the year, we deepened our understanding of climate- and nature-related risks and opportunities through materiality assessments, scenario analysis, biodiversity and ecosystem evaluations, and further integration of these considerations into risk management and strategic planning processes. These improvements reflect our commitment to continuously strengthening the quality, transparency and decision-usefulness of our disclosures, in line with the guidance provided by IFRS S1 and S2.



Importantly, this report is not only about reporting. It reflects a broader shift towards embedding climate and nature considerations into how we plan, invest and operate. As our business continues to evolve, we remain focused on ensuring that capital allocation decisions support operational resilience, resource efficiency and long-term value creation, while contributing to the sustainability of the environments and communities in which we operate.



Looking ahead, we will continue to build on the foundations of resilience established over many years including safe operations, responsible environmental stewardship, constructive stakeholder relationships, robust governance and decision-useful sustainability information, all enhanced by our understanding of the financial implications of these matters.



Through this approach, we aim to strengthen our ability to navigate uncertainty, respond to changing stakeholder expectations and continue to build value for generations.



ABOUT THIS REPORT

This **climate and nature report** presents the climate- and nature-related disclosures of Pan African Resources PLC (Pan African or the Group) for the financial year ended 30 June 2026.

This report forms part of the Group's broader corporate reporting suite and should be read together with the **integrated annual report** and **sustainable development report**.

The report adopts a structured approach to understanding and managing climate- and nature-related matters. Materiality assessments identify the issues most significant to the Group and help determine when exposure may become unacceptable to the business and its stakeholders. Scenario analysis is then used to assess how these issues may evolve under different future conditions and to evaluate the resilience of the Group's operations and strategy. The **climate and nature report** outlines the actions, investments and management responses being implemented to manage risks, capture opportunities and support long-term value creation across a range of possible futures.

The report covers the Group's operations in South Africa and Australia and, where practicable, applies reporting boundaries that are aligned with those used for financial reporting. Where information is based on estimates, assumptions, evolving methodologies or provisional year-end data, this has been clearly identified within the relevant sections of the report.

REPORTING SUITE AND CONNECTIVITY

This report forms part of Pan African's broader reporting suite and should be read together with the following documents:



INTEGRATED ANNUAL REPORT
The **integrated annual report** provides an overarching view on the Group's strategy, business model, material matters, governance and financial performance.



SUSTAINABLE DEVELOPMENT REPORT
The **sustainable development report** provides detailed disclosure on the Group's environmental, social and broader sustainability performance.

Together, these reports are prepared on a consistent basis, using aligned terminology, material matter definitions, assumptions and data sources to provide a coherent, transparent and decision-useful view of the Group's performance, risks and prospects.

The reporting suite has been structured with reference to IFRS S1 and S2 and is designed to provide connected information on governance, strategy, risk management and metrics and targets across the Group.

Click here for our FY26 webcast





Our summarised audited results



Our Mineral Resources and Mineral Reserves report provides technical information in compliance with the SAMREC Code



The notice of annual general meeting will be available on our website on 27 October 2026

REPORTING BOUNDARY AND SCOPE

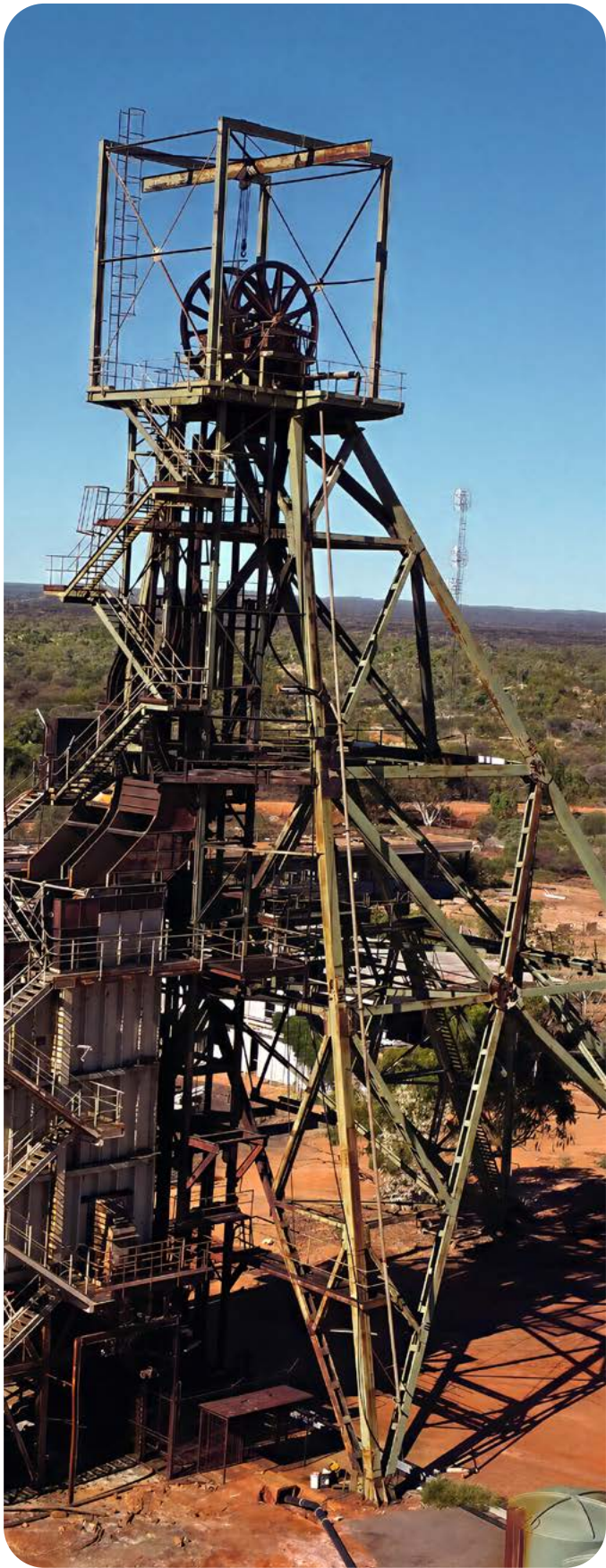
The report covers operations over which the Group has direct management control, including its South African operations and Australian assets. FY26 data reflects an expanded operational footprint, primarily due to the continued ramp-up of the Tennant Mines operations in Australia, which influenced the Group's energy consumption, GHG emissions and water use during the reporting period. In addition, the Group increased its ownership interest in the Tennant Creek Joint Venture from 75% to 100%, effective 22 June 2026. Accordingly, certain FY26 environmental metrics may not be fully comparable with prior periods. Where appropriate, reference is made to value chain elements over which the Group has influence, particularly in relation to procurement and community engagement.

The scope of disclosures reflects the Group's material sustainability-related matters, as defined in the **integrated annual report**, with a focus on those issues that are most relevant to operational execution, social licence to operate and long-term value creation.





ABOUT THIS REPORT continued



While the Group's disclosures continue to evolve, Pan African is working towards voluntary alignment with the IFRS® Sustainability Disclosure Standards and remains committed to improving the quality, consistency and decision-usefulness of climate- and nature-related information provided to stakeholders. As such, the climate-related disclosures contained in this report only partially reflect the requirements of IFRS S2: *Climate-related Disclosures*. The Group continues to strengthen its governance processes, risk management practices, scenario analysis capabilities, data systems and financial quantification methodologies to support more comprehensive alignment over time.

FY26 reflects the continued ramp-up of the Tennant Mines operation in Australia, together with changes to the Group's ownership interest in the Tennant Creek Joint Venture. Following the acquisition of Emmerson Resources Limited (Emmerson) in FY26, Tennant Mines controls 100% of the rights to approximately 1,700km² of highly prospective tenure across the Tennant Creek Mineral Field (TCMF). The effect on year-on-year comparability is driven primarily by the inclusion of a larger share of production, energy consumption, GHG emissions, water use and other operational metrics associated with Tennant Mines, together with increased operational activity as the asset continues to advance towards steady-state performance. Consequently, changes in certain FY26 environmental performance indicators reflect both underlying operational performance and changes in the scale and reporting boundary of the Group's Australian operations. Unless otherwise indicated, historical data has not been restated.

COMPARABILITY OF FY26 DATA

FY26 environmental performance metrics are influenced by:

- the continued ramp-up of Tennant Mines
- increased operational activity at the operation
- following the acquisition of Emmerson during FY26, Tennant Mines controls 100% of the rights to approximately 1,700km² of highly prospective tenure across the TCMF
- resulting changes to the volume of production and environmental data included within the reporting boundary.

Accordingly, certain year-on-year movements may not reflect operational performance alone and should be interpreted in conjunction with the accompanying narrative explanations throughout this report.



The report has been structured to reflect the four pillars of IFRS S2:

 Governance Oversight of climate- and nature-related risks and opportunities	 Strategy The actual and potential effects of climate- and nature-related risks and opportunities on the Group's business model, strategy and decision-making	 Risk management Processes used to identify, assess, prioritise and manage climate- and nature-related risks and opportunities	 Metrics and targets Performance indicators and objectives used to monitor and manage climate- and nature-related matters
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In addition to these core pillars, the report includes dedicated sections on climate and nature materiality and on the Group's forward-looking priorities and disclosure roadmap. Together, these sections provide additional context regarding the matters considered most relevant to the Group's long-term resilience, operational performance and value creation.

 Materiality Assessment of the climate- and nature-related risks, opportunities, dependencies and impacts most relevant to long-term value creation	 Outlook and next steps Future priorities, capability development and progression towards enhanced climate- and nature-related disclosure and management practices
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This report brings together climate-related disclosures with emerging nature-related disclosures, including information relating to biodiversity, water resources, land rehabilitation, tailings and waste management, and ecosystem dependencies. The Group recognises the growing interrelationship between climate- and nature-related risks and opportunities and is progressively strengthening how these matters are assessed, managed and reported.

The Group acknowledges that certain components of climate- and nature-related disclosures remain at an early stage of maturity. In particular, scenario-linked financial quantification, nature-related metrics and ecosystem valuation approaches continue to develop across the mining sector. Where data, methodologies or processes are still evolving, disclosures have been prepared using the best information currently available, with areas requiring further development transparently identified.



ABOUT THIS REPORT continued

OUR OPERATIONS

Pan African is a growing mid-tier gold producer with quality high-margin, long-life assets in South Africa and Australia. Pan African has dual primary listings on the JSE Limited and the Main Market of the London Stock Exchange, a Foreign Exempt Listing on the Australian Securities Exchange, and on the OTCQX Best Market through a Level 1 American Depositary Receipt programme sponsored by the Bank of New York Mellon.

The Group focuses on extracting value from Mineral Resources through a combination of high-grade open pit mining and low-cost surface retreatment operations, supported by established assets such as Barberton Mines, Evander Mines, the Elikhulu Tailings Retreatment Plant (Elikhulu) and the Mogale Tailings Retreatment (MTR) operation, as well as its recently acquired Tennant Mines in Australia.

Pan African's business model integrates operational efficiency with sustainable development, embedding environmental stewardship, community upliftment and responsible governance into its core strategy. The Group is particularly recognised for its innovative reprocessing of legacy mine waste, investment in renewable energy and water security initiatives, and rehabilitation of degraded land, positioning it as a future-focused precious metals producer committed to responsible environmental, social and governance (ESG) practices and to delivering long-term value to stakeholders.

Further information regarding our operations and mining sites can be found in the **integrated annual report**.

CLIMATE AND NATURE CONTEXT OF OUR OPERATIONAL FOOTPRINT

The location and nature of our operations influence the Group's exposure to climate- and nature-related risks, opportunities, dependencies and impacts. The Group's mining, processing and tailings retreatment operations depend on reliable access to energy, water, land and ecosystem services, while operating in environments that may be affected by climate variability, water stress, biodiversity sensitivities and changing regulatory requirements.

Across its South African and Australian operations, key climate- and nature-related considerations include water availability and quality, catchment-level dependencies, reliance on grid-supplied electricity, exposure to acute and chronic physical climate hazards, proximity to environmentally sensitive areas, land disturbance and rehabilitation requirements, tailings management, contamination prevention and remediation, access to specialised skills, and the social and economic well-being of host communities.

Understanding these site-specific dependencies, impacts and exposures enables the Group to identify material climate- and nature-related risks and opportunities, prioritise management actions, and support long-term operational resilience and value creation.

Further information regarding the Group's climate- and nature-related performance, dependencies, impacts, risks and opportunities, including energy, water, biodiversity, rehabilitation, tailings management and community considerations, is provided throughout this report, particularly within climate and nature materiality (pages 18 to 27), governance (pages 30 to 35), strategy (pages 38 to 75), risk management (pages 78 to 87) and metrics and targets (pages 90 to 97).

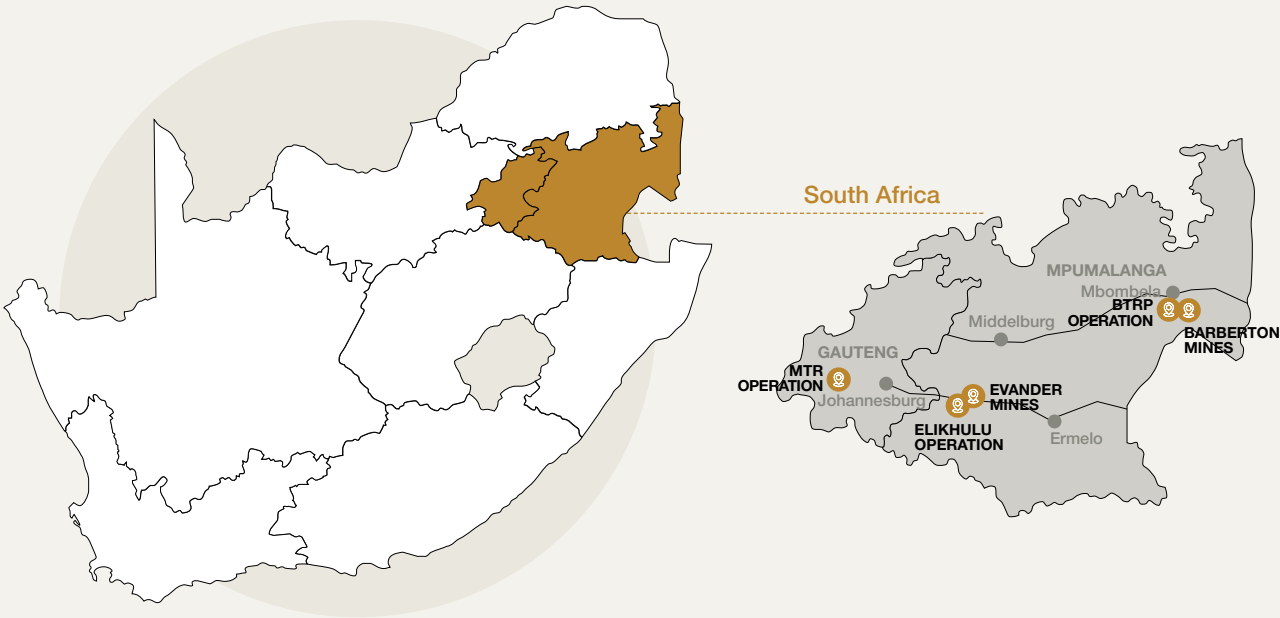
OUR GEOGRAPHICAL FOOTPRINT

Responsible mining. Sustainable value.



SOUTH AFRICAN OPERATIONS – CORE PORTFOLIO

Mpumalanga and Gauteng



Barberton Mines
Underground mining and agriculture
Fairview, Sheba and Consort underground mines

Barberton,
Mpumalanga



Resilience assets
8.75MW_{AC} Fairview solar photovoltaic (PV) Facility



Barberton Tailings Retreatment Plant (BTRP)
Surface retreatment
Retreatment of historical tailings

Barberton,
Mpumalanga



Evander Mines
Underground mining
7 Shaft and 8 Shaft underground operations

Evander,
Mpumalanga



Elikhulu Tailings Retreatment Plant
Surface retreatment
Retreatment of historical tailings

Evander,
Mpumalanga



Resilience assets
A 9.975MW_{AC} Evander Mines solar PV facility 1 currently operational and a 19.9MW_{AC} Evander Mines Solar PV Facility 2 under construction



A 3ML/day capacity water treatment plant and an additional 3ML/day commissioned in March 2026



Mogale Tailings Retreatment
Surface retreatment
Retreatment of historical tailings

Krugersdorp,
Gauteng



A 3ML/day capacity water treatment plant commissioned in June 2026.



AUSTRALIA – GROWTH PLATFORM

Northern Territory and New South Wales



Tennant Mines
Open pit mining and low-cost surface retreatment operations
Open pit mining, processing plant, tailings storage, water management, exploration

Tennant Creek,
Northern Territory
and New South
Wales



Resilience assets
An engineering, procurement and construction contractor has been appointed to build the 6.3MW_{AC} solar PV facility, which includes a 6.84MWh integrated battery energy storage system (BESS).



Underground mining
High-grade, deep-level underground operations



Open pit mining
Large-scale, shallow bulk mining operations



Tailings retreatment
Low-cost, surface reprocessing of historical tailings



Solar PV facility
Supporting renewable energy use and emissions reduction



Water treatment plant
Supporting water security and reducing freshwater consumption

Linking climate and nature disclosures to the Group's material matters	18
Climate and nature risks, opportunities, dependencies and impacts overview	19
Climate-related materiality	20
Nature-related materiality	21
Cross-cutting (climate and nature) considerations	23
Consolidated overview per site	24
Climate and nature focus	24
Integration and financial relevance	26
Climate and nature – financial relevance and integration at Pan African	26

Climate and nature materiality

Pan African's climate and nature materiality is identified through the annual double materiality assessment process and reported in the integrated annual report.





CLIMATE AND NATURE MATERIALITY

This **climate and nature report** does not establish a separate materiality framework. Instead, it provides a detailed assessment of the climate- and nature-related dimensions of the Group’s material matters, with particular emphasis on climate and nature, energy management, water management and other environmental factors that are most likely to influence long-term value creation, operational resilience and financial performance.

Climate- and nature-related risks, opportunities, dependencies and impacts are assessed through the Group’s governance, risk management and strategic planning processes. The assessment draws on a range of inputs, including enterprise risk management processes, operational and environmental performance data, regulatory developments, stakeholder engagement outcomes, scenario analysis and specialist technical assessments. These insights inform strategic planning, risk management, capital allocation decisions and disclosures throughout this report.

Climate-related considerations focus on the Group’s exposure to transition and physical risks and opportunities, while nature-related considerations focus on the Group’s dependencies on natural resources and ecosystem services, impacts on nature, and the associated risks and opportunities that may arise. Together, these considerations support a deeper understanding of the environmental factors most relevant to the Group’s long-term resilience, sustainability and value creation.

LINKING CLIMATE AND NATURE DISCLOSURES TO THE GROUP’S MATERIAL MATTERS

This **climate and nature report** provides further detail on the climate- and nature-related dimensions of selected material matters identified through the Group’s annual double materiality assessment process. While the **integrated annual report** remains the primary source for the definition and governance of material matters, this report explains how climate- and nature-related risks, opportunities, dependencies, impacts and financial effects influence those matters and the Group’s long-term operational and financial resilience and value creation.



CLIMATE AND NATURE RISKS, OPPORTUNITIES, DEPENDENCIES AND IMPACTS OVERVIEW

Material category	Principal material matter	Why it is material to Pan African	Potential business and financial relevance
Climate-related risks	Energy security, electricity costs, carbon regulation, climate policy developments, extreme weather events and water scarcity	These factors have the potential to affect operating costs, production continuity, infrastructure resilience and regulatory compliance	Increased operating expenditure, additional capital requirements, production disruptions, changes in asset values and potential effects on future cash flows
Climate-related opportunities	Renewable energy, energy efficiency, emissions reduction initiatives and access to sustainable finance	These initiatives can improve operational resilience, reduce exposure to energy and carbon-related costs, and support investor confidence	Cost savings, reduced emissions exposure, improved access to capital and enhanced long-term competitiveness
Nature-related dependencies	Water resources, land availability, ecosystem services and environmental quality	Mining and processing activities rely on the continued availability and functioning of natural systems	Production continuity, resource availability, operating efficiency and long-term asset viability
Nature-related impacts	Land disturbance, biodiversity impacts, waste generation, tailings management and water use	Mining activities can affect ecosystems and create environmental obligations that require ongoing management	Rehabilitation liabilities, environmental management costs, regulatory requirements and social licence considerations
Nature-related opportunities	Land rehabilitation, ecosystem restoration, water stewardship and tailings retreatment	Environmental management activities can create operational, environmental and social value while reducing long-term liabilities	Reduced closure liabilities, improved stakeholder relationships, enhanced resilience and long-term value creation
Cross-cutting climate and nature considerations	Water security, tailings management, land rehabilitation, environmental compliance and stakeholder expectations	These issues influence multiple aspects of the business and require integrated management approaches	Increased resilience, improved risk management, more informed capital allocation and strengthened enterprise value over time

Water is the Group’s most significant shared climate- and nature-related dependency, linking climate resilience, operational continuity and ecosystem health. Reliable access to water is fundamental to mining, processing and tailings retreatment activities, while changes in water availability, quality and catchment condition can affect production, environmental performance, stakeholder relationships and long-term value creation. As a result, water security remains a key consideration across the Group’s climate- and nature-related strategy, risk management and capital allocation decisions. Further information on the Group’s water-related dependencies, risks, opportunities, management approach and performance is provided in the strategy (pages 38 to 75) and metrics and targets sections (pages 90 to 97).

Materiality assessment approach

The material matters identified above inform the Group’s strategy, risk management processes, capital allocation decisions, scenario analysis and performance monitoring. The following sections explain why each topic is considered material, how it may affect the Group through risks, opportunities, dependencies or impacts, and the actions being taken to manage these matters and strengthen long-term resilience and value creation.

Materiality as the foundation of our climate and nature response

Materiality assessments help identify the climate- and nature-related issues with the greatest potential to influence long-term value creation, business resilience and stakeholder decision-making. The outcomes of these assessments underpin the scenario analysis and strategic response planning presented throughout this report.



CLIMATE AND NATURE MATERIALITY continued

CLIMATE-RELATED MATERIALITY

Climate-related risks and opportunities are assessed in the context of their potential effects on the Group’s strategy, operational performance and long-term value creation. As a precious metals producer operating across South Africa and Australia, Pan African is exposed to both physical and transition climate-related risks and opportunities that may affect production continuity, operating costs, capital allocation and access to finance over the short, medium and long term.

Physical climate-related risks include rising temperatures, changing rainfall patterns, water scarcity and more frequent extreme weather events, which may affect water availability, energy reliability, infrastructure resilience and operational continuity. Transition-related risks arise from regulatory developments, carbon pricing, technological change, shifting investor expectations and energy market transformation, which may influence costs, compliance obligations and competitiveness over time.

At the same time, the energy transition presents opportunities to strengthen operational resilience, improve efficiency and support long-term value creation. Investments in renewable energy, energy efficiency, water security and climate resilience have the potential to reduce costs, enhance operational reliability and strengthen the Group’s long-term positioning. The climate-related matters considered most material to the Group are summarised below.

Climate-related matter	Why it is material
Energy security	Major cost driver and operational dependency
Water availability	Critical input and resilience factor
Carbon and regulatory transition	Potential future cost and compliance implications
Extreme weather and physical climate change	May affect infrastructure and continuity
Renewable energy and decarbonisation	Opportunity to improve resilience and reduce costs

Pan African’s opportunity set is centred on turning environmental constraints into value drivers, specifically:

- Climate → cost reduction, resilience, access to capital and energy security

Aspect	Definition
Energy transition and decarbonisation	- Consist of renewable energy (solar PV) and power purchase agreements (PPAs)), reducing emissions, stabilising power supply and delivering material cost savings - Support long-term decarbonisation targets and ESG positioning by reducing GHG emissions and improving the energy mix - Strengthen resilience to energy price volatility, power disruptions and carbon regulation
Operational resilience and cost efficiency	- Water treatment and reuse investments improve security of supply and reduce costs and reliance on municipal infrastructure - Climate-adaptive infrastructure (e.g. flood management and cooling systems) enhances business continuity during extreme weather conditions - Energy optimisation drives operational efficiency gains and reduces resource intensity
Access to sustainable finance and capital	- Strong climate performance enables: - sustainability-linked financing and green loans - improved access to capital and a lower cost of capital - Positions Pan African favourably with ESG-focused investors and lenders
Value chain and market positioning	- Opportunity to: - enhance supplier engagement on climate performance - integrate energy efficiency into procurement decisions - Strengthen competitive positioning in markets where ESG performance influences offtake and investor sentiment
Innovation and capability building	- Investment in: - renewable energy systems - climate analytics, scenario planning and adaptation strategies - Build internal climate capability and long-term strategic advantage

Collectively, these matters influence operational expenditure, capital allocation requirements, production continuity and long-term asset resilience. Their significance is heightened by the Group’s exposure to energy-intensive operations, water-constrained regions and evolving regulatory and stakeholder expectations.

NATURE-RELATED MATERIALITY

Nature-related matters are considered material where they have the potential to affect the Group’s operational resilience, financial performance, cash flows and long-term sustainable value. As a precious metals producer operating in South Africa and Australia, Pan African depends on natural resources and ecosystem services, particularly water, land and functioning ecosystems, while responsibly managing the environmental impacts associated with mining, mineral processing, tailings storage and rehabilitation activities.

The Group’s assessment considers both nature-related dependencies and impacts, and the risks and opportunities that may arise from them. These considerations influence operational continuity, regulatory compliance, rehabilitation obligations, stakeholder relationships and long-term value creation, and are increasingly integrated into environmental management, risk management and strategic planning processes.

In addition to managing risks, the Group seeks to create value through water stewardship, land rehabilitation, ecosystem restoration, waste management and its tailings retreatment model, which supports both production and environmental improvement outcomes. The nature-related matters considered most material to the Group are summarised below.

Nature-related matter	Why it is material
Water availability and water quality	Water is a critical operational input and an essential ecosystem dependency. Water scarcity, declining quality or regulatory restrictions may affect production continuity, operating costs, downstream users or ecosystems and long-term resilience
Land disturbance and rehabilitation	Mining activities alter land use and create rehabilitation obligations that require active management throughout the asset life cycle and beyond closure. Materiality increases where activities affect protected areas, water systems, ecological corridors, rehabilitation obligations, community livelihoods or regulatory approvals
Tailings and waste management	Tailings facilities and waste streams require ongoing management to minimise environmental impacts, maintain regulatory compliance and support long-term land stewardship objectives
Biodiversity and ecosystem condition	Operational activities may affect habitats, species and ecosystem functioning, while healthy ecosystems contribute to environmental resilience and long-term sustainability
Closure and legacy liabilities	Rehabilitation, restoration and post-closure land use influence future liabilities, stakeholder expectations and long-term value outcomes
Nature-related regulatory developments and stakeholder expectations	Evolving environmental requirements and stakeholder expectations may influence permitting, operational flexibility, reputation and access to capital
Tailings retreatment and land restoration opportunities	The Group’s retreatment model enables the recovery of gold while simultaneously reducing historical environmental liabilities, consolidating tailings into managed facilities and restoring land for alternative economic and productive use. While retreatment reduces the historical tailings footprint, the residual material is redeposited in managed facilities and therefore continues to require ongoing management and monitoring.
Water stewardship and resource efficiency opportunities	Investments in water treatment, reuse and efficiency strengthen resilience and reduce dependence on increasingly constrained resources





CLIMATE AND NATURE MATERIALITY continued

Pan African’s opportunity set is centred on turning environmental constraints into value drivers, specifically:

- **Nature** → progressive rehabilitation, social licence, ecosystem restoration and new financing pathways

Aspect	Definition
Land rehabilitation and ecosystem restoration	• Tailings reprocessing and concurrent rehabilitation enable: – restoration of degraded land – conversion of legacy liabilities into productive land use • Enhance ecosystem services (soil, water regulation and biodiversity) • Reduce closure and liability exposure
Biodiversity conservation and offsets	• Opportunities to: – implement biodiversity restoration projects (wetlands and grasslands) – develop conservation partnerships and offsets • Support net-neutral or nature-positive outcomes • Combat illegal mining activities known to contribute to the following impact drivers: – deforestation, habitat conversion and land degradation – soil and water contamination with mercury, cyanide and other chemicals
Water and ecosystem service stewardship	• Protecting water resources and ecosystems: – improves operational sustainability – reduces long-term environmental liabilities • Opportunity to unlock water efficiency gains and cost savings
Nature-linked financing and value creation	• Strong nature-related performance creates access to: – green finance and sustainability-linked instruments – potential natural capital valuation and accounting frameworks • Position Pan African to benefit from emerging nature-linked investment trends
Social licence and stakeholder value	• Biodiversity protection and ecosystem restoration: – strengthen community trust and social licence to operate – support local livelihoods and job creation (rehabilitation and conservation) • Reduce risk of conflict, delays and reputational damage
Long-term resilience and closure value	• Nature-positive practices: – improve post-closure land use and legacy outcomes – reduce long-term liabilities and rehabilitation costs • Support climate resilience of ecosystems and operations

CROSS-CUTTING (CLIMATE AND NATURE) CONSIDERATIONS

Climate- and nature-related matters are closely interconnected and often influence the same underlying operational, strategic and financial exposures. Water availability, for example, is affected by changing climatic conditions while also representing a critical ecosystem dependency. Similarly, land rehabilitation, tailings management and environmental compliance carry implications for both climate resilience and nature-related performance.

Recognising these interdependencies, the Group increasingly considers climate- and nature-related matters through an integrated lens. This supports a more complete understanding of risks and opportunities, informs capital allocation and operational planning, and strengthens the resilience of assets and operations over the short, medium and long term.

The most significant cross-cutting considerations for the Group include water security, energy resilience, land rehabilitation, tailings management, and evolving regulatory and stakeholder expectations. Collectively, these factors influence operational continuity, cost structures, environmental liabilities and long-term value creation.

These interconnected climate- and nature-related matters reinforce the need for integrated decision-making, as actions undertaken to manage one issue frequently influence multiple areas of business performance. For example, investments in water security may improve operational resilience, reduce environmental risk and support long-term value creation simultaneously.

Pan African’s opportunity set is centred on turning environmental constraints into value drivers, specifically:

- **Combined (climate and nature)** → differentiated ESG positioning, improved bankability and long-term value creation

Aspect	Definition
Strategic upside	Integration of climate and biodiversity into enterprise risk management (TNFD and IFRS S1 and S2) enhances: • decision-making • investment screening • capital allocation
System-level opportunities	• Ecosystem restoration and climate action deliver co-benefits: – water security – carbon sequestration – reduced operational risk • Position Pan African as a nature-positive, climate-resilient mining leader



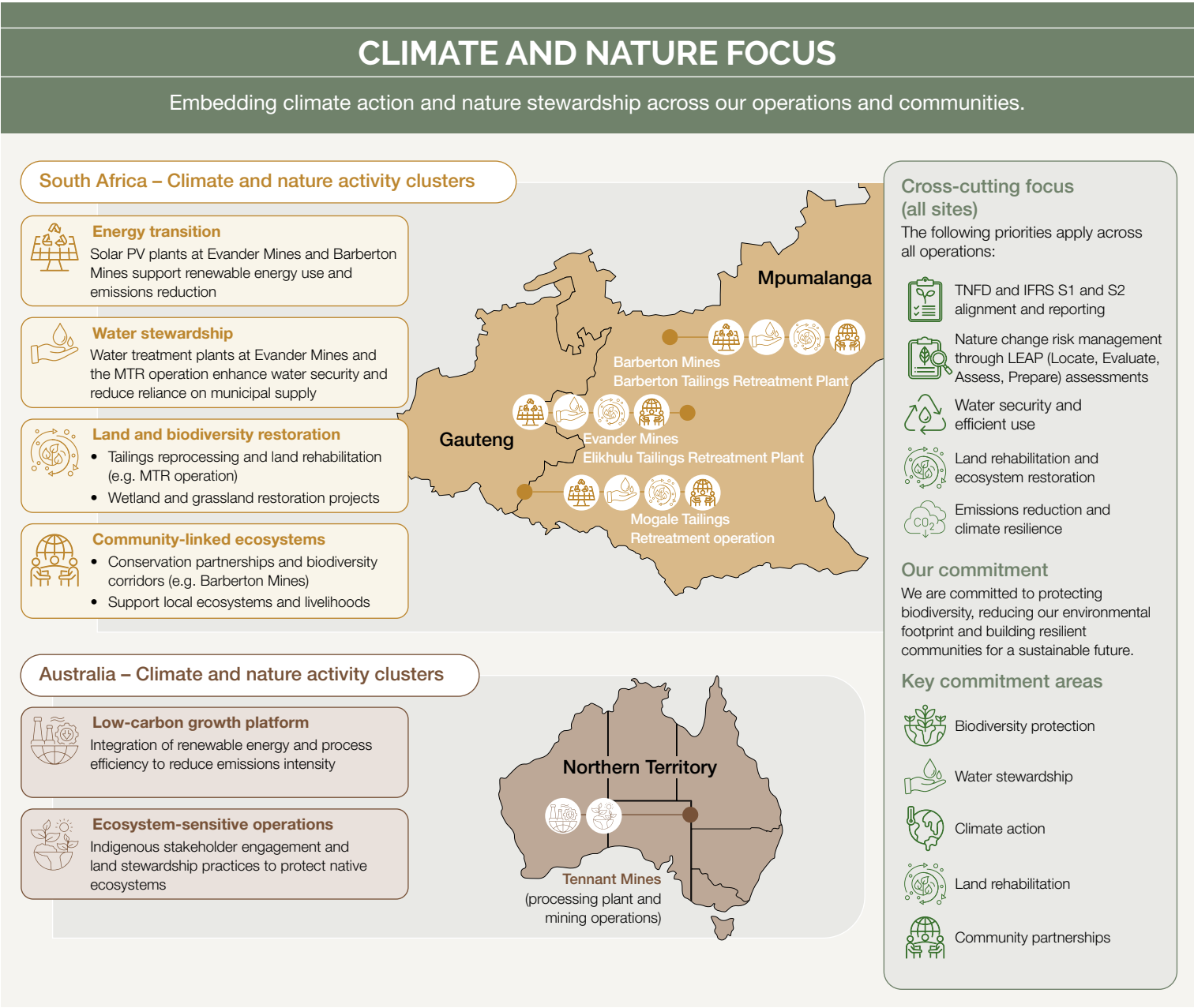


CLIMATE AND NATURE MATERIALITY continued

CONSOLIDATED OVERVIEW PER SITE

The following map illustrates the site-specific climate and nature priorities across Pan African’s operations, highlighting where environmental factors are most material and why targeted interventions are required. The geographical spread of assets across water-constrained regions in South Africa and ecologically sensitive landscapes in Australia means that climate-related risks such as water scarcity, extreme weather and energy instability are closely interlinked with nature-related dependencies on ecosystem services, including water availability, land integrity and biodiversity. As a result, each site presents a distinct risk and opportunity profile, requiring differentiated focus areas such as renewable energy deployment, water stewardship, ecosystem restoration and stakeholder engagement.

By mapping these priorities spatially, the infographic demonstrates how Pan African is aligning site-level actions with broader climate resilience and nature-related objectives, ensuring that interventions are both locally relevant and strategically integrated into the Group’s overall sustainability and risk management framework.



INTEGRATION AND FINANCIAL RELEVANCE

Climate- and nature-related risks are not managed in isolation. They intersect across operational systems and, in many cases, influence the same underlying risk exposures. For example, water availability is shaped by climatic conditions, while tailings management and land rehabilitation reflect both physical climate risks and nature-related impacts.

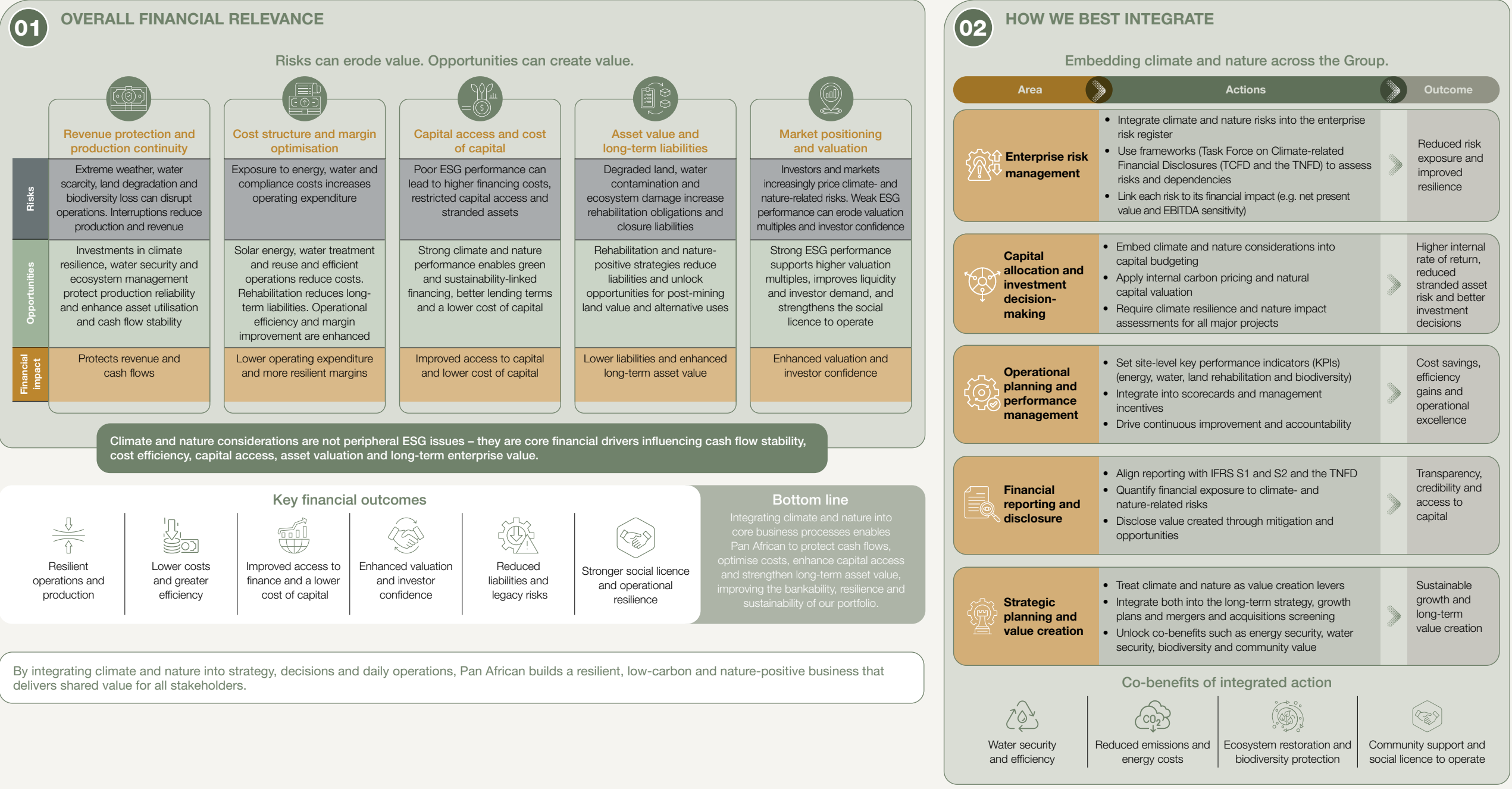
These interactions are reflected in the Group's approach to risk management, capital allocation and operational planning. Where relevant, material climate- and nature-related risks are incorporated into enterprise risk management processes and linked to financial considerations, including cost allocation, production continuity and long-term liabilities.

Detailed analyses, including scenario considerations, transition pathways and nature-related assessments, are presented in the relevant sections of this report.

Climate- and nature-related matters are increasingly considered alongside traditional financial and operational factors when evaluating capital investment, infrastructure planning, rehabilitation activities and long-term business resilience. While quantification remains at an early stage of maturity, management recognises that climate- and nature-related matters have the potential to influence future operating costs, capital expenditure requirements, asset performance and access to capital over time.

CLIMATE AND NATURE – FINANCIAL RELEVANCE AND INTEGRATION AT PAN AFRICAN

Climate and nature considerations are core financial drivers at Pan African. They influence revenue, costs, access to capital and asset value, and, when integrated into decision-making, create long-term resilience and value.



Integrated governance framework	30
Climate- and nature-related matters considered by the board and committees during FY26	31
Key climate- and nature-related matters overseen during FY26	32
Climate and nature governance and oversight	32
Tailings governance and strategic value driver	34
Governance development priorities	35

Governance

Strong governance supports accountability, resilience and long-term value creation.





GOVERNANCE



INTEGRATED GOVERNANCE FRAMEWORK

Pan African’s board of directors has ultimate responsibility for setting and overseeing the Group’s strategy, business plans, annual budgets and risk management framework. This includes oversight of climate- and nature-related risks and opportunities that may affect the Group’s strategy, operational performance, financial position and long-term value creation. Climate- and nature-related matters are integrated into the Group’s broader governance framework and are embedded within existing governance, risk management and decision-making processes.

Oversight is exercised through the board and its committees, supported by executive management and the operational leadership. The social and ethics committee oversees sustainability-related matters; the safety, health, environment and quality (SHEQ) committee oversees environmental performance; and the audit and risk committee oversees the management of material risks, including climate- and nature-related risks, where relevant. The board charter has been updated to incorporate material sustainability, climate and nature considerations.

Management is responsible for identifying, assessing and managing climate- and nature-related risks and opportunities, implementing improvement initiatives, monitoring performance and supporting disclosure processes. These matters are increasingly embedded within operational planning, environmental management, capital allocation and enterprise risk management activities.

During FY26, the social and ethics committee monitored the preparation of the **climate and nature report, sustainable development report** and TNFD-related disclosures, and reviewed associated climate, environmental and sustainability-related reporting matters.

The governance framework continues to evolve as the Group strengthens the integration of climate- and nature-related considerations into strategic decision-making, risk management and external reporting.

CLIMATE- AND NATURE-RELATED MATTERS CONSIDERED BY THE BOARD AND COMMITTEES DURING FY26

During FY26, climate- and nature-related matters formed a recurring component of the board and committee agendas and were considered through the activities of the board, social and ethics committee, SHEQ committee and audit and risk committee. Oversight focused on environmental performance, tailings governance, climate-related initiatives, community development projects and initiatives, stakeholder engagement, water stewardship, biodiversity management and sustainability reporting.

The board monitored progress against the environmental KPIs linked to the Group’s sustainability-linked bond and FY26 ESG performance scorecard. Regular updates were received on renewable energy projects, climate change initiatives, environmental performance and broader sustainability priorities. This included oversight of renewable energy deployment, GHG management initiatives and broader environmental resilience measures.

Water stewardship remained an important governance focus area during FY26. The board monitored the operational performance and expansion of the Evander Mines water treatment facility and approved a new water treatment project at the MTR operation. These initiatives were considered important to strengthening water security, improving operational resilience and reducing dependency on external water sources.

Tailings governance remained a significant focus area. Through the SHEQ committee, the board monitored progress on the implementation of tailings audit recommendations, environmental compliance requirements and the Group’s alignment with the Global Industry Standard on Tailings Management (GISTM), where appropriate. Oversight included monitoring the Elikhulu tailings storage facility (TSF) extension project, TSF risk management measures and initiatives designed to improve the long-term safety and environmental performance of tailings facilities.

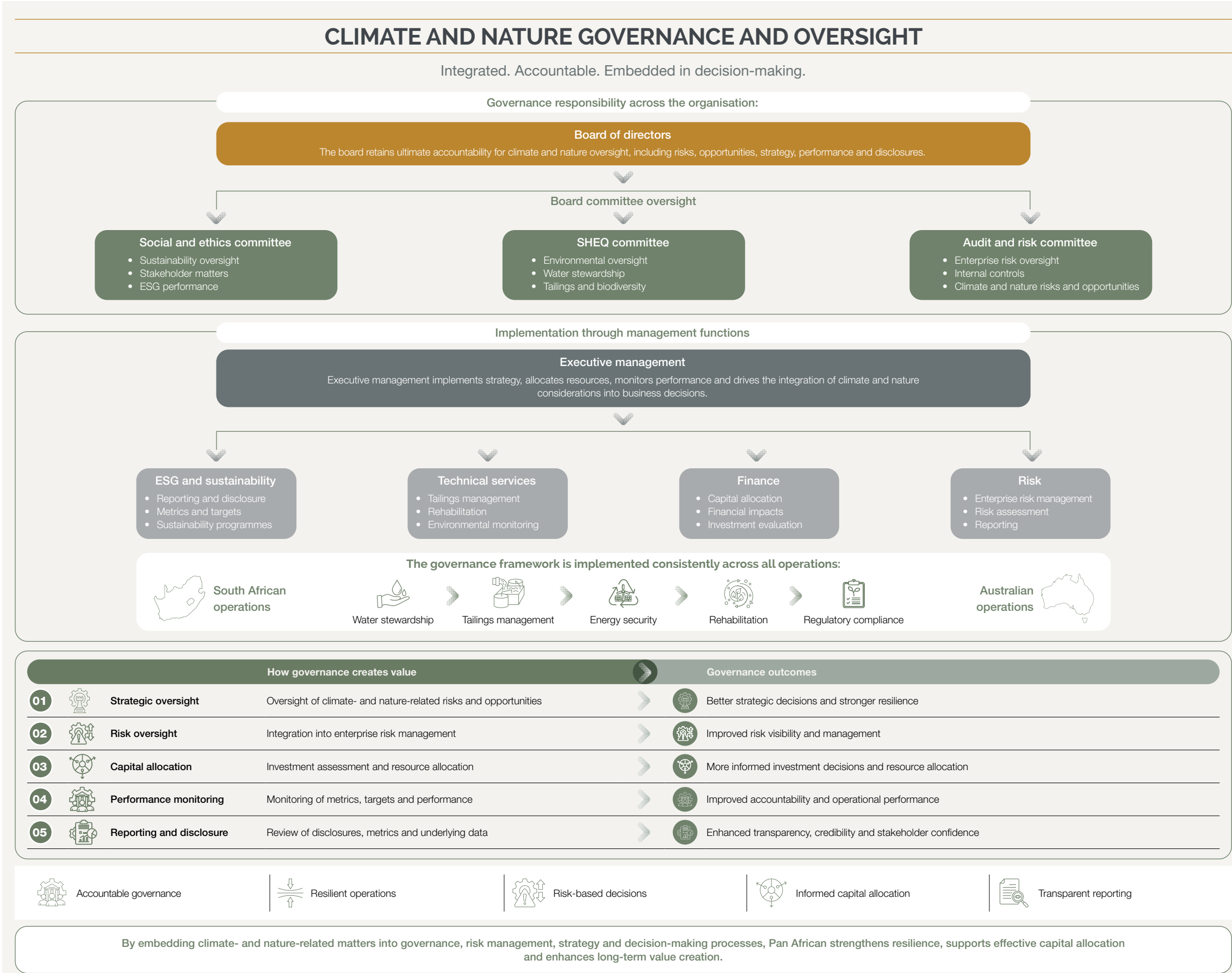
Nature-related matters also received increasing attention during the year. The board monitored rehabilitation activities, land restoration initiatives and biodiversity-related programmes, including partnerships between Barberton Mines and the Barberton Nature Reserve, and support provided to the Care for Wild Rhino Sanctuary. The Group also completed a TNFD maturity assessment and roadmap during FY26, providing a structured basis for strengthening future nature-related governance, risk management and disclosure practices.

Finally, the social and ethics committee also monitored the preparation of the **sustainable development report, climate and nature report** and TNFD-related disclosures, and reviewed the Group’s broader climate and environmental reporting programme. These activities supported ongoing improvements in climate- and nature-related disclosure readiness and alignment with evolving stakeholder expectations and reporting frameworks.



KEY CLIMATE- AND NATURE-RELATED MATTERS OVERSEEN DURING FY26

Governance area	FY26 board and committee focus
Climate change	Climate strategy implementation, emissions management and climate disclosures
Renewable energy	Renewable energy projects and implementation of the NOA Group PPA
Water stewardship	Water treatment infrastructure and expansion projects
Tailings governance	GISTM alignment, TSF audits, TSF extension projects and risk management improvements
Biodiversity and nature	Rehabilitation initiatives, biodiversity partnerships and conservation programmes
Environmental compliance	Environmental incidents, regulatory compliance and environmental management performance
Sustainability reporting	Oversight of the sustainable development report, climate and nature report , TNFD roadmap, ESG reporting programme and external limited assurance on 16 ESG-related KPIs
Sustainable finance	Sustainability-linked bond KPIs and ESG performance scorecard



TAILINGS GOVERNANCE AND STRATEGIC VALUE DRIVER

Tailings management is a material governance priority for the Group, reflecting its significance from both a risk management and value creation perspective. Effective oversight of tailings facilities is essential for safeguarding people, the environment, operational continuity and long-term value creation.

The board, supported by the chief executive officer, the accountable executive, the responsible tailings facility engineer, operational staff, operational contractors and relevant committees and management structures, oversees the governance of tailings facilities through defined accountability arrangements, technical oversight processes and regular performance reporting. Tailings management responsibilities are embedded within operational and management structures, with clear reporting lines and escalation protocols to support effective decision-making and risk oversight.

Governance is supported through:

- defined accountability and reporting structures across the tailings life cycle
- regular monitoring, performance reporting and technical oversight of tailings facilities
- alignment with the GISTM
- independent reviews and assurance activities, where appropriate
- emergency preparedness, response planning and continuous improvement processes.

During FY26, tailings governance remained a standing item on the board and SHEQ committee oversight programmes. The board monitored progress in implementing tailings audit recommendations, reviewed environmental and safety management measures associated with the Group's tailings facilities and monitored progress towards alignment with the GISTM. Oversight also included monitoring construction progress on the Elikhulu TSF extension on the Kinross footprint and reviewing initiatives designed to strengthen tailings safety, environmental performance and long-term facility management.

The Group continues to strengthen its approach through ongoing efforts towards alignment with the GISTM, supported by improved governance processes, operational controls and assurance mechanisms. A centralised tailings management system (TMS) is being implemented to enhance consistency, strengthen data quality and improve the accessibility of governance and performance information across operations.

GISTM alignment and implementation progress			
GISTM principle	FY25 position	FY26 update (current position)	FY26 activities
1. Respect the rights of project-affected people and engage across the life cycle	Site-level engagement practices are established, although a consistent Group-wide framework requires further alignment	Engagement processes are being formalised through the expansion of documentation systems and standardised communication approaches. Community liaison structures are being strengthened across operations to support consistent implementation	Pan African developed and rolled out an approved TSF management communication programme, which was shared with communities through workshops, stakeholder engagements and other platforms. Community liaison officers at Barberton Mines, Elikhulu and the MTR operation conducted these engagements, with supporting records maintained as evidence
2. Maintain an interdisciplinary knowledge base	Interdisciplinary expertise is established across technical roles and specialist support functions	The TMS is aligned with the GISTM requirements to support structured data storage, evidence retrievability and ongoing self-assessment. The knowledge base is operational and continues to be refined throughout the system implementation phase	The TMS is designed to incorporate the GISTM requirements and principles and to serve as a continuous live GISTM self-audit of the operations. The TMS is currently being populated across the Group. Given the extensive volume of information required, the TMS electronic and hardcopy versions are implemented in a staged approach at the operational level
8. Policies, systems and accountabilities	Site-specific systems are in place in line with regulatory requirements, supported by defined governance roles	The Group's tailings policy and management systems have been strengthened and aligned with the GISTM principles. Implementation of the TMS is underway across operations, with a focus on consistency and system integration	The Group's tailings governance framework, tailings policy, organisational structure and Risk management framework are already developed. These frameworks are progressing through the formal governance process for review, endorsement and approval
13. Emergency preparedness and response	Emergency preparedness and response plans have been developed and approved by the board	Emergency response systems are operational, supported by training programmes and testing of response protocols. Ongoing training and validation activities are being implemented to strengthen readiness across the Group	Emergency response training is conducted as an ongoing improvement programme, with full emergency drills planned for Barberton Mines and Elikhulu in FY27Q2. The MTR operation's full emergency response plan is still under development, as the TSF is currently under construction and not yet operational
15. Public disclosure and access to information	Tailings-related information is publicly disclosed through established platforms	Ongoing updates to disclosure content are in progress to reflect the FY26 position, including facility-level information and performance data	Pan African has published a bespoke GISTM compliance roadmap on its website. It includes a formal tailings policy, GISTM history, principles 4.7 and 5.7 approach, Group-aligned appointments, independent review, emergency preparedness and response plans, hazard management systems, specialised studies and assessments on all the tailings facilities, training and development. The Pan African website update is currently in final review before publication

The Group's continued efforts towards alignment and compliance with the GISTM principles support Pan African's efforts to strengthen governance, improve risk management and enhance transparency in relation to our tailings facilities.

GOVERNANCE DEVELOPMENT PRIORITIES

Pan African has established a robust governance foundation for the oversight of climate- and nature-related matters. Governance structures, accountability mechanisms and reporting processes are in place, with climate- and nature-related considerations increasingly integrated into risk management, operational oversight and strategic decision-making.

As disclosure requirements and stakeholder expectations continue to evolve, the Group remains focused on further strengthening the integration of climate- and nature-related considerations across governance and decision-making processes.

Priority areas include:

- further integrating climate- and nature-related considerations into strategic planning and capital allocation decisions
- enhancing the linkage between risk management, scenario analysis and financial planning processes
- improving the consistency, quality and comparability of information used for management oversight and external reporting
- continuing to embed nature-related dependencies, impacts, risks and opportunities within governance and risk management processes
- strengthening disclosure readiness to support progressive alignment with the IFRS Sustainability Disclosure Standards.

These priorities will support more informed decision-making, strengthen organisational resilience and improve the decision-usefulness of climate- and nature-related disclosures over time.



Climate strategy and transition planning	38
Transition planning approach and implementation	39
Just Energy Transition considerations	40
Strategic priorities and future development	40
Nature, biodiversity and ecosystem strategy	41
Strategic approach	41
Ecosystem dependencies	42
Ecosystem dependencies across Pan African's operations	42
Biodiversity and restoration strategy	44
Pan African's biodiversity impacts, management and restoration strategy	44
Value chain dependencies and risks	46
Integration into strategic planning	48
Alignment with emerging frameworks	50
Tailings retreatment as a strategic pillar	54
Scenario analysis and resilience	55
Methodology	57
Key assumptions and inputs	59
Resilience insights	60
Implications for strategy and capital allocation	61
Current position and development priorities	62
Scenario analysis maturity pathway	63
Scenario analysis journey	64
Overview of current and anticipated financial effects	65
Current financial effects	65
Potential future financial effects	68
Ecosystem impacts and dependencies per operation	72
Financial impact maturity summary	75

Strategy

The Group's climate strategy focuses on strengthening resilience, improving operational performance and supporting long-term value creation in a changing climate and energy landscape.



STRATEGY

The Group’s climate and nature strategy aims to enhance resilience and support long-term value by integrating climate- and nature-related risks and opportunities into business planning, decision-making and capital allocation. It is informed by the material risks identified in the Group’s materiality assessment and tested through scenario analysis to evaluate their potential evolution. This strategy reflects Pan African’s exposure to these risks and provides a framework for their management across the Group.

Building on established practices in energy management, water stewardship, environmental management and rehabilitation, the Group continues to strengthen the integration of climate- and nature-related considerations into strategic planning. This includes progressing climate-related strategy and resilience disclosures in line with the principles of IFRS S2, while also expanding the understanding of nature-related dependencies, impacts, risks and opportunities through TNFD-aligned assessment approaches.

CLIMATE STRATEGY AND TRANSITION PLANNING

The Group’s climate strategy focuses on strengthening resilience, improving operational performance and supporting long-term value creation in a changing climate and energy landscape. It addresses both climate-related risks and opportunities and is built around three complementary pillars: climate adaptation and resilience, climate mitigation and decarbonisation, and responsible transition and long-term value creation.

The Group’s approach is centred on three complementary strategic pillars:



Climate adaptation and resilience

Strengthening the resilience of operations, infrastructure and communities to the physical impacts of climate change



Climate mitigation and decarbonisation

Reducing emissions intensity and strengthening energy resilience through renewable energy, energy efficiency and operational improvement initiatives



Responsible transition and long-term value creation

Managing climate-related risks and opportunities in a manner that supports sustainable growth, responsible resource management and long-term stakeholder value

Together, these pillars provide the foundation for the Group’s climate transition planning approach and inform decision-making across operations, risk management, capital allocation and long-term planning.

Climate strategy pillars

Strategic pillar	Strategic objective	Key areas of focus
Climate adaptation and resilience	Strengthen resilience to physical and transition climate-related risks and changing environmental conditions	Water resilience and efficiency, infrastructure and operational adaptation, governance and financial integration, community and workforce adaptation, biodiversity and land stewardship
Climate mitigation and decarbonisation	Reduce emissions intensity and strengthen energy resilience	Renewable energy, energy efficiency, energy security, emissions management and operational optimisation
Responsible transition and long-term value creation	Capture climate-related opportunities while supporting sustainable business performance	Capital allocation, stakeholder value, sustainable finance, risk management and integration into strategic planning

Climate adaptation and resilience

Climate adaptation and resilience form a core component of the Group’s climate strategy. The objective is to strengthen the resilience of operations, infrastructure and communities to the physical effects of climate change, including water scarcity, changing rainfall patterns, rising temperatures and extreme weather events. As several operations are located in water-constrained regions, resilience planning is closely linked to water security, operational continuity and long-term asset performance.

The Group’s approach focuses on identifying and managing material physical climate-related risks, strengthening climate resilience through operational planning and infrastructure investment, and improving preparedness for future climate-related disruptions. These activities support the continuity of operations while reducing exposure to physical climate-related impacts over time.

Climate mitigation and decarbonisation

The Group’s climate mitigation strategy is centred on improving energy resilience and reducing emissions intensity across its operations. The strategy aims to establish a more secure, efficient and lower-carbon operating model that supports long-term business performance.

Key areas of focus include the expansion of renewable energy, improvements in energy efficiency and operational optimisation measures. These initiatives reduce exposure to electricity supply constraints, energy price volatility and future carbon-related costs, while enhancing operational resilience and competitiveness.

As implementation progresses, decarbonisation considerations are increasingly integrated into operational planning, project development and investment decision-making.

Responsible transition and long-term value creation

The transition to a lower-carbon economy presents both risks and opportunities for the Group. The objective of this pillar is to ensure that climate-related risks and opportunities are managed in a manner that supports long-term value creation, business resilience and responsible growth.

This includes integrating climate-related considerations into strategic planning, capital allocation and enterprise risk management processes, while also considering broader implications for employees, communities, investors and other stakeholders. The Group’s approach recognises that a successful transition requires balancing operational resilience, financial performance and stakeholder interests over time.

Climate-related opportunities, including renewable energy investments, energy efficiency improvements and access to sustainable finance, are considered alongside climate-related risks when evaluating future growth priorities and strategic initiatives.

TRANSITION PLANNING APPROACH AND IMPLEMENTATION

As the Group’s capabilities continue to develop, transition planning is expected to play an increasingly important role in linking climate- and nature-related risks and opportunities with scenario analysis, financial planning and capital allocation. This includes strengthening the integration of climate- and nature-related considerations into strategic decision-making, improving resilience assessment and enhancing the transparency of climate-related disclosures over time.

The Group’s transition planning approach provides the mechanism through which the three strategic pillars are translated into operational actions and investment decisions. Rather than operating as a stand-alone programme, transition planning brings together existing initiatives relating to renewable energy, energy efficiency, climate resilience and environmental management within a structured strategic framework.

The approach continues to evolve as analytical capability, data quality and disclosure requirements mature. Current priorities include strengthening the integration of climate-related considerations into planning processes, improving alignment between strategy and risk management, and enhancing the linkage between climate-related initiatives and financial decision-making.

The transition report will evolve in three distinct phases executed over a period of at least three years.



Phase 1: Structuring and consolidation
(short term: the budget plan cycle, the next 12 months)

- Objective: Move from fragmented yet robust disclosures to a single, coherent transition plan framework that brings together existing climate, nature and social work without introducing new operational commitments.

Phase 2: Deepening analysis and decision relevance
(medium term: the business plan cycle, between three to five years)

- Objective: Evolve the transition plan from a disclosure document into a decision-support tool that informs strategy, capital allocation and risk management.

Phase 3: Maturity, quantification and assurance
(long term: beyond the business plan cycle, over five years)

- Objective: Develop a comprehensive, investment-grade transition plan that seamlessly integrates with business planning, capital allocation and assurance processes.

Climate transition planning components

Component	Current focus
Climate adaptation and resilience	Strengthening resilience to physical climate-related risks and operational disruptions
Decarbonisation and energy transition	Renewable energy, energy efficiency and emissions management
Strategic integration	Embedding climate-related considerations into planning and investment decisions
Scenario analysis	Supporting resilience assessment and strategic planning
Financial integration	Strengthening consideration of climate-related financial effects

JUST ENERGY TRANSITION CONSIDERATIONS

The Group recognises that the transition to a lower-carbon economy extends beyond emissions reduction and energy transformation. A successful transition must also support long-term social, economic and environmental value creation for employees, host communities, business partners and other stakeholders. As a responsible mining company operating in South Africa and Australia, the Group seeks to balance climate-related objectives with broader development priorities, recognising the importance of maintaining livelihoods, supporting local economic participation and strengthening community resilience throughout the transition process.

The Group's approach to a just energy transition is underpinned by:

- integrating climate-related initiatives with broader sustainability and development objectives
- supporting local employment, skills development and economic participation associated with energy, environmental and infrastructure projects
- engaging with employees, communities and other stakeholders on transition-related opportunities and challenges
- considering potential social and economic implications when evaluating significant climate-related investments and operational changes
- strengthening long-term resilience through improved energy security, environmental performance and sustainable development outcomes.

While the Group's approach continues to evolve, just transition considerations are increasingly incorporated into planning processes, investment decisions and stakeholder engagement activities. This supports a balanced transition pathway that delivers climate-related benefits while contributing to long-term value creation and sustainable development across the regions in which the Group operates.

Just Energy Transition priorities:

Focus area	Strategic objective
Workforce development	Support skills development and workforce resilience as technologies and energy systems evolve
Community resilience	Contribute to sustainable socio-economic outcomes in host communities
Stakeholder engagement	Incorporate stakeholder perspectives into transition-related decision-making
Energy security	Improve reliability and affordability of energy while supporting decarbonisation objectives
Sustainable development	Align climate-related initiatives with broader environmental and social priorities

STRATEGIC PRIORITIES AND FUTURE DEVELOPMENT

The Group has established a solid foundation for climate-related management through energy initiatives, governance structures, risk management processes and resilience planning. The next phase of development is focused on strengthening the integration of climate-related considerations into strategic planning, capital allocation and financial planning, while continuing to improve disclosure quality and decision-usefulness.

Priority areas include:

- strengthening the integration of climate-related considerations into strategic planning and capital allocation
- expanding renewable energy and energy efficiency initiatives
- enhancing resilience to physical climate-related risks
- improving the linkage between scenario analysis and decision-making
- progressing climate-related disclosures in line with the principles of IFRS S2.

The goal of this approach is to ensure that disclosures remain aligned with operational capability, while establishing a clear progression towards more structured scenario analysis, financial quantification and IFRS S2-aligned reporting over time.

In addition to climate and energy transition considerations, the Group's broader strategy is shaped by its tailings retreatment model, which underpins both production and environmental performance.

NATURE, BIODIVERSITY AND ECOSYSTEM STRATEGY

The Group recognises that long-term business performance depends on the responsible management of natural resources and the protection of ecosystem integrity. Nature-related considerations are therefore integrated into environmental management, operational planning, rehabilitation activities and, increasingly, strategic decision-making. As a mining company operating across South Africa and Australia, the Group both depends on and interacts with natural systems through its use of water, land and ecosystem services and through its management of operational impacts on water resources, land, biodiversity and ecological condition.

The Group's nature strategy aims to strengthen resilience, support regulatory compliance and contribute to long-term value creation through the responsible management of nature-related dependencies, impacts, risks and opportunities. The approach is informed by established environmental management practices and is evolving through the application of TNFD-aligned assessment methodologies, including the consideration of ecosystem dependencies, nature-related impacts and value chain exposures.

The strategy is built around three strategic priorities:

Strategic priority	Objective
Responsible stewardship of natural resources	Improve the management of water, land and ecosystem dependencies that support operational performance
Ecosystem protection, rehabilitation and restoration	Reduce environmental impacts, support ecosystem recovery and improve long-term land-use outcomes
Integration into decision-making and risk management	Incorporate nature-related considerations into operational planning, risk management, capital allocation and reporting

The sections that follow outline how the Group manages ecosystem dependencies, biodiversity impacts, value chain exposures and rehabilitation activities, while strengthening the integration of nature-related considerations into strategic planning and decision-making.

STRATEGIC APPROACH

The Group's nature strategy is centred on protecting the natural resources and ecosystem services on which its operations depend, while managing environmental impacts and contributing to long-term value creation and operational resilience. This approach recognises that water, land, biodiversity and ecosystem condition are important components of operational resilience and form part of the broader environmental context within which the Group operates.

The strategy is implemented through established environmental management systems, rehabilitation programmes and tailings retreatment activities. These activities are supported by ongoing efforts to strengthen the understanding of ecosystem dependencies, responsible stewardship of natural resources, and nature-related risks and opportunities across the portfolio.

The Group's tailings retreatment model plays an important role within this strategy by enabling the recovery of Mineral Resources, while progressively reducing historical environmental liabilities and supporting land rehabilitation. This creates a direct linkage between operational performance, environmental stewardship and long-term value creation.

As disclosure practices continue to evolve, the Group is progressively strengthening the integration of nature-related considerations into strategic planning and risk management processes through the application of TNFD-aligned assessment approaches and a more structured evaluation of nature-related dependencies, impacts, risks and opportunities.



ECOSYSTEM DEPENDENCIES

The Group's operations depend on the continued availability and condition of natural resources and ecosystem services that support mining, processing and rehabilitation activities. These dependencies are particularly significant in relation to water availability, land and broader ecosystem condition, which underpin operational continuity, environmental performance and long-term asset resilience. As environmental pressures increase, protecting the integrity and availability of these natural systems becomes increasingly important to sustaining production and managing risk.

Water represents the Group's most significant nature-related dependency. Mining and processing activities depend on reliable access to water for ore processing, dust suppression and operational use, particularly in water-constrained regions of South Africa and Australia. The availability, quality and reliability of water resources therefore have direct implications for operational performance, cost structures and long-term resilience.

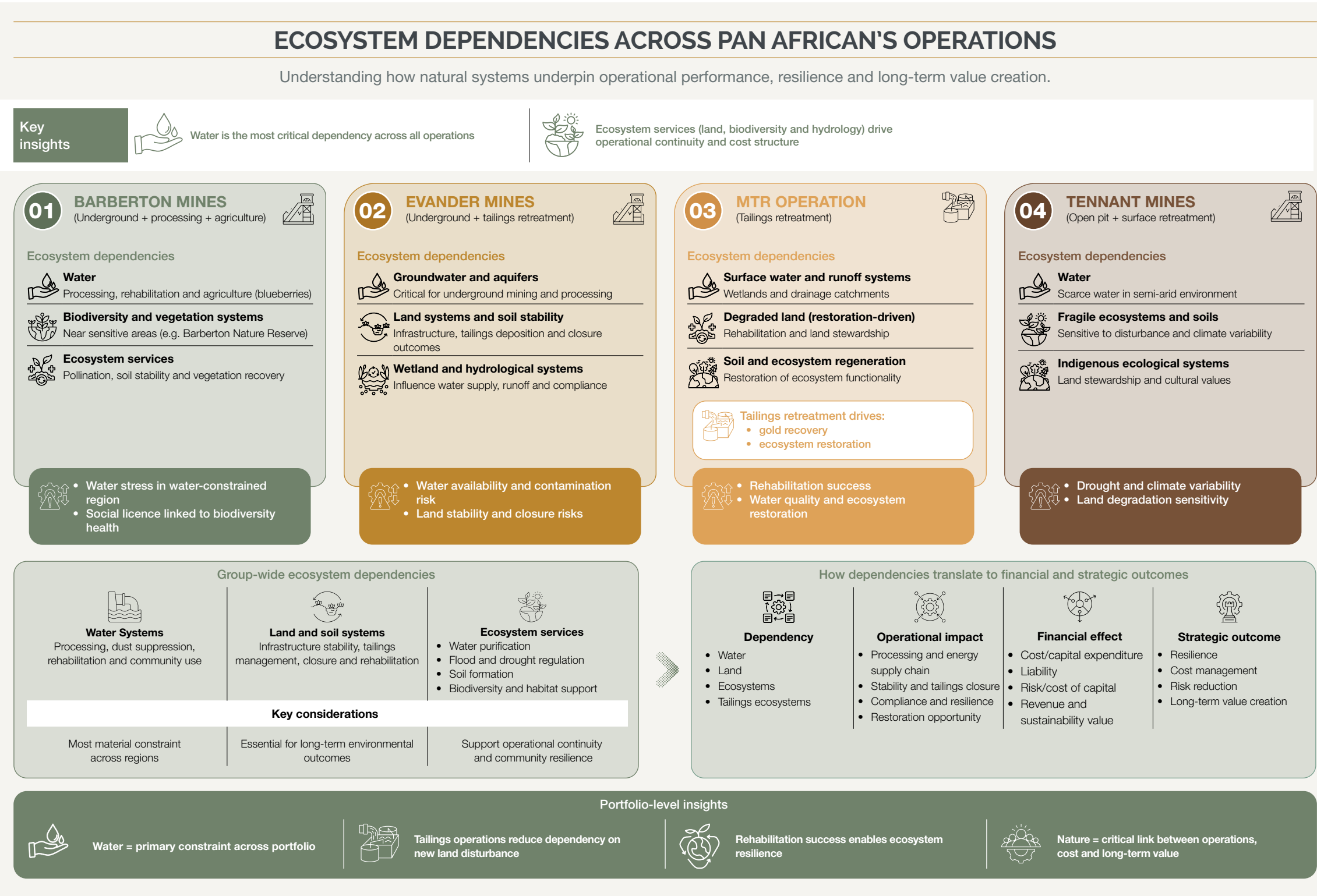
The Group also depends on land and ecosystem integrity to support ongoing operations, rehabilitation activities and post-closure land-use objectives. Healthy ecosystems contribute to water regulation, soil stability and ecological resilience, while degraded systems may increase environmental risks, operational constraints and future rehabilitation requirements.

Many of these dependencies extend beyond the operational footprint and are influenced by broader catchment, landscape and value chain dynamics. Understanding and managing these dependencies is integral to environmental stewardship, risk management and long-term planning. The Group continues to strengthen its understanding of ecosystem dependencies through environmental assessments, operational monitoring and the application of TNFD-aligned assessment approaches.

Key ecosystem dependencies

Ecosystem dependency	Relevance to Pan African
Water resources	Critical operational input supporting mining, processing, dust suppression and rehabilitation activities
Land and soil systems	Support operational infrastructure, tailings storage, rehabilitation activities and post-closure land-use objectives
Ecosystem services	Contribute to water regulation, erosion control, soil stability and other ecological functions which support operational resilience
Biodiversity and habitat condition	Support ecosystem functioning and resilience and contribute to long-term environmental stability
Catchment and landscape health	Influence water availability, water quality and broader environmental resilience across operating regions

The following infographic illustrates the Group's principal ecosystem dependencies and demonstrates how the availability and condition of natural systems underpin operational performance, resilience and long-term value creation.



BIODIVERSITY AND RESTORATION STRATEGY

The Group's approach to biodiversity management is focused on understanding and managing operational impacts on ecosystems, supporting progressive rehabilitation and restoration, and strengthening long-term ecosystem resilience across its operations. Environmental management and rehabilitation activities are integrated throughout the mining life cycle, from operational planning and active mining through to closure and post-closure land-use objectives.

The strategy is underpinned by the application of established environmental management practices designed to avoid, minimise, rehabilitate and manage impacts on biodiversity and ecosystem condition. Rehabilitation programmes, land stewardship initiatives and environmental monitoring activities contribute to the restoration of disturbed areas and support the long-term sustainability of surrounding ecosystems.

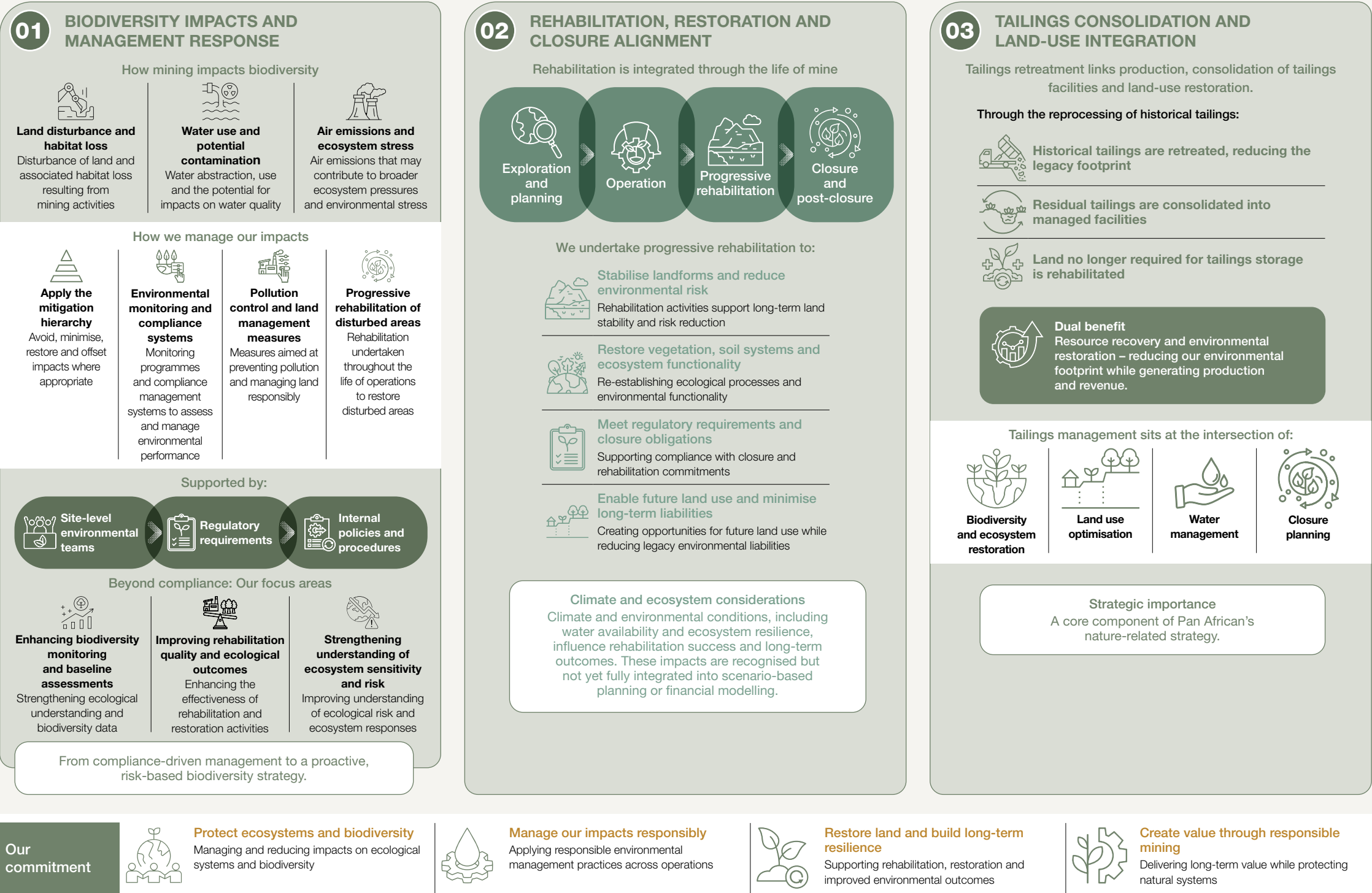
A distinguishing feature of the Group's approach is its tailings retreatment model, which enables the recovery of Mineral Resources while concurrently and progressively reducing historical environmental liabilities and supporting land rehabilitation outcomes. This creates a direct linkage between operational performance, environmental stewardship and long-term value creation.

As the Group continues to strengthen its understanding of biodiversity dependencies, impacts, risks and opportunities, biodiversity considerations are increasingly being integrated into rehabilitation planning, environmental management and broader nature-related assessment processes.



PAN AFRICAN'S BIODIVERSITY IMPACTS, MANAGEMENT AND RESTORATION STRATEGY

Managing our impacts. Restoring nature. Creating long-term value.



VALUE CHAIN DEPENDENCIES AND RISKS

Nature-related dependencies and risks extend beyond the Group’s direct operations into key upstream value chains that support its mining and processing activities. Understanding these relationships is important for strengthening operational resilience, managing supply chain risks and supporting long-term value creation.

The growing integration of double materiality and the TNFD requires organisations to extend their assessment of sustainability risks beyond direct operations to include upstream and downstream value chains. This reflects a fundamental shift in how environmental risk is understood; not only in terms of how nature affects enterprise value (financial materiality), but also in how organisational activities impact nature (impact materiality), particularly across supply chains, where dependencies and impacts are often most significant yet least visible.

A structured methodology was used to identify, evaluate, and rank nature-related risks across Pan African’s main value chains. The process started with prioritising suppliers based on procurement spend, operational importance and screening for nature-related impacts using insights from the exploring natural capital opportunities, risks and exposure (ENCORE) tool. This led to the selection of four key value chains for in-depth analysis, including purchased electricity, water, lime and cyanide, all of which rely, to varying degrees, on natural resources and ecosystem services.

Water is a particularly important cross-cutting dependency, influencing electricity generation, processing inputs and broader supply chain stability. Changes in water availability, quality or reliability have the potential to affect operational continuity, input costs and long-term business resilience.

These dependencies can give rise to a range of nature-related risks, including supply disruptions, cost volatility, regulatory change and increasing stakeholder expectations. Understanding these interconnected risks supports more informed planning, procurement and risk management decisions across the value chain, presenting opportunities to reduce volatility and enhance resilience.

As part of its broader TNFD-aligned assessment process, the Group continues to strengthen its understanding of value chain dependencies, impacts, risks and opportunities, supporting a more integrated approach to environmental stewardship, operational resilience and long-term value creation. Other important value chains identified in our assessment, which will be examined more thoroughly as we incorporate additional material suppliers, include labour associated with our underground contractor, mining and tailings services, and diesel use at Tennant Mines.

VALUE CHAIN DEPENDENCIES AND RISKS

Nature-related exposure extends beyond Pan African’s operations into key upstream value chains.

Key insights



Nature-related dependencies are systemic and interconnected



Water is the primary cross-cutting dependency across the value chain



Energy supply is linked to both water availability and carbon intensity



Chemical supply chains introduce localised environmental and contamination risks

Priority value chains – key dependencies and risks



ELECTRICITY

Key nature dependencies

- Water used in power generation (e.g. cooling)
- Land use and ecosystem impacts from generation and infrastructure
- Air quality and carbon emissions

Nature-related risks

- Water scarcity affecting generation and reliability
- Carbon intensity and transition risk
- Energy price volatility
- Supply disruption from extreme weather or system stress



WATER

Key nature dependencies

- Availability and quality of surface and groundwater
- Watershed health and catchment integrity
- Ecosystem services for flow regulation and water purification

Nature-related risks

- Water scarcity and quality deterioration
- Higher treatment and procurement costs
- Restrictions on use and allocation
- Community and stakeholder impacts



LIME

Key nature dependencies

- Limestone extraction impacts on land and biodiversity
- Water use in mining and processing
- Energy use and associated emissions

Nature-related risks

- Land disturbance and habitat loss
- Water use and contamination risks
- Emissions and air quality impacts
- Regulatory and permitting exposure



CYANIDE

Key nature dependencies

- Raw material extraction and processing
- Water used in transport and storage
- Safe containment to protect ecosystems

Nature-related risks

- Spills and contamination of soil and water
- Transport and handling risks
- Regulatory compliance and liabilities
- Reputational and social licence risks

The risk of cyanide availability is constantly monitored.

How nature-related dependencies translate into financially material risks



Cost volatility

Exposure to volatile energy and water pricing, and increased compliance costs



Supply disruption

Nature-related stresses and extreme weather can interrupt supply chains and operations



Regulatory and compliance exposure

Evolving environmental regulations and compliance expectations increase cost and liability risks



Reputational risk

Environmental incidents or poor performance can impact stakeholder trust and social licence to operate

Key takeaway

These dependencies and risks are often concentrated in ecologically stressed regions and are amplified by climate-related pressures, reinforcing the need for integrated climate-nature risk management across our value chain.

INTEGRATION INTO STRATEGIC PLANNING

Nature-related considerations are increasingly incorporated into the Group’s strategic planning processes, reflecting their importance to operational resilience, regulatory compliance and long-term value creation. As the Group’s understanding of nature-related dependencies, impacts, risks and opportunities continues to evolve, these considerations are progressively being integrated into planning, investment and risk management activities across the business.

Current areas of integration include water stewardship, land rehabilitation, closure planning, tailings management and environmental management programmes. These activities influence operational planning and capital allocation decisions, while supporting the responsible management of environmental risks and long-term liabilities.

Nature-related considerations also inform assessments of operational resilience, particularly in relation to water availability, ecosystem condition and land-use requirements. Over time, the Group intends to strengthen the incorporation of nature-related information into scenario analysis, risk assessments and investment decision-making processes to support more informed and resilient strategic outcomes.

While integration remains at varying levels of maturity across the Group, nature-related considerations are increasingly recognised as strategic business matters rather than stand-alone environmental issues. This ongoing evolution supports a more holistic understanding of how environmental performance, operational resilience and long-term value creation are interconnected.

Key areas of integration

Area	Current application
Water stewardship	Resource planning, operational resilience and infrastructure investment
Rehabilitation and closure planning	Long-term liability management and future land-use planning
Environmental management	Compliance, operational performance and ecosystem stewardship
Tailings management and land use	Risk management, environmental performance and value creation
Enterprise risk management	Consideration of emerging nature-related risks and dependencies
Strategic planning and capital allocation	Increasing consideration of nature-related factors in decision-making

INTEGRATION INTO STRATEGIC PLANNING

Nature and biodiversity considerations are increasingly incorporated into strategic planning, particularly in relation to:

Water stewardship
Ensuring availability, quality and efficient use of water across operations

Rehabilitation and closure planning
Progressive land restoration and alignment with closure obligations

Environmental management
Managing impacts on land, water, air and biodiversity to reduce risk

Tailings management and land use
Reducing environmental footprint and enabling land stability and restoration

Stakeholder engagement and licence
Maintaining trust, transparency and social licence to operate

Current state: Integration remains largely qualitative

While nature-related risks inform decision-making, they are not yet consistently embedded in:

Scenario analysis
Nature-related risks are not yet systematically tested through scenarios

Capital allocation frameworks
Nature considerations are not yet formally embedded in capital allocation processes

Financial modelling and valuation
Impacts and dependencies are not yet quantified in decision models

Strong operational capability and established management practices, with a developing strategic and analytical framework.





STRATEGY continued

ALIGNMENT WITH EMERGING FRAMEWORKS

The Group continues to strengthen its approach to nature-related assessment and disclosure through alignment with emerging frameworks, particularly the TNFD. These frameworks provide a structured basis for understanding how nature-related dependencies, impacts, risks and opportunities may influence operational resilience, strategic decision-making and long-term value creation.

The Group is progressively applying TNFD-aligned assessment approaches, including elements of the LEAP framework, to improve its understanding of priority ecosystems, biodiversity considerations and value chain dependencies across its operations. This work supports a more systematic approach to identifying and assessing nature-related matters and provides a foundation for future disclosure development.

Current efforts are focused on strengthening the identification of ecosystem dependencies and impacts, enhancing nature-related risk assessments and improving the integration of nature-related information into environmental management, risk management and strategic planning processes. As methodologies, data availability and industry practice continue to evolve, the Group expects to further enhance the quality, consistency and decision-usefulness of nature-related disclosures over time.

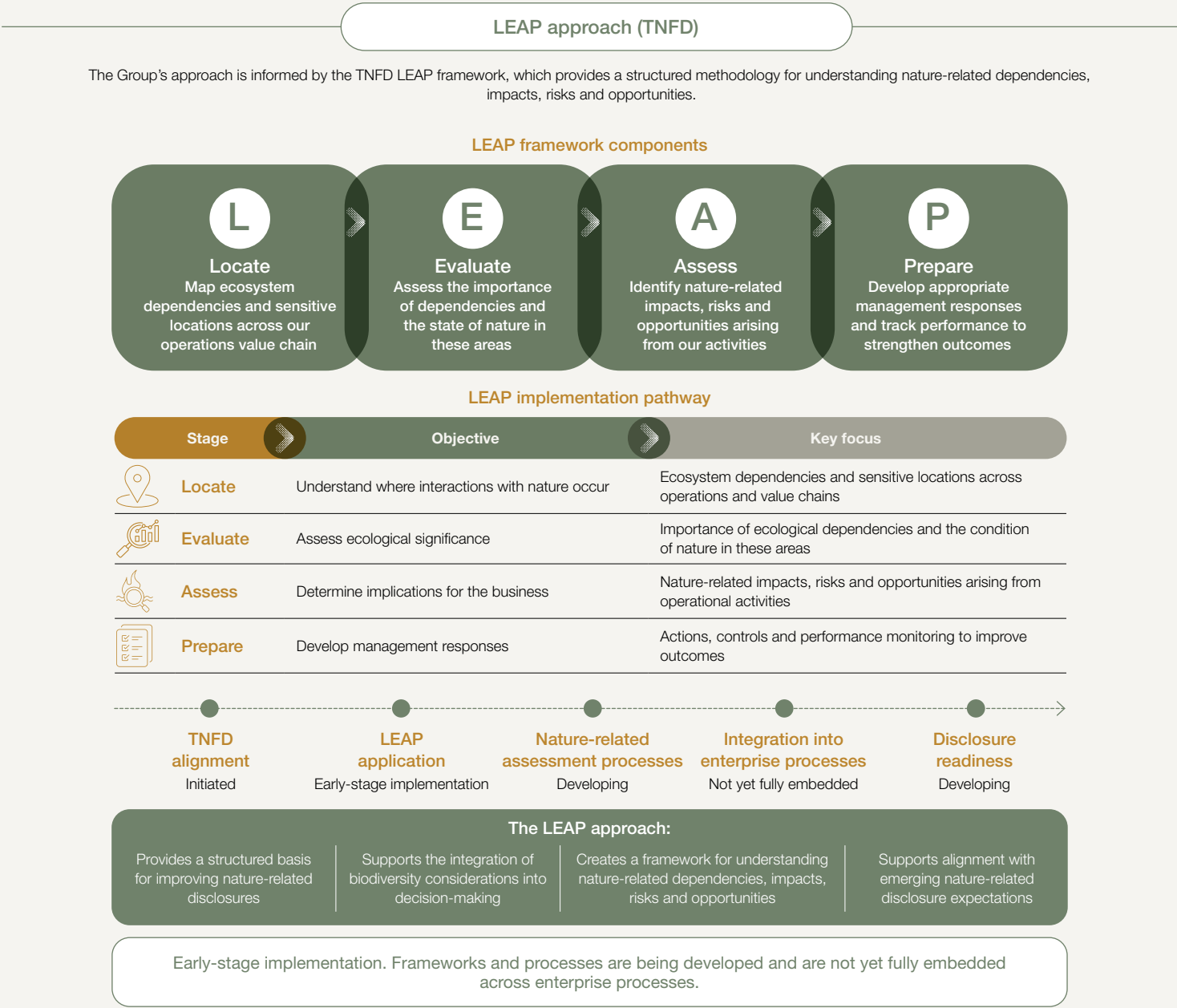


Nature-related disclosure development priorities

Priority area	Current focus
Ecosystem dependencies	Improving understanding of operational reliance on water, land and ecosystem services
Biodiversity impacts	Strengthening assessment and management of biodiversity-related impacts and restoration opportunities
Nature-related risks and opportunities	Enhancing identification, assessment and integration into business processes
LEAP application	Expanding the use of structured TNFD-aligned assessment approaches
Disclosure readiness	Improving data quality, governance and reporting processes to support future disclosures

ALIGNMENT WITH EMERGING FRAMEWORKS

The Group has initiated a phased approach to aligning with emerging nature-related disclosure frameworks, including the TNFD.



STRATEGY continued

Pan African recognises that biodiversity and healthy ecosystems are fundamental to the resilience of nature and the sustainability of our business. Therefore, biodiversity priorities are validated through a structured approach that integrates internal analysis, stakeholder input and established frameworks. This encompasses the materiality framework, which involves double materiality assessments with inputs from diverse stakeholders and an annual review, as well as the LEAP process, which addresses locating sensitive sites, evaluating major impact drivers and dependencies, assessing risks and opportunities, and preparing metrics and targets aligned with the TNFD recommendations.

Governance and reporting oversight support the integration and annual disclosure of biodiversity considerations into management processes. For instance, at Barberton Mines, the nearby Barberton Nature Reserve and water scarcity highlight biodiversity as a key focus, with metrics used to measure impact and track progress. This approach promotes the consistent review and transparent reporting of biodiversity priorities.

We are committed to:

- identifying and assessing our dependencies and impacts on nature using the LEAP approach
- preventing, minimising and mitigating harm to biodiversity and ecosystems by following the mitigation hierarchy
- setting measurable biodiversity-related targets aligned with global frameworks such as the Kunming-Montreal Global Biodiversity Framework and the United Nations Sustainable Development Goals
- disclosing material nature-related information in line with recommendations aligned with international nature and biodiversity standards and frameworks
- continuously improving ecological practices and adapting to the changing business landscape and scientific knowledge base.

Identification of priority ecosystems or sensitive areas across operations

Environmental Impact Assessments (EIAs) are performed before the commencement of any project at each of the sites, governed by the National Environmental Management Act, 107 of 1998, and EIA regulations. As part of the EIAs, the assessor must specifically identify and assess priority ecosystems and sensitive areas such as wetlands, rivers, estuaries, protected areas, biodiversity hotspots and critical habitats.

Using the EIA information as well as publicly available information on the areas surrounding the sites, identification and documentation of the priority ecosystems have been completed as part of the initial LEAP assessments performed for each site. Specifically, this was performed as part of the 'Locate' step in the LEAP process recommended by the TNFD guidelines. As part of the identification, biomes and specific ecosystems that directly interface with the operations were noted along with their biodiversity importance and ecosystem integrity.

The Company's 'Locate' assessment identified:

- water as the highest-priority issue across the board, with medium to high levels of pressure at most sites
- air quality degradation at two locations
- many of the plants are located in highly degraded environments or close to highly degraded sites
- Barberton Mines is the only site located within a reserve, which presents a very specific risk.

Clear classification of key biodiversity dependencies versus impacts

The 'Evaluate' step in the LEAP process involves analysing dependencies and impacts on nature for each operation. The analysis shows that all drivers of environmental change, though varying in intensity, are present across all business processes and activities. When assessing impact drivers, water use (both freshwater and other sources) and water contamination (surface and underground) stand out as the most critical. This aligns with the ecosystem services analysis, which identifies water as a vital service, alongside resource use – including mineral, energy, atmospheric and land resources – both terrestrial and subterranean.

An analysis of the Group's business processes and activities was carried out to identify the key drivers of nature change, together with the associated nature-related impacts, ecosystem services and dependencies. These impacts and dependencies were assessed to understand their positive and negative effects on the state of nature, various ecosystem services and responses. The analysis also considered impacts over the short, medium and long term as well as the impact of external factors such as climate change, land-use change, increased water use and pollution.

Progress on the integration of LEAP or an equivalent framework into operations

To establish a baseline of current activities, an FY25 LEAP analysis was conducted by environmental teams at each asset site to identify gaps, challenges and opportunities. However, this initial review mainly focused on direct operations and did not include a detailed supply chain analysis. In FY26, to address this gap, a structured TNFD-aligned assessment of priority suppliers and value chains was undertaken to identify and integrate key dependencies, impacts and risks. The results are intended to be a core part of Pan African's ongoing TNFD reporting, enhancing the completeness, credibility and decision-usefulness of future disclosures.

Application of the mitigation hierarchy (avoid, minimise, rehabilitate and offset)

Pan African is committed to preventing, minimising and mitigating harm to biodiversity and ecosystems by following the mitigation hierarchy. This hierarchy is applied to manage nature-related impacts by seeking to avoid impacts where possible, implementing measures to minimise unavoidable impacts, rehabilitating disturbed areas concurrently throughout the mining life cycle and considering offsets where appropriate.

Linkage between biodiversity outcomes and rehabilitation targets

Currently, the only formal rehabilitation target relates to the sustainability-linked finance target for the land in the process of rehabilitation at the MTR operation. The sustainability bond goes beyond compliance, funding the restoration of historically disturbed areas, including those outside the current mining footprint.

The Group is undertaking assessments at the other operations to determine the total mining impacted land required to be rehabilitated, with the goal of setting site-specific rehabilitation targets. With the MTR operation's award-winning rehabilitation projects, the operation has become a benchmark for concurrent rehabilitation and sustainable land use for the Group.

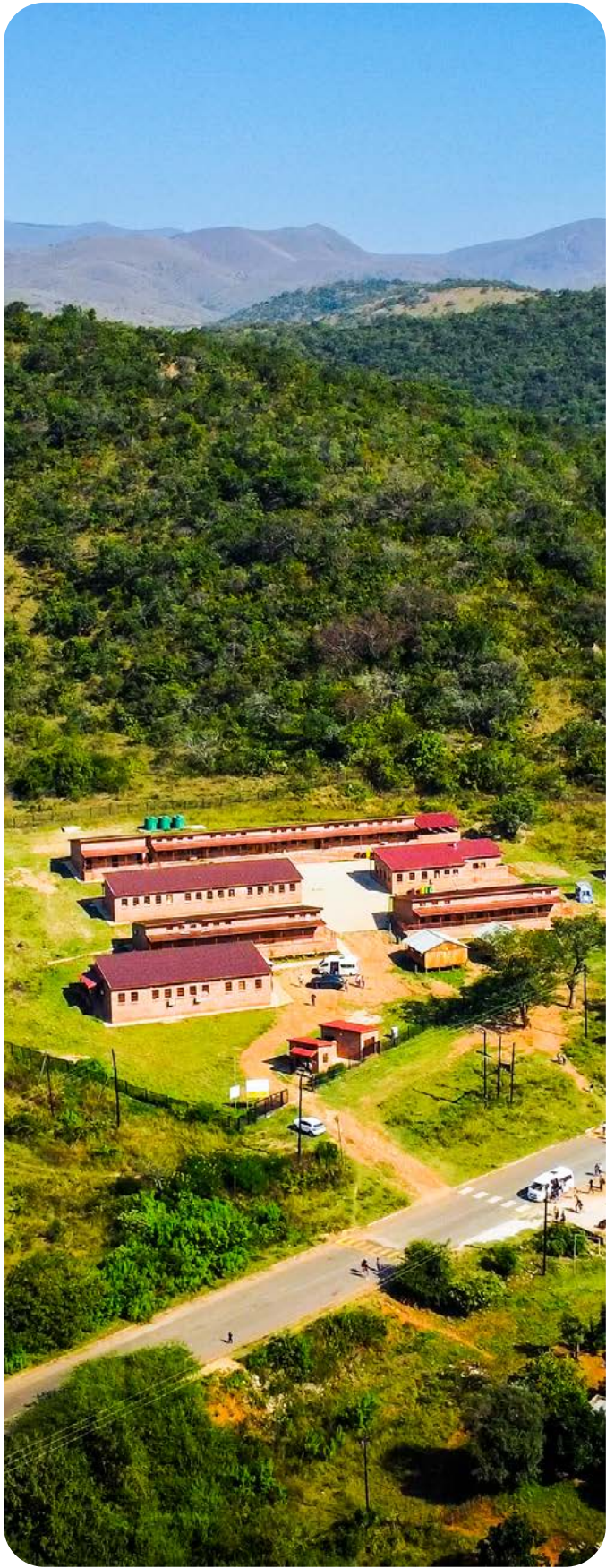
The overarching biodiversity objectives associated with the rehabilitation being performed include:

- preventing further loss and fragmentation of ecosystems
- restoring wetland and highveld habitats
- removing invasive alien plant species
- rehabilitating degraded land for future sustainable use
- enhancing ecosystem services such as water purification and carbon sequestration.

Alignment of biodiversity strategy with closure and land-use planning

In mining regions, ecosystem resilience is crucial for post-closure land rehabilitation and long-term environmental stability. Diverse plant and animal communities are more likely to adapt to changing conditions, resist invasive species and support soil regeneration.

The Group's closure and rehabilitation approach seeks to support the long-term management of nature-related impacts by promoting ecosystem recovery, land stability and restoration of ecosystems, while aiming to achieve agreed-upon post-closure land uses. Concurrent rehabilitation is performed where practicable, while closure plans are regularly reviewed and updated to reflect operational changes, rehabilitation progress and evolving stakeholder expectations. This approach aligns with the Group's broader nature-related objectives and contributes to the management of nature-related risks, opportunities and dependencies throughout the mine life cycle.



TAILINGS RETREATMENT AS A STRATEGIC PILLAR

Tailings retreatment is a critical feature of the Group’s business model and an important component of its climate- and nature-related strategy. Through the reprocessing of historical tailings deposits, the Group is able to recover Mineral Resources while simultaneously reducing the footprint of historical tailings deposits, supporting progressive rehabilitation and improving long-term environmental management outcomes. This creates a direct connection between operational performance, environmental stewardship and value creation.

From a strategic perspective, tailings retreatment supports a more resilient and differentiated operating model. By utilising established tailings resources, the Group reduces complete dependence on exploration-led resource replacement and benefits from a more predictable production profile. This supports operational stability, disciplined capital allocation and long-term business resilience.

The model also contributes to a range of climate- and nature-related objectives. While retreatment does not eliminate tailings-related environmental and closure liabilities, it provides an opportunity to manage and consolidate historical tailings footprints into purpose-designed infrastructure, enabling the

progressive rehabilitation of previously disturbed areas. The removal and consolidation of historical tailings footprints supports rehabilitation and land restoration efforts, while ongoing investment in modern tailings infrastructure, water management systems and environmental controls strengthens environmental performance and risk management. Tailings retreatment therefore enables the Group to generate value from existing resources while supporting improved management of historical environmental impacts and associated risks.

In addition to supporting production and cash generation, tailings retreatment contributes to the Group’s broader resilience strategy by aligning environmental management, rehabilitation planning and long-term land-use objectives. This integrated approach reinforces the role of tailings retreatment as both a strategic growth platform and a mechanism for creating lasting environmental and stakeholder value.

Strategic value created through tailings retreatment

Strategic outcome	Value created
Resource recovery	Extracts economic value from previously mined material
Environmental improvement	Reduces the footprint of historical tailings deposits and supports improved management of associated environmental risks
Land restoration	Enables progressive restoration of previously disturbed areas
Operational resilience	Supports a predictable production profile and long-term planning
Financial value creation	Contributes to revenue generation, cash flow and capital efficiency
Risk reduction	The consolidation of tailings supports improved management of tailings-related environmental and operational risks



SCENARIO ANALYSIS AND RESILIENCE

Climate-related scenario analysis is used to assess the resilience of the Group’s strategy and business model under a range of plausible future conditions. The objective is to understand how climate-related risks and opportunities may influence operational performance, capital allocation, financial outcomes and long-term value creation across different climate futures.

The analysis considers both physical and transition-related climate drivers. It provides a structured basis for evaluating the resilience of the Group’s strategic priorities, including climate adaptation and resilience, climate mitigation and decarbonisation, and responsible transition planning. While the current approach remains predominantly qualitative, it supports a forward-looking assessment of how climate-related developments could affect the Group’s operations in South Africa and Australia over time.

The climate-related risks and opportunities considered through the Group’s strategy and scenario analysis processes are summarised below.

Type	Risk or opportunity	Time horizon	Potential impact on Pan African	Current management response
Physical risk	Increased severity and frequency of extreme weather events, including storms and flooding		Damage to roads, power supply infrastructure, water infrastructure and operational facilities. Operational disruptions, safety risks and increased maintenance and recovery costs	Flood prevention measures, stormwater infrastructure, emergency preparedness plans, disaster management coordination, infrastructure resilience planning and climate adaptation measures
Physical risk	Changes in precipitation patterns affecting water quality		Reduced availability of suitable process water, increased treatment requirements, potential effects on processing operations and higher water management costs	Investment in water treatment infrastructure, water quality monitoring, reuse initiatives and expansion of water treatment capacity
Physical risk	Increased frequency, intensity and duration of droughts leading to water scarcity		Reduced water availability, increased competition for water resources, regulatory restrictions on abstraction, increased operating costs and potential production constraints	Water stewardship programmes, water treatment plants, water reuse initiatives, storage infrastructure and alternative water sources
Physical risk	Rising temperatures and heatwaves		Reduced workforce productivity, increased heat stress risks, increased cooling and ventilation costs, equipment performance impacts and operational disruptions	Ventilation upgrades, cooling systems, worker monitoring, heat response protocols and operational adaptation planning
Transition risk	Carbon regulation, carbon taxes and implementation of South Africa’s Climate Change Act, 22 of 2024, and Sectoral Emissions Targets		Increased compliance costs, potential carbon tax liabilities, increased reporting requirements and additional emissions reduction investment requirements	Renewable energy deployment, emissions management, internal carbon pricing, transition planning and monitoring of regulatory developments
Transition risk	Energy market transformation, electricity price increases and supply instability		Increased operating expenditure, energy security risks, production disruptions and reduced cost competitiveness	Solar PV development, renewable energy procurement through PPAs, energy efficiency programmes and energy diversification initiatives
Transition risk	Increased disclosure, and investor and lender expectations		Increased governance requirements, access to capital considerations and reporting costs as well as potential financing implications	Continued enhancement of IFRS S1- and S2-aligned reporting, governance oversight and climate-related disclosures
Transition risk	Higher insurance costs associated with climate-related risks and disclosure expectations		Increased insurance costs, potential coverage limitations and higher risk transfer costs	Improved risk management practices, enhanced resilience measures and strengthened climate-related disclosures

Time horizon

Short-term: the next 12 months (informs grade control and reserve delineation)

Medium-term: between three to five years (informs great capital projects)

Long-term: over five years (informs exploration and long lead capital)

Time horizon

- Short-term: the next 12 months (informs grade control and reserve delineation)
- Medium-term: between three to five years (informs great capital projects)
- Long-term: over five years (informs exploration and long lead capital)

Type	Risk or opportunity	Time horizon	Potential impact on Pan African	Current management response
Transition risk	Failure to secure adequate climate-related capabilities and skills	○	Reduced ability to respond to climate-related risks, weaker disclosure readiness and slower implementation of transition initiatives	Capacity building, specialist support, employee training and strengthening of internal climate-related capabilities
Opportunity	Expansion of renewable energy generation and renewable power procurement	○ ○	Reduced electricity costs, improved energy security, emissions reductions and enhanced resilience to energy market volatility	Expansion of solar PV facilities, NOA Group PPA, feasibility studies for additional renewable energy projects and long-term renewable energy planning
Opportunity	Energy efficiency and operational optimisation	○ ○	Lower operating costs, reduced energy consumption, reduced emissions intensity and improved operational performance	Energy efficiency projects, energy audits, operational optimisation and technology improvements
Opportunity	Water treatment, recycling and water security investments	○ ○	Reduced dependence on municipal water supplies, lower water procurement costs, improved operational continuity and enhanced resilience	Expansion of water treatment facilities at Evander Mines and the MTR operation, water reuse programmes and water efficiency initiatives
Opportunity	Climate resilience and adaptation investments	○ ○	Reduced disruption from physical climate impacts, improved asset resilience and stronger business continuity	Climate adaptation planning, infrastructure upgrades, resilience assessments and operational preparedness initiatives
Opportunity	Sustainable finance and enhanced ESG positioning	○ ○	Improved access to capital, stronger investor confidence and potential sustainability-linked financing opportunities	Continued improvement of climate-related performance, governance and disclosure quality
Opportunity	Climate-related supplier engagement and value chain resilience	○	Improved supply chain resilience, greater procurement efficiency and reduced exposure to supply disruptions	Supplier engagement, procurement integration and consideration of climate-related criteria in purchasing decisions

METHODOLOGY

The Group applies a scenario-based approach to evaluate the resilience of its strategy under a range of plausible climate futures. The analysis considers both physical and transition-related climate drivers and assesses their potential implications for operational performance, resource availability, capital requirements and long-term business resilience. The methodology incorporates recognised climate pathways, climate-related assumptions and operational factors relevant to the Group’s assets in South Africa and Australia.

The Group’s scenario analysis is informed by climate pathways published by the Intergovernmental Panel on Climate Change (IPCC), including Shared Socioeconomic Pathways (SSPs) and their associated warming outcomes. The scenario set incorporates lower warming pathways broadly aligned with global efforts to limit temperature increases to approximately 1.5°C to 2°C, together with moderate and higher warming pathways reflecting delayed transition and heightened physical climate risks. These pathways were selected because they provide a credible basis for assessing both transition and physical climate risks relevant to mining operations in South Africa and Australia, including changes in energy systems, water availability, infrastructure resilience and regulatory requirements.

The current framework considers:

- a range of warming pathways, from lower to higher warming futures
- physical climate-related risks, including water scarcity, temperature increases and extreme weather events
- transition-related risks, including climate policy developments, carbon costs and energy market transformation
- operational considerations such as energy security, water availability, infrastructure resilience and rehabilitation requirements
- location-specific factors affecting the Group’s South African and Australian operations.

The analysis is primarily focused on a 10-year assessment horizon, providing a balance between long-term climate-related developments and the Group’s strategic planning cycles. While the current approach remains largely qualitative, scenario analysis continues to provide valuable insights into the resilience of the Group’s strategy across a range of potential future conditions.



Scenario set used for resilience assessment

Scenario	Updated scenario framing	IPCC pathway reference	Primary resilience question	Scenario flags	FY26 position
Beautiful Day	A low-warming pathway supports renewables, storage, grid investment, energy efficiency and the Fourth Industrial Revolution. High gold demand strengthens the investment case, but growth increases pressure on water, waste, tailings, land, communities, skills and disclosure. Physical risks are lower than in high-warming scenarios, but water stress, extreme weather exposure and skills retention remain material	Broadly aligned with SSP1-2.6 and a transition well below 2°C	Can the Group accelerate energy transition and maintain competitiveness under an orderly lower-carbon pathway	Accelerating renewables/storage, stronger carbon and IFRS S1 and S2 disclosure expectations, high gold prices, new project pipelines, tighter water and biodiversity governance and growing skills competition	We continue to invest in water treatment plants at Evander Mines and the MTR operation to address local water stress and reduce reliance on third-party water. The board approved decarbonisation plans, including expanding behind-the-meter solar PV facilities at Evander Mines, using available land to promote renewable energy. At Tennant Mines, conditions now support electrification with renewable energy and a BESS to reduce diesel use, and we are constructing a solar PV facility coupled with a BESS. Our decarbonisation transition includes ongoing investigations into solar PV facilities, BESS and energy efficiency projects across all operations, supported by our transition to IFRS S2 and TNFD disclosures
Under Pressure	Gold demand remains high, but severe weather, drought, flooding, heat, water quality and adaptation costs are rising. Transition pressure is increasing through carbon pricing, border measures and disclosure, while renewables and storage are lagging. Mining remains attractive, but delivery is becoming harder as operations face disruption, workforce stress, community conflict and higher financing and insurance costs	Broadly aligned with an intermediate-to-high warming pathway above 2°C SSP2-4.5 or SSP3-7.0	Can the Group manage worsening physical stress, transition pressure, water scarcity and rising capital requirements while demand remains strong	High gold price with stagnant growth, rising water restrictions and treatment costs, more frequent floods/heat events, higher insurance and finance costs, social pressure and delayed energy transition infrastructure	Our focus is on renewable energy, electricity efficiency, energy storage and backup generation, prioritising options that best support production continuity, worker safety, water management, emissions reduction and asset protection
Here Comes the Rain Again	High-end warming causes severe drought, flooding, wildfires, heat and chronic water stress, while weak gold demand reduces investment capacity. Energy security deteriorates where renewables and storage lag. This is the scenario in which asset impairment, loss of insurability, production curtailment, care and maintenance decisions and long-term viability concerns become most visible	Broadly aligned to a high-warming physical stress pathway SSP3-7.0 or SSP5-8.5	Can the Group's strategy remain resilient under severe operational disruption and weaker market conditions	Low gold price/demand, repeated severe weather events, water scarcity and rationing, declining investor confidence, insurance exclusions, carbon penalties, social instability, skills drain and constrained capital expenditure	We are assessing the establishment of a minimum climate and resilience investment floor or expenditure that cannot be deferred, even under low-demand or care and maintenance conditions. This minimum investment should cover safety-critical power and pumping, water treatment and monitoring, flood and control systems, tailings integrity, environmental compliance and minimum rehabilitation obligations, critical maintenance and emergency preparedness
Somewhere Over the Rainbow	Climate impacts stabilise relative to severe scenarios, but water and physical risks persist. Low gold demand constrains capital allocation and new mine development. Decarbonisation advances gradually through renewables, storage and energy efficiency, but adaptation remains reactive. The focus shifts to efficiency, distributed energy, ecosystem dependencies, closure planning and long-term viability	Broadly aligned to a lower-to-moderate warming pathway SSP1-2.6 or SSP2-4.5	Whether slower transition progress and weaker growth still leave the Group materially exposed to water, energy and ecosystem pressures	Weak gold demand, cautious capital expenditure, incremental renewables and efficiency, persistent water stress, limited expansion, focus on cost control, closure/rehabilitation discipline and distributed energy and water resilience	Enhance disclosure practices, maintain consistent engagement with investors, and demonstrate strong governance across climate, operational and financial risks. Incorporate decarbonisation strategies and IFRS S1 and S2 standards into operational planning, budgeting and reporting. Prioritise cost-effective compliance actions, improve process efficiency, and track climate and regulatory costs separately

KEY ASSUMPTIONS AND INPUTS

The scenario analysis incorporates assumptions relevant to the Group's operating environment, including:

- ongoing exposure to mining operations in water- and energy-constrained regions
- increasing investor, lender and regulatory expectations regarding climate-related performance and disclosure
- the growing importance of climate-related considerations in investment, procurement and insurance decisions
- continued technological development, energy transition and operational optimisation
- sensitivity to gold demand, geopolitical developments and input costs
- increasing pressure on natural resources, particularly water systems.

RESILIENCE INSIGHTS

Across the scenario set, the analysis highlights several strategic resilience themes that are expected to influence future operating costs, capital allocation requirements, operational resilience and long-term value creation. Water security, energy resilience and operational adaptability remain the most significant drivers of resilience across the Group’s operations and influence the Group’s ability to respond to changing climate, environmental and market conditions.

KEY RESILIENCE THEMES

Water security

Water security remains a critical consideration across the Group’s operations, reflecting its importance to both operational continuity and ecosystem resilience. Water-related pressures are amplified in higher warming scenarios and may increase operating costs and adaptation requirements over time.

Energy resilience

Energy resilience is also a key determinant of long-term performance. Continued investment in renewable energy and efficiency initiatives supports resilience across multiple scenarios by reducing exposure to supply disruption, rising energy costs and transition-related pressures.

Operational adaptability

Operational adaptability remains an important resilience factor. The ability to respond effectively to changing environmental, regulatory and market conditions supports business continuity and strengthens the resilience of the Group’s operations and assets.

KEY RISK EXPOSURES

Physical climate-related risks

- Water scarcity and drought conditions
- Extreme weather events and infrastructure disruption
- Increased adaptation and resilience costs
- Pressure on surrounding communities and ecosystems.

Transition-related risks

- Increasing carbon-related costs and regulatory requirements
- Energy market transformation and electricity price volatility
- Evolving investor, lender and stakeholder expectations
- Changing disclosure and reporting requirements.

No-regret actions

The analysis also highlights a number of actions that are expected to remain beneficial across all scenarios, including:

- strengthening water security and resource efficiency
- improving energy resilience and diversification
- enhancing site-level climate adaptation measures
- supporting ecosystem restoration and rehabilitation activities
- maintaining strong governance, transparency and stakeholder engagement.

IMPLICATIONS FOR STRATEGY AND CAPITAL ALLOCATION

The scenario analysis reinforces the importance of maintaining a balanced climate strategy that strengthens resilience to both physical and transition-related risks while positioning the Group to capture emerging opportunities. Although the current assessment remains primarily qualitative, it provides valuable insights into the factors most likely to influence operational performance, capital allocation priorities and long-term value creation under different future conditions.

Across all scenarios, water security, energy resilience and operational adaptability emerge as consistent strategic priorities. As a result, the Group’s climate strategy prioritises investments that strengthen operational resilience, reduce exposure to resource constraints and support long-term business continuity. These priorities remain relevant regardless of the pace of climate change or the nature of the transition pathway.

While quantitative scenario-linked financial modelling remains under development, the analysis indicates that future financial implications are most likely to arise through changes in energy costs, water security expenditure, rehabilitation and closure obligations, climate adaptation investments, environmental management costs and operational disruption risks. These factors have the potential to influence future capital allocation decisions, operating expenditure requirements and long-term asset resilience and are discussed further in the overview of current and anticipated financial effects section of this report.

The analysis also highlights the importance of maintaining flexibility in capital allocation decisions. Investments in renewable energy, energy efficiency, water infrastructure, environmental management and climate adaptation measures have the potential to improve resilience across a broad range of future conditions while supporting operational performance, cost management and long-term sustainability objectives.

The scenario analysis further supports the integration of climate-related considerations into business planning and risk management processes. This includes considering the potential implications of climate-related assumptions when evaluating strategic initiatives, infrastructure investments, rehabilitation activities and long-term operational planning. As analytical capabilities mature, the Group intends to strengthen the linkage between scenario analysis, investment decision-making and financial planning processes.

Strategic implications emerging from the scenario analysis

Strategic theme	Implications for Pan African
Water security	Continued focus on water stewardship, treatment infrastructure, reuse and resource efficiency
Energy resilience	Expansion of renewable energy and energy efficiency initiatives to improve reliability and reduce cost exposure
Climate adaptation	Integration of resilience considerations into operational planning and infrastructure investment decisions
Environmental stewardship	Continued investment in rehabilitation, ecosystem restoration and responsible land management
Risk management	Strengthening the integration of climate-related considerations into enterprise risk management and planning processes
Capital allocation	Prioritising investments that improve resilience and support long-term value creation across multiple scenarios



STRATEGY continued

CURRENT POSITION AND DEVELOPMENT PRIORITIES

The Group has established a structured foundation for climate-related scenario analysis, supported by defined scenario narratives, recognised climate assumptions and consideration of both physical and transition-related climate risks. Scenario analysis is increasingly used to inform resilience assessments and improve understanding of the potential implications of climate-related risks and opportunities across the Group’s operations.

While the current approach provides valuable strategic insight, the analysis remains primarily qualitative and is not yet fully integrated into investment appraisal, financial forecasting or business planning processes. The focus to date has been on strengthening climate-related risk identification, resilience assessment and strategic awareness, creating a platform for enhanced decision-making and disclosure over time.

As the Group’s climate-related capabilities continue to mature, the next phase of development will focus on strengthening the application of scenario analysis within strategic planning, risk management and capital allocation processes. Particular emphasis will be placed on improving

the assessment of climate-related financial effects, expanding the use of scenario insights in decision-making and enhancing alignment with evolving disclosure expectations.

Development priorities

Priority area	Future focus
Financial assessment	Strengthen understanding of the potential financial effects of climate-related risks and opportunities under different scenarios
Strategic integration	Increase the use of scenario analysis in strategic planning and investment decision-making
Capital allocation	Improve consideration of climate-related scenarios when evaluating major investments and long-term projects
Risk management	Strengthen the linkage between scenario analysis and enterprise risk management processes
Resilience assessment	Enhance understanding of operational resilience across different climate futures
Disclosure readiness	Continue improving the transparency, consistency and decision-usefulness of climate-related disclosures

The Group’s approach is designed to evolve progressively as data quality, analytical capabilities and industry practice continue to develop. This phased approach supports meaningful insight into climate resilience while ensuring that disclosures remain aligned with underlying capability and available information.

SCENARIO ANALYSIS MATURITY PATHWAY

Strengthening the integration of climate scenario analysis into business planning and decision-making.



STRATEGY continued

Over time, these improvements are expected to strengthen the transparency, consistency and decision-usefulness of climate-related disclosures, while supporting closer alignment between scenario analysis, risk management, financial planning and external reporting.

SCENARIO ANALYSIS JOURNEY

The existing Pan African scenarios, initially created as part of the TCFD process, were revised to incorporate issues identified during the LEAP process. They are now aligned with IPCC climate-warming pathways and IFRS S1 and S2 disclosures on climate-related financial information. While the updated Pan African scenarios follow the IPCC framework, they focus more on the medium term – up to 10 years – compared to the IPCC’s typical 100-year projection. The short-term horizon (up to 12 months) informs the grade control and reserve delineation process, while the medium-term horizon (three to five years) guides major capital projects, reserve delineation and exploration. Longer-term (beyond five years) perspectives are strategic in nature and primarily inform exploration and long-lead capital investments.

Scenario storylines for South Africa and Australia were updated and contextualised by clarifying the core stories, identifying common issues and noting country-specific implications. Following the scenario analysis workshops with various divisions, the risk analysis, financial impact and materiality tables were consolidated into a single risk register, categorised by site, scenario, risk, cause, consequence, timing, transition/physical type, control score, financial impact and response.

This approach was used to highlight key risks and opportunities for each site-specific workshop and scenario. Risks were grouped into themes to identify no-regret actions, high-impact risks and opportunities, and scenario-specific pressures. These themes were then developed into a phased roadmap with short-, medium- and long-term actions, plus additional work and contingency plans for high-impact risks that are less likely but could have significant effects if they occur.

In FY26, a specialist was hired to improve scenario design and assumptions as part of a phased journey to shift from qualitative scenarios to a financial assessment of climate risks and opportunities. During five workshops with engineering, finance, procurement, environmental and human resources teams, it was clear that Pan African faces a complex portfolio of interconnected risks – including climate, nature, social, operational and financial – rather than isolated site issues. Common risks include water security, flood management, heat, energy costs, tailings contamination, skills retention, community trust, security, regulatory compliance and capital discipline.

The updated storylines enhance the country perspective. South Africa and Australia share issues like water stress, energy security, transition policies, disclosure, skills and investor scrutiny, but differ in how these manifest. South Africa faces greater coal-related transition risks, illegal mining, unrest, power grid constraints and governance challenges; Australia emphasises cultural heritage, land access, remote workforces, energy transition, diesel-to-renewables, bushfires, liability and insurability.

Workshop summaries show each site’s distinct role. Engineering identifies operational controls needed across the business

- Evander Mines has energy and expansion potential but must manage water, stormwater, tailings and skills risks
- Barberton Mines has sensitive biodiversity and high exposure to water, heat, illegal mining and compliance
- The MTR operation offers rehabilitation and legacy opportunities but is vulnerable to flooding, contamination, water issues, dust and social pressure
- Tennant Mines is water-constrained and culturally sensitive, relying on water reuse, erosion controls, heritage protection, rehabilitation, renewable energy and remote capability.

Key no-regret options include closed-loop water systems, quality monitoring, stormwater and flood controls, early warning, resilient engineering standards, energy efficiency, renewable energy options, supplier resilience, rehabilitation, community water and engagement, and the retention of critical skills. These actions provide benefits across all scenarios, reducing risks and protecting opportunities.

As part of its ongoing climate reporting and risk management maturity journey, both managers and senior operations managers participated in a two-day training workshop on IFRS S1 and S2. The workshop focused on enhancing management’s understanding of sustainability-related disclosure requirements, including the application of climate scenario analysis and the evolving expectations for quantified climate resilience assessments under IFRS S2.

Building on its qualitative scenario analysis presented in this report, the Group has begun evaluating the processes, data requirements and methodologies needed to enhance its climate resilience assessment capabilities over time. This includes exploring approaches to better understand the implications of climate-related risks and opportunities across time horizons and plausible future scenarios.

While the Group’s current scenario analysis remains primarily qualitative, the assessment has informed strategic discussions on operational resilience, resource management, the energy transition and long-term business sustainability. As climate-related data, methodologies and governance processes continue to mature, the Group intends to further strengthen its resilience assessment approach and enhance its understanding of how to quantify climate-related financial implications over time.

OVERVIEW OF CURRENT AND ANTICIPATED FINANCIAL EFFECTS

Climate- and nature-related risks and opportunities have the potential to affect the Group’s financial performance, financial position, cash flows and access to capital over the short, medium and long term. These effects arise through their influence on operating costs, capital allocation, operational continuity, rehabilitation obligations and broader business resilience.

The Group’s current approach to assessing financial effects remains in an evolving stage of maturity. Certain financial effects are already observable in operational expenditure, capital investment and environmental management costs, particularly in relation to energy, water, tailings management and rehabilitation activities. Other effects, including those linked to future climate-related regulation, changing market expectations, ecosystem degradation and scenario-specific outcomes, are currently understood primarily on a qualitative basis. These effects are expected to become more decision-useful as methodologies and data systems continue to develop.

This section therefore distinguishes between:

- **current financial effects**, where climate- and nature-related matters are already influencing costs, investments, liabilities or operational performance
- **anticipated financial effects**, where future climate- and nature-related developments may influence the Group’s financial profile over time.

The assessment draws on the Group’s strategic priorities, operational experience, scenario analysis and current environmental management programmes. It is intended to provide a transparent view of where financial effects are already evident, where they are expected to emerge more strongly over time, and where further work is required to strengthen quantification and integration into planning and decision-making.

CURRENT FINANCIAL EFFECTS

Climate- and nature-related matters are already influencing the Group’s financial performance, financial position, cash flows and capital allocation decisions. These effects arise through investments in renewable energy, water security, environmental management, rehabilitation activities, tailings management and broader operational resilience initiatives. During FY26, several climate- and nature-related initiatives generated measurable financial benefits through cost savings, improved resource efficiency and reduced reliance on external resources, while others continued to require ongoing capital investment to support operational resilience and long-term value creation.

The Group continues to strengthen its assessment of climate- and nature-related financial effects. While a number of current financial effects can be linked directly to capital expenditure, operating costs, realised savings and environmental liabilities, the quantification of certain impacts remains under development.



Current climate- and nature-related financial effects

Area	Climate and Nature related financial effect	Evidence and key indicators	Current year financial Impact (FY26)
Energy and renewable energy	Energy costs and energy security remain significant financial considerations, while renewable energy investments provide cost savings and reduce exposure to electricity price increases and supply disruptions	Continued investment in renewable energy infrastructure and energy efficiency initiatives across the Group contributed to cost savings, improved energy security and reduced exposure to electricity price increases. The share of renewable electricity in electricity demand remains a central element of the Group's decarbonisation strategy	The total expenditure on electricity, encompassing both non-renewable and renewable sources, increased by 52.2%, amounting to US\$66.6 million (FY25: US\$43.8 million). This increase was predominantly driven by a 46.1% rise in costs associated with non-renewable electricity, constituting 91.2% of the total electricity expenditure at US\$60.8 million (FY25: US\$41.6 million). Although expenditure on renewable electricity increased by 166.7% to US\$5.9 million (FY25: US\$2.2 million), these investments continued to generate operational benefits, including approximately US\$5.1 million (FY25: US\$4.2 million) in electricity cost savings, while supporting the Group's transition to a lower-carbon energy mix, which was 8.1% ☺, above the sustainability-linked bond's penalty threshold of 6.0% in FY26.
Emissions and decarbonisation	Climate transition risks are increasingly reflected through carbon pricing exposure, disclosure requirements, investor expectations and future regulatory developments	Ongoing transition planning and renewable energy deployment support emissions management and reduce future carbon-related cost exposure	Capital expenditure on decarbonisation initiatives fell by 55.0% to US\$8.0 million (FY25: US\$17.4 million), with most spending in Australia on the Tennant Mines solar PV facility and BESS. In South Africa, the focus was on securing board approval for future decarbonisation capital allocation for the solar PV facility expansion at Evander Mines, the NOA Group wheeling PPA and the MTR operation's new solar PV facility.
Water security and water management	Water security remains critical to operational continuity, particularly in water-constrained regions. Investments in water infrastructure improve resilience and reduce reliance on third-party supply	Continued investment in water treatment and water management infrastructure improved supply resilience and reduced dependence on third-party water sources. Water treatment initiatives contributed to reduced municipal water consumption and enhanced operational water security	Water-related operating expenditure totalled US\$2.8 million, with the MTR operation and Evander Mines accounting for 56.8% and 25.9% of the total, respectively, due to reliance on third-party water supply. To de-risk water supply, these assets have been investing in water treatment plants to improve resilience. At Evander Mines, US\$2.2 million was invested in phase 2 of the water treatment plant expansion, increasing capacity from 3ML/day to 6ML/day, with a further US\$0.5 million in operating costs incurred during the year. The plant continues to reduce reliance on third-party water supply, resulting in US\$1.0 million in water savings and a return on investment of US\$0.5 million. Additionally, a cumulative US\$5.1 million has been invested in the MTR operation 3ML/day water treatment plant, which is scheduled to become fully operational in FY27.
Biodiversity and environmental management	Ongoing expenditure supports environmental compliance, biodiversity management, environmental monitoring and protection of ecosystem services that underpin operational continuity	Ongoing biodiversity monitoring, environmental management programmes and rehabilitation activities were undertaken across the Group	Environmental management expenditure of approximately US\$2.0 million was incurred in FY26 across operations, including monitoring and compliance and rehabilitation. Demolition, alien invasive species removal and topsoiling activities were undertaken across 226ha of land available for rehabilitation during the reporting period.
Tailings retreatment and waste management	Tailings retreatment continues to generate production, revenue and cash flow while supporting rehabilitation and reducing legacy environmental liabilities. Tailings management also requires ongoing investment in monitoring, compliance and infrastructure	Tailings retreatment remains a key component of the Group's production strategy and value creation model	Revenue of approximately US\$548.0 million was generated from the tailings retreatment operations during FY26, contributing 47.5% to the Group's total revenue. A total of 121.3Koz of gold was produced through tailings reprocessing in FY26, representing 44.6% of the overall gold production. During the reporting period, US\$16.9 million was invested in tailings-related capital expenditure, while US\$69.0 million was incurred in tailings management operating expenditure.
Ecosystem dependency (water and land)	Dependence on ecosystem services creates financial exposure where degradation, scarcity or regulatory restrictions increase operating costs or constrain production	Water security, ecosystem functionality and rehabilitation outcomes remain critical operational dependencies across South African and Australian operations	During FY26, US\$0.1 million was invested in the removal of alien invasive species across the Group's operations to support ecosystem restoration, reduce erosion, and enhance wetland and grassland rehabilitation. In addition, recognising water as a critical operational dependency, US\$8.8 million was invested in water treatment activities and water efficiency projects to reduce reliance on natural water resources and municipal water supplies.
Rehabilitation and closure	Rehabilitation and closure obligations continue to influence capital allocation, environmental expenditure and long-term liabilities. Concurrent rehabilitation supports liability management and closure readiness	Concurrent rehabilitation supports closure readiness and proactive liability management across operations	The total closure liability increased by 43.7% to US\$34.5 million (FY25: US\$24.0 million), driven by the incorporation of new mining areas, developments at Tennant Mines, concurrent rehabilitation progress, additional surface infrastructure and adjustments to the contractor rate schedule. A total of US\$0.9 million was allocated to rehabilitation expenditure across the operations in FY26. This included activities such as demolition, removal of alien invasive species and topsoiling. Rehabilitation activities were undertaken across 226ha of land during the reporting period.
Operational resilience and climate adaptation	Capital investment supports resilience to energy disruption, water constraints, climate variability and infrastructure-related risks that may affect operational continuity and production performance	Climate adaptation considerations are increasingly incorporated into operational planning, infrastructure investments and workforce capability building	As part of our capacity-building and institutional adaptation strategy, Pan African has invested in three training programmes on climate and nature for different audiences, including the board of directors, professional and technical staff, and new and intermediate employees. We believe that climate- and nature-related training at all levels is foundational to adaptation strategies. Raising awareness of climate- and nature-related risks and opportunities among a broader audience is the starting point for diverse adaptation solutions and a unified approach to climate action.

The increase in electricity expenditure highlights the Group's continued exposure to energy-related transition risks, including rising electricity prices and energy security challenges. This reinforces the importance of ongoing investments in renewable energy infrastructure and energy efficiency initiatives to support operational resilience and long-term decarbonisation objectives.

POTENTIAL FUTURE FINANCIAL EFFECTS

Climate- and nature-related matters are likely to contribute materially to the Group’s future financial performance, financial position and cash flows. These effects may arise through changes in capital allocation requirements, operating costs, asset resilience, rehabilitation obligations, access to finance and the availability of critical natural resources, particularly energy, water and land.

Several current financial effects are already evident through realised savings, environmental expenditure, capital investment and operational efficiencies, and the Group anticipates that a range of future financial impacts will emerge over the long term as climate-related physical risks, transition needs, biodiversity concerns, and stakeholder expectations continue to evolve. These effects present both risks and opportunities and may influence the Group’s cost structure, capital requirements, operational performance and long-term value creation potential.

The information presented in the scenario analysis and resilience section of this report indicates that water security, energy resilience, rehabilitation, ecosystem stewardship and operational adaptability are likely to remain important drivers of financial performance across a range of plausible future conditions. Although scenario-linked financial modelling remains under development, the Group continues to strengthen its understanding of how these factors may affect future investment decisions, operating costs and cash flow generation.

Capital allocation

Future capital allocation is expected to increase in response to evolving climate- and nature-related considerations. This includes investment in:



Expansion of renewable energy infrastructure



Water treatment capacity and water security systems



Environmental and biodiversity management programmes



Infrastructure to enhance resilience to extreme weather events

These investments are expected to support operational continuity, reduce exposure to rising resource costs, strengthen resilience to physical climate risks and sustain long-term asset performance. While they may increase near-term capital expenditure requirements, many are expected to generate long-term operational, financial and resilience benefits.

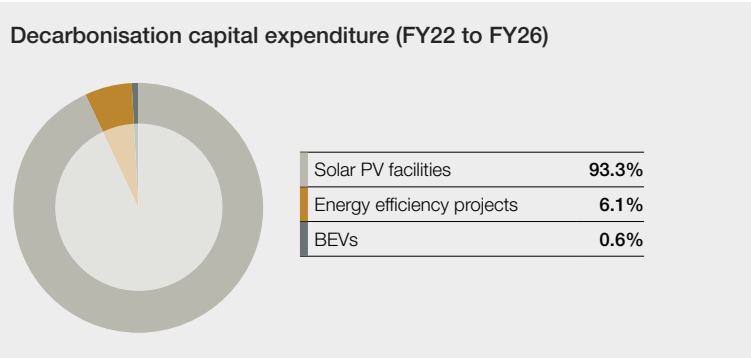
Importantly, the Group’s renewable energy investments have already demonstrated measurable financial benefits through realised cost savings. Continued investment in renewable energy, water infrastructure and operational resilience initiatives may therefore provide future value through lower operating costs, improved security of supply and reduced exposure to climate-related disruptions.

Historical decarbonisation capital expenditure

Since FY22, when Pan African first allocated capital expenditure to its Evander Mines solar PV facility 1, the Company has invested US\$29.7 million in decarbonisation initiatives up to FY25. This includes US\$26.9 million invested in our historical Evander Mines solar PV facility 1 and the Fairview solar PV facility. An additional US\$2.6 million was dedicated to electricity efficiency projects at Evander Mines and Barberton Mines, and US\$0.3 million to piloting battery electric vehicles (BEVs) at Barberton Mines.

In FY26, the Company spent US\$9.3 million on Evander Mines Solar PV facility 2, which began construction in March FY26, and allocated US\$0.2 million to historical solar PV facilities at Evander Mines and Fairview Mines. Additionally, US\$7.5 million was invested in solar PV and BESS at Tennant Mines, with construction commencing in April 2026. A further US\$0.3 million was dedicated to improving electricity efficiency. As a result, decarbonisation capital expenditure increased by 354.6% in FY26, reaching US\$17.3 million (FY25: US\$3.5 million).

These investments continue to generate measurable climate-related benefits through reduced carbon emissions, lower electricity costs and improved resilience to energy market volatility, demonstrating the financial and operational value of the Group’s decarbonisation strategy.



The total decarbonisation capital accumulated between FY22 and FY26 was US\$47.0 million.

Future decarbonisation provisions

The board approved approximately US\$16.6 million to develop a second behind-the-meter 19.7MW_{AC} Evander Mines solar PV facility 2 at 8 Shaft. Of this amount, US\$7.2 million is allocated to FY27. Additionally, a US\$7.1 million guarantee was authorised to secure a 40MW, 10-year PPA with NOA energy, an independent power producer (IPP), which could be extended to 15 years. This brings the total FY27 provision for SA operations to US\$14.3 million.

An additional US\$13.8 million was approved for the construction of the 8.7MW_{AC} solar PV facility with BESS at Tennant Mines, of which US\$6.3 million was allocated to FY27 capital expenditure. Accordingly, the total approved capital expenditure for decarbonisation in FY27 is approximately US\$20.7 million.

Furthermore, to decarbonise electricity generated from fossil fuels, we are developing a behind-the-meter 19.0MW_{AC} solar PV facility with BESS at the MTR operation. We are also evaluating a flexible PPA to source renewable electricity from IPPs outside sun-hours. These initiatives are central to the Group’s decarbonisation strategy, which aims to achieve a 71% renewable energy mix by FY30. These initiatives are expected to further reduce dependence on grid-supplied electricity, improve energy security and support the Group’s long-term climate commitments.

Operating costs and efficiency

Future operating costs are expected to be influenced by several interrelated climate- and nature-related factors, including electricity pricing, water availability, environmental compliance requirements, adaptation measures and the cost of maintaining resilient infrastructure.

These cost pressures may increase over time as climate variability, resource constraints and regulatory requirements evolve. At the same time, investments in renewable energy, water treatment, operational efficiency and infrastructure resilience may continue to generate cost savings and operational benefits. The balance between increasing environmental cost pressures and realised efficiency gains is therefore expected to be an important determinant of the Group’s future financial performance.

Cost savings generated through resource efficiency initiatives will mitigate against:



Energy price volatility and transition-related cost pressures



Rising water costs in constrained or climate-affected regions



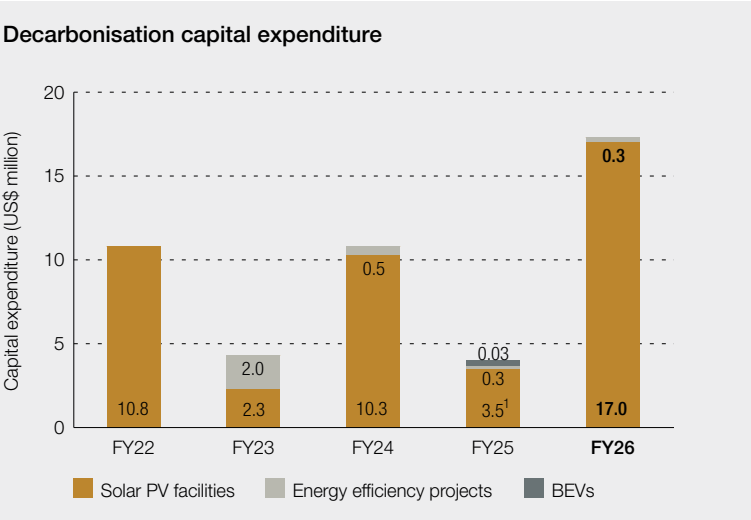
More stringent environmental and regulatory requirements



Ongoing expenditure on adaptation and resilience measures

These investments are expected to support operational continuity, reduce exposure to rising resource costs, strengthen resilience to physical climate risks and support long-term asset performance. While they may increase near-term capital expenditure requirements, many are expected to generate long-term operational, financial and resilience benefits.

These cost pressures may be partially offset over time through efficiency gains, including improved energy management, increased water reuse, technology adoption and operational optimisation. The net effect is expected to be a gradual shift towards a more resilient and potentially lower-cost operating base.



¹ Restated from US\$17.4 million; the total capital expenditure for the Fairview solar PV facility, rather than FY25 capital expenditure.

STRATEGY continued

Energy costs

Over five years, total electricity operating costs grew at a compound annual growth rate (CAGR) of 15.0%, while diesel saw a much higher CAGR of 35.9% in the same period. In FY26, total electricity costs rose by 52.2% to US\$66.6 million (FY25: US\$43.8 million). Increases were also due to higher consumption as a result of increased gold production. Diesel costs increased by 124.8%, reaching US\$9.4 million (FY25: US\$4.2 million), mainly due to global oil price fluctuations caused by geopolitical risks.

While diesel remains necessary for certain operational activities, reliance on diesel exposes the Group to fuel price volatility and carbon-related transition risks, reinforcing the need for continued investment in lower-carbon energy alternatives and operational efficiency initiatives.

Energy efficiency metrics

Despite rising energy costs, energy intensity decreased by 12.0% to 7.6GJ/oz[Ⓔ] (FY25: 8.6GJ/oz). This notable decrease, setting a new record for the lowest energy intensity, was mainly due to a 38.3% rise in gold ounces sold, totalling 272.4Koz (FY25: 196.9Koz). Moreover, electricity efficiency measures cut electricity use by 13.7GWh (FY25: 11.9GWh), representing a 28.2% improvement. Emissions prevented through these efficiency efforts grew by 24.0% to 11.7ktCO₂e (FY25: 9.4ktCO₂e). The reduction in energy intensity reflects continued progress in improving operational efficiency and demonstrates the effectiveness of initiatives implemented to decouple energy consumption from production growth.

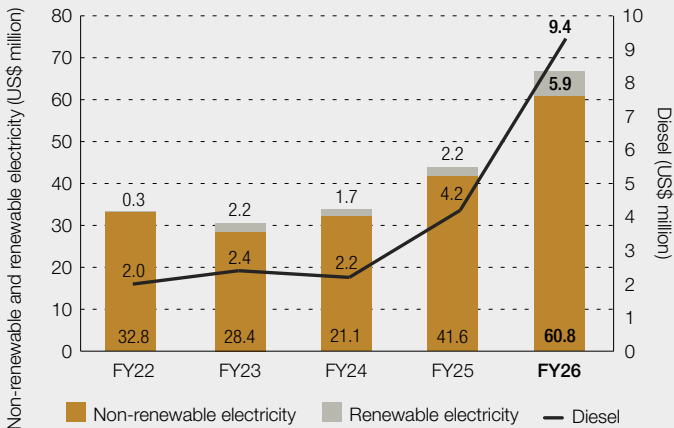
Cost savings

Our behind-the-meter solar PV facilities, including the 9.975MW_{AC} Evander Mines solar PV facility 1 and the 8.75MW_{AC} Fairview solar PV facility, together contributed 8.1%[Ⓔ] to the renewable electricity mix in FY26 (FY25: 8.8%). This was above the 6.0% penalty threshold but below the 14.0% sustainability performance target under the sustainability-linked financing framework. The ramp-up of the MTR operation and the inclusion of Tennant Mines led to a 15.1% increase in non-renewable electricity consumption, outpacing the 4.9% growth in renewable energy. With our existing renewable generation, an additional behind-the-meter 6.3MW_{AC} solar PV facility and a 6.84MW BESS at Tennant Mines, together with the anticipated PPA from NOA Group, we expect to exceed the 15.0% renewable energy mix target in FY27.

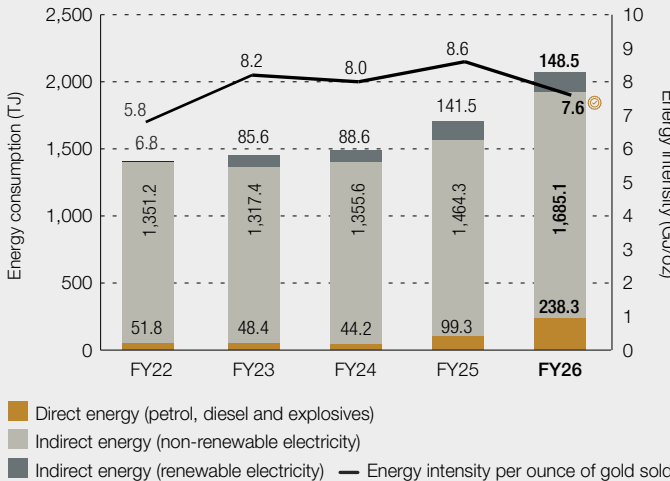
At the same time, effective environmental stewardship may provide financial benefits through reduced environmental liabilities, improved permitting outcomes, enhanced stakeholder relationships and strengthened operational resilience.

The Group incurred US\$2.0 million in environmental management expenditure during FY26 to ensure regulatory compliance, environmental monitoring and rehabilitation across the operations. Rehabilitation activities were undertaken across 226ha across the South African sites for FY26.

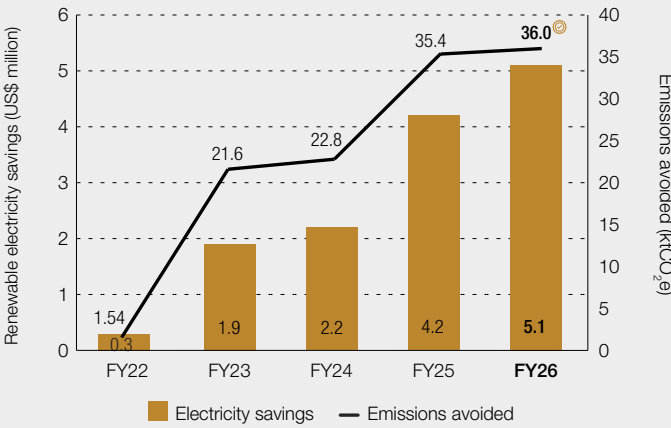
Electricity and diesel operating costs



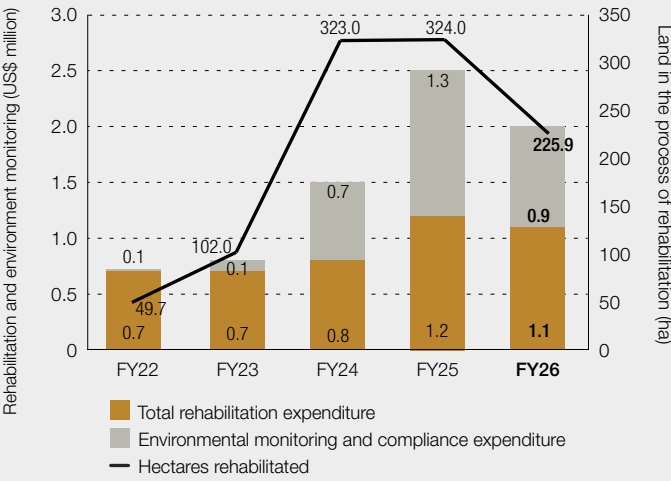
Energy consumption and intensity



Renewable electricity savings and emissions avoided



Environmental management spend



Since their respective inceptions in FY22 and FY25, US\$13.7 million has been delivered in electricity savings by the Evander Mines solar PV facility 1 (US\$9.6 million) and the Fairview solar PV facility (US\$4.1 million), collectively helping the Group avoid 137.1ktCO₂e of GHG emissions. In FY26, electricity savings increased by 22.6% to US\$5.1 million (FY25: US\$4.2 million), while emissions avoided rose by 1.5% to 36.0ktCO₂e[Ⓔ] (FY25: 35.4ktCO₂e). Furthermore, electricity efficiency savings increased by 88.5% to US\$1.5 million (FY25: US\$0.8 million).

These savings demonstrate that climate-related investments can contribute to both emissions reductions and long-term financial value creation, supporting the business case for continued decarbonisation investment across the Group.

Biodiversity, nature and ecosystem impacts

Nature-related considerations are expected to become increasingly material from a financial perspective. Future costs may arise through biodiversity management, ecosystem restoration, rehabilitation activities, environmental monitoring, permitting requirements and compliance with evolving regulatory expectations.

The Group's dependence on ecosystem services, particularly water resources, land functionality and environmental stability, also creates long-term financial exposure. Degradation of these systems has the potential to increase operating costs, reduce operational flexibility, require additional capital investment and influence future rehabilitation outcomes.

Water dependency metrics

Approximately 95.2% of the Group's water consumption was obtained from groundwater and surface water sources. 4.2% of water consumption was treated water from the water treatment plant at Evander Mines. Water remains a critical natural resource dependency across the Group's operations.

During FY26, water-related operating expenditure amounted to approximately US\$2.8 million while total water consumption was approximately 20.8 million cubic metres. The Group continued to invest in water management initiatives aimed at supporting operational resilience, improving water-use efficiency and reducing exposure to climate-related physical risks such as water scarcity and changing rainfall patterns.

Water treatment also remained an important component of the Group's approach, with approximately 875.4ML of water treated through treatment facilities during FY26. US\$2.2 million was invested in the phase 2 expansion of the water treatment plant at Elikhulu and US\$5.1 million has been invested in the MTR operation water treatment plant, which is scheduled to become operational in FY27.

ECOSYSTEM IMPACTS AND DEPENDENCIES PER OPERATION

Asset	Major impact drivers	Major ecosystem services	High-ranked negative impacts on nature	Major positive impacts on nature	Priority services and dependencies
Barberton Mines and the BTRP	• GHG emissions • Land ecosystem use • Non-GHG air pollutants	• Regulating and maintenance • Provisioning	• Freshwater use change • GHG emissions • Non-GHG air pollution • Soil pollution • Water use • Water pollution	• Disturbance • Soil pollution • Water pollution • Interaction with infrastructure	• Mineral and energy resources • Renewable energy resources • Atmospheric systems • Water resources (groundwater) • Cultural dependency • Regulating and maintaining natural processes for soil stabilisation, erosion control and water recycling
Evander Mines and tailings retreatment	• GHG emissions • Land ecosystem use • Non-GHG air pollutants	• Regulating and maintenance • Provisioning	• Freshwater use change • GHG emissions • Non-GHG air pollution • Soil pollution • Water use • Water pollution	• Disturbance • Freshwater use change • Soil pollution • Land use change • Water pollution Water use NOTE: There were no high-ranked positive impacts; medium-ranked impacts are as listed above	• Mineral and energy resources • Terrestrial ecosystems • Atmospheric systems • Water resources (groundwater) • Cultural dependency • Provisioning of natural resources
MTR operation	• GHG emissions • Land ecosystem use • Non-GHG air pollutants	• Regulating and maintenance • Provisioning	• Freshwater use change • GHG emissions • Non-GHG air pollution • Soil pollution • Water use • Water pollution	• Disturbance through land rehabilitation and wetland remediation programmes, and removal of alien invasive plants • Freshwater use change through underground water abstraction, water quality monitoring and remediation of wetlands • Soil pollution through reclamation and remining, land rehabilitation and remediation of contaminated soil • Land use change by rehabilitation and controlling soil erosion in the disturbed area • Water pollution by continued water quality monitoring and biomonitoring, remediation, rehabilitation, remining/reclamation and stormwater management • Interaction with infrastructure through land rehabilitation and demolition of historical and concrete infrastructure • Mineral and energy resources by sustainable mining, and solar and potable water treatment plant	• Mineral and energy resources • Renewable energy resources • Atmospheric systems • Water resources (groundwater) • Cultural dependency • Provisioning of natural resources • Regulating and maintaining natural processes for soil stabilisation, erosion control and water recycling
Tennant Mines	• Disturbances • GHG emissions • Land ecosystem use • Non-GHG air pollutants • Solid waste • Water use	• Cultural • Regulating and maintenance	• Depletion of Mineral Resources • Reduced availability of non-renewable resources	• Rehabilitation of disturbances and erosion control • Land use change through rehabilitation • Interaction with infrastructure through removal of legacy infrastructure and rehabilitation • Mineral and energy resources through efficiency measures and long-term closure plans • Terrestrial (land-based) ecosystems through rehabilitation and improvements to the current state soil stability and biodiversity through revegetation and erosion control	• Mineral and energy resources • Renewable energy resources • Atmospheric systems • Water resources (groundwater) • Cultural dependency • Regulating and maintaining natural processes for soil stabilisation, erosion control and water recycling

Waste, tailings and closure liabilities

Tailings management, waste handling and rehabilitation obligations are expected to remain important components of the Group's future financial profile.

Unlike many conventional mining operations, however, the Group's tailings retreatment strategy creates a financial profile in which environmental management and value creation are closely linked. Tailings facilities require ongoing monitoring, compliance activities, infrastructure investment and long-term closure planning, while simultaneously generating production, revenue and cash flows through retreatment operations.

Future financial effects may therefore arise through:

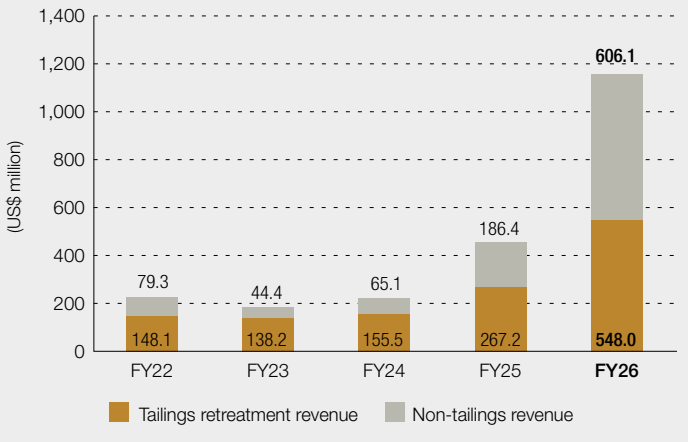
- additional expenditure on monitoring, governance and facility management
- changes in rehabilitation and closure requirements
- adjustments to environmental provisions and long-term liabilities
- continued revenue and cash flow generation from retreatment operations
- reduced legacy environmental liabilities through rehabilitation and land restoration.

Climate variability, water availability and ecosystem conditions may further influence closure assumptions, rehabilitation costs and long-term provisioning requirements.



An 80.3% increase was observed in tailings management operating expenditure in FY26, amounting to US\$69.0 million (FY25: US\$38.3 million). This increase was primarily driven by new monitoring, compliance and regulatory-related costs associated with the preparation and construction of the MTR operation tailings facility.

Tailings revenue versus non-tailings revenue



In FY26, the Company generated approximately US\$548.0 million in revenue from tailings retreatment operations, which marks a significant increase of 105.0% from US\$267.2 million in FY25. During this reporting period, tailings retreatment accounted for 47.5% of the Group's total revenue. A total of 121.3Koz of gold was produced through tailings reprocessing in FY26, representing 44.6% of the overall gold production. This production from tailings increased by 23.0% compared to FY25, highlighting the growing importance of tailings reprocessing in contributing to the Group's production and revenue.

The total closure liability increased by 43.7% from US\$24.0 million in FY25 to US\$34.5 million in FY26, attributable to the incorporation of new mining areas, developments at Tennant Mines, concurrent rehabilitation progress, additional surface infrastructure and adjustments to the schedule of contractor rates.

Financing and cost of capital

Climate- and nature-related matters are becoming increasingly relevant to financing decisions and capital market expectations. Investors, lenders and insurers are placing greater emphasis on disclosure quality, transition readiness, resilience planning and the management of environmental risks and opportunities.

Over time, these considerations may influence:



Strong performance in areas such as renewable energy deployment, water stewardship, environmental management and disclosure readiness may support access to capital and strengthen relationships with lenders and investors. Conversely, increasing scrutiny of climate- and nature-related risks may result in greater requirements for transparency, governance and performance management.

Although these financial effects have not yet been quantified, they are expected to become increasingly relevant as sustainability considerations become more embedded within financing and investment decisions.

The factors described above are consistent with the scenario analysis presented in the scenario analysis and resilience section of this report. Across all scenarios, water security, energy resilience, environmental stewardship, rehabilitation and operational adaptability emerge as important considerations for long-term financial performance and value creation. While quantitative scenario-linked financial modelling remains under development, the Group continues to strengthen the integration of climate- and nature-related considerations into capital allocation, risk management and financial planning processes.

FINANCIAL IMPACT MATURITY SUMMARY

The Group's ability to identify, assess and manage climate- and nature-related financial effects continues to evolve. Established practices are in place for tracking key cost drivers, including energy, water, rehabilitation and environmental management expenditure, and these considerations increasingly influence operational and capital allocation decisions.

The next phase of development is focused on strengthening the connection between climate- and nature-related risks and opportunities, scenario analysis, financial planning and long-term value creation. This includes improving the quantification of financial effects, enhancing scenario-linked analysis and increasing the integration of climate and nature considerations into decision-making processes.

Financial impact maturity summary

Area	Current position	FY26 status/next step
Identification of financial effects	Key financial effects have been identified across energy, water, rehabilitation, environmental management, tailings retreatment and operational resilience. Several current financial effects are already measurable, including renewable energy and water-related cost savings	Quantify additional climate- and nature-related financial effects and improve consistency of assessments across operations
Integration into strategy and decision-making	Climate- and nature-related considerations increasingly inform operational planning, capital allocation and resilience initiatives	Strengthen integration into business planning, investment appraisals and long-term strategic decision-making
Linkage to capital allocation	Climate and nature considerations influence investment decisions in renewable energy, water infrastructure, tailings management and rehabilitation programmes	Improve visibility of climate- and nature-related capital expenditure, expected returns and resilience benefits
Scenario linkage	Climate- and nature-related financial implications are considered qualitatively in scenario analysis and resilience assessments	Develop stronger links between scenario outcomes, financial effects and capital planning assumptions
Quantification of financial effects	A number of current financial effects can be linked to expenditure, cost savings and operational benefits, however, comprehensive scenario-linked quantification remains limited	Expand quantification of current and anticipated financial effects, including sensitivity analysis and scenario-informed assessments
Nature-related financial assessment	Nature-related financial effects are primarily assessed qualitatively through water, rehabilitation, biodiversity and ecosystem dependency considerations	Enhance quantification of nature-related dependencies, impacts, risks and opportunities as methodologies mature
Disclosure readiness	Governance structures, reporting processes and disclosure foundations are established and continue to mature in alignment with IFRS S1 and S2 and TNFD principles	Improve data quality, audit readiness, documentation and consistency of climate- and nature-related financial disclosures
Next development priority	Progress towards more decision-useful, financially integrated climate- and nature-related disclosures	Strengthen scenario-linked financial modelling, integration into financial planning and measurement of long-term value creation impacts



Climate-related risk management	78
Climate-related risk management process at Pan African	78
Management of physical climate risks	80
Management of transition-related risks	81
Cross-cutting risk management approach	81
Nature-related risk management	82
Nature-related risk management at Pan African	82
Nature-related risk management measures	84
Integration into enterprise risk management	85
Governance oversight of climate- and nature-related risks	85
Areas of integration	85
Going forward	86
Integration into enterprise risk management	87

Risk management

Climate-related risks are identified, assessed and managed through the Group's broader enterprise risk management framework and associated operational management processes.



RISK MANAGEMENT

The Group applies a structured approach to identifying, assessing, prioritising and managing climate- and nature-related risks and opportunities.

This approach is grounded in existing enterprise risk management processes and is continuously strengthened to improve alignment with IFRS S2 and emerging nature-related disclosure expectations. Climate- and nature-related risk management is not treated as a separate compliance exercise. It is increasingly integrated into operational oversight, strategic planning, procurement, environmental management and capital allocation processes.

Climate-related risks are increasingly embedded in established management systems, while nature-related risk management is being formalised through the use of structured assessment approaches, including the LEAP-based analysis. In both areas, the Group is progressing from issue identification and qualitative assessment towards more consistent prioritisation, clearer accountability and stronger linkage to financial and operational decision-making.

CLIMATE-RELATED RISK MANAGEMENT

Climate-related risks are identified, assessed and managed through the Group's broader enterprise risk management framework and associated operational management processes. This approach enables climate-related risks to be evaluated alongside other strategic, operational, financial and regulatory risks, supporting integrated decision-making across the business.

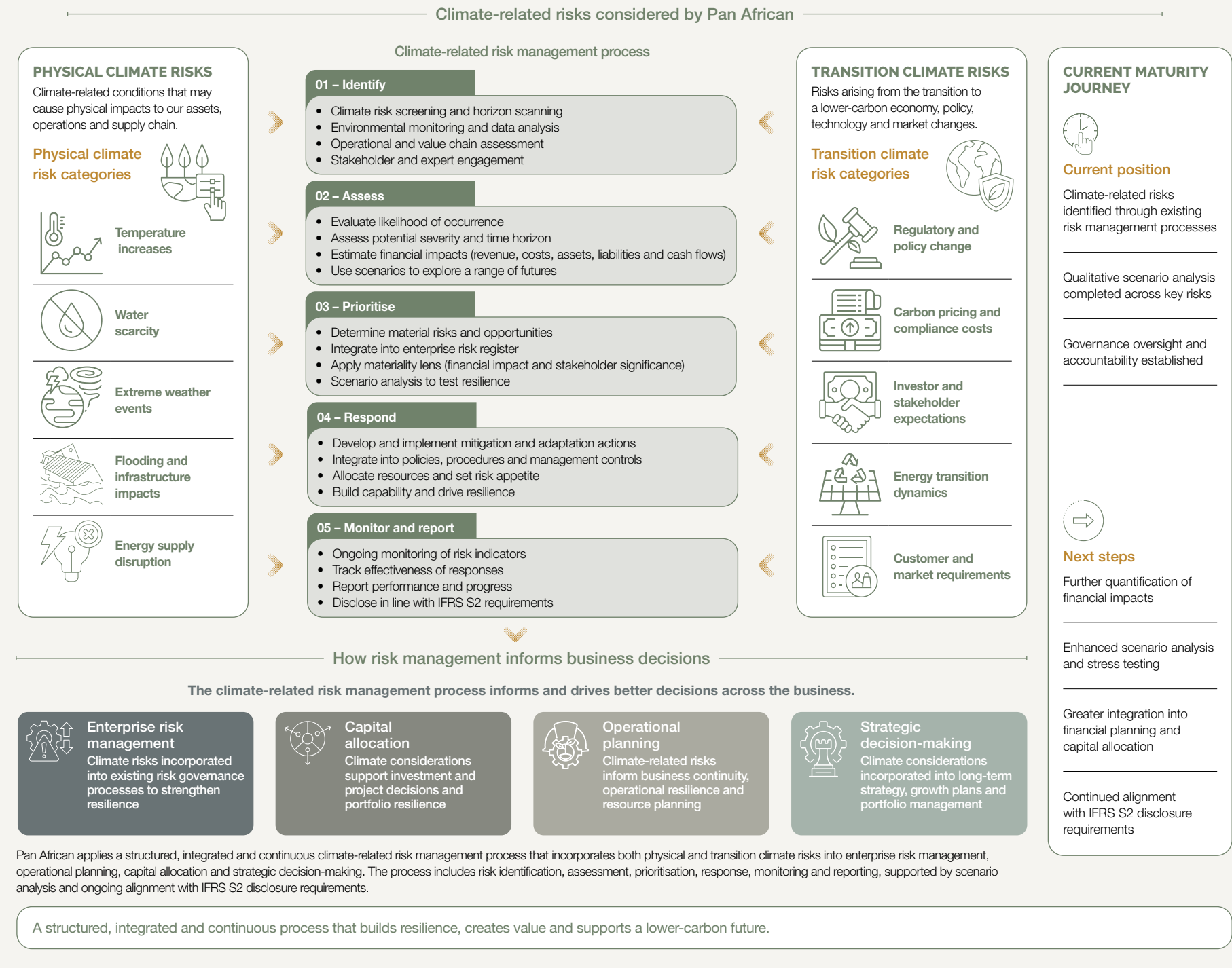
The Group's climate-related risk management approach is structured around five core activities:

- Identifying climate-related risks and opportunities
- Assessing potential operational, financial and strategic impacts
- Prioritising risks based on likelihood, consequence and risk exposure
- Monitoring through operational and governance structures
- Implementing mitigation, adaptation and resilience measures.

Climate-related risk assessments draw on information from operational experience, environmental monitoring, stakeholder engagement, regulatory developments, scenario analysis and strategic planning processes. These inputs support the identification of both physical and transition-related risks across the Group's operations in South Africa and Australia.

CLIMATE-RELATED RISK MANAGEMENT PROCESS AT PAN AFRICAN

Integrating climate considerations into enterprise risk management and strategic decision-making.





MANAGEMENT OF PHYSICAL CLIMATE RISKS

Physical risks – such as extreme weather events, water stress and rising temperatures – are managed through a combination of operational controls, infrastructure investment and resilience planning:

- **Water management and security**
 - Investment in water treatment, reuse and storage infrastructure
 - Ongoing monitoring of water balance, availability and quality
- **Extreme weather**
 - Maintenance and upgrading of assets to withstand extreme weather
 - Site-level planning for flood, drought and storm events
- **Operational planning**
 - Adjustments to mine planning and scheduling in response to climate variability.

These measures aim to minimise disruption, protect asset integrity and sustain production under increasingly variable climate conditions.



MANAGEMENT OF TRANSITION-RELATED RISKS

Transition risks, arising from policy, regulation, market expectations and the shift to a low-carbon economy, are addressed through targeted strategic and operational responses:

- **Energy transition initiatives**
 - Investment in renewable energy (e.g. solar PV)
 - Implementation of energy efficiency programmes
- **Regulatory and disclosure alignment**
 - Ongoing enhancement of climate-related disclosures
 - Monitoring of carbon pricing, reporting requirements and policy developments
- **Capital and procurement integration**
 - Increasing consideration of climate factors in investment decisions
 - Incorporation of climate-related criteria into procurement processes.

These actions support compliance, reduce long-term cost exposure and align the Group with evolving investor and stakeholder expectations.

CROSS-CUTTING RISK MANAGEMENT APPROACH

Across both risk categories, the Group adopts a holistic and integrated approach, recognising that climate risks are interconnected with broader operational, financial and environmental considerations.

Key features include:

- embedding climate risks within enterprise risk management frameworks
- linking climate considerations with water, energy and environmental management strategies
- using scenario thinking (in development) to understand potential future exposures.



NATURE-RELATED RISK MANAGEMENT

Nature-related risks arise through the Group's dependence on ecosystem services and its interactions with natural systems throughout the mining life cycle. These risks can affect operational continuity, regulatory compliance, rehabilitation performance, stakeholder relationships and long-term value creation.

The Group's approach to nature-related risk management continues to evolve as understanding of biodiversity, ecosystem and natural capital considerations improves. While climate-related risks are generally integrated into established risk management processes, nature-related risk management remains at an earlier stage of maturity and is being progressively strengthened through environmental management systems, biodiversity assessments, rehabilitation planning, value chain assessments and TNFD-aligned evaluations.

Climate- and nature-related considerations increasingly inform decisions relating to:

- dependencies on ecosystem services, particularly water resources and land functionality
- impacts on biodiversity, habitats and ecological integrity
- nature-related physical, regulatory and reputational risks
- opportunities associated with rehabilitation, restoration and ecosystem stewardship
- emerging risks identified through TNFD-aligned assessments and LEAP-based analyses.

Nature-related risks are considered across the operational life cycle and are increasingly being incorporated into enterprise risk management, strategic planning and environmental decision-making processes.

NATURE-RELATED RISK MANAGEMENT AT PAN AFRICAN

Understanding nature. Managing impacts. Building resilience. Creating long-term value.

Nature-related risk management is developing through a more structured approach to understanding ecosystem dependencies, environmental impacts and resulting risks and opportunities. The Group has begun to use LEAP-based assessments to improve visibility over where operations and priority value chains depend on nature, where they place pressure on natural systems and how those interactions may affect resilience, compliance and long-term value creation.

THE GROUP'S EVOLVING APPROACH INVOLVES:

Issue identification

Targeted risk prioritisation

Integrated management and decision-making

Three linked dimensions of nature-related risks

01 DEPENDENCIES ON ECOSYSTEM SERVICES

- Water**
Availability, quality and reliability for operations and communities
- Land functionality**
Land stability, soil health and capacity to support mining infrastructure and rehabilitation
- Ecosystem stability**
Ecosystem processes that support resilience, climate regulation and biodiversity

02 IMPACTS ON BIODIVERSITY AND ECOSYSTEMS

- Land disturbance**
Habitat loss, vegetation clearing and ecosystem fragmentation
- Pollution**
Air emissions, water discharge and contamination risk
- Waste-related pressures**
Tailings, waste rock and other material impacts on land and water
- Rehabilitation requirements**
Need for restoration, offsets and long-term land management

03 RISKS AND OPPORTUNITIES ARISING FROM NATURE-BUSINESS INTERACTIONS

- Operational disruption**
Impacts on water supply, infrastructure, productivity and worker safety
- Regulatory exposure**
Compliance obligations, permits and evolving nature-related regulation
- Reputational risk**
Stakeholder expectations and the social licence to operate
- Insurance and financing implications**
Increasing scrutiny from insurers, lenders and investors
- Resilience opportunities**
Improved environmental management, ecosystem restoration and long-term value creation

Priority value chains – focus areas for nature-related risk assessment

- Electricity**
High dependence on water for power generation and exposure to carbon intensity and transition dynamics
- Water**
Critical cross-cutting input with increasing scarcity, quality and regulatory pressures
- Lime**
Extraction impacts land and biodiversity; energy use and emissions in processing
- Cyanide**
Low-frequency, high-consequence contamination risk in production, transport and storage

WHY INTEGRATED NATURE RISK MANAGEMENT MATTERS

Integrated nature risk management is essential to:

- Protect ecosystem services and biodiversity
- Strengthen operational resilience
- Improve compliance and reduce risk exposure
- Build stakeholder trust and social licence
- Support long-term value creation

INSIGHTS FROM LEAP ASSESSMENTS TO DATE

- Nature-related risks are interconnected and geographically concentrated with the potential to become financially material
- These risks cannot be managed in isolation – they require integration across business processes
- Integration is needed in procurement, enterprise risk management, capital allocation and transition planning

Focus: Move from awareness to integration for better risk management and long-term value creation

Nature-related risks arise from the interaction between ecosystem dependencies, environmental impacts and business activities. Pan African's developing approach focuses on understanding these relationships through LEAP-based assessments, prioritising material risks, integrating nature considerations into decision-making and strengthening resilience, compliance and long-term value creation.

Integrated nature risk management is essential to protect operations, meet stakeholder expectations and create sustainable long-term value.



RISK MANAGEMENT continued

NATURE-RELATED RISK MANAGEMENT MEASURES

The Group manages nature-related risks through a combination of operational controls, rehabilitation activities, environmental monitoring programmes and structured environmental management systems. These measures seek to reduce operational impacts, maintain ecosystem functionality, strengthen regulatory compliance and support long-term operational resilience.

Key management measures include:

Water stewardship and ecosystem protection

- Monitoring of water abstraction, consumption, treatment and discharge
- Investment in water treatment, reuse and water security infrastructure
- Identification and management of ecosystem dependencies on water resources.

Biodiversity management

- Site-level baseline biodiversity assessments and rehabilitation strategy and implementation plans
- Protection of sensitive habitats and ecological features where identified
- Progressive integration of biodiversity considerations into operational planning and rehabilitation activities.

Rehabilitation and land restoration

- Progressive rehabilitation undertaken throughout the operational life cycle
- Rehabilitation planning integrated with closure objectives and long-term land-use outcomes
- Ongoing restoration of disturbed areas through concurrent rehabilitation programmes.

Tailings and waste management

- Structured management of tailings facilities and associated environmental risks
- Monitoring programmes focused on environmental performance and long-term stability
- Integration of rehabilitation objectives into tailings management planning.

TNFD and LEAP-informed assessments

- Ongoing application of nature-related assessment methodologies to improve understanding of dependencies, impacts, risks and opportunities
- Development of more structured approaches to identifying material nature-related risks across operations and selected value chains
- Strengthening of nature-related disclosures and decision-making processes over time.

Current maturity and future development

The Group has established a strong foundation through environmental management, rehabilitation and water stewardship practices. Future development will focus on improving the identification and prioritisation of nature-related risks, strengthening integration into enterprise risk management processes and enhancing the quantification of nature-related impacts, dependencies and financial effects.

INTEGRATION INTO ENTERPRISE RISK MANAGEMENT

Climate- and nature-related risks are increasingly integrated into the Group's enterprise risk management framework, reflecting their growing influence on operational continuity, strategic planning, capital allocation, regulatory compliance and long-term value creation. Rather than being managed through separate or parallel processes, climate- and nature-related risks are incorporated into the same governance structures, risk assessment methodologies and decision-making processes used to manage other material business risks.

This integrated approach enables environmental and associated social risks and opportunities to be assessed alongside operational, financial, technical, regulatory and strategic considerations, supporting a more comprehensive understanding of the factors that may affect business performance and resilience over short-, medium- and long-term time horizons. Climate- and nature-related considerations are therefore increasingly embedded within planning, investment decision-making, operational management and risk oversight activities across the Group.

The integration process includes:

Enterprise risk management activity	Climate and nature integration
Risk identification	Climate- and nature-related risks are identified through operational risk assessments, environmental management processes, scenario analysis, biodiversity assessments, stakeholder engagement, regulatory monitoring and value chain reviews
Risk assessment	Risks are evaluated based on likelihood, consequence, potential operational impacts, financial implications, regulatory exposure and time horizon considerations
Risk prioritisation	Material risks are prioritised through established risk management processes and escalated where appropriate through operational, management and governance structures
Risk response	Risk mitigation, adaptation and resilience measures are incorporated into operational plans, environmental programmes, infrastructure investments and strategic initiatives
Monitoring and reporting	Key climate- and nature-related risks are monitored through management oversight, governance committees, environmental monitoring systems and periodic risk reviews

The current approach reflects relatively mature integration of climate-related risks, particularly in areas such as energy security, water management, infrastructure resilience and environmental compliance. Nature-related risk integration is developing through biodiversity assessments, ecosystem dependency analysis, rehabilitation planning and TNFD-aligned assessments that seek to improve understanding of nature-related dependencies, impacts, risks and opportunities.

Climate- and nature-related considerations increasingly inform decisions relating to:

- energy and renewable energy investments
- water security and infrastructure planning
- rehabilitation and closure strategies
- tailings management and environmental stewardship
- operational resilience initiatives
- environmental compliance and permitting requirements
- social licence to operate
- long-term capital allocation decisions.

During FY26, governance oversight focused on climate-related risks associated with energy security, emissions management, renewable energy projects and water security, together with nature-related risks relating to tailings facilities, rehabilitation activities, biodiversity management and environmental compliance.

Committee oversight supports the identification of emerging risks, the monitoring of management responses and the integration of climate- and nature-related considerations into operational planning, capital allocation and strategic decision-making. The board also receives updates on sustainability-related matters through the ESG performance scorecard and sustainability-linked bond performance indicators, supporting a more integrated approach to environmental risk oversight.

AREAS OF INTEGRATION

The Group's approach to enterprise risk management continues to evolve from traditional environmental risk management towards a more integrated assessment of risks related to climate, nature, operations and finances. The strongest integration is currently associated with energy security, water availability, tailings management, rehabilitation and environmental compliance, where risks are already integrated into operational planning and business performance.

Emerging areas of integration include biodiversity and ecosystem dependencies, nature-related value chain risks, scenario-informed risk assessment and the translation of climate- and nature-related risks into financial planning assumptions. These areas are expected to strengthen over time as methodologies mature and additional data becomes available.

This integration supports a more connected approach to risk management by strengthening the linkage between environmental factors, operational performance, strategic resilience and financial outcomes. As data quality, scenario analysis capability and financial quantification continue to mature, the Group expects climate- and nature-related considerations to become increasingly embedded within enterprise-wide risk assessment and decision-making processes.

GOVERNANCE OVERSIGHT OF CLIMATE- AND NATURE-RELATED RISKS

Climate- and nature-related risks are reviewed through established governance processes and are reported to the board and relevant committees through management reporting structures.



RISK MANAGEMENT continued

The infographic illustrates how climate- and nature-related considerations are progressively embedded within the Group's enterprise risk management framework. The strongest areas of integration currently relate to energy security, water availability, environmental compliance, tailings management and rehabilitation planning, while scenario-informed risk assessment, biodiversity considerations and nature-related value chain risks continue to mature. This integrated approach supports more informed decision-making, enhances organisational resilience and strengthens the connection between environmental and associated social risks, operational performance and long-term value creation.

GOING FORWARD

The Group has established a credible foundation for the management of climate- and nature-related risks through the integration of these considerations into enterprise risk management, environmental management and operational decision-making processes. Climate-related risks are increasingly embedded within established governance and risk management structures, while nature-related risk management continues to mature through biodiversity assessments, value chain reviews, rehabilitation planning and TNFD-aligned analyses. Tailings management remains one of the most mature areas of environmental risk management, while the integration of biodiversity, ecosystem dependency and broader nature-related risks continues to develop.

The next stage of development should focus on:

- strengthening consistency between climate and nature risk processes
- improving linkage between risk assessment, scenario analysis and capital allocation
- refining prioritisation of biodiversity, waste and value chain risks
- strengthening translation of risk information into financially relevant decision-making
- improving evidence, documentation and disclosure readiness across the full risk architecture
- transition towards a coherent disclosure framework that brings together existing climate, nature and social efforts.

Climate- and nature-related risks have been formally incorporated into the FY26 enterprise risk register at each of the operations.

The outcome of the value chain assessment was a consolidated material nature risk register for priority supply chains, prioritising 10 nature-related risks. An action plan was developed that focuses on targeted, implementable actions across value chains, including supplier engagement, operational improvements and risk mitigation measures. The actions are designed to align with existing business processes and to support the transition from risk identification to active management and value creation. Subsequently, these actions were prioritised based on their expected impact reduction, feasibility of implementation and alignment with the Group's strategic priorities. A roadmap was then developed, which provides a high-level structured pathway for embedding nature-related considerations into core business processes over time, focusing on the priority actions identified through the assessment.

INTEGRATION INTO ENTERPRISE RISK MANAGEMENT

Embedding climate- and nature-related risks into how we manage and create value.

Climate- and nature-related risks are increasingly integrated into Pan African's enterprise risk management framework because many drivers – such as water scarcity, energy instability, regulatory change, environmental liability and supply chain disruption – directly affect **business continuity, cost structure, capital planning and long-term value creation**.



01 EMBEDDING WITHIN EXISTING ENTERPRISE RISK MANAGEMENT FRAMEWORKS

Integration is achieved by leveraging our established enterprise risk management structures – not creating parallel processes.

Approach

- Identified through operational risk assessments and environmental management systems
- Evaluated alongside financial, operational and strategic risks
- Incorporated into risk registers, reporting and management oversight.

Climate and nature risks are managed within the same governance and decision-making processes as other material business risks

02 AREAS OF STRONG INTEGRATION (OPERATIONAL INTERFACE)



Water risk

Integrated into operational planning, infrastructure investment and risk registers through water stewardship and treatment initiatives



Energy and climate transition risk

Considered in cost management and capital planning through renewable energy investments, energy efficiency and exposure to pricing and regulation



Tailings and environmental liability

Embedded in risk management, engineering design and compliance; linked to closure obligations, rehabilitation planning and long-term liabilities



Site-level resilience

Physical climate risks (e.g. floods, droughts and extreme weather) integrated into operational risk, health and safety and infrastructure resilience planning



Current position: A clear link exists between environmental drivers, operational risk and financial impact that is actively managed

03 AREAS OF DEVELOPING INTEGRATION (STRATEGIC AND ANALYTICAL GAPS)



Scenario-based risk integration

Scenarios not yet systematically embedded in enterprise risk management; limited use to stress-test strategy, assess portfolio resilience or quantify risk



Biodiversity and ecosystem dependencies

Dependencies on ecosystem services recognised qualitatively; not yet integrated into formal risk scoring, prioritisation or thresholds



Financial quantification and risk appetite

Risks described qualitatively in registers; not yet translated into quantified financial exposures or sensitivities



Capital and strategic linkage

Risk appetite does not yet include climate or nature thresholds; portfolio-level exposure not fully aggregated or modelled



Implication: These are key focus areas for maturation towards decision-grade insights

04 INTEGRATION WITH PROCUREMENT AND VALUE CHAIN RISK MANAGEMENT

Risk management is expanding beyond operations into upstream value chains.

Key insight

Water is a cross-cutting dependency and risk driver across the value chain

Priority inputs assessed



Electricity

Exposure to water stress and carbon intensity in generation



Water

Risk of scarcity, quality issues and supply constraints



Lime

Land disturbance, emissions and resource use in production



Cyanide

Contamination risk in production, transport and handling



Strategic benefit

Improves visibility of upstream exposures and informs targeted risk prioritisation and supplier engagement

05 IMPLICATIONS FOR ENTERPRISE RISK MANAGEMENT



From environmental compliance

To enterprise risk management



From operational risk focus

To system-wide exposure (including supply chain)



From qualitative awareness

To quantified, decision-useful insights



Overall outcome

Better resilience, stronger decision-making and sustained long-term value

06 FORWARD TRAJECTORY

The Group intends to:

- embed scenario-based stress testing into enterprise risk management
- quantify financial exposure to climate and nature risks
- enhance portfolio-level risk aggregation and reporting
- strengthen integration with capital allocation and strategy.



Future state
Towards an integrated, forward-looking risk framework that drives resilience and long-term value creation

Our goal

Embed climate and nature considerations across enterprise risk management, procurement, planning and capital allocation to protect our business, our people and the environments in which we operate.

Expected outcomes



Protect natural systems



Reduce risk and build resilience



Create sustainable long-term value

Climate performance metrics	90
Core climate and nature performance metrics	90
Cross-industry and management metrics	96
Targets, financial impacts and performance tracking	96
Overall interpretation	97
Performance interpretation	97

Metrics and targets

The Group tracks a focused set of biodiversity and nature-related metrics to monitor its impacts, dependencies and performance across key environmental systems.



METRICS AND TARGETS

Current metrics are used to track climate- and nature-related performance. These indicators are already embedded in operational management and are used to identify areas where measurement capability is still developing.

Historical data is included selectively for context, with a focus on outlining the Group's FY26 performance. Selected climate and nature metrics are internally validated, with external assurance applied to certain key indicators in line with Group reporting practices. The scope of assurance is expected to broaden as data systems and disclosure requirements mature.

CLIMATE PERFORMANCE METRICS

Pan African tracks climate performance through a structured set of quantitative metrics (energy, emissions, water and intensity) and forward-looking decarbonisation targets, aligned with TCFD and IFRS S2 transition requirements.

Climate metrics form the most established data set and provide the strongest basis for performance tracking. These indicators are closely linked to cost, efficiency and operational resilience.

Across the reporting period, performance reflects:

- improving emissions intensity
- stabilisation in energy use
- increasing pressure on water consumption.

CORE CLIMATE AND NATURE PERFORMANCE METRICS

Metric	Unit	FY24	FY25	FY26
Total energy consumption	TJ	1,503.8	1,705.1	2,071.9 [Ⓢ]
Energy intensity	GJ/oz	8.02	8.59	7.56 [Ⓢ]
Scope 1 GHG emissions	ktCO ₂ e	5.0	8.1	17.8 [Ⓢ]
Scope 2 GHG emissions	ktCO ₂ e	348.0	366.7	408.2 [Ⓢ]
Scope 3 GHG emissions	ktCO ₂ e	–	501.3	301.0
Emissions intensity	tCO ₂ e/oz	1.88	1.89	1.56 [Ⓢ]
Renewable energy consumption	GWh	24.6	39.3	41.2 [Ⓢ]
Renewable energy contribution	%	6.1	8.8	8.1 [Ⓢ]
Water consumption	GL	9.9 ¹	13.3 ¹	20.8
Third-party water consumption	GL	0.9	0.7	1.0
Water consumption from the water treatment plant	ML	747.5	920.0	875.4
Water intensity	m ³ /oz	53.7 ¹	67.5 ¹	76.4

¹ Water consumption and intensity were restated to include water consumption from the water treatment plant.

Total energy consumption and energy intensity

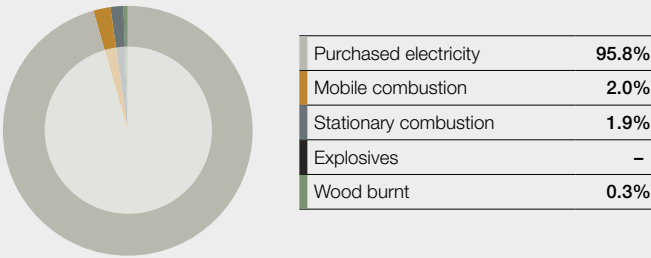
Total energy consumption increased by 21.5%, driven by the continued ramp-up at Tennant Mines and increased activity across the Group's portfolio. Direct energy consumption was up 140.0%, with Tennant Mines accounting for 78.8%, driven by higher diesel consumption. Indirect energy was up 14.2%, with Evander Mines accounting for 50.3% as the Group's largest electricity user. The rise in total energy indicates an opportunity for renewable energy sources, which the Group continues to pursue as part of its integrated energy and decarbonisation strategy, which is aligned with the ISO 50001 energy management system.

Energy intensity decreased by 12.0% to 7.56 GJ/oz[Ⓢ] (FY25: 8.59 GJ/oz), primarily due to a 38.3% increase in gold ounces sold, which led to higher absolute energy consumption. Energy intensity is a particularly important performance indicator for gold mining operations, as it provides a more meaningful measure of operational efficiency than absolute consumption alone. Intensity metrics account for changes in production volumes, asset mix and operational activity, and therefore provide a clearer indication of how effectively energy is utilised to generate production.

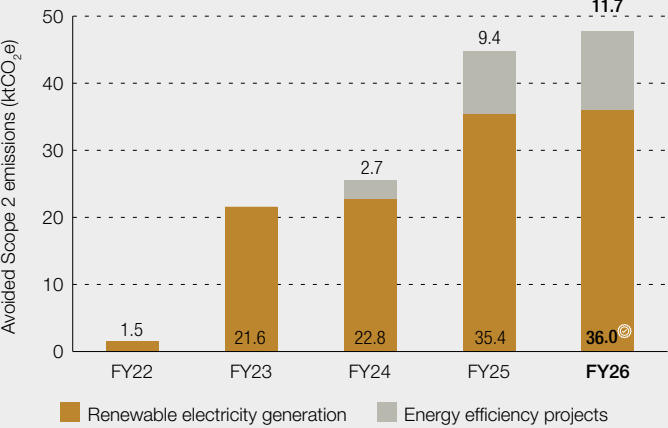
The Gold ESG Focus 2025 industry analysis indicates that average energy intensity across 14 major global gold producers remained approximately 9.3GJ per ounce in 2024. Against this benchmark, the Group's FY26 energy intensity compares favourably, although comparisons should be interpreted with caution given differences in ore grade, mining methods, production profiles and reporting periods.

However, benchmarking should be interpreted cautiously, as energy intensity is influenced by factors such as ore grade, mining method, processing complexity, underground versus surface operations and geographical location. Accordingly, a direct comparison between companies may not always provide a like-for-like assessment of performance.

Group emissions by source



Avoided Scope 2 emissions



GHG emissions

Scope 1 emissions

Scope 1 emissions primarily arise from the combustion of fuels used in mining, processing and mobile equipment, together with other direct operational emission sources.

All assets reduced their Scope 1 emissions, except Tennant Mines, whose Scope 1 emissions increased fivefold from 2.6ktCO₂e to 13.31ktCO₂e, contributing to a 121.3% increase in Scope 1 emissions to 17.8ktCO₂e[Ⓢ] (FY25: 8.1ktCO₂e) at Group level. The financial impact was a 124.8% rise in diesel costs to US\$9.4 million (FY25: US\$4.2 million). Tennant Mines' diesel costs increased by 805.1% to US\$6.8 million, accounting for 72.2% of the Group's diesel costs.

These increases reflect changes in operational activity levels during the reporting period and should be considered in the context of production growth and the continued development of the Group's asset portfolio.

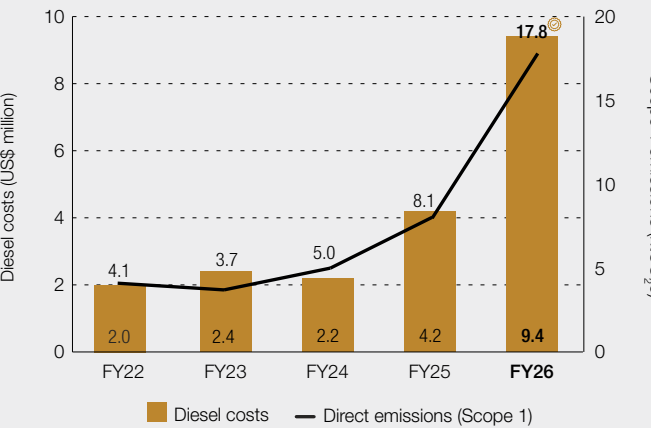
Scope 2 emissions

Scope 2 emissions are primarily associated with purchased electricity and continue to represent the largest component of the Group's operational GHG footprint.

Scope 2 emissions increased by 11.3% to 408.2ktCO₂e[Ⓢ] (FY25: 366.7ktCO₂e) as a result of a 15.0% increase in non-renewable electricity, coupled with marginal 4.9% growth in non-renewable electricity. Even though the MTR operation is the third-largest electricity user in the Group, it experienced a 61.9% increase, coupled with a 74% increase in non-renewable electricity costs, which were 46.1% higher in FY26 at US\$60.8 million (US\$41.6 million).

The increase reflects higher production, higher electricity tariffs and coal-generated grid factor emissions in South Africa, highlighting the opportunity for energy efficiency initiatives, renewable electricity procurement and ongoing efforts to optimise energy consumption across operations.

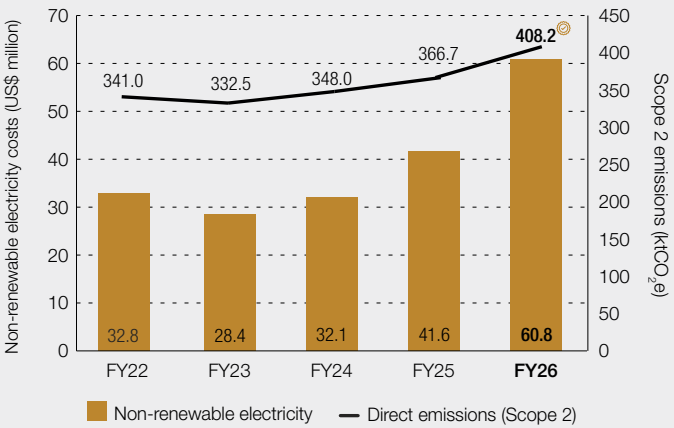
Scope 1 emissions and diesel costs



Avoided Scope 2 emissions from renewable electricity generation increased by 1.5% to 36.0ktCO₂e[Ⓢ] (FY25: 35.4ktCO₂e). This marginal increase reflects lower solar irradiation, which reduced renewable energy generation. However, electricity efficiency projects avoided 11.7ktCO₂e (FY25: 9.4ktCO₂e) in Scope 2 emissions, representing a 24.0% improvement. Overall, avoided Scope 2 emissions increased by 6.3% to 47.7ktCO₂e (FY25: 44.9ktCO₂e).

METRICS AND TARGETS continued

Scope 2 emissions and non-renewable electricity costs



Scope 3 emissions

Scope 3 emissions arise from activities occurring across the Group’s value chain that are not directly owned or controlled by Pan African. The FY26 Scope 3 inventory was prepared with reference to the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and ISO 14064-1:2018, as adopted in South Africa as SANS 14064 – 1:2021. Overall, the FY26 assessment provides a stronger basis for future Scope 3 reporting, assurance readiness and emissions-management planning. Continued improvement in data governance, supplier engagement and quality assurance and control procedures will strengthen the reliability, comparability and auditability of future inventories.

Following the application of relevance criteria, the Group’s FY26 Scope 3 emissions were estimated at approximately 301.0ktCO₂e. Scope 3 emissions are materially lower than the FY25 inventory, however, year-on-year movements should be interpreted with caution as changes in data availability, category coverage, source classification, methodology application and annualisation assumptions influence comparability between reporting periods. The reported change should therefore not be interpreted as a verified reduction in underlying value chain emissions.

The inventory is dominated by three categories, which together account for almost 95.5% of total Scope 3 emissions. The largest contributor is Category 1: purchased goods and services, at approximately 167.9ktCO₂e (55.8%), followed by Category 3: fuel- and energy-related activities at approximately 99.6ktCO₂e (33.1%), and Category 2: capital goods at approximately 20.0ktCO₂e (6.7%). The most significant individual emission drivers are cyanide, electricity transmission and distribution losses, upstream emissions associated with electricity generation, unslaked lime, purchased water and major capital investments. These findings highlight the importance of procurement decisions, supplier emissions performance, purchased energy and capital project development in shaping the Group’s value chain emissions profile.

The assessment confirmed that Scope 3 emissions remain significantly more complex to quantify than Scope 1 and Scope 2 emissions due to their reliance on supplier, procurement, logistics and operational data that are often outside the Group’s direct control. While the FY26 assessment expanded inventory coverage and incorporated capital goods for the first time, further improvements are required to enhance inventory completeness, data quality and assurance readiness.

Priority areas include improved supplier-specific emissions data, standardised site-level data collection, stronger evidence trails and enhanced supplier engagement for high-emission goods and services. These improvements will support future target-setting, climate-related decision-making and value chain decarbonisation initiatives.

FY26 Scope 3 emissions by material category

US\$'000	FY26 emissions (ktCO ₂ e)	Share of total %
Purchased goods and services	167.9	55.8
Fuel- and energy-related activities	99.6	33.1
Capital goods	20.0	6.7
Waste generated in operations	7.0	2.3
All other included categories ¹	5.6	2.1
Total Scope 3 emissions	301.0	100.0

¹ All other included categories are category 4, 6, 7, 9 and 10.

Emissions intensity

FY26 emissions intensity is estimated at approximately 1.56tCO₂e oz[Ⓢ], compared with 1.89tCO₂e/oz in FY25. This improvement suggests that growth in production has outpaced growth in emissions during the reporting period and indicates progress in managing the carbon intensity of operations.

Although emissions intensity remains an important indicator of climate performance, comparison with global peers requires careful interpretation. Industry data indicates that emissions intensity across gold mining operations varies significantly depending on ore grade, energy mix, grid emission factors and mining methodology. Operations located in jurisdictions that rely heavily on fossil fuel-based electricity generation, including South Africa, generally report materially higher emissions intensities than operations supplied by low-carbon electricity grids such as hydroelectric or renewable-dominated systems.

The Group’s emissions profile continues to be influenced by the carbon intensity of grid electricity and the energy requirements associated with underground mining and tailings retreatment activities. As a result, year-on-year improvement trends and site-level performance may provide a more meaningful indicator of progress than direct comparison with international peers operating under different conditions.

Renewable energy transition

Renewable electricity consumption increased substantially over the past five years, rising from 1.6GWh in FY22 to approximately 41.2GWh[Ⓢ] in FY26. This reflects continued progress in diversifying the Group’s energy mix and reducing exposure to coal-generated grid electricity.

We project a renewable electricity mix of 15% to 20% in FY27, reaching an ambitious 71% by FY30.

This depends on the successful commissioning of our behind-the-meter and IPP generation, with BESS support. The FY27 renewable forecast includes 48.5GWh of behind-the-meter solar from Evander Mines, Barberton Mines and Tennant Mines, along with approximately 80GWh from NOA Group’s PPA. The additional renewable electricity is expected to cut our Scope 2 GHG emissions by about 111.7ktCO₂e.

The Group continues to advance its renewable energy strategy through a combination of self-generation and third-party renewable energy procurement arrangements.

FY26 data provides a breakdown of:

- behind-the-meter renewable energy generation through solar PV facilities
- front-of-the-meter renewable energy generation from IPPs
- total renewable electricity contribution to Group demand
- progress towards the Group’s renewable energy targets
- expected impact on future Scope 2 emissions reductions.

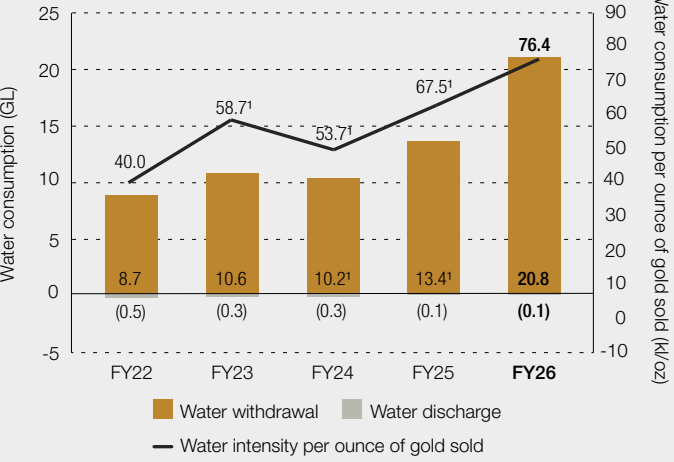
Water performance

Water remains one of the Group’s most significant environmental dependencies and a key determinant of operational resilience. In FY26, water consumption increased by 56.6% to 20.8GL (FY25: 13.3GL), while water intensity increased from 67.5kl/oz in FY25 to approximately 76.4kl/oz.

The increase reflects higher operational demand linked to portfolio growth, including the MTR operation and Tennant Mines, as well as higher activity levels and site-specific processing requirements. At MTR specifically, the significant rise in water consumption, which accounts for 63.7% of the Group’s water consumption, primarily reflects the ramp-up of operations following commissioning in FY25, with higher processing throughput and a full year of operation leading to greater water requirements. However, the new TSF currently under construction is expected to improve water recovery from the tailings deposition process, enabling greater volumes of water to be reclaimed and reused within the operation. As the new facility becomes operational, it is expected to improve the operation’s overall water efficiency. Water intensity remains an important metric because it indicates the volume of water required to produce each ounce of gold and provides insight into operational efficiency and resource dependency.

External benchmarking indicates that average water consumption across a large sample of global gold mines is approximately 21m³/oz. However, significant caution should be exercised when comparing these figures directly with the Group’s performance. Water intensity varies considerably depending on climate, processing route, tailings management approach, ore characteristics, local water infrastructure and regulatory requirements. Furthermore, Pan African’s operating model includes extensive tailings retreatment activities and operations located in water-constrained regions, both of which can materially affect water consumption profiles. Consequently, direct industry comparisons should be treated as indicative rather than definitive measures of performance. More meaningful insights may be obtained through site-level comparisons and year-on-year trend analysis within the Group’s own portfolio.

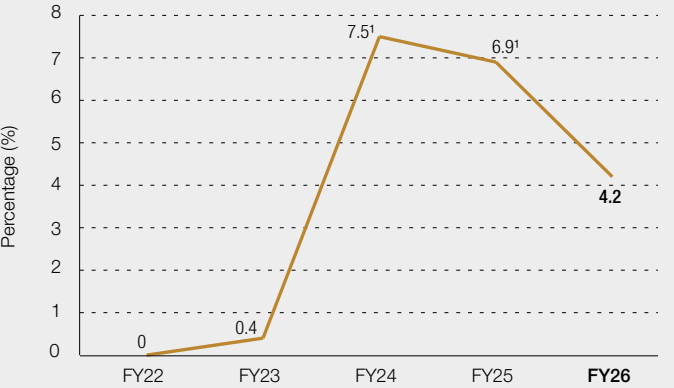
Total water consumption



¹ Water consumption, withdrawal and intensity were restated to include water consumption from the water treatment plant.

Water stewardship and ecosystem resilience

Percentage of treated water used versus total water consumption



¹ Water consumption, withdrawal and intensity were restated to include water consumption from the water treatment plant.

Water remains one of the Group’s most significant nature-related dependencies and one of the clearest indicators of ecosystem resilience. Water withdrawal, treatment and discharge metrics provide insight into how operations interact with surrounding ecological systems, particularly in water-constrained regions where water availability influences both operational continuity and ecosystem health.

The Group’s ongoing investment in water treatment infrastructure, water reuse initiatives and water security programmes supports both operational resilience and broader environmental stewardship objectives. Improved water treatment, reuse and efficiency are expected to reduce pressure on natural water systems, strengthen resilience to climate variability and support the long-term sustainability of ecosystems on which operations depend. The total water treated in the water treatment plant decreased by 4.9% to 875.4ML in FY26 (FY25: 920.0ML).

METRICS AND TARGETS continued

The second water treatment plant's commissioning phase experienced multiple operational stops and starts as part of testing, optimisation and stabilisation of the system. These disruptions affected the overall availability and continuity of the treatment process, leading to reduced water production compared to the previous year.

Treated water utilisation remains an important supporting indicator because water availability and ecosystem health are closely interconnected across the Group's operating regions. The decline in treated water use as a percentage of total water consumption in FY26 highlights an area requiring continued focus as the Group seeks to strengthen water circularity, improve resource efficiency and reduce dependence on freshwater abstraction. As nature-related reporting matures, water stewardship is expected to remain one of the Group's most material nature-related performance areas due to its direct linkage to biodiversity, operational resilience and long-term value creation.

Biodiversity and nature-related metrics

The Group tracks a focused set of biodiversity and nature-related metrics to monitor its impacts, dependencies and performance across key environmental systems.

These indicators span:

- land disturbance and rehabilitation
- ecosystem condition
- water use and quality
- pollution
- waste management
- climate-related drivers.

Supported by:

- site-level biodiversity assessments
- annual rehabilitation plans
- rehabilitation strategy and implementation plans
- water monitoring reports
- groundwater, surface water and air quality monitoring data
- environmental audit and compliance reports.

Together, they provide a structured, TNFD-aligned view of how operations interact with ecosystems, enabling the Group to assess risks, measure progress against restoration and conservation objectives, and strengthen the integration of nature-related considerations into decision-making, risk management and long-term value creation.

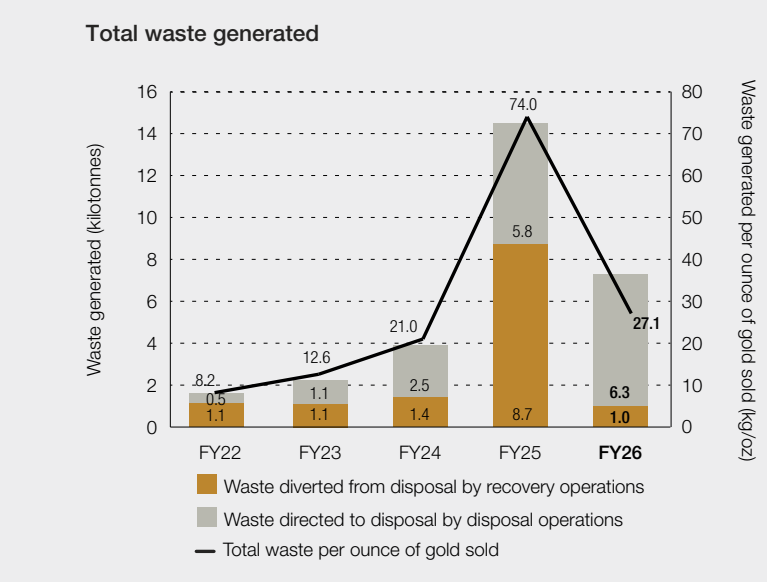
Core biodiversity and nature-related metrics

The biodiversity and nature-related indicators presented as follows should be interpreted collectively rather than as stand-alone environmental statistics. In the mining sector, nature-related performance is increasingly assessed through an organisation's ability to minimise land disturbance, progressively rehabilitate impacted areas, manage water resources responsibly and reduce waste generation over time. These measures therefore provide practical proxy indicators for broader ecosystem condition, biodiversity management effectiveness and long-term environmental stewardship.

Unlike climate-related disclosures, which are supported by relatively mature reporting methodologies and widely accepted performance indicators, nature-related measurement remains an evolving area across the mining sector. As a result, the Group currently relies on a combination of direct environmental indicators and operational proxy metrics to assess ecosystem condition, rehabilitation performance, resource stewardship and environmental management effectiveness. Collectively, these metrics provide insight into how the Group's activities interact with natural systems and support the progressive integration of nature-related considerations into decision-making, risk management and long-term planning.

Metric	Unit	FY24	FY25	FY26
Land rehabilitated	ha	323	324	225.7
Total waste generated	kt	3.9	14.5	7.4
Waste sent to landfill	kt	2.5	5.8	6.3
Waste recycled	kt	1.4	8.7	1.0

Biodiversity, rehabilitation and waste performance



The Group's nature-related performance should be considered in the context of both operational impacts and restoration outcomes. Rehabilitation activities, waste management practices and tailings retreatment initiatives collectively influence ecosystem condition, land functionality and long-term environmental performance. As a result, trends in rehabilitation, waste generation and resource recovery provide useful insights into the effectiveness of the Group's environmental management approach.

The FY26 waste profile indicates a return to more typical operating levels following the unusually elevated waste volumes reported during FY25. Total waste generation reduced from 14.5kt in FY25 to approximately 7.4kt in FY26, while waste sent to landfill also declined substantially. In FY25, MTR's total waste increased significantly due to once-off rehabilitation and demolition activities, mainly the removal of old infrastructure and concrete remnants. As these activities were not part of normal operations, FY25 is considered an exceptional year for waste generation. Waste levels returned to normal in FY26 following the completion of the rehabilitation work.

Waste and tailings management remain closely connected to biodiversity and rehabilitation performance. Effective waste management reduces pressure on surrounding ecosystems, while responsible tailings management supports land restoration objectives and the reduction of long-term environmental liabilities. At Pan African, tailings retreatment represents a distinctive feature of the operating model, creating environmental value through the removal of legacy tailings deposits while simultaneously supporting production and rehabilitation objectives.

Interpretation and benchmarking considerations

Direct external benchmarking of biodiversity performance remains challenging. Unlike energy, emissions and water metrics, there is currently no widely adopted mining sector benchmark that provides consistent and comparable biodiversity performance measures across operations. Differences in ecosystem sensitivity, climatic conditions, regulatory requirements, mine type, rehabilitation methodologies and reporting maturity limit direct comparisons between companies.

Accordingly, the Group believes that long-term performance trends in rehabilitation, disturbed land management, waste reduction, water stewardship and ecosystem restoration provide more meaningful indicators of progress than comparisons against industry averages. Management therefore focuses on year-on-year improvements, site-level performance and the achievement of rehabilitation and environmental management objectives when assessing progress.

Nature-related measurement maturity

While rehabilitation, water stewardship and waste management indicators provide useful insights into nature-related performance, biodiversity-specific indicators remain less mature and are not yet consistently reported at Group level. Current metrics therefore serve primarily as proxy indicators for broader ecosystem condition, biodiversity management effectiveness and environmental stewardship outcomes.

Future development is expected to focus on strengthening biodiversity monitoring, improving ecosystem-level indicators, increasing alignment with TNFD and LEAP methodologies, and establishing more structured measures of ecosystem condition, habitat restoration and biodiversity outcomes. As these systems evolve, the Group expects to improve its ability to assess nature-related risks, opportunities and dependencies and to strengthen the linkage between environmental performance, operational resilience and long-term value creation.



METRICS AND TARGETS continued

CROSS-INDUSTRY AND MANAGEMENT METRICS

These indicators reflect the extent to which climate- and nature-related considerations are embedded into core business systems, decision-making processes and governance structures, rather than measured solely as environmental outputs. During FY26, Pan African made measurable progress in integrating sustainability into enterprise risk management, capital allocation and operational performance monitoring, with further strengthening expected in FY27.

Indicator	FY25 position	FY26
Climate and nature risk integration	Introduced TNFD scenarios	Included in operational risk registers and enterprise risk management
Capital allocation – Decarbonisation – Water resilience – Tailings	Active investment cycle	US\$17.3 million US\$8.8 million US\$16.9 million
ESG-linked incentives	Refer to the integrated annual report page 159	Refer to the integrated annual report page 209
Tailings monitoring (phreatic levels, freeboard)	Fully operational	US\$56.6 million
Tailings contribution to gold production (%)	Increasing	44.6

Climate- and nature-related considerations are increasingly integrated into enterprise risk management, capital allocation, operational planning and

performance monitoring. This integration is supported by structured frameworks, including IFRS S1 and S2 and TNFD-aligned assessments such as LEAP, together with scenario analysis, climate transition planning and nature-related risk evaluations.

Tailings management is one of the most mature examples of integrated performance management within the Group, supported by established governance structures, monitoring systems and alignment with global standards. Biodiversity, ecosystem services and non-tailings waste management continue to evolve, with ongoing efforts to strengthen data quality, establish more consistent indicators and improve integration into risk management and decision-making processes. Collectively, these developments support a more integrated approach to managing climate- and nature-related risks and opportunities and strengthen the linkage between sustainability performance, operational resilience and long-term value creation.



TARGETS, FINANCIAL IMPACTS AND PERFORMANCE TRACKING

The Group's target framework reflects varying levels of maturity across climate- and nature-related topics. While renewable energy, emissions management, water stewardship and rehabilitation are supported by established operational programmes and investment plans, biodiversity and broader nature-related targets continue to evolve as data, methodologies and reporting frameworks mature.

Performance tracking supports accountability, informs operational decision-making and helps the Group assess how climate- and nature-related initiatives contribute to resilience, resource efficiency and long-term value creation. The following sections summarise the Group's current targets, progress and priority areas for future development.

Target framework

The Group's climate- and nature-related targets reflect differing levels of maturity across key focus areas. Established programmes are in place for renewable energy, water stewardship and rehabilitation, supported by ongoing investment and operational management processes. Other areas, including biodiversity and broader nature-related performance measurement, continue to evolve as methodologies, monitoring systems and reporting requirements mature.

The current target framework is designed to support operational resilience, resource efficiency, environmental stewardship and long-term value creation, while progressively strengthening alignment with IFRS S1 and S2 and TNFD disclosure expectations. As climate- and nature-related risks and opportunities become more integrated into business planning, the Group expects performance measurement and target setting to become increasingly linked to strategic decision-making, capital allocation and risk management processes.

Target area	Current target/commitment	FY26 status
Renewable energy transition	Increase renewable energy contribution to approximately 15% of electricity demand by FY27, with a longer-term aspiration of approximately 71% renewable energy penetration through solar PV installations, PPAs and other renewable energy solutions	Implementation continues through existing solar facilities, renewable energy procurement arrangements and ongoing energy infrastructure investment
Emissions reduction and decarbonisation	Support long-term emissions reduction through renewable energy deployment, energy efficiency initiatives and the development of a science-based emissions reduction pathway	Formal emissions reduction targets remain under development as part of the Group's broader decarbonisation and transition planning activities
Water stewardship and security	Maintain and strengthen water security through investment in treatment, reuse and water management infrastructure across operations	Water stewardship remains an operational priority, with continued focus on reducing dependence on external water sources and improving water-use efficiency
Rehabilitation and land restoration	Implement progressive rehabilitation programmes across operations and support concurrent rehabilitation through tailings retreatment activities, with a focus on reducing disturbed land and improving post-mining land-use outcomes	Rehabilitation activities continue across operational sites and remain closely linked to closure planning and environmental stewardship objectives
Tailings stewardship	Maintain alignment with GISTM requirements and strengthen tailings governance, monitoring, rehabilitation outcomes and long-term facility management	Ongoing implementation of governance, monitoring and management systems supports continued progress towards full alignment and enhanced oversight
Biodiversity and nature-related performance	Strengthen biodiversity management and TNFD-aligned assessment processes, while progressively developing more structured biodiversity and ecosystem-related targets	Biodiversity monitoring and nature-related target development remain at an earlier stage of maturity, with ongoing focus on ecosystem dependencies, restoration and biodiversity management
Waste management and circularity	Improve waste management practices through enhanced waste tracking, segregation, recycling and reduction initiatives across operations	Waste management systems continue to mature, with a focus on improving reporting consistency and reducing landfill disposal where feasible

Renewable energy, water stewardship and rehabilitation remain the most mature areas within the Group's climate- and nature-related target framework, supported by established operational programmes, infrastructure investments and ongoing performance monitoring. Biodiversity and broader nature-related target setting continue to evolve as monitoring systems, ecological data and TNFD-aligned assessment methodologies mature. The Group's focus over the medium term is on strengthening the measurability of nature-related outcomes, improving consistency of performance tracking and further integrating climate- and nature-related targets into risk management, capital allocation and strategic decision-making processes.

OVERALL INTERPRETATION

Collectively, the Group is transitioning from operational sustainability management to integrated financial and strategic decision-making, with climate- and nature-related considerations increasingly influencing business decisions.

Climate and nature considerations increasingly influence:

- capital allocation and project approval
- risk management and enterprise reporting
- access to finance and cost of capital
- long-term operational resilience and value creation.

While foundational systems are now in place, the next phase will focus on standardising metrics, formalising targets and quantifying financial impacts, particularly in relation to emissions, biodiversity and ecosystem dependencies.

PERFORMANCE INTERPRETATION

FY26 performance highlights three key trends shaping the Group's climate- and nature-related financial profile:

- Energy and decarbonisation progress**
Energy performance continues to improve, with increased renewable energy deployment, including solar PV projects and PPAs, contributing to reduced reliance on grid electricity and supporting long-term decarbonisation objectives.
- Water as a critical constraint**
Water remains the most material environmental pressure. Increased consumption and intensity reflect higher production volumes, portfolio expansion and operational demand across water-stressed regions. Investment in water treatment and reuse infrastructure is therefore a key resilience and cost management priority.
- Developing maturity in biodiversity, ecosystem and waste metrics**
Biodiversity and non-tailings waste metrics remain less mature, with limited standardisation and quantification of ecosystem-level indicators. Ongoing TNFD-aligned assessments and biodiversity action planning are expected to improve data quality, target setting and financial integration over time.

IFRS S1 and S2 alignment roadmap
Forward position

100
101

Outlook and next steps

The continued development of robust data systems remains central to the Group's IFRS S1 and S2 alignment journey.





OUTLOOK AND NEXT STEPS

The FY26 position reflects a transition phase. The Group has established a credible operational and reporting foundation across the elements of climate, water and tailings, and has begun to formalise its approach to biodiversity, ecosystem dependency and broader nature-related risks. The next phase is focused on consolidating and strengthening existing practices, with a clearer linkage to financial performance, strategic planning and decision-making.

Our outlook is therefore defined by progression rather than expansion. The focus is on improving the quality, consistency and decision-usefulness of climate- and nature-related information, while strengthening the underlying systems that support it.

IFRS S1 AND S2 ALIGNMENT ROADMAP

The Group's current disclosures demonstrate partial alignment with IFRS S1 and S2. Established governance structures, climate-related metrics, energy transition initiatives, risk management processes and climate-related performance monitoring provide a strong foundation for continued alignment. At the same time, several areas remain under development, particularly scenario-linked financial analysis, nature-related measurement, financial quantification and the integration of climate- and nature-related considerations into financial planning processes.

The Group's approach is based on continuous improvement rather than immediate full alignment. Progress is focused on strengthening the quality, consistency and decision-usefulness of disclosures while ensuring that reporting maturity remains aligned with underlying systems, data quality and operational capability. Over successive reporting cycles, the objective is to improve connectivity between strategy, risk management, metrics, targets and financial performance, consistent with the principles of IFRS S1 and S2.

Climate strategy, scenario analysis and financial integration

Significant progress has been made in strengthening governance, strategy and climate-related performance measurement. The next phase of development will focus on enhancing the integration of scenario analysis into strategic planning, capital allocation and financial assessment processes.

While the Group has established a structured scenario analysis framework aligned to recognised climate pathways, scenario-linked financial modelling remains at an early stage of development. Future priorities include improving the translation of climate risks and opportunities into financial impacts, strengthening scenario-informed decision-making and improving the linkage between resilience assessments, strategic planning and capital allocation decisions.

Financial effects and connectivity with financial reporting

The Group continues to strengthen its assessment of climate- and nature-related financial effects. Current disclosures demonstrate measurable financial impacts associated with renewable energy investments, water security initiatives, rehabilitation activities and broader environmental management programmes. Future development will focus on improving consistency of financial quantification, strengthening connections between sustainability disclosures and financial reporting, and expanding the assessment of both current and anticipated financial effects.

Priority areas include:

- strengthening quantification of climate- and nature-related financial effects
- improving the linkage between scenario analysis and financial planning
- enhancing integration into budgeting and capital allocation processes
- improving visibility of climate- and nature-related investment outcomes
- supporting more decision-useful financial disclosures.

Nature-related disclosures and TNFD alignment

Nature-related reporting remains at an earlier stage of maturity than climate-related reporting. The Group has established a structured foundation through biodiversity assessments, rehabilitation programmes, ecosystem dependency evaluations and TNFD-aligned assessments. However, additional work is required to strengthen biodiversity metrics, ecosystem-level indicators and nature-related target setting.

Future priorities include:

- improving biodiversity and ecosystem monitoring
- strengthening the application of TNFD and LEAP methodologies
- enhancing the assessment of nature-related dependencies, impacts, risks and opportunities
- improving the measurement of rehabilitation and restoration outcomes
- strengthening the integration of nature-related considerations into risk management and strategic planning processes.

Data, systems and assurance

The continued development of robust data systems remains central to the Group's IFRS S1 and S2 alignment journey. Future efforts will focus on improving data quality, consistency, audit readiness and reporting efficiency across climate- and nature-related disclosures.

Key priorities include:

- strengthening internal controls and data governance processes
- improving alignment between operational and financial reporting boundaries
- enhancing documentation of methodologies, assumptions and calculations
- expanding assurance readiness across key indicators
- improving consistency and comparability of disclosures over time.

Forward roadmap

The Group's roadmap reflects a phased progression towards more integrated, decision-useful and financially connected sustainability disclosures. Future reporting periods will focus on strengthening scenario analysis, financial quantification, nature-related measurement and integration into business planning processes, while continuing to build on the established foundations already in place across governance, risk management, metrics and operational performance.

Through this approach, the Group aims to improve transparency, strengthen resilience and enhance its ability to demonstrate how climate- and nature-related considerations influence long-term value creation and strategic decision-making.

FORWARD POSITION

The Group enters the next reporting period with a defined direction. The fundamentals of climate- and nature-related management are in place, and the focus is now on strengthening integration, improving data quality and increasing the decision-usefulness of disclosures.

The overall trajectory is clear.

Over time, the reporting framework is expected to move towards:

- more consistent and quantified climate and nature data
- stronger alignment between strategy, risk and financial outcomes
- improved comparability and audit readiness
- a clearer articulation of how environmental performance supports long-term resilience and value creation.

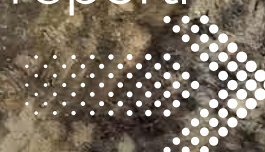
We understand that this transition will not be immediate. Our progress so far reflects a staged process of system development, data improvement and organisational alignment. The FY26 report represents a midpoint in this transition, providing a structured foundation for continued advancement.



Appendices	104
Basis of preparation and reporting boundary	104
Measurement approaches and methodologies	105
Conversion of indirect energy to Scope 2 GHG emissions (indirect emissions)	106
Scenario analysis methodology	107
Key performance indicators	108
IFRS S1, IFRS S2 and TNFD cross-reference index	110
Assurance and data validation	111
Glossary	112
Corporate information	113

Other information

The scope of the report covers operations under the Group's direct control and aligns, where practicable, with the financial reporting boundary applied in the integrated annual report.



APPENDICES

Scope

- Included
- Excluded

BASIS OF PREPARATION AND REPORTING BOUNDARY

This report has been prepared to present climate- and nature-related disclosures in a manner in reference to **IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information** and **IFRS S2: Climate-related Disclosures**, while incorporating emerging elements of the TNFD.

The scope of the report covers operations under the Group's direct control and aligns, where practicable, with the financial reporting boundary applied in the **integrated annual report**. Climate- and nature-related matters are therefore presented on a consistent basis with financial disclosures, supporting comparability and decision-usefulness.

FY26 reflects an expanded operational boundary following the ramp-up at Tennant Mines' operations and the acquisition of an additional shareholding late in FY26. As a result, prior-period data may not be fully comparable for selected metrics, including energy, emissions and water. Where this affects interpretation, it is indicated in the relevant sections.

Data presented in this report reflects a combination of:

- internally validated operational information
- independently assured data
- estimates and evolving methodologies where measurement capability is still developing.

Where estimation or methodological limitations apply, these are disclosed within the relevant sections and should be considered in the interpretation of performance.

This report forms part of a broader reporting suite and should be read together with:

- the **integrated annual report** (financial performance and strategy)
- the **sustainable development report** (wider environmental and social performance).

This structure is intended to avoid duplication while ensuring that material sustainability-related information is presented in a coherent and connected manner across disclosures.

Sustainability reporting boundary

Selected sustainability information	Unit of measurement	Barberton Mines	Evander Mines	MTR operation	Tennant Mines	Barberton Blue	Pan African Resources corporate office	Reason for exclusion
Non-renewable electricity consumption	GWh	Included	Included	Included	Included	Included	Included	
Renewable electricity consumption	GWh	Included	Included	Included	Included	Included	Included	
Diesel consumption	ML	Included	Included	Included	Included	Included	Included	
Energy consumption	TJ	Included	Included	Included	Included	Included	Included	
Energy intensity (energy consumed per ounce of gold sold)	GJ/oz	Included	Included	Included	Included	Included	Included	
GHG emissions Scope 1	ktCO ₂ e	Included	Included	Included	Included	Included	Included	
GHG emissions Scope 2	ktCO ₂ e	Included	Included	Included	Included	Included	Included	
GHG emissions per ounce of gold sold	tCO ₂ e/oz	Included	Included	Included	Included	Included	Included	
GHG emissions averted	ktCO ₂ e	Included	Included	Included	Included	Included	Included	
Renewable energy as a percentage of total energy consumed	%	Included	Included	Included	Included	Included	Included	
Land rehabilitation (project level – MTR operation)	%	Excluded	Excluded	Included	Excluded	Excluded	Excluded	Sustainability-linked financial framework KPI specific to the MTR operation

MEASUREMENT APPROACHES AND METHODOLOGIES

The Group applies a combination of established operational measurement systems and developing methodologies to quantify climate- and nature-related performance. Measurement approaches are aligned with operational realities and are progressively being formalised to support consistency and audit readiness.

GHG emissions

GHG emissions are measured across:

- Scope 1 (direct emissions from owned or controlled sources)
- Scope 2 (indirect emissions from purchased electricity)
- Scope 3 (selected upstream and downstream emissions categories, where data is available).

Emissions are calculated using a combination of:

- activity-based data (e.g. fuel consumption and electricity usage)
- relevant emission factors
- operational production data for intensity metrics.

Scope 3 measurement remains under development and reflects an expanding boundary, with further refinement expected as data availability improves.

Energy

Energy consumption is measured at operational level and consolidated at Group level. This includes:

- electricity consumption (grid and renewable sources)
- liquid fuel consumption.

Energy intensity is calculated relative to gold production (GJ/oz), providing a measure of operational efficiency.

Water

Water data reflects:

- total water consumption
- water intensity (m³/oz)
- water treated and reused.

Measurement is based on site-level abstraction, processing and discharge data. Variability in water performance may reflect operational expansion, changes in processing requirements and site-specific conditions.

Waste

Waste is classified as:

- hazardous
- non-hazardous.

Measurement is based on operational reporting and disposal records. Waste management systems outside of tailings remain less mature and continue to be developed, particularly in relation to segregation and recycling.

Biodiversity and nature-related metrics

Nature-related metrics are currently proxied through:

- land disturbance and rehabilitation
- water use and dependency
- waste and environmental management indicators.

Quantitative biodiversity metrics are not yet consistently applied at Group level. Measurement approaches are expected to develop over time in alignment with TNFD guidance and the LEAP framework.

Methodology for calculating total energy consumption within the organisation

Conversion of fuels consumption to indirect energy

The following formula is applied to convert stationary and mobile combusted diesel or petrol to **Terajoules** using country-specific net calorific values (NCVs) or the energy content of fuel when combusted.

$$\text{Fuel Combustion Energy (TJ)} = \text{fuel } (\ell) \times \frac{\text{NCV} \times \text{Density}_{\text{fuel}}}{1,000} \frac{(\text{TJ})}{\ell}$$

Table 1: Country-specific fuel densities

Country-specific fuel densities				South Africa	Australia
Standard	Unit	Fuel	Density	Density	Density
GRI 302 – 1(g)	Density (kg/litre)	Diesel	0.8255		0.8500
		Petrol	0.7405		0.7700

Table 2: Country-specific net calorific values

Country-specific net calorific values				South Africa	Australia
Standard	Unit	Combustion type	NCV	NCV	NCV
GRI 302 – 1(g)	Net calorific values (TJ/tonne)	Stationary diesel	0.0430		0.0454
		Mobile diesel	0.0430		0.0454
		Stationary petrol	0.0443		0.0444
		Mobile petrol	0.0443		0.0444
		Wood waste	0.0156		N/A

APPENDICES continued

Conversion of electricity consumption to energy

The following formula is applied to convert stationary and mobile combusted diesel or petrol to **Terajoules** using the power formula (kWh = 3,600kJ).

Electricity Energy (TJ) = electricity consumed (kWh) × 3,600 (kJ) × (T / T)

The sum of energy from **diesel**, **petrol** and **electricity** is the **total energy consumption within the organisation** as defined by the GRI 302: Energy (2016) standard.

Methodology for calculating total GHG emissions produced within the organisation

Conversion of direct energy to Scope 1 GHG emissions (direct emissions)

The following formula is applied to convert energy from stationary and mobile combusted fuels to GHG emissions using **country-specific emissions factors**¹ for carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O).

Fuels GHG Emissions (tCO₂, tCH₄, tN₂O) = (tCO₂ / TJ, tCH₄ / TJ, tN₂O / TJ) × Energy (TJ) × emission factor

Stationary or Mobile Fuel Combustion (tCO₂, tCH₄, tN₂O) / TJ × emission factor

¹ Department of Environment, Forestry and Fisheries' **methodological guidelines for quantification of greenhouse gas emissions (2022) and the technical guidelines for monitoring, reporting and verification of greenhouse gas emissions by industry (2017)**.

Table 3: Country-specific emissions factors

Country-specific emissions values				South Africa	Australia
Standard	Unit	Combustion type	Emission factors	Emission factors	
GRI 302 – 1(g)	tCO ₂ e	Stationary diesel	74.3466	70.2000	
		Mobile diesel	82.6611	70.3700	
		Stationary petrol	69.5466	67.8000	
		Mobile petrol	71.0677	67.6200	
		Explosives	0.1700	0.1700	
		Wood waste	113.874	N/A	

To convert to metric tonnes of carbon dioxide equivalent (CO₂e), resulting in CO₂e values for CH₄ and N₂O, the emissions for CH₄ and N₂O are multiplied by their respective one-hundred-year global warming potential (GWP) as shown below.

Table 4: Global warming potential (GWP)

IPCC 3rd Assessment Report 2001 (Chapter 6, page 388)					
Standard	Gas	Symbol	Radiative efficiency	Lifetime (year)	100 years
GRI 302 – 1(g)	Methane	CH ₄	0.000370	12	23
	Nitrous Oxide	N ₂ O	0.003100	114	296

The GHG emissions from explosives are calculated using a GHG emission factor of 0.17tCO₂e/tonne product sourced from the Australian government's Department of Climate Change's National Greenhouse

Accounts Factors (2024). The South African guidelines do not have emission factors for explosives.

CONVERSION OF INDIRECT ENERGY TO SCOPE 2 GHG EMISSIONS (INDIRECT EMISSIONS)

The following formula is applied to convert energy from fossil fuel electricity consumption to **Terajoules** using the following grid emissions factor.

Electricity Emissions (tCO₂e) = Electricity Energy (TJ) (tCO₂e) / MWh × Grid Factor

= Electricity Energy (TJ) × GF (tCO₂e) / 3.600MJ

= Electricity Energy (10³) (tCO₂e) / 3.6

Eskom's grid factor or the emission factor at generation (EFG) is estimated using the following formula in accordance with **Appendix A** of the GHG Protocol: Corporate Accounting and Reporting Standard:

EFG = (GHG^E / (P^E – C^E + G^{IPP} + IS)) = (tCO₂e) / MWh

The South African EFG for reporting Scope 2 GHG emissions is 0.87207779095 tCO₂e/MWh, shown in table 5.

Table 5: National grid EFG calculated in accordance to GHG Protocol

SA grid emission factor (March 2025)			
Description	Values	Units	Sources
South Africa – EFG	0.872	tCO ₂ e/MWh	GHG Protocol: Appendix A
Eskom emissions	194,940	ktCO ₂ e	Eskom IAR pg 118
Electricity produced by Eskom	195,702	GWh	Eskom IAR pg 9
Electricity consumed by Eskom	6,064	GWh	Eskom IAR pg 9
IPP generation	19,365	GWh	Eskom IAR pg 9
International sales	14,532	GWh	Eskom IAR pg 105
Eskom sales	189,723	GWh	Eskom IAR pg 9
EFC	1.027	tCO ₂ e/MWh	GHG Protocol: Appendix A

The Australian market-based grid factor for reporting Scope 2 emissions is 0.810tCO₂e/MWh from Table 1 in the Australian National Greenhouse Account Factors 2025.

The sum of Scope 1 and Scope 2 GHG emissions from **diesel**, **petrol**, **explosives**, and **electricity** is the **total GHG emissions within the organisation** in accordance with the GRI 305: Emission (2016) standard.

Methodology for calculating GHG averted by the organisation

Averted Scope 2 GHG Emissions refer to the GHG emissions from total indirect energy or energy from renewable and non-renewable electricity minus GHG emissions from indirect energy or energy from non-renewable electricity.

Scope 2 GHG emissions from non-renewable energy are theoretical and comprise averted Scope 2 GHG emissions since these would be GHG emissions based on energy consumption in the absence of renewable energy.

Averted scope 2 GHG emissions (ktCO₂e) = Scope 2 GHG emissions (renewable electricity ktCO₂e)

The averted GHG emissions computation excludes life cycle emissions associated with renewable electricity generation.

Methodology for calculating energy and carbon intensities of the organisation

- **Energy intensity** adheres to the guidance provided by the GRI 302 disclosure 302 – 3 as delineated below.

Total energy consumption within the organisation (electricity and fuels) / Gold sold = (GJ) / oz

- **GHG emissions intensity** adheres to the guidance provided by the GRI 305 disclosure 305 – 4.

Total Scope 1 and 2 emissions / Gold sold = (tCO₂e) / oz

SCENARIO ANALYSIS METHODOLOGY

Methodology for creating scenarios involved the following steps:

01 Scenario background

The TCFD framework was used to understand the robustness of strategies and financial plans under different plausible future states, focusing on climate-related risks, opportunities and their economic impacts.

02 Assumptions

Key assumptions, carefully considered and validated, were made. These included technological disruptions, automation uptake, gold demand trends, geographical climate uniformity, and increasing investor and insurance requirements related to climate change, ensuring the validity of the scenarios.

03 Key driving forces (KDFs)

A comprehensive set of uncertainties or KDFs specific to Pan African was meticulously identified through thorough desktop research, interviews and workshops with staff. This ensured the relevance and accuracy of the scenarios. These KDFs were categorised as drivers, pivots and outcomes based on their influence and interconnections.

04 Systems diagram

A systems diagram, a visual representation of the cause-and-effect relationships among KDFs, was created. This diagram helped identify root causes and prioritise risks by mapping out the complex interactions among the identified KDFs

This approach ensured a structured and comprehensive exploration of climate-related risks and opportunities for Pan African.

Table 6: Systèmes International d'Unités (SI) prefixes (Source: International Recommendation of Energy Statistics)

SI prefixes			SI prefixes		
Factor	Name	Symbol	Factor	Name	Symbol
10 ¹	deca	da	10 ⁻¹	deci	d
10 ²	hecto	h	10 ⁻²	centi	c
10 ³	kilo	k	10 ⁻³	milli	m
10 ⁶	mega	M	10 ⁻⁶	micro	μ
10 ⁹	giga	G	10 ⁻⁹	nano	n
10 ¹²	tera	T	10 ⁻¹²	pico	p
10 ¹⁵	peta	P	10 ⁻¹⁵	femto	f
10 ¹⁸	exa	E	10 ⁻¹⁸	atto	a
10 ²¹	zetta	Z	10 ⁻²¹	zepto	z
10 ²⁴	yotta	Y	10 ⁻²⁴	yocto	y

GHG^E = Eskom's GHGs
P^E = Electricity produced by Eskom
C^E = Electricity consumed by Eskom
G^{IPP} = IPP generation
IS = International sales

06 Holistic analysis

The scenarios were analysed collectively to understand their distinct impacts on KDFs and provide insights into different possible futures.



KEY PERFORMANCE INDICATORS

Indicator	Unit of measurement	Pan African measurement definition	Boundary
Non-renewable energy consumption	GWh	Non-renewable electricity consumption refers to the organisation's use of electricity or any energy carrier produced from non-renewable or finite resources, including fossil fuels (coal and natural gas) and nuclear.	Pan African Resources PLC
Renewable electricity consumption	GWh	Renewable electricity consumption refers to the organisation's use of electricity or any energy carrier produced from renewable or infinite resources, including solar, wind, water (hydro), biomass and waste.	Pan African Resources PLC
Diesel consumption	ML	Diesel consumption refers to the organisation's use of diesel fuel in mobile and stationary applications designed to combust diesel for energy generation.	Pan African Resources PLC
Energy consumption	TJ	Energy consumption refers to renewable and non-renewable fuels combusted by the organisation's leased or owned equipment plus electricity purchased from Eskom and self-generated electricity, less electricity sold to third parties. The energy consumption reported includes fuels (diesel and petrol) and electricity (renewable and non-renewable).	Pan African Resources PLC
Energy intensity (energy consumed per ounce of gold sold)	GJ/oz	Energy intensity expresses the amount of energy used or consumed per unit of product, activity or specific metric an organisation chooses. $\text{Energy intensity (GJ/oz)} = \text{energy consumption (GJ)} \div \text{gold sold (oz)}$	Pan African Resources PLC
GHG emissions Scope 1	ktCO ₂ e	Scope 1 GHG emissions refer to the Company-owned or leased stationary equipment that combusts fossil fuels (liquid, gaseous or solid) for electricity, steam or heat generation or waste stream materials. Including combustion from Company-owned or leased off-road and on-road mobile (transportation) sources, as well as process and fugitive emissions. The reported Scope 1 GHG emissions include emissions from the combustion of diesel, petrol and explosives.	Pan African Resources PLC
GHG emissions Scope 2	ktCO ₂ e	Scope 2 GHG emissions refer to indirect emissions attributable to purchased electricity, heat or steam. The reported Scope 2 GHG emissions comprise of electricity purchased from Eskom, the South African energy utility.	Pan African Resources PLC
GHG emissions per ounce of gold sold	tCO ₂ e/oz	GHG emissions intensity expresses the amount of GHG emitted per unit of product sold, activity, or any specific metric an organisations chooses. $\text{GHG emissions intensity (tCO}_2\text{e/oz)} = \text{Scope 1 and 2 GHG emissions (CO}_2\text{e)} \div \text{gold sold (oz)}$	Pan African Resources PLC
GHG averted	ktCO ₂ e	Averted Scope 2 GHG emissions refer to the GHG emissions from total indirect energy or energy from renewable and non-renewable electricity minus GHG emissions from indirect energy or energy from non-renewable electricity. Scope 2 GHG emissions from non-renewable energy are theoretical and comprise averted Scope 2 GHG emissions since these would be GHG emissions based on energy consumption in the absence of renewable energy. This computation excludes life cycle emissions associated with renewable electricity generation.	Pan African Resources PLC
Renewable energy as a percentage of total energy consumed	%	Total electricity consumption includes non-renewable electricity purchased from Eskom plus renewable electricity generated (solar PV). $\text{Renewable energy as a \% of total electricity consumed (\%)} = \frac{\text{Renewable electricity consumption (MWh)}}{\text{total electricity (non-renewable and renewable) consumption (MWh)}}$	Pan African Resources PLC

Indicator	Unit of measurement	Pan African measurement definition	Boundary
Land rehabilitation (project level – Mogale Tailings Retreatment)	%	Rehabilitation is a process that aims to restore degraded or damaged ecosystems to a functional state, including returning disturbed land to a stable, productive and self-sustaining condition. It involves implementing various remediation techniques and interventions to accelerate the recovery of ecosystem structure and functioning. It encompasses measurable actions such as re-establishing vegetation, improving soil quality, promoting ecological succession, and monitoring the success of restoration efforts. $\text{Percentage of land in the process of rehabilitation (\%)} = \frac{\text{Area in the process of Rehabilitation (Ha)}}{\text{Land Available for Rehabilitation (Ha)}}$ Where: Land available for rehabilitation excludes the area relating to TSFs	Mogale Tailings Retreatment Proprietary Limited
Employment equity historically disadvantaged persons (HDPs)	%	Employment equity (EE) refers to the representation of HDP ¹ in the board, executive management, senior management, middle management, junior management, people with disabilities and core and critical skills. The reported EE % = Africans (male, females) + Coloured (male, females) + Indian (male, females) + White (females)/(all persons in the roles above including foreign nationals). ¹ <i>HDP-owned and controlled company for the purpose of the Mining Charter III refers to an entity in which HDPs hold at least 51% of exercisable voting rights and economic interest, including the Flow-Through Principle.</i>	Pan African Resources PLC (Excluding Tennant Consolidated Mining Group and Barberton Blue components)
Women percentage	%	The females in mining (%) = the number of total (permanent and temporary) females employed/total number of permanent and temporary employees (males and females).	Pan African Resources PLC (Excluding Barberton Blue component)
Total recordable injury frequency rate	Rate per million person-hours	Recordable work-related injury or ill health refers to a work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness. The definition of TRIFR covers the following subset of workers: • All workers who are employees • All workers who are not employees but whose work and workplace are controlled by the organisation • All workers who are not employees and whose work and workplace are not controlled by the organisation, but the organisation's operations, products and services are directly linked to significant occupational health and safety impacts on those workers by its business operations The reported TRIFR = (number of recordable work-related injuries) x (1,000,000)/ number of person hours worked	Pan African Resources PLC (Excluding Barberton Blue component)
Percentage of the total mining goods procurement spend on South African manufactured goods from 50% + 1 vote HDP-owned and controlled companies	%	Mining goods refer to capital goods and consumables used by a right holder or by a contractor on behalf of a right holder, excluding non-discretionary expenditure (procurement from rail, utilities (electricity, water, rates and taxes) and fuel, which now also eliminates buildings, lubricants and roads). The reported procurement of mining goods from HPDs = $\frac{\text{Total mining goods procurement spend on South African manufactured goods from 50\% + 1 vote HDP-owned and controlled companies}}{\text{Total procurement spent for goods.}}$	Pan African Resources PLC (Excluding Barberton Blue and Tennant Consolidated Mining Group components)
Percentage of the total services procurement spend on South African companies that are 50% + 1 vote HDP-owned and controlled companies	%	Services refer to services contracted by a right holder or by a contractor on behalf of a right holder, which included but are not limited to mining production services, drilling, mineral trading, mineral marketing, legal, shipping, transportation, information technology services, security, payroll, finance, medical, consulting, cleaning, insurance and any other services which are supplementary to the mine excluding non-discretionary expenditures. The reported procurement of services from HDPs = $\frac{\text{Total services procurement spend on South African-based companies that are 50\% + 1 vote HDP-owned and controlled companies}}{\text{Total procurement spent for services.}}$	Pan African Resources PLC (Excluding Barberton Blue and Tennant Consolidated Mining Group components)

IFRS S1, IFRS S2 AND TNFD CROSS-REFERENCE INDEX

This appendix sets out the alignment of disclosures within this report to the requirements of IFRS S1, IFRS S2 and relevant elements of the TNFD.

IFRS S1 – General requirements

IFRS S1 disclosure requirement	Description	Location in this report	Page
Governance of sustainability-related risks and opportunities	Oversight structures, roles and responsibilities	Governance	18
Strategy	Integration of sustainability-related risks and opportunities into business strategy	Strategy	29
Risk management	Processes for identifying, assessing and managing risks	Risk management	37
Metrics and targets	Performance metrics and targets used to measure progress	Metrics and targets	55
Connectivity with financial statements	Linkage between sustainability and financial performance	Financial effects	58

IFRS S2 – Climate-related disclosures

IFRS S2 disclosure requirement	Description	Location in this report	Page
Climate governance	Oversight of climate-related risks and opportunities	Governance	30
Climate strategy	Impacts of climate risks and opportunities on business model and strategy	Climate strategy and transition planning	38
Scenario analysis	Resilience under different climate scenarios	Scenario analysis	55
Risk management	Climate-related risk identification, assessment and mitigation	Climate risk management	78
Metrics – emissions	Scope 1, 2 and 3 emissions disclosure	Climate performance metrics	90
Metrics – energy and water	Operational climate-related indicators	Climate performance metrics	90
Targets and transition	Climate-related targets and transition pathways	Targets and performance tracking	96
Financial effects	Current and anticipated financial impacts	Financial effects	65

TNFD – Nature-related alignment

TNFD disclosure requirement	Description	Location in this report	Page
Governance	Oversight of nature-related dependencies and impacts	Governance	30
Strategy	Integration of nature-related risks and opportunities	Integration into strategic planning	48
Risk management	Identification and assessment of nature-related risks	Nature-related risk management	82
Metrics and targets	Nature-related indicators and performance tracking	Metrics and targets	90
LEAP alignment	Application of LEAP framework elements	Alignment with emerging frameworks	50

ASSURANCE AND DATA VALIDATION

This report reflects a combination of internally validated data and selected externally assured sustainability information, aligned with the Group’s broader reporting and assurance approach.

Sustainability-related data is subject to established internal validation processes prior to inclusion in Group-level reporting. These processes are designed to ensure consistency between operational data, underlying source systems and reported disclosures. Validation is undertaken through a combination of site-level controls, Group review and consolidation procedures, and functional oversight across relevant disciplines, including environmental, technical and financial reporting.

External assurance is applied to a subset of sustainability metrics as part of the Group’s annual assurance programme. This includes selected environmental, health and safety indicators that are designated for independent verification. The scope of assurance, the selected indicators and the related assurance opinion are disclosed in the **sustainable development report**, where the Group’s assurance statement is presented in full.

For the purposes of this report:

- climate- and nature-related metrics are primarily internally validated, with selected indicators forming part of the externally assured data set at Group level
- provisional FY26 data is presented where year-end consolidation is still in progress
- certain metrics remain subject to ongoing methodological development, particularly in relation to Scope 3 emissions, biodiversity and ecosystem-related data.

Data validation processes continue to evolve in response to increasing disclosure requirements, including alignment with IFRS S1 and S2.

This includes:

- strengthening internal controls over data collection, aggregation and reporting
- improving alignment between operational data and financial reporting boundaries
- enhancing documentation of methodologies, assumptions and calculation bases
- progressively expanding the scope of external assurance.

Where estimation techniques or developing methodologies are applied, these are disclosed in the relevant sections of the report and should be considered in the interpretation of results.

The current approach reflects a staged progression towards more comprehensive, assured and decision-useful sustainability information, supported by improving data systems, governance processes and control environments.





GLOSSARY

%	Parts per hundred/percentage
°C	Degrees Celsius
Barberton Blue	Barberton Blue Proprietary Limited
Barberton Mines	Barberton Mines Proprietary Limited
BESS	Battery energy storage system
BEV	Battery electric vehicle
BTRP	Barberton Tailings Retreatment Plant
CAGR	Compound annual growth rate
CO ² e	Carbon dioxide equivalent
EBITDA	Earnings before interest, income taxation expense, depreciation and amortisation
EE	Employment equity
EFG	Emission factor at generation
EIA	Environmental Impact Assessment
Elikhulu	Elikhulu Tailings Retreatment Plant
Emmerson	Emmerson Resources Limited
ESG	Environmental, social and governance
Eskom	Electricity Supply Commission, South African electricity supplier
Evander Mines	Evander Gold Mines Limited and Evander Gold Mining Proprietary Limited
FY22	Financial year ended 30 June 2022
FY23	Financial year ended 30 June 2023
FY24	Financial year ended 30 June 2024
FY25	Financial year ended 30 June 2025
FY26	Financial year ended 30 June 2026
FY27	Financial year ending 30 June 2027
FY27Q2	Second quarter of the financial year ending 30 June 2027
FY30	Financial year ending 30 June 2030
GEF	Grid emissions factor
GF	Grid factor
GHG	Greenhouse gas
GISTM	Global Industry Standard on Tailings Management
GJ	Gigajoule
GL	Gigalitre
GRI	Global Reporting Initiative
the Group or the Company or Pan African	Pan African has dual primary listings on the JSE Limited and the Main Market of the London Stock Exchange, a Foreign Exempt Listing on the Australian Securities Exchange, and on the OTCQX Best Market through a Level 1 American Depositary Receipt programme sponsored by the Bank of New York Mellon
GWh	Gigawatt hour
GWP	Global warming potential
ha	Hectare
HDP	Historically disadvantaged person
IAR	Integrated annual report
IFRS	IFRS [®] Accounting Standards
IFRS S1	IFRS S1: <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>
IFRS S2	IFRS S2: <i>Climate-related Disclosures</i>
IPCC	Intergovernmental Panel on Climate Change
IPP	Independent power producer
ISO	International Organisation for Standardisation

JSE	JSE Limited, incorporating the Johannesburg Securities Exchange, the main bourse in South Africa
kg	Kilogramme
kJ	Kilojoule
kl	Kilolitre
km ²	Square kilometre
Koz	Thousand ounces
KPI	Key performance indicator
kt	Thousand tonnes
ktCO ₂ e	Kilotonne carbon dioxide equivalent
kWh	Kilowatt hour
ℓ	Litre
LEAP	Locate, Evaluate, Assess, Prepare
m ³	Cubic metre
MJ	Megajoule
ML	Megalitre
MTR operation or plant	The Mogale Tailings Retreatment operation is in the Mogale district. A plant has been constructed to process gold tailings deposited onto the Mogale Gold Proprietary Limited and Mintails SA Soweto Cluster Proprietary Limited TSFs
MW	Megawatt
MW _{AC}	Megawatt alternating current
MWh	Megawatt hour
NCV	Net calorific values
oz	Ounce
Pan African	Holding company – Pan African Resources PLC
PPA	Power purchase agreement
PV	Photovoltaic
PwC Inc.	PricewaterhouseCoopers Inc.
SA	South Africa
SAMREC Code	South African Code for Reporting of Mineral Resources and Mineral Reserves (2016 edition)
SANS	South African National Standard
SHEQ	Safety, health, environment and quality
SSPs	Shared Socioeconomic Pathways
t	Tonne
TCFD	Task Force on Climate-related Financial Disclosures
TCMF	Tennant Creek Mineral Field
tCO ₂ e	Tonne carbon dioxide equivalent
Tennant Mines	Tennant Mines consists of the Nobles Gold operation (consisting of stockpiles, open pit and underground mines), and the Tennant Creek and New South Wales copper and gold portfolios in Australia
TJ	Terajoule
TMS	Tailings management system
TNFD	Taskforce on Nature-related Financial Disclosures
TSF	Tailings storage facility
US\$	United States dollar
TSF	Tailings storage facility
US\$	United States dollar
ZAR	South African rand

CORPORATE INFORMATION

CORPORATE OFFICE

The Firs Building
2nd Floor, Office 204
Corner Cradock and Biermann Avenues
Rosebank, Johannesburg
South Africa
Office: +27 (0) 11 243 2900
Email: info@paf.co.za

REGISTERED OFFICE

107 Cheapside, 2nd Floor
London EC2V 6DN
United Kingdom
Office: +44 (0) 20 3869 0706

CHIEF EXECUTIVE OFFICER

Cobus Loots
Office: +27 (0) 11 243 2900

FINANCIAL DIRECTOR AND DEBT OFFICER

Marileen Kok
Office: +27 (0) 11 243 2900

COMPANY SECRETARY

Jane Kirton
St James’s Corporate Services Limited
Office: +44 (0) 20 3869 0706

JSE SPONSOR AND JSE DEBT SPONSOR

Ciska Kloppers
Questco Corporate Advisory Proprietary Limited
Office: +27 (0) 78 286 9556

JOINT BROKERS

Ross Allister/Georgia Langoulant
Peel Hunt LLP
Office: +44 (0) 20 7418 8900

Thomas Rider/Nick Macann
BMO Capital Markets Limited
Office: +44 (0) 20 7236 1010

Matthew Armitt/Jennifer Lee
Joh. Berenberg, Gossler & Co KG
Office: +44 (0) 20 3207 7800

HEAD: INVESTOR RELATIONS

Hethen Hira
Office: +27 (0) 11 243 2900
Email: hhira@paf.co.za

GROUP ESG MANAGER

Barry Naicker
Office: +27 (0) 11 243 2900
Email: barry@paf.co.za



www.panafricanresources.com