

THE NEW  
**FACE**  
OF MINING



SUSTAINABLE DEVELOPMENT  
REPORT 2013

**FACT:** R67.9 MILLION  
**SPENT**  
ON DUMP REHABILITATION





*Community members assist in cultivating indigenous plants for rehabilitation on tailings dams*

# SURFACE RETREATMENT

## THE NEW FACE OF MINING

*DRDGOLD produces gold – a global commodity in steady demand – from surface gold tailings, in a low-risk, volume-driven operation and using all its capitals in a seamless and interconnected manner.*

Securing and managing our financial capital is integral to the day-to-day running of our business, which is to extract as much gold as possible from the gold tailings in a safe and responsible manner. Our policy is to reward our shareholders – or providers of capital – with surplus cash. We also believe in using financial capital to develop our human capital. We do this by addressing the technical capabilities of the workforce as well as general educational standards and life skills, through programmes run by our on-site business academy, EBDA, and those of an independent counselling service provider. The board is committed to the concept of empowering people to think for themselves and “to achieve and not just receive”. For this reason, EBDA’s training courses are available to unemployed community members as we believe that education is the first step to self-realisation.

Our human capital – unskilled, semi-skilled and skilled labour – as well as our team of professionally qualified experts, representing our intellectual capital, produce our product, 146 381oz of gold in FY2013. They do this using our manufactured capital – plants, pump stations and pipelines – to extract gold from tailings material in what is possibly the largest gold retreatment business in the world.

Financial capital supports and promotes the development of intellectual capital through research and development (R&D), with a view to short-term (improving gold recoveries), and longer-term value creation (applying current expertise to extract other metals/minerals from tailings material). Financial capital is used judiciously with regard to maintaining and securing manufactured capital.

DRDGOLD also allocates financial capital with its environmental and social responsibilities in mind. This enables rehabilitation to be addressed on a continual basis, in order to satisfy our stakeholders and reach eventual closure. In addition to the educational opportunities offered to community residents, we also work with local communities to uplift living standards; promoting employment initiatives, providing support to community schools, assisting in cases of hardship and dealing with complaints (noise, nuisance, dust).

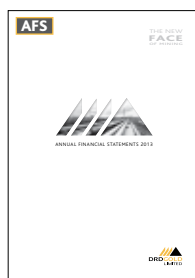
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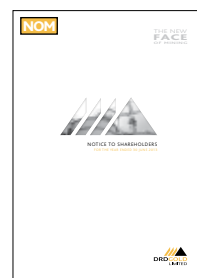
INTEGRATED  
REPORT 2013



SUSTAINABLE  
DEVELOPMENT  
REPORT 2013



ANNUAL FINANCIAL  
STATEMENTS 2013



NOTICE TO  
SHAREHOLDERS 2013

JSE: DRD  
ZAR 556c

NYSE: DRD  
USD 5.70

GOLD  
USD/oz 1 318.90  
ZAR/kg 414 142.83

16 September 2013 at 3:53pm



Scan the QR barcode with your smartphone or tablet to view the latest share price.

*“DRDGOLD produces its gold ounces in a low-risk volume-driven environment”*

[www](http://www.drdgold.com) All these reports are available on our website [www.drdgold.com](http://www.drdgold.com)

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## Forward-looking statements


Some of the information in this report may contain projections or other forward-looking statements regarding future events or other financial performance, including forward-looking statements and information relating to our company, that are based on the beliefs of our management, as well as assumptions made by and information currently available to our management. When used in this report, the words "estimate", "project", "believe", "anticipate", "intend", "expect" and similar expressions are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, adverse changes or uncertainties in general economic conditions in the markets we serve, a drop in the gold price, a prolonged strengthening of the rand against the dollar, regulatory developments adverse to DRDGOLD or difficulties in maintaining necessary licences or other governmental approvals, changes in DRDGOLD's competitive position, changes in business strategy, any major disruption in production at key facilities or adverse changes in foreign exchange rates and various other factors.

These risks include, without limitation, those described in the section entitled "Risk Factors" included in our annual report for the fiscal year ended 30 June 2012, which we filed with the United States Securities and Exchange Commission on 26 October 2012 on Form 20-F. You should not place undue reliance on these forward-looking statements, which speak only as of the date thereof. We do not undertake any obligation to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this report or the occurrence of unanticipated events. Any forward-looking statement included in this report has not been reviewed or reported on by DRDGOLD's auditors.

# GUIDE TO OUR REPORTING

*The DRDGOLD Limited (DRDGOLD) report suite contains integrated information on all aspects of our operating strategy, risks and financial, social and environmental performance as well as governance for DRDGOLD and its subsidiaries for the financial year ended 30 June 2013.*

DRDGOLD's Sustainable Development Report 2013 addresses the company's economic, social and environmental performance for the period 1 July 2012 to 30 June 2013 (FY2013), with data from previous years provided for comparative purposes. The six capitals model of sustainable development has been used as the basis of our reporting. This is because we believe that business can, and should, reflect – on balance – an escalation in value of each of the component capitals during the course of its activities, through the transformation of physical, human and capital resources.

 Read our Integrated Report 2013 in conjunction with this report

DRDGOLD is listed on the JSE Limited (JSE) in South Africa and the New York Stock Exchange (NYSE) and reports in line with the JSE Listing Requirements. Cognisance is also taken of the requirements of the United States Securities and Exchange Commission.


Reporting of our financial information associated with our Annual Financial Statements (AFS) is undertaken in accordance with the International Financial Reporting Standards, South Africa's Companies Act, No 71 of 2008, and the South African Code for reporting of Exploration Results, Mineral Resources and Mineral Reserves guidance in respect of the reporting of mineral reserves and ore resources.

*"Ergo Mining Proprietary Limited (Ergo) incorporates all our various surface operations"*

The recommendations provided by the King Report on Governance for South Africa 2009 (King III), have been taken into account in preparing our reports and, in line with this, we have produced our third Integrated Report.

DRDGOLD's Sustainable Development Report 2013 has been compiled in line with the guidelines of the Global Reporting Initiative (GRI 3.0) as well as reporting on our compliance with the Broad-based Socio-economic Empowerment Charter of the South African Mining Industry (the Mining Charter). We have self-declared a GRI B level of reporting for FY2013.

This report covers DRDGOLD's core operations, Ergo Mining Proprietary Limited (Ergo) which incorporates all surface operations and East Rand Proprietary Mines Limited (ERPM).

 pages 9 to 10  
Our business section: for more on group structure

For further information on sustainability reporting at DRDGOLD, please contact:

## Barry de Blocq

General manager: corporate services

Tel: + 27 11 470 2600

Email: barry.deblocq@drdgold.com

All four reports in our annual suite can be found on our website. [www.drdgold.com](http://www.drdgold.com)


## Cross referencing legend

The icons below are cross-navigational references to the other reports in our annual suite of reports.

 Integrated Report 2013

 Sustainable Development Report 2013

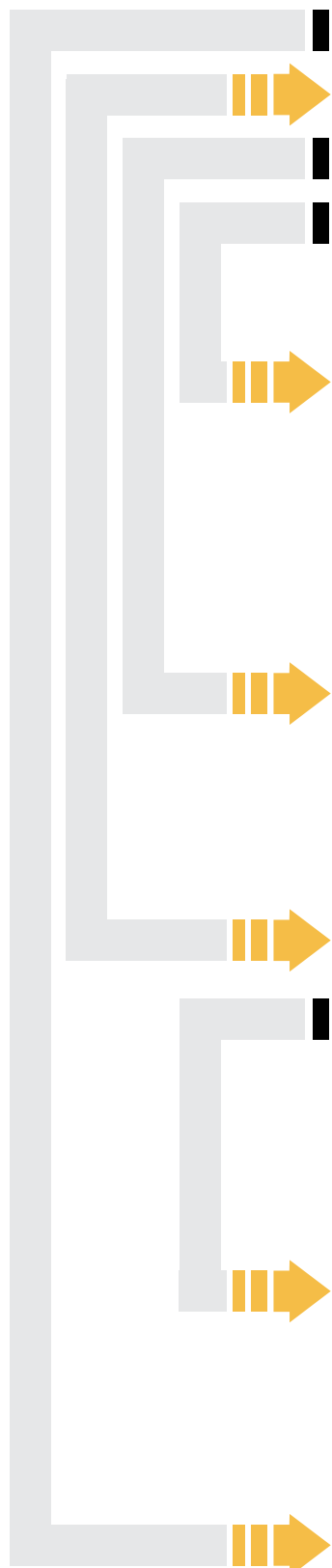
 Annual Financial Statements 2013

 Notice to shareholders 2013

 Website references, refers to [www.drdgold.com](http://www.drdgold.com) unless otherwise stated.

(Currency rates for conversion table = average exchange rate during year  
US\$1 = R8.8328 –  
Closing exchange rate at 30 June 2013  
US\$1 = R9.8675)

# FY2013 PERFORMANCE HIGHLIGHTS



## SHAREHOLDERS' VALUE DISTRIBUTION

### FINANCIAL CAPITAL

- 5% dividend yield
- 18% return on equity
- R1 293m total spend on goods, services
- R283m salaries, wages, benefits
- R107m dividends paid to shareholders



## ENVIRONMENT

### NATURAL CAPITAL

- 18% reduction in pipeline power usage (carbon footprint)
- 11% decrease in Ergo water bill
- R67.9m spent on dump rehabilitation
- 46ha side slopes, 75ha top surfaces vegetated, 115ha dust netting installed



## COMMUNITIES

### SOCIAL CAPITAL

- R1.5m CSI spend
- R3.1m on socio-economic development projects
- R34.6m LED spend to date: EBDA
- 2 474 people trained at EBDA
- 539 community members benefited from EBDA in FY2013
- 26% equity owned by BEE shareholders



## EMPLOYEES

### HUMAN CAPITAL

- 2 752 jobs provided
- 46% HDSAs in management
- No industrial action or safety stoppages
- Best Life/ICAS counselling/information service launched



## KNOWLEDGE USE TO EXTRACT MORE GOLD

### INTELLECTUAL CAPITAL

- R3.9m to date on R&D
- flotation/fine grind circuits, investigating uranium
- Creating synergies through consolidation
- second CIL circuit at Ergo refurbished
- increasing deposition capacity at BTF
- innovative pipeline
- Brainbox competition



## OUR ASSETS

### MANUFACTURED CAPITAL

- Plant, pump station, pipelines, R&D pilot projects





ERGO CREATED  
**FACTORY SYNERGIES**  
BY BUILDING A BESPOKE PIPELINE

# OUR BUSINESS



# LETTER FROM OUR CEO

*I am pleased to present our fifth Sustainable Development Report, this for the period ended 30 June 2013. Having restructured DRDGOLD in FY2012, much of the past financial year has been spent bedding down the changes put in place to consolidate our operations into a single, more cost-efficient entity.*

## DEAR STAKEHOLDER

As a company that mines gold from surface resources, our risk exposure is different for that associated with traditional underground mining, and the profile of our workforce has changed accordingly.

During FY2013, much of our effort was aimed at focusing on the business of extracting gold safely and sustainably; and on the commissioning of the fine-grind and flotation circuits that will assist us in improving our gold recovery efficiencies by up to 20%. We are satisfied with the progress to date and aim to have the circuits fully commissioned, and outputs stabilised, by the beginning of the third quarter of FY2014.

Aside from the payment of dividends, which we announced both at the half-year and year-end, a concern of our stakeholders – including our shareholders – revolves largely around the sustainability of our business. Our aim remains to develop toward best practice in managing and developing our human, social and environmental capitals and to align these with the realities of our external environment, characterised by gold price volatility and currency fluctuations.

Amidst these gold price and currency swings, DRDGOLD increased its FY2013 profit by 11% year on year through an 8% increase in production.

In the year ahead, we will continue to focus on our core business: delivering volume to the plant; extracting as much gold as possible; and managing our human, social and environmental capitals safely and responsibly.

We want our R&D team to assess the new opportunities our fine-grind technology introduces and the variations and options in respect of volume, grade and extraction it may introduce. We will also take further our study into the feasibility of uranium extraction as a by-product.

Our key challenges are not too different from those of FY2013:

- ensuring our governance structures support sustainability and value creation now and into the future;
- ensuring the health, safety and personal development of our employees. In May, we introduced the third stage of a programme to develop our employees, particularly in the areas of personal health and managing finances – and partnered with an independent counselling and advisory service to provide help and support on a toll-free line that operates 365/24/7;
- turning to account our significant, yet low-grade resources – profitably and responsibly;
- meeting our obligations in terms of the Mining Charter and maintaining our licence to operate; and

**SD** page 34  
For more on our best life  
ICAS initiative

# LETTER FROM OUR CEO (CONTINUED)

- attracting and maintaining the required skills set to achieve our strategy. The Ergo Business Development Academy (EBDA) – established in FY2009 – continues to make remarkable progress in developing our employees. We are also especially pleased with the success of our programmes geared towards the needs of younger learners and members of the community. We are determined that education is integral to raising living standards in the longer term, and our entrepreneur programme is developing the skills of youngsters with a passion for running their own small businesses. We are also delighted to have been selected by the Department of Mineral Resources (DMR) as the preferred training provider for the Women’s Artisan Skills Project. Targeting unemployed women in Ekurhuleni between the ages of 18 to 35, the programme was launched by Minister of Mineral Resources Susan Shabangu to co-incide with Women’s Month, and the intention is to eventually roll out the programme on a national basis.
- Acid mine drainage (AMD) from the Western Basin of the Witwatersrand goldfields is a risk facing a number of mining companies, including DRDGOLD. Since 2005, we have been involved in industry-wide initiatives to find a solution to the problem, and we are co-operating with the Trans-Caledon Tunnel Authority (TCTA) and the Department of Water Affairs.
- As many of our current and future resources are located in urban areas, dust emission management remains one of DRDGOLD’s most important environmental management priorities. In order to keep the inconvenience to our neighbours to a minimum, we have spent R67.9 million in the past year on continuous remediation measures and dust monitoring. Dust emissions are measured at more than 90 different points along the Witwatersrand, and our continued efforts are starting to bear fruit. As well as ensuring appropriate planning, applying suitable and efficient measures and remediating any negative impact, we also engage with communities in an open and transparent manner. In this way, we aim to fulfil our objective – both in the present and in terms of the final rehabilitation required – to leave behind a positive legacy.
- We address the issue of social capital by focusing our corporate social investment (CSI) initiatives on the communities around our operations. Beyond the education initiatives mentioned above, we contribute towards hardship alleviation and enhancing quality of life, a recent example being a gas-fired stove project initiated in the Riverlea area near our Crown tailings complex.

DRDGOLD is a high-volume, low-margin operation and we need to manage our resources to extract maximum value, ensuring that we can sustain the business over the next few decades. As already mentioned, we want to leave behind a positive legacy, and all of our efforts are geared toward creating value for our shareholders, while maintaining sound relationships with all other stakeholders.

I trust that this report aids understanding of our business in the context of our mindset and intentions. We have complied to the best of our ability with the guidelines of the Global Reporting Initiative, to which we subscribe.

Our third Integrated Report can be found on our website. I encourage you to read it as it provides an holistic picture of our business.

**Niël Pretorius**  
CEO DRDGOLD

**SD** pages 40 and 41  
*For more on the project  
read the case study*

**SD** page 43  
*For more on the gas  
stove project*

**SD** pages 44 to 52  
*For more on our  
natural capital*

**SD** page 50  
*For more on AMD*

**SD** pages 59 to 60  
*Our compliance with GRI*

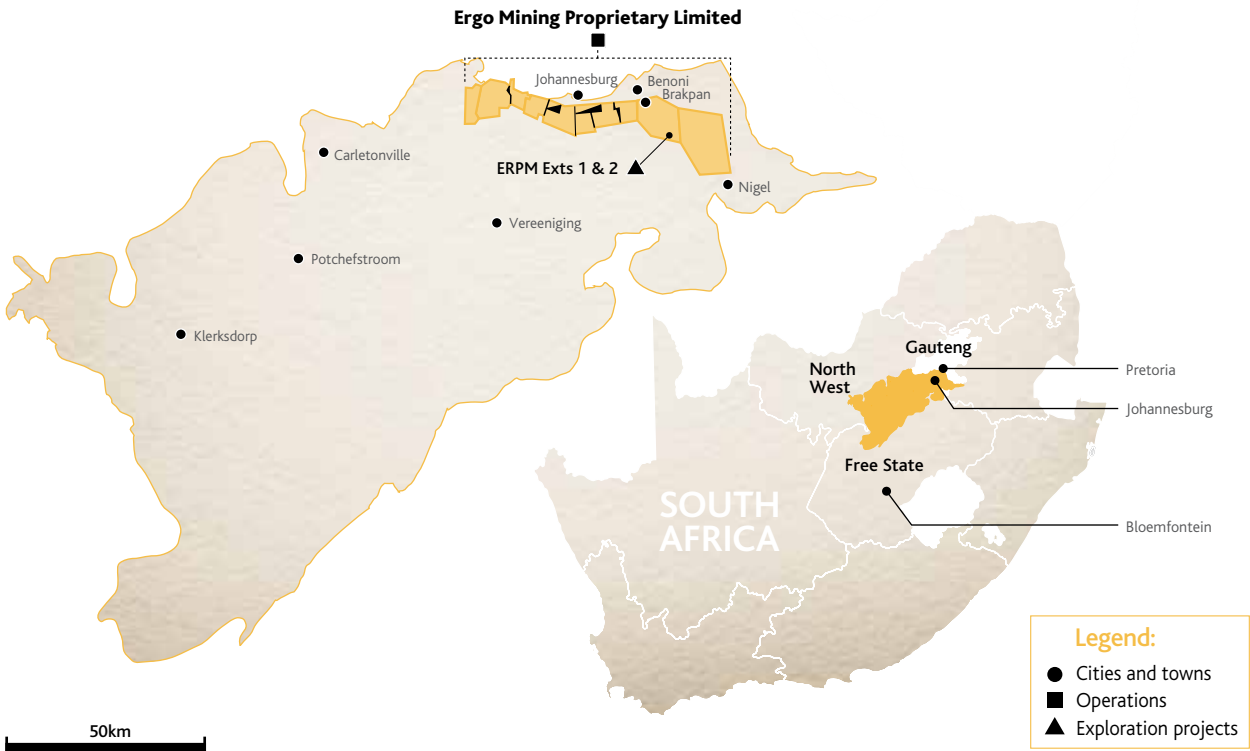
**IR** Read our *Integrated  
Report 2013*

**www** All our reports are  
*on our website*

# OUR BUSINESS

*DRDGOLD, a mid-tier, unhedged gold producer, is a world leader in the retreatment of surface gold tailings on South Africa’s central Witwatersrand where mining began more than 125 years ago.*

## Location of operations and exploration projects



*“DRDGOLD is a world leader in the retreatment of surface gold tailings on South Africa’s central Witwatersrand”*

Headquartered in Johannesburg, DRDGOLD’s core business – mining gold from decades-old tailings – results in the production of a targeted 140 000oz to 150 000oz of gold a year. The resulting “new” tailings are deposited in upgraded tailings facilities designed to modern standards.

At the end of FY2013, we had attributable mineral reserves of 1.68 million ounces and attributable mineral resources of 37.59 million ounces.

### OUR STRUCTURE

Our surface retreatment operations are consolidated into a single operating entity, Ergo Mining Proprietary Limited (Ergo). Ergo and East Rand Proprietary Mines Limited (ERPM) are both 100% owned by Ergo Mining Operations Proprietary Limited (EMO), which in turn is 74% held by DRDGOLD, 20% by DRDGOLD’s black economic empowerment (BEE) partner, Khumo Gold SPV Proprietary Limited and 6% by the DRDSA Empowerment Trust.

We are in full compliance with the BEE equity requirements of the Mining Charter although discussions with the DMR regarding some of the details are ongoing.

# OUR BUSINESS (CONTINUED)

In FY2013 the DRDGOLD workforce comprised 12% women in mining, with another 8% in management. There were 14% women in the core business areas (metallurgy, engineering, technical and support fields). DRDGOLD has 46% historically disadvantaged South Africans (HDSAs) in management.

## OUR PEOPLE

At the end of FY2013, DRDGOLD operations provided employment for a total of 2 752 people. Of these, 1 012 were permanent employees and the remaining 1 740 individuals were employed at the operations by a number of specialist service providers, including Fraser Alexander Tailings, expert in tailings recovery and tailings dam management. The new flotation and fine-grind circuits have provided employment for 58 people.

## OUR SHAREHOLDERS

The company's primary listing is on the JSE with a secondary listing on the NYSE. The majority of DRDGOLD's shareholders reside in the USA (41%), followed by South Africa (32%), Norway (10%) and Belgium and Luxembourg (10%).

## OUR PRODUCT

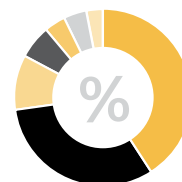
The London Bullion Market Association, an international trade association that represents the wholesale market in gold and silver, has a global client base. Its work includes monitoring standards, good trading practice and standardising documentation. Since January 2012 all good delivery gold refiners supplying the London Bullion Market Association have been required to comply with the organisation's Responsible Gold Guidance.

The Organisation of Economic Co-operation and Development promotes policies that will improve the economic and social well-being of people around the world, especially those in high-conflict areas where gold is mined. Conflict-free gold is gold which has been mined in accordance with production standards not causing, supporting or benefiting armed, unlawful conflict. DRDGOLD does not operate in these areas and does not deal in conflict gold.

Gold as a product has few, if any, health or safety effects and in fact has a number of important uses in these areas. Gold is seldom wasted as the metal lends itself to recycling and jewellery is often melted down and refashioned. It is estimated that, at any one time, one third of the gold on the market is recycled. In addition, DRDGOLD's reclamation work – also a type of recycling, results in the removal of waste dump sites. The process used by DRDGOLD to reclaim gold can therefore be said to have potentially positive long-term effects on our natural and social environment.

*"Consolidating our operations into one entity – Ergo – has generated cost efficiencies"*

Geographical distribution of shareholders at 30 June 2013



▲ United States	41
▲ South Africa	32
▲ Norway	10
▲ Luxembourg	6
▲ Belgium	4
▲ United Kingdom	4
▲ Europe and other	3

## Group structure





*Above: The self-propelled cyclone unit depositing discarded tailings onto a tailings dam*

Gold symbolises wealth, commerce and beauty and the metal has distinctive and rare properties that make it an essential component in a diverse range of industries and applications. Approximately 45% of all recycled or mined gold is still intended for ornamental use, mainly jewellery. Another 45% of the annual demand for gold comprises investment in the form of bars and coins, and some governments, individuals and institutions hold gold in the form of bullion. Technological and industrial uses account for the remaining 10%. Electronics, a relatively new sector, uses 75% of this gold, while the remainder is used for other applications including medicine and dentistry. Gold is also used extensively in aerospace due to its reflective properties. Almost 41kg of gold was used in the construction of the United States space shuttle, Columbia.

Gold's usage in a multitude of other processes is bound to increase in the future. Limited supply and lack of substitutes will then make gold even more valuable.

## **GOVERNANCE**

DRDGOLD's board of directors is made up of two executive directors – the chief executive officer (CEO) and the chief financial officer (CFO) – and four independent non-executive directors. The majority of members are independent, in accordance with the JSE Listing Requirements. The chairman is an independent, non-executive director. The roles of the chairman and the CEO are separate.

The DRDGOLD board is ultimately accountable for the management, governance and performance of the company. Certain functions are delegated to the Executive Committee (Exco), including overall management of operations and developing and implementing overall strategy, subject to statutory limits.

Committees have been established to assist the board – and Exco – in the discharge of its duties. Each committee has a specific purpose, membership requirements, duties and reporting procedures and acts within written terms of reference approved by the board.

The four subcommittees are: the Audit Committee, the Risk Committee, the Remuneration Committee and the Social and Ethics Committee. Meetings are usually held quarterly, and also when required.

The Social and Ethics Committee, chaired by Edmund Jeneker, an independent non-executive director, comprises two directors. Four meetings were held during FY2013. The Audit Committee, under the chairmanship of Robert Hume, comprises three directors. Six meetings were held during FY2013. The Risk Committee, presided over by Niël Pretorius, has five permanent members. Four meetings were held during FY2013. The Remuneration Committee comprises three directors and is chaired by Edmund Jeneker. Five meetings were held during FY2013.

Geoffrey Campbell chairs the Nominations Committee with one other committee member. Meetings are held when required. Meetings to nominate members were not required in FY2013.

# OUR BUSINESS (CONTINUED)

## ROLE OF THE BOARD

The board charter prescribes the directors' responsibilities and defines the parameters within which board members accomplish their obligations to the company. Members of the DRDGOLD board bring their varied experience to the table and endeavour to act in the best interests of the company. In addressing its primary responsibilities, the board aims to protect shareholders' assets and ensure they receive a return on their investment. The board also ensures protection of employees' interests.

DRDGOLD's governance structure includes regular meetings, and the practice of members discharging their duties supports our ability to create value in the short, medium and long term.

## SUSTAINABILITY GOVERNANCE

While the over-riding strategy, practices and performance concerning sustainability rests with the board, specific areas of sustainability have been delegated to the board-established committees. These committees, listed earlier, function in accordance with established frames of reference, approved by the DRDGOLD board, and the chairman escalates decisions to board level should the need arise.

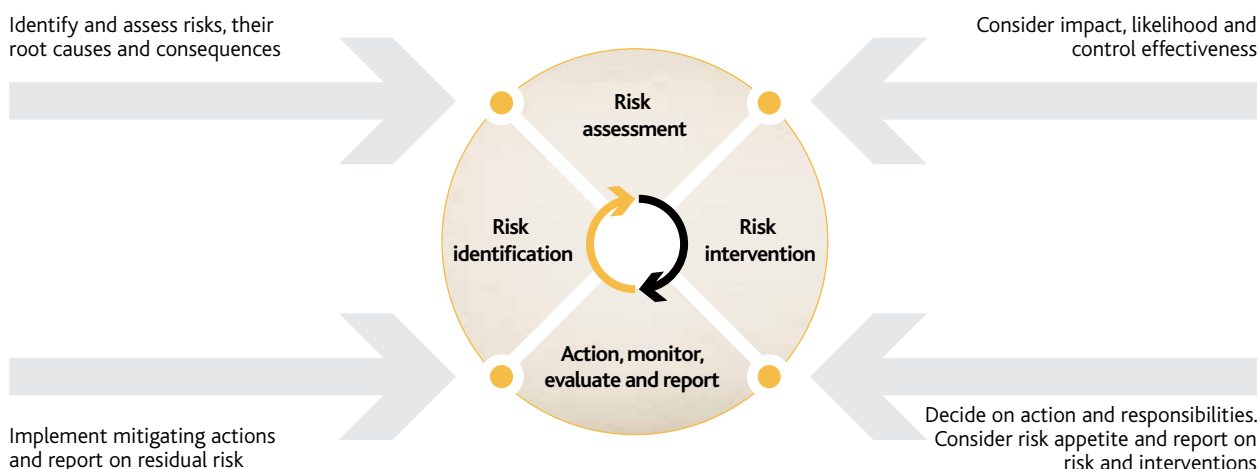
Our Sustainable Development Report 2013 was reviewed by the Audit Committee and thereafter referred to the board. Some of the information in the report was provided by external consultants and certain sections of the report were assured by an independent assessor, KPMG. The report was approved on 16 September 2013.

## RISK MANAGEMENT

DRDGOLD's board of directors is ultimately responsible for risk management but delegates certain responsibilities to the Risk Committee, including risk management and control responsibilities, assurance issues, health, safety and environmental compliance as well as the monitoring and reporting of all these matters. Responsibility for the quality, integrity and reliability of the group's risk management likewise falls within the ambit of the Risk Committee. Hannes Botes is responsible for risk management at DRDGOLD.

The Enterprise Wide Risk Management process, implemented in 2003 to provide a framework for assessing and managing risks, allows for risks to be ranked and gives the board a complete and informed view of the business environment across all disciplines.

*"Quarterly risk assessments are carried out across all operations where key risks are analysed and new risks identified"*





*Above: Community members assist in installing netting to reduce and control dust on the tailings dams*

*“DRDGOLD is committed to the highest ethical professional conduct and our Code of Ethics defines our obligations to our stakeholders”*

**IR** pages 25 to 31  
For more information on Risk and opportunities

Quarterly risk assessments are carried out across all operations where key risks are analysed and new risks identified. The risks are ranked and allocated to the person responsible for implementation of the mitigation strategy. Risks are entered into a centralised database to enable the compilation of operational or divisional risk maps, which are presented to management and the Risk Committee.

Requirements of King III and the Integrated Framework from the Committee of Sponsoring Organisations have been incorporated into the group’s processes so that they too comply with the Sarbanes-Oxley Act (Section 404) which deals with the group’s internal control systems.

DRDGOLD makes use of external advisors to conduct surveys, benchmarking exercises, reviews and activities throughout the year to improve and enhance the systems used in the Enterprise Wide Risk management process.

Simon Gear from Kijani Green Energy (Pty) Ltd has provided specialist input into the compilation of the environmental reporting component of the Bloomberg Sustainability Survey 2013. This is the fifth consecutive year that this basic emissions report has been compiled.

The International Mining Industry Underwriters (IMIU) has been involved with risk surveys at DRDGOLD’s operations since 2001, advising and reporting on measures to improve operational risks and also benchmarking DRDGOLD’s operations against other mining operations.

### CONFLICTS OF INTEREST

All DRDGOLD employees are expected to perform their duties in accordance with the best interests of the company and not use any knowledge, gained through their employment, for private or personal profit. All directors are required to declare any conflict of interest whereby a set of circumstances, financial or personal, has the potential to compromise their professional judgment and objectivity regarding DRDGOLD.

# OUR BUSINESS (CONTINUED)

## SIGNIFICANT LEGAL ISSUES OR FINES

DRDGOLD did not receive any fines during the year in respect of non-compliance.

Following a preliminary audit by the DMR in respect of a mining licence held by Crown, we received a directive in terms of S93 (1)(b)(l) of the Mining and Petroleum Resources Development Act (MPRDA). In a follow up audit we submitted a comprehensive audit pack that addressed the concerns of the DMR.

## CODE OF ETHICS

DRDGOLD is committed to the highest ethical professional conduct. Our Code of Ethics outlines the values that support our code and defines our obligations to our stakeholders. The DRDGOLD Code of Ethics, which governs the way we do business, applies to all DRDGOLD employees and specialist service providers. A breach of this code could result in disciplinary action and even prosecution.

[www](#)

*The Code of Ethics is on our website*

## WHISTLE-BLOWING

DRDGOLD faces the ongoing challenge of criminal activity, primarily by unlawful access to company properties and the theft of copper cable and scrap metal. Additional surveillance equipment was installed at our properties during FY2013 and security personnel continuously patrol the properties as this type of theft could endanger the lives of our employees and affect our operational efficiencies. In order to manage security more efficiently, the control room function was centralised at Ergo's Brakpan plant during FY2013.

*"DRDGOLD is committed to the highest ethical professional conduct"*

Additionally, all strategic areas are under 24-hour telemetric surveillance to enable our teams to monitor not only security but also safety and environmental issues, including pipeline spillages. Spillage paddocks are situated along the pipeline to anticipate this eventuality.

As theft, fraud and other crimes represent potential loss to DRDGOLD, Tip-offs Anonymous, a toll-free service administered independently by Deloitte, operates around the clock, throughout the year and gives employees and other parties the opportunity to anonymously report any issues of concern. The informant is provided with a reference number to enable him or her to track the progress of the case online. He or she can also elect to receive feedback, although this requires the informant to identify him or herself for obvious reasons.

A total of 16 reports was received in FY2013 and the subjects included alleged criminal activity, nepotism and unethical behaviour. The calls are professionally screened, and reports are generated if the tip-off is determined to be legitimate. The reports are referred to the DRDGOLD risk manager and fully investigated. Most of the investigations in FY2013 were done internally, primarily by DRDGOLD security personnel. If required, additional and specialised resources are outsourced. Of the 16 reports received in FY2013, one case resulted in disciplinary action and the criminal prosecution of a former employee.

*Below: A view of part of the Crown tailings complex*





# OUR STAKEHOLDERS

*DRDGOLD recognises that, in order to conduct our business effectively, developing and maintaining solid and trustworthy relationships with all stakeholders is a matter of importance.*

DRDGOLD therefore works diligently, and on a sustained basis, to engage with its identified stakeholders in a manner that is open and accountable, and with integrity.

DRDGOLD's primary stakeholders, our shareholders, provide the investment that underpins our business. The various other stakeholders – including employees, government, communities and organised labour – are all entities, groups or individuals that either affect – or are affected by – our business. Working closely with all groups of stakeholders at all times is central to the way in which we conduct our business and we take stakeholders into account as part of our business planning.

## Our stakeholders



*“DRDGOLD identifies and engages with external and internal stakeholders at a number of different levels”*

DRDGOLD identifies and engages with external and internal stakeholders at a number of different levels. Extensive and ongoing engagement, formal and informal, is undertaken by various disciplines and in various ways.

DRDGOLD engages on a formal and regular basis with local authorities, including the Ekurhuleni Metropolitan Municipality and the City of Johannesburg. The company regularly consults with regulatory authorities, including the DMR, the Department of Water Affairs (DWA), the Department of Environmental Affairs, the Department of Agriculture, Forestry and Fisheries and the National Nuclear Regulator.

DRDGOLD participates in a number of public groups, including the Ekurhuleni Business Forum, Blesbok Spruit Forum, Klip River Forum, Rand Water Catchment Quality Forum and Heriotdale Business Forum.

Stakeholder concerns are raised in various ways, including formal concerns or queries lodged in writing with the company. Concerns can also be raised during stakeholder forums or informal discussions. DRDGOLD responds to all concerns appropriately and timeously.

## OUR STAKEHOLDERS (CONTINUED)

DRDGOLD's operations are located in close proximity to local communities, with resulting economic, environmental and social effects on the residents. The company therefore engages on an on-going basis with these communities through local councillors and community leadership structures.

*"DRDGOLD ensures that managing the dust from its dumps is a priority"*

A major priority for DRDGOLD is controlling dust emissions from tailings storage facilities. This is particularly important during winter when it is dry and the wind blows. We conduct quarterly dust monitoring feedback meeting with the relevant authorities, including local municipalities, ward councillors, business forums and interested and affected parties (I&APs) to discuss dust fall-out figures, new legislation and mitigation measures.

Before any project that might affect stakeholders begins, DRDGOLD engages in public participation processes with I&APs.

In identifying its stakeholders, DRDGOLD developed a matrix of groups/individuals that are directly and indirectly associated with the company. The main stakeholders identified by DRDGOLD, their key concerns and the process DRDGOLD follows when engaging with them, are as follows:

Discipline	Comment	Reference
Shareholders	DRDGOLD knows that the key priority of any shareholder is to maximise investment returns in a sustainable manner. The company works diligently to provide information on operating, financial and other performance in a timely and equitable manner. This is done by making the relevant announcements on the JSE's Stock Exchange News Service and the NYSE, accompanied by almost simultaneous website postings, web alerts to a database of registered users and the distribution of an explanatory press release to a second database of analysts, investors and media.	SD pages 19 to 22 Financial capital
Employees	Relations with employees and organised labour at DRDGOLD are governed by recognition agreements and conditions of employment by legislation. The company supports the rights of all employees to freedom of association and acts in accordance with the South African Constitution, prescribed legislation, Chamber of Mines forums and recognition agreements with unions. The company encourages open communication and consultation. Conflict is dealt with as necessary in workplace forums. DRDGOLD is aware that a successful business is a sustainable business, and works conscientiously to empower its employees, and to implement programmes and job opportunities that benefit the communities in which it operates. Employees and employee representatives are briefed through formal and informal structures as needed, including a printed newsletter three times a year. Entitled <i>Asikhulume</i> which means "let's talk", this publication is distributed to all operations staffed by DRDGOLD employees. Copies are available at designated pick-up points and each edition is preceded by "teaser" posters – along the lines of a newspaper placard. Selected articles in each issue are typically translated into SeSotho and isiZulu, and the English articles are easy to understand.	SD pages 23 to 41 Human capital SD pages 19 to 22 Financial capital SD pages 53 to 54 Manufactured capital
Communities	DRDGOLD is committed to making a difference to the communities which surround its operations. Social and Labour Plans (SLPs) and Local Economic Development (LED) programmes are in place, and have been developed in compliance with the requirements of South African mining legislation. The company ensures that the projects and commitments it undertakes are in line with the local municipalities' integrated development plans. DRDGOLD engages on a formal and regular basis with local authorities, including the Ekurhuleni Metropolitan Municipality and the City of Johannesburg. Operational management has regular, formal and informal interaction with surrounding communities as well as formal consultations with I&APs.	SD pages 42 to 43 Social capital

Stakeholder group	Key concerns	Engagement process
Shareholders and investors	Operating and financial performance, share price performance and dividends, and issues relating to the overall sustainability of the company, particularly risk mitigation, nationalisation and safety	Annual general meetings, roadshows, one-on-one investor meetings, preliminary and annual results presentations, investor site visits, company announcements, company website, annual report suite, investor roadshows
Employees	Job security, training and development, remuneration, health and safety, personal growth	Company policies, collective bargaining practices, team briefings, two-way manager-employee communication, <i>Asikhulume</i> and campaigns, including Best Life and ICAS
Suppliers and specialist service providers	Sustainability of company, company's financial performance, employment practices, local procurement practices, business training and support, quality control, preferential procurement practices	Company practices and policies, preferential procurement programmes, open days and dialogue
Government and regulating authorities	Licence to operate, employment, education and training, LED programmes, environmental impact and rehabilitation	Formal processes, participation in industry associations, SLPs, dialogue, company reports, open days and site visits
Communities and NGOs	LED, employment and local job creation, CSI initiatives, health issues particularly HIV/AIDS, environmental impact and rehabilitation, skills development and education programmes	Community forums, stakeholder forums – including organised labour, industry partnerships, community engagement programmes, wellness campaigns (particularly HIV/AIDS awareness), youth development programmes, dialogue, company announcements and advertising in local newspapers (including EBDA)
Media	Financial results, corporate activity, environmental issues, marketing, community-related topics	Company announcements, company website, online presentations, media site visits, company reports, interviews and articles in local publications

*“DRDGOLD engages with I&APs before beginning any project that affects stakeholders”*

**IR** pages 18 to 19  
For more on stakeholders

From a human resources (HR) perspective, we will amend plans as needed provided the principles of governance and affordable sustainability are maintained.

## COMMITMENT TO EXTERNAL INITIATIVES

DRDGOLD is an advocacy member of the Chamber of Mines of South Africa. The Chamber is a voluntary membership, private sector employer organisation and is the principal advocate of major policy positions endorsed by mining employers. It represents members in various departments of South African national and provincial government, and other relevant policy-making and opinion-forming entities within the country and abroad. The Chamber also works closely with various employee organisations in formulating positions where appropriate.

**FACT:** 180% INCREASE IN  
**DIVIDEND**  
TO 28 SA CPS

# OUR PERFORMANCE

# FINANCIAL CAPITAL

*Financial capital is integral to our operation, enabling the other forms of capital to be utilised and developed. It is vital to the survival of our business, enabling us to secure the resources and equipment needed to run our business and fulfil our mandate to shareholders and other stakeholders.*

Along with other industries world-wide, we are facing sustainability challenges as the sources of natural, human and social capital are under pressure and, in some instances, being consumed faster than they are being produced. Sustainable development is the most appropriate way of managing our assets and ensuring a business that can continue into the future.

## GOLD PRODUCED AND SOLD

*"We are focused on extracting every last particle of gold from the tailings"*

DRDGOLD's strategic shift to surface retreatment has resulted in a move away from the risks associated with underground mining. Future development initiatives to ensure continued gold production may include the acquisition of additional surface resources, although our current priority is continued research and development to ultimately improve the extraction processes. We are focused on optimising extraction efficiencies even further through R&D.

The fine-grind and flotation circuits currently being commissioned are the first step in the process of extracting more gold from existing resources.

The gold price fluctuates, affected by factors beyond the control of DRDGOLD. As our revenue is dependent on the prevailing gold price, our profitability may be negatively affected if revenue from gold sales drops below the cost of production over an extended period. Our production costs are also rand-based whereas gold is generally sold in US\$, making the future appreciation of the value of the rand material to our business. Our strategic focus therefore is to reduce risk through sustainable volume throughput and optimised extraction efficiencies, controlling costs and improving margins.

DRDGOLD produced 146 381oz of gold in FY2013 (FY2012: 232 353 ounces including Blyvooruitzicht Gold Mining Company Limited (Blyvoor) until May 2012). In FY2013 Ergo produced 100% of the gold compared to only 58% of group production in FY2012 (135 708oz). Gold sales generated revenue of R2 076.5 million, based on an average gold price of US\$1 613 per ounce and a rand/US\$ exchange rate of R8.79/US\$.

## GOODS AND SERVICES PROCURED BY THE COMPANY

DRDGOLD is committed to also using BEE suppliers in the procurement of goods and services. The aim of supporting emerging entrepreneurs and HDSA vendors is not only to address the inequities of the past, and to comply with legislation, but also, as far as possible, to channel revenue directly into areas of greatest need. Job creation and the alleviation of poverty in local communities underpins our procurement policy which gives preferred supplier status to local BEE companies, if they are competitively priced.

Currently 26% of active suppliers are HDSA BEE suppliers of which 25% of the BEE suppliers are small, medium and micro enterprises (SMMEs). Some 39% of our active suppliers are SMMEs.

To further improve procurement from BEE and SMMEs the following strategies are in place:

- Advertisements are placed in carefully selected media, inviting SMMEs to present their portfolios to DRDGOLD enabling us to compile a current database of SMME suppliers;
- In any joint ventures with current suppliers the scope of work, where appropriate, will include the requirement that they utilise HDSA SMMEs;

# FINANCIAL CAPITAL (CONTINUED)

- Collective agreements with organised labour have lowered the barriers of entry for SMME suppliers compared to normal sub contractors;
- We will investigate the possibility of lowering the barriers of entry for SMME suppliers in ways which do not jeopardise governance requirements;
- We will continue to pressurise our current suppliers to become BEE compliant; and
- A letter of intent has been issued to Lepharo, a non-profit company, specialising in SMME business incubation, wherein DRDGOLD undertakes to make a capital and operating cost contribution to the expansion of the infrastructure to accelerate SMME development.

The total discretionary expenditure on goods and services in FY2013 was R1 293 million (FY2012: R1 637 million including Blyvoor until May 2012). The DRDGOLD procurement spend directly attributable to HDSAs was 54% in FY2013.

## CREATING AND ADDING VALUE

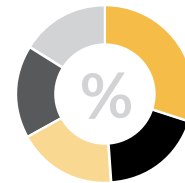
Value-add is the enhancement of our product value as it passes through the stages of manufacture and distribution.

### Value-added statement

2012		for the year ended 30 June		2013 <sup>LA</sup>	
Rm	%			Rm	%
<b>Value-added</b>					
3 004		Sale of precious metals		2 076	
(1 637)		Less cost of materials and services		(1 293)	
1 367	98	Value added by operations		783	92
33	2	Income from investments		66	8
1 400	100	<b>Total value added</b>		<b>849</b>	<b>100</b>
<b>Value distributed</b>					
<b>Employees</b>					
821	59	Salaries, wages and other benefits		283	33
<b>Community</b>					
13	1	Social investment expenditure		16	2
<b>Government</b>					
17	1	Current taxation		4	–
5	1	Royalty tax		–	–
17	2	Dividends to BEE shareholders		16	2
<b>Providers of capital</b>					
29	2	Dividends to ordinary shareholders		91	11
8	1	Interest on borrowings		19	2
910	65	<b>Total value distributed</b>		<b>429</b>	<b>50</b>
490	35	<b>Reinvested in the group</b>		<b>420</b>	<b>50</b>
1 400	100	<b>Total value distributed</b>		<b>849</b>	<b>100</b>

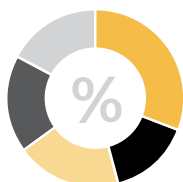
<sup>LA</sup> Limited assurance.

**Cost breakdown**  
for the year ended 30 June 2013



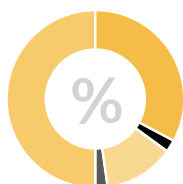
▲ Consumables	30
▲ Specialised services	19
▲ Electricity and water	18
▲ Labour	17
▲ Rehabilitation, admin and other	16

**Cost breakdown**  
for the year ended 30 June 2012



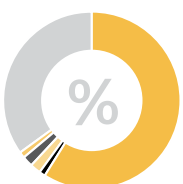
- ▲ Consumables 31
- ▲ Specialised services 15
- ▲ Electricity and water 19
- ▲ Labour 18
- ▲ Rehabilitation, admin and other 17

**Value distributed**  
as at 30 June 2013



- ▲ Employees 33
- ▲ Community 2
- ▲ Dividends to shareholders 13
- ▲ Interest on borrowings 2
- ▲ Reinvested in the group 50

**Value distributed**  
as at 30 June 2012



- ▲ Employees 59
- ▲ Community 1
- ▲ Government 2
- ▲ Dividends to shareholders 2
- ▲ Interest on borrowings 1
- ▲ Reinvested in the group 35

## VALUE-ADDED STATEMENT

Value-add is defined as the value created by activities of a business and its employees and in the case of DRDGOLD is determined as the sale of precious metals less the cost of materials and services. The value-added statement reports on the calculation of value added and its application among the stakeholders in the group. The statement shows the total value added and how it was distributed, taking into account the amounts retained and reinvested in the group for the replacement of assets and development of operations.

Based on this statement, DRDGOLD created value of R849 million in FY2013 (FY2012: R1 400 million, including Blyvoor until May 2012).

The asset known as ERPM Extensions 1 and 2 is currently not recognised in the company's market valuation, and the asset is on the market. The company's exploration assets in Zimbabwe have been impaired.

## PAYMENTS TO EMPLOYEES

The restructuring of our business into a predominantly surface retreatment operation has reduced our payroll (salaries and benefits) as surface operations are less labour-intensive than underground operations.

DRDGOLD provides these benefits for full-time employees:

Retirement funding (pension or provident funds); medical aid; annual, sick and family responsibility leave; 13th cheques for category 4 to 16 employees; performance bonuses/profit share; annual service increments; life and disability cover.

The total amount paid to employees in FY2013 was R283 million compared with R821 million paid in FY2012. The FY2012 amount included Blyvoor until May 2012.

There has also been a change in our short-term bonus scheme which is now a combination of group performance and individual performance.

DRDGOLD has, as part of its Best Life initiative, partnered with Independent Counselling and Advisory Services (ICAS) to provide counselling and support to employees and their families. Advice on managing finances, saving and budgeting is included in this package. CFO Craig Barnes is also writing a series of finance-related articles to empower individuals and to increase knowledge. These are published in the DRDGOLD newsletter, *Asikhulume*.

## HOUSING

The majority of our workforce resides around the Johannesburg and Ekurhuleni areas in existing suburbs and settlements. DRDGOLD does not own or manage hostels or mine villages.


We are, however, looking at strategies to improve home ownership for our employees. The following ideas have been explored to promote home ownership:

- Establishment of a housing task team comprising both union representatives and management representatives;
- Liaison with the Ekurhuleni Metropolitan Municipality with the intention of making suitable land available for the development of housing projects; and
- Regular meetings with union representatives to consider the most suitable methods of addressing home ownership for employees.

# FINANCIAL CAPITAL (CONTINUED)

## CSI AND LED EXPENDITURE

DRDGOLD's CSI and LED initiatives are typically aligned with our SLPs. The total CSI/LED expenditure for FY2013 amounted to R16 million (FY2012: R13 million).

 pages 42 to 43  
Social capital

## PAYMENTS TO GOVERNMENT

DRDGOLD paid R4 million in taxation, (FY2012: R17 million) and R0.1 million in mining royalties (FY2012: R5 million). The company did not receive any financial assistance from the South African government during FY2013.

## RETURNS TO SHAREHOLDERS

We recognise the importance of our shareholders as they contribute funds to our company in exchange for share ownership. The company paid dividends of R91 million, or 28 South African cents a share in FY2013.

BEE shareholders received a distribution of R16 million (FY2012: R17 million). Employees who are beneficiaries of the DRDSA Empowerment Trust did not receive a payment in FY2013 (FY2012: R1 000). The trustees have approved a distribution of approximately R2 600 each to the participants employed by Blyvoor as a buyout from the Trust, following the company's liquidation.

*"The total CSI/LED expenditure for FY2013 amounted to R16 million"*

## INVESTING IN CAPITAL

Capital expenditure was R373 million in FY2013 compared with R319 million in FY2012, with the majority, R280 million, spent on the flotation/fine-grind project.

DRDGOLD currently has no major projects in the pipeline and therefore substantial capital outlay is not envisaged for the foreseeable future. Our focus is on finding innovative ways of extracting gold from the material already being treated. We will in particular be investigating how our flotation and fine-grind technology could influence economies of scale and volume sensitivity. We are also continuing our feasibility study into uranium extraction.

## BEE AND TRANSFORMATION

DRDGOLD complies with the Mining Charter's 2014 BEE equity target of 26%, and aims to achieve broad-based transformation across all levels of our company. DRDGOLD has 46% HDSAs in management and the board and executives comprise 36% HDSAs.

Although DRDGOLD is compliant with BEE requirements, ongoing effort is placed on talent identification, career development and recruitment of women. A significant number of women (minimum 10%) is currently being enrolled in all engineering learnership intakes.



# HUMAN CAPITAL

*Our human capital profile has altered as a result of our shift to a predominantly surface operation. We now require fewer employees, our employees no longer travel from remote labour-sending areas around the country, but are mainly residents of local communities, and the skills set of our employees has changed.*

## OUR CONTEXT

In addition to our own employees, we also retain a number of specialist service providers at our tailings reclamation and deposition sites. These companies provide expert services in their fields and employ their own staff.

Being principally a surface operation also reduces our health and safety risk profile. Ergo's extensive footprint does offer its own set of challenges as our operations are located around both formal and informal communities.

As people are the mainstay of DRDGOLD, it is essential that we invest in them to achieve growth and ensure the sustainability of our business. To promote the education and development of our workforce we established EBDA four years ago and initiated the Best Life and ICAS initiatives. The skills and knowledge acquired by our employees, either through training or experience, increase their value not only to DRDGOLD but in the marketplace. By recognising the expertise, skills and talents of our human capital we can ensure the development of our people and run our business more efficiently and cost-effectively.

DRDGOLD believes that training and developing community members who are not employees is also part of human capital development, and offers courses to local residents at EBDA.

We uphold the labour rights outlined in the Fundamental Rights Convention of the International Labour Organization. Our policies ensure our employees are treated fairly irrespective of origin, race or gender, and are consistent with South African employment equity requirements.

## HEALTH AND SAFETY

We believe that everyone has the right to a healthy and safe working environment. Our health and safety policy commits DRDGOLD to conducting activities in a manner that ensures employee health and safety as a priority.

Health and safety is important for moral as well as for legal and financial reasons. Not only is it our moral obligation to ensure the protection of our employees' lives, health and safety measures will also reduce employee injury and illness and the related costs.

The Ergo health and safety manager is responsible for our health and safety programme, legal compliance and the management of the occupational health clinic.

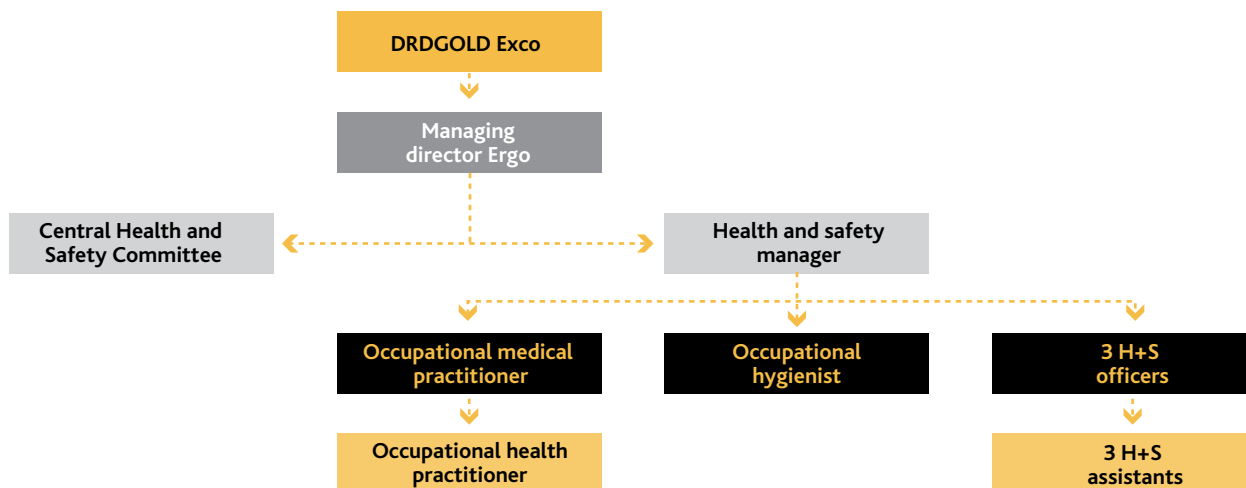
Our health and safety structure comprises a central committee dedicated to health and safety. Its membership is made up of two health and safety representatives from each of the four main operations, a full-time health and safety representative and senior managers from the operations, including the managing director. The committee deliberates on health and safety issues concerning the entire operation including the introduction of new or revised risk assessments, procedures, conditions in the workplace and any other matters prescribed under applicable legislation, including environmental affairs.

*"As people are the mainstay of DRDGOLD, it is essential that we invest in them to achieve growth and ensure the sustainability of our business"*

**SD** pages 35 to 39  
EBDA and other  
development initiatives

# HUMAN CAPITAL (CONTINUED)

## Health and safety structure



Line management is responsible for health and safety at an operational level. Management teams hold monthly meetings to address health and safety, and all employees are required to attend regular safety meetings as well as training sessions. On the ground, foremen are proactive and address workers on the topic of safety.

Each operation has its own health and safety committee comprising elected delegates from each section within the operation. They discuss the same issues as the central committee but do not have the mandate to pass resolutions that may affect the other operations.

Management subscribes to an open door policy whereby any employee has access to his manager and foreman to discuss issues related to health and safety.

Sections within departments, such as engineering and metallurgy, hold daily toolbox talks during which health and safety matters are discussed. These discussions involve incidents which have occurred as well as constantly reaffirming section 23 of the Mine Health and Safety Act (MHSA) to remind employees of their right to refuse to enter a workplace they perceive as detrimental to their health or safety.

The introduction of new and revised procedures is communicated to management and our workforce at plant section meetings, held weekly at each operation; the health and safety meetings held at each plant and at daily toolbox meetings held throughout the operations. A briefing procedure has also been implemented to ensure that every person affected by a new procedure receives a brief and understands its content.

When an issue is raised concerning either a technical aspect or practical application of a procedure, the department head will bring the issue to the attention of the health and safety department which will investigate, and consult as necessary.

Risk assessments and safety audits are conducted on a regular basis and the health and safety department reports to the board every quarter as the latter is ultimately responsible for health and safety at DRDGOLD.

Health and safety agreements with unions provide for a joint management/union committee on health and safety.

Our operations are subject to various industry-specific health and safety laws and regulations which, if altered, or ignored, could have an adverse effect on our financial results. Our employees are all expected to adhere to these laws and regulations and DRDGOLD has disciplinary procedures in place to enforce compliance.

*"The introduction of new and revised procedures is communicated to management and our workforce at plant section meetings"*

**SD** pages 28 to 30  
For more information on health and safety



*Above: Safety training exercises at EBDA*

*"During FY2013 DRDGOLD initiated the 'lost time injury-free days competition' to promote safe working practices"*

DRDGOLD's goals are to foster a safe and healthy working environment for our co-workers, employees, and others who might be affected by our environment. Awareness and behaviour-based safety programmes are in place to reduce incidents that cause injuries. Our programmes equip our employees with the information they need to reduce hazards and eliminate risks so that they may enjoy a safe and healthy workplace.

During FY2013 DRDGOLD initiated the "lost time injury-free days competition" to promote safe working practices; to encourage a positive approach to health and safety issues such as compliance with rules and to create a conscious awareness of the day-to-day hazards facing employees both in their working and home environments. Our interpretation of the term, lost time injury (LTI) frequency rate is defined by Regulation 23 of the MPRDA. The rules are simple: an operation must run for 180 days without an LTI starting from the day after the last recorded LTI or the day after the previous 180 day target was achieved. Progress at each operation is communicated to staff at the appropriate meeting.

The competition proved successful, particularly taking into account the number of people who enter the operations on a daily basis. Crown, ERPM and Knights met the 180 LTI-free target twice and City Deep and Ergo once during FY2013. Employees were given T-shirts to mark their 180 LTI-free days.

Campaigns such as electrical safety, ladder safety, behavioural safety and the danger of open fires in confined spaces were used in FY2013 to create awareness of the type of injuries that have occurred in the past. These prevention measures appear to have been successful as, to date, there has not been a repeat of these incidents.

DRDGOLD is a signatory to the 10-year health and safety targets set at the 2003 summit of the Mine Health and Safety Council. This organisation is a national public entity, with representation by government, employers and labour members. Chaired by the chief inspector of mines, the principal task of this organisation is to advise the DMR on occupational health and safety legislation and research outcomes focused on improving and promoting health and safety in South African mines.

#### JOINT APPROACH

It is imperative that all DRDGOLD employees, regardless of level, participate in health and safety issues. Our full-time health and safety steward, elected by the workforce, and appointed in line with the MHSA, is the connection between employees and policy implementation. There are an additional 98 elected part-time health and safety representatives who represent employees and specialist service providers giving us a favourable ratio of 1:28 safety representatives to employees. Our specialist service providers have their own health and safety structures in place, which we monitor to ensure conformity to legal requirements.

# HUMAN CAPITAL (CONTINUED)

The management/union committee on health and safety comprising management, the full-time health and safety representative as well as union representatives, meets on a monthly basis to discuss issues concerning health and safety. This committee is responsible for:

- Creating a healthy and safe working environment and to prevent fatalities in the workplace through the competence, commitment and positive attitude of the employer and all employees;
- Improving on the previous best ever performance in:
  - minor accidents;
  - lost time injuries;
  - reportable serious occupational illness;
  - health and safety threatening occurrences;
- Actively developing, implementing and driving the Health and Safety Management System and Programmes;
- Providing for employee participation in matters of health and safety;
- Providing for the co-ordination of effort in matters of health and safety throughout the company;
- Providing for appropriate and adequate training in matters of health and safety; and
- Conducting operations so as not to threaten the health and safety of the community or pollute the surrounding areas.

A joint accountability campaign was introduced to emphasise the need for management and organised labour to co-operate in changing a culture that was developing whereby an injury was either considered the "fault" of either a manager/supervisor or the person who had been injured. The campaign was directed at a zero tolerance approach to accidents. After a thorough investigation into the cause of an accident, we took steps to correct the condition or to change the behaviour/s of the person/s involved. The campaign has had some success in changing attitudes and behaviours.

*"The campaign was directed at a zero tolerance approach to accidents"*

## IDENTIFICATION OF SAFETY RISKS

Our major safety risks are those associated with:

- Electrical work;
- Working in confined spaces;
- The use of monitor guns;
- Working at heights;
- Using oxyacetylene equipment;
- Risks relating to criminal behaviour; and
- Improper use of reagents.

In order to assess our performance and mitigate our risks, regular risk assessments and safety audits are conducted at our operations to fully understand the risks involved, and to introduce the necessary procedures, training and supervision. To reduce risk, DRDGOLD prohibits employees from carrying out work for which they are not suitably trained.

The safety department conducts hazard assessment audits every four weeks as part of a continuous risk assessment process. Each hazard identified is rated according to the risk management methodology of the International Register of Certified Auditors and mitigated according to our procedure.



*Above: Renovation taking place in the new float plant at Ergo*

*"We go beyond our gates to advise communities of the potential dangers of illegally accessing our properties"*

DRDGOLD has 28 managerial procedures and instructions signed by senior management. These procedures control tasks that have been identified as potentially serious risks during the work assessment process.

A new safety campaign is introduced at the beginning of each quarter. The topic is intended to inform employees on a specific aspect of safety. Each month a further topic, usually dictated by prior events, is also opened for discussion.

To ensure effective and timely responses to emergencies, induction training is utilised to communicate to all employees and visitors the emergency procedures in place. Regular man-down and fire drills are held at all our operations.

Our health and safety officers also go beyond the gates of our operations to advise communities situated near our reclamation sites of the potential dangers of illegally accessing company properties. All these excursions are recorded.

Supervisors are trained in first aid to meet the requirement of the MHSA. DRDGOLD has contracted ER24, an emergency response company, to provide medical assistance when employees suffer a medical emergency at work, or when an injury occurs at an operation requiring expert assistance. Health and safety officers are required to conduct emergency drills at their respective operations. Emergency response training of selected employees includes fire training and general chemical handling. This training, conducted annually, enables an employee to handle most emergencies involving reagents such as cyanide.

# HUMAN CAPITAL (CONTINUED)

## SAFETY PERFORMANCE

FY2013 was fatality free at DRDGOLD operations. DRDGOLD is a participant in the one million fatality-free shifts category of the Safety Awards Scheme, managed by the DMR. DRDGOLD managed 1.2 million fatality-free shifts, with three working shifts per day, and qualified for an award which will be presented later this year.

Two Section 54 notices were issued during FY2013. On 7 February 2013 a section 54 was issued to DRDGOLD for exposing communities to excessive dust. Work at the offending site was halted and the problem rectified the following day. The Section 54 issued on 6 September 2012 required the Health and Safety Department to establish a system to link occupational health and medical surveillance for all employees including senior management. This requirement has subsequently been addressed.

There were 455 shifts lost in FY2013 (2012: 266), due to injuries.

An exercise to determine the impact lost shifts have on an operation indicated that the cost is minimal in financial terms. When an employee is off work due to an injury, in most cases and for a limited period of time, the work load is carried by fellow workers. Fifteen of the 44 injuries (34 LTI and 10 dressing station injuries) occurring involved the employees of specialist service providers.

In past years, when an employee was to be medically separated due to an injury that occurred while on duty, the individual was removed from the statistics when a replacement was installed in his/her previous position. This has been changed and all time lost due to an injury is recorded as shifts until the injured worker returns to work. Results for the accident prevention programme in FY2013 were disappointing due to the number of injuries classified as lost time by outside medical facilities.

## OCCUPATIONAL HEALTH

Our occupational strategy at DRDGOLD is two-fold:

- Eliminating and reducing the sources of health threats; and
- Regular health monitoring.

To ensure effective implementation of this strategy we co-operate fully with our dedicated safety team, have vigorous hygiene inspections and an intensive risk-based medical surveillance programme in place. Our rigorous identification and follow-up campaign of chronic medical conditions among employees has given us a greater understanding of their health.

To ensure that our strategy is effectively implemented, our on-site health care is provided by a full-time occupational health practitioner (OHP) who is assisted by a doctor on a part-time basis. Some 4 380 screening medical examinations were performed during FY2013 (FY2012: 4 113). Pulmonary tuberculosis (TB), human immunodeficiency virus (HIV), hypertension and diabetes mellitus are our most challenging health issues with noise-induced hearing loss (NIHL) and TB being our two most significant occupational hazards. All our employees are also covered by an external medical scheme.

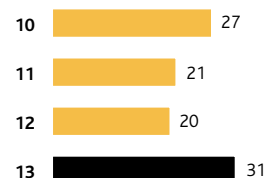
Our Best Life initiative, supported by ICAS, provides advice and counselling services to employees. Advice can be obtained on all health issues including healthier lifestyle choices, diet, exercise, substance abuse, depression and the importance of taking prescribed medications, especially for chronic conditions.

## NIHL

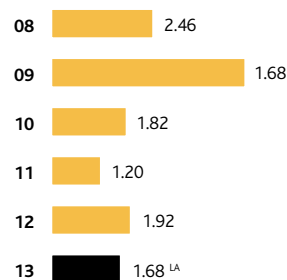
NIHL – caused by continuous exposure to loud sounds over a prolonged period of time – causes irreparable damage to the sensitive structures within the inner ears.

Sound is measured in decibels with normal conversation registering approximately 60 decibels. Repeated or extended exposure to sounds at or above 85 decibels may lead to hearing loss. Fortunately NIHL is a preventable disorder provided that hearing protectors such as earplugs or earmuffs are regularly used.

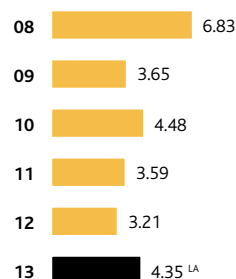
All injury frequency rate as at 30 June 2013



Reportable injury frequency rate as at 30 June 2013



Lost time injury frequency rate as at 30 June 2013



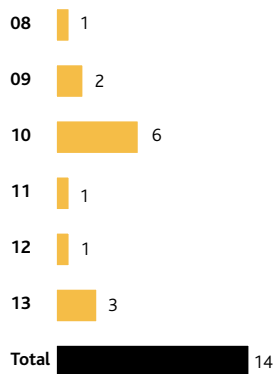
<sup>LA</sup> Limited assurance.

*“Our Best Life initiative, supported by ICAS, provides advice and counselling services to employees”*

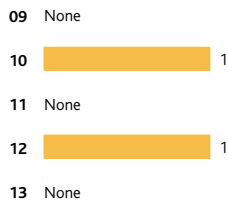


Above: Community members planting trees as part of the rehabilitation process

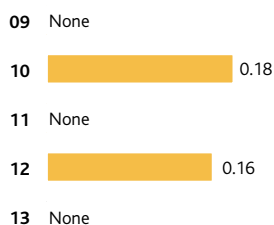
#### NIHL claims submitted <sup>LA</sup>



#### Fatalities as at 30 June 2013



#### Fatal injury frequency rate as at 30 June 2013



Dr J Schoeman of NESHCO, an expert in the field, conducted a noise survey at all our operations during FY2013. The noise levels experienced at our operations range from low to 96db with 25 areas identified as above 85db. These noise areas have been demarcated with the appropriate warning signs. Company policy dictates that all employees are trained to wear protective apparatus in noise zones.

As part of our hearing conservation programme, individual counselling was conducted with employees who are most at risk due to the nature of their jobs. Posters on hearing protection have been placed in prominent positions, such as entrances to the plant and in designated noise zones, to further promote awareness. An audio visual campaign is in the conceptual phase. The intention is to continuously play a DVD on NIHL in the waiting area of the clinic where Ergo employees undergo their compulsory annual medical examinations.

Three cases of NIHL were reported to Rand Mutual Assurance in FY2013. Two of the reported cases in FY2013 were found to be existing medical conditions and not necessarily NIHL. The third case has not yet been confirmed.

#### PULMONARY TUBERCULOSIS

Pulmonary tuberculosis (TB) is a common and, in certain cases, lethal infectious disease which typically attacks the lungs. The disease is spread when air-borne droplets from the cough or sneeze of an infected person are inhaled by others.

People with weakened immune systems, such as those with AIDS, are more at risk of contracting TB, as are those living in crowded communities and cramped living spaces, where conditions are often unhygienic and nutrition is poor.

Primary TB is diagnosed by a chest X-ray and a microscopic examination of body fluids, and is treated with multiple antibiotics over an extended period of time. Most people recover from primary TB infections but the infection may stay dormant for years and in some people it can reoccur.

Preventing the spread of TB is dependent on vaccinations and screening programmes. In FY2012 the company focused on TB as a health issue. Employees were given pamphlets on the disease and discussions were held during medical surveillance sessions.

Six cases of TB were reported in FY2013 (FY2012: 3). These involved two DRDGOLD and four specialised service providers. Our occupational medical and health practitioners (OMP and OHP) did a walk-through respiratory survey at the Fraser Alexander tailings operational areas (where one case of TB had been confirmed) to identify employees who might have been exposed to the infected person. During the visit 11 Fraser Alexander employees were tested for TB. Two tested positive but have not yet been confirmed.

# HUMAN CAPITAL (CONTINUED)

## HIV/AIDS

HIV is not an occupational disease. However, we subscribe to and support the government's vision of "a long and healthy life for all South Africans". To this end we have made extensive use of its guideline document "HIV/AIDS in the workplace" to draft our own policy. The policy aims to provide employees with general information on HIV/AIDS; protect the rights of employees living with HIV/AIDS; ensure consistency and alignment of the company's employment policy, procedures and work instructions relating to HIV/AIDS; and commit, manage and reduce the impact of HIV/AIDS on employees. The policy has been tabled for discussion and acceptance with management and organised labour. We hope to establish a formal HIV/AIDS committee, managed by our health staff, with representatives from both management and organised labour.

Medical surveillance staff engage in a discussion on HIV/AIDS with each employee during their annual medical checkup. DRDGOLD has also adopted the "know your status" programme where employees are encouraged to go for regular voluntary counselling and testing (VCT) and to discuss the results with the OHP. By adopting a more direct approach to the issue, and together with our attempt to establish greater support, many employees are overcoming their fear of stigmatisation, and likely to attend timely VCT and, where necessary, receive the necessary treatment.

DRDGOLD does not keep or have access to employees' medical information. We are therefore not able to provide statistics on the number of employees infected with the disease, those receiving treatment or the associated costs.

DRDGOLD and the National Union of Mineworkers (NUM) jointly hosted a World AIDS Day event on 1 December 2012. Attendees were reminded that living safely is a lifestyle and safety principles followed at work need to be applied throughout their lives.

Individual men's health education sessions were also conducted during FY2013. Pamphlets, in a variety of the more widely-used official languages, were distributed to ensure full understanding of the issues discussed.

*"Medical surveillance staff engage in a discussion on HIV/AIDS with each employee during their annual medical checkup"*

## MALARIA AND SILICOSIS

No cases of malaria or silicosis have been recorded at DRDGOLD for the last four years.

## EMPLOYMENT AND HUMAN RIGHTS

The human resources manager: operations has the responsibility of overseeing transformation, employment and overall sustainable development issues while at board level these are monitored by the Social and Ethics Committee. DRDGOLD complies with the requirements laid down by the Mining Charter whereby priority is given to the attraction, development and retention of HDSAs and women.

**SD** page 32 and our case study on pages 40 to 41  
For more on HDSAs and women

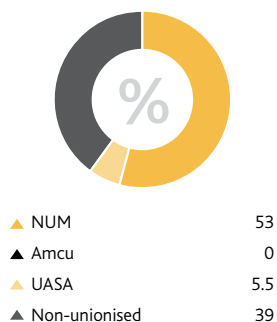
### Voluntary HIV counselling and testing

	VCT (employees)	VCT (positive)	VCT (community members)	On anti- retrovirals	Deaths as a result of AIDS
F2013	35	5	–	3	–
F2012	4113	–	–	1	–

The clinic treated a total of 4 113 persons.



**Ergo – union membership**  
as at 30 June 2013



Employee affairs and labour relations are governed by recognition agreements while conditions of employment are governed by legislation which addresses:

- Prescribed minimum levels of compensation and benefits;
- Employment equity practices;
- Trade union access and membership;
- The right to strike;
- Compensation for occupational illness or injury on duty;
- Compensation in the event of termination for operational reasons; and
- The provision and financing of training and skills development programmes.

A comprehensive HR strategy for the group has been developed. This is aligned with and informs the overall business strategy for the group. The following list comprises the nine most important HR goals that have been identified and which are receiving attention:

1. To establish a strategically influential, credible, appropriately resourced and optimally functioning HR function;
2. To design and implement an integrated HR reporting system;
3. To strive to become the sustainability and compliance standard for the gold mining industry;
4. To implement an integrated HR model and talent management process;
5. To optimise EBDA services to serve the operations and the communities;
6. To strive for a healthy HR climate and good working interface with organised labour;
7. To initiate and implement appropriate organisation and workplace improvement initiatives;
8. To ensure a "total reward" model to attract, motivate and retain skills; and
9. To ensure updated, compliant and accessible HR process, policies and procedures.

These nine focus areas have been designed to mitigate key business risks that have been identified.

We have prepared a comprehensive three-year project plan with clearly defined annual objectives and are reviewing the resources for this strategy, which should be in place by the end of October 2013. We will measure achievements using a comprehensive HR scorecard. This will enable us to submit flash reports to a variety of end users including Exco, and on a variety of important success indicators e.g. HR spend, number of community learners benefiting from EBDA training interventions, statistics pertaining to employee wellness programme, participation in the Best Life initiative etc.

We have set targets for HR, including those laid down either by the Mining Charter (e.g. women in mining, HR spend percentages) and the Social and Labour Plan (e.g. numbers of employees, community learners on learnerships, ABET programmes).

We address all challenges by close monitoring and regular communication with all stakeholders, and engage with the relevant regulators to ensure timeous implementation of preventative and corrective action.

In HR, company strategy takes cognisance of the feedback received through stakeholder interaction. Currently an overarching stakeholder engagement plan is being drafted with clearly defined guiding principles, objectives and engagement structures with clear roles and accountability defined. This need has been identified as a result of unstructured engagement in the past.

# HUMAN CAPITAL (CONTINUED)

## EMPLOYMENT PRACTICES

DRDGOLD does not discriminate against employees based on nationality. However, our preference is to employ individuals from our local communities, those within a 50km radius of our operations. At the end of FY2013, all of our employees were considered local (FY2012: 100%).

All employees of the specialist service providers working at our reclamation sites and storage facilities are required to undergo induction training to acquaint them with our policies. This also provides an opportunity to explain the need for them to support our efforts to comply with relevant legislation.

Our remuneration policies are benchmarked against specialist remuneration surveys on a regular basis to ensure that pay scales for critical skills remain market-related. Minimum notice periods, in respect of operational changes, are prescribed by legislation.

## EMPLOYMENT EQUITY

The South African Employment Equity Act promotes equal opportunity for previously or historically disadvantaged South Africans and stipulates that no employer may discriminate in policy or practice.

DRDGOLD has an employment equity programme in place; drawn up to meet the requirements of the Mining Charter and the Employment Equity Act. As required by this Act, oversight of the employment equity programme is an HR function. As the Department of Labour monitors the implementation of our plan and progress towards meeting our objectives, we submit equity figures annually and provide regular updates to that department. In FY2013 HDSAs comprised 84% of the total workforce.

The recruitment and retention of highly sought-after HDSAs and women remains a challenge. At the end of FY2013 Ergo had 46% HDSA representation in management.

Top management comprised 52% HDSAs, senior management 33%, middle management 40% and junior management 40%. In metallurgical engineering and technical support structures, 14% of employees were women and 12% of all workers are women.

Our strategy to increase the number of women in mining includes:

- A minimum of 10% of new intakes will be women;
- Female applicants will be prioritised in the event of vacancies becoming available;
- Our internship strategy is to favour female candidates; and
- The recruitment agencies we use will be briefed accordingly.

## HUMAN RIGHTS

DRDGOLD upholds the basic labour rights as laid out in the Fundamental Rights Conventions of the International Labour Organization relating to collective bargaining, and ensures the implementation of fair employment practice.

We do not condone any form of harassment or employment discrimination based on race, religion, age, gender, disability or political affiliation. Forced, compulsory and child labour are all prohibited. In order to prevent harassment in the workplace, or at any other employee-related event, a sexual harassment policy is in place.

*"Our remuneration policies are benchmarked on a regular basis to ensure that pay scales remain market-related"*

A number of forums meet regularly to ensure fair employment practices are observed. Disciplinary and grievance procedures provide for representation by either a union shop steward or a fellow employee. These functions are monitored by the HR department, to ensure all principles are applied.

In FY2013 one case of alleged sexual harassment was reported. This case involved an HR manager who was dismissed following the disciplinary processes that were instituted.

No human rights incidents were reported in FY2013.

The rights to freedom of association and collective bargaining are enshrined in the country's Constitution, prescribed legislation, industry contracts and recognition agreements with unions. We support the rights of all our employees and their freedom of choice.

There were 724 people employed by Ergo Mining (Pty) Limited (Ergo) at the end of FY2013 of which 53% were members of NUM and 6% affiliated with UASA. Of the 92 people employed at ERPM, 18% belong to NUM and 62% to UASA. Ergo does not have any members affiliated with the Association of Mine Workers and Construction Union (Amcu), and there have been no issues of inter-union rivalry at its operations.

The two-year wage agreement signed in 2011 is currently being renegotiated for the next two-year period. Wage negotiations were still underway when this report went to print.

#### EMPLOYEE WELLBEING

DRDGOLD's Think campaign was followed by Vuselela, meaning "revival" in isiZulu and isiXhosa. Launched in FY2011, the aim of Vuselela was to make constructive use of the intellect of our workers. The initiative aimed to align the ambitions of employees and the aspirations of the company so that both parties would appreciate they are inter-dependent. All employees participated in workshops to identify the values, ethics and norms they wanted to see being upheld by the company and one another. The unions also supported the initiative and endorsed the outcome.

The following values were identified by employees in the working sessions:

- Achieving goals through teamwork;
- Honesty in all dealings;
- Our word is our bond;
- Everyone deserves respect, dignity and fairness;
- Everybody has the potential to be empowered;
- Think and stay informed; and
- Have the courage to change.

Vuselela created a better workplace overall, and a renewed basis for employees to interact with each other, as well as providing the basis on which to build the Best Life campaign – encouraging employees to work towards living the best life at work and at home. Vuselela is an ongoing process and not a once-off event that can be measured at a single point in time. However, follow up workshops in the form of focus group discussions were held during which employees were asked specific questions to measure the impact. This enabled us to measure trends – whether employees are setting personal goals, showing a greater interest in their own personal development, know what the agreed corporate values are etc. The results showed positive trends in all measured fields.

*"The two-year wage agreement signed in 2011 is currently being re-negotiated for the next two year period"*

*"Vuselela created a better workplace overall, and a renewed basis for employees to interact with each other"*

# HUMAN CAPITAL (CONTINUED)

## BEST LIFE

The DRDGOLD Best Life campaign has resulted in the implementation of an employee assistance programme for all employees and their families. DRDGOLD has partnered with ICAS to provide a professional, independent, confidential support and information service. Trained counsellors are on hand 365/24/7 to answer questions and give advice on a variety of topics including:

- Stress and chronic illness – information and coping skills;
- Relationships – family, colleagues, friends;
- Employment issues - workplace conflict, career matters, harassment;
- Legal – divorce, custody, maintenance;
- Health – the importance of checkups and exercise, healthy eating;
- Family – dealing with unwanted pregnancies, adoptions, childcare, elderly relatives;
- Trauma – robberies, hijackings, accidents;
- Death – loss of loved ones, miscarriages;
- Addictions – drugs, alcohol, gambling;
- Finances – debt, budgeting, garnishee orders; and
- General – claiming state benefits, organising affordable holidays, how to plan a party.

The Best Life ICAS initiative was launched at a function on the EBDA campus in May 2013, attended by management, employee representatives and union leaders. The presentation was well received and will be followed by briefing sessions for all employees.

The programme includes an entertaining film entitled "The Pride of the Peacock", including actors as employees interspersed with animated characters – a peacock (representing Best Life) and a parrot (representing Vuselela). The aim of the narrative is to illustrate the concept of self-reliance, or taking charge of one's life in a number of important areas – finance, retirement planning, health and wellness, career options and employability. Each employee will receive a copy of the film on DVD, together with other material relevant to the campaign.

At the end of FY2013, about five weeks after the rollout of the campaign, 41 employees had already made use of the confidential counselling and advisory service.

In FY2013 DRDGOLD spent R444 440 on Best Life and paid ICAS R119 244 to initiate and run the programme from late May 2013 until the end of June.

## SKILLS DEVELOPMENT

Attracting and retaining key personnel, especially women and HDSAs, is a challenge for all mining companies due to the limited pool of necessary skills and experience currently available. Short- and long-term incentive schemes reward performance and retain key skills. DRDGOLD offers competitive bonus schemes and salaries which also serve to attract and retain talent. Employees with high potential participate in individual development programmes to ensure we have people with the skills and experience to fill senior positions in the future.

Enhancing human capital through education and training is central to a sustainable business; creating jobs is no longer sufficient to solve the problems of unemployment. Instead, job "creators" are required.



*Above: Employees and union representatives at the launch of the Best Life/ICAS programme*

At DRDGOLD our comprehensive skills development programme aims to cultivate talent through learnerships, on-the-job training, and the provision of bursaries and study assistance. HDSAs are identified at all our operations for skills development and advancement. We spent R13.8 million on training and development at EBDA during FY2013 (FY2012: R6.8m), a clear indication of our commitment to advance the careers of our employees.

The Ergo Business Development Academy (EBDA) was established by DRDGOLD in 2009 to address the company's future requirements in view of the shortage of skills in South Africa and to raise the educational standards of HDSAs.

### **ERGO BUSINESS DEVELOPMENT ACADEMY (EBDA)**

*"EBDA, adjacent to Ergo's Brakpan plant, remains the most significant LED project established by DRDGOLD in terms of impact and expenditure"*

EBDA, adjacent to Ergo's Brakpan plant, remains the most significant LED project established by DRDGOLD in terms of impact and expenditure and is testimony to our commitment to develop our employees and to use education as a tool for shaping the future of the disadvantaged.

DRDGOLD has contributed almost R34 million since its establishment in 2009. After an in-depth audit in November 2012, EBDA was awarded full accreditation by the MQA in specified engineering trades, metallurgy and minerals processing fields, safety, health and environment areas, and soft skills. During the process EBDA also received certification by the South African Bureau of Standards (SABS) as meeting all the requirements of the ISO9001:2008 standard. EBDA is also accredited by the Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA), Chemical Industries Education and Training Authority (CHIETA), and Energy Sector Education and Training Authority (ESETA) in a variety of fields, mainly relating to the mining industry.

EBDA's mission is to facilitate and host accredited business development processes and learning opportunities in a financially viable and sustainable manner and to meet the human resource development needs of DRDGOLD, its strategic partners and identified communities within the Ekurhuleni, Johannesburg and Mogale municipalities.

EBDA was designed to become a self-sustaining and valuable asset to the community; contributing to the growth, profitability and general raising of the standards of education of South Africans. By becoming self-supporting, EBDA will be able to continue its work well into the future, and beyond the current life of mine of DRDGOLD's operations.

## HUMAN CAPITAL (CONTINUED)

Employing 47 full-time employees, EBDA offers first-rate training to corporate employees, private learners and unemployed community learners. In FY2013 EBDA provided 2 090 training days to employees (including employees of specialised service providers), 384 employees from other companies and 539 community members. Training includes:

- Adult basic education and training (ABET);
- Computer courses;
- Engineering;
- Engineering/learnerships, short courses and skills programmes;
- Engineering/operator training and licencing;
- Engineering short courses and skills programmes;
- Health, safety and environment/short courses;
- Health, safety and environment/skills programmes;
- Metallurgy and minerals processing;
- N-courses;
- Portable skills training – construction skills, motor mechanics; and
- Soft skills – such as generic management and supervisory courses.

A database with the details of all EBDA graduates has been created to assist them in securing employment. All 45 engineering graduates who qualified as artisans are currently employed in either a permanent or contractual capacity by one or more of EBDA's corporate clients.

EBDA goes beyond supporting mining and has accredited courses aimed at equipping participants with the skills to establish sustainable enterprises. The three-year entrepreneurship course, offered on a part-time basis, covers all aspects of owning and running a small business. This accredited venture creation programme aims to equip participants with the necessary education and skills to establish sustainable small, medium and micro enterprises. Graduates are offered the opportunity to receive business coaching and support over a two-year period. Sixteen graduates have gone on to establish their own businesses and are in the incubation period. One graduate has become a supplier to Ergo. The company, Fine Cast, specialises in die-casting and signage.

A strategic alliance has been forged with Lepharo, a non-profit company specialising in business incubation programmes and jointly set up by Impala Platinum, Exxaro, the Ekurhuleni Metropolitan Municipality and the Small Enterprise Development Agency. Lepharo, which means "the foundation stones of knowledge", facilitates the business incubation of SMMEs that have been trained and set up by EBDA, in conjunction with DRDGOLD's procurement department.

This project has gained support from both the Department of Trade and Industry and other stakeholders and we hope to expand the initiative into the Crown footprint through the establishment of a campus at Crown Mines. Awaiting DMR approval, it is hoped that this initiative will be finalised by the end of Q1 FY2014. Ultimately we aim to link these emerging suppliers to DRDGOLD's established supply chain.

The Enterprise Club project was formally launched in January 2013 at three secondary schools in our area, where students from grade 10 are introduced to the realities of the world of work and the option of self-employment. Unemployed school leavers also have access to this initiative.

The programme focuses on the basics of running a small business and includes simulations of business-related issues and problems, presentations by successful entrepreneurs from the local townships and visits to places such as the JSE. The purpose of the programme is to instil an understanding of, and passion for, entrepreneurship and self-employment. The nine-month programme is followed by a further two-year period of coaching and support.

*"EBDA goes beyond supporting mining and has accredited courses aimed at equipping participants with the skills to establish sustainable enterprises"*

The initial group of 50 students qualified and were given R500 each by way of start-up capital to launch their own small business projects. They are currently being mentored and, at the end of the two-year support period, their individual success will be measured by the profits generated.

The EBDA Maths and Science Centre of Excellence provides support both to students to and teachers at three local schools in the Tsakane, Kwathema and DuDuza communities, including:

- Tsakane Secondary School;
- Tlakula High School; and
- Langaville Secondary School.

Pre- and post- intervention assessments have measured improvements of up to 30% in year-on-year matric results. These have varied according to subject but an average improvement of 13% has been measured.

The significant improvement in the pupils' maths and science results has resulted in the introduction of a similar accounting programme at these three schools. An accounting teacher was employed in May 2013 to increase the services offered to high school students from the surrounding communities.

*"The maths and science initiative is currently being expanded into three schools west and south of Johannesburg"*

The maths and science initiative is currently being expanded into three schools west and south of Johannesburg as these are labour sending areas for our Crown and City Deep operations. In addition we are running maths and science classes for walk-in students at the Tsakane Business Park campus. We hope to expand this into the Crown complex as soon as this concept has been agreed to by the DMR as a viable LED project.

The Maths and Science Centre also provides learners with the opportunity to attend bridging classes to help them obtain the necessary minimum qualifications to qualify for technical fields of study. Those individuals who matriculated with maths literacy and are therefore unable to enter into the trades may, from June 2013, take advantage of the pre-N1 classes in maths, engineering science and accounting at no cost, providing they adhere to the conditions set out by the administrators of the course.

DRDGOLD believes that education provides the basis from which individuals are ultimately able to raise their standards of living, and we therefore place an emphasis on raising educational standards in our local communities.

The DMR requires the company to train employees in portable skills. This commitment has been made to the DMR:

- Accredited skills programmes in construction skills and other identified portable skills will be made available to employees on a voluntary basis after hours;
- The cost of training will be carried by the company;
- Training courses will be implemented on condition that the uptake or numbers enrolled will justify the cost of the training. To this end, minimum class sizes of 10 employees will be enrolled;
- All portable skills training will be advertised internally through the relevant structures including, but not limited to, the NUM educational structure as well as the Future Forum; and
- Terms and conditions for enrolment on these courses will be agreed with the relevant consultative bodies prior to implementation. For example, such enrolment may be linked to retirement plan.

### ABET

Our current preference is to employ people with a minimum of a secondary school qualification. However, existing employees who do not hold this qualification are not discriminated against as there are an estimated 3.3 million illiterate adults in South Africa. Adult basic education and training (ABET) is a programme designed to remedy this situation by providing flexible, developmental training to adults, specific to their needs and aimed at improving their career prospects and consequently their quality of life.

# HUMAN CAPITAL (CONTINUED)

Employees who successfully complete their ABET courses are not only able to perform better at work, but their self-esteem is significantly increased. These same employees can then also be considered for further personal development opportunities such as engineering learnerships.

DRDGOLD encourages employees using poster campaigns and the NUM educational structures to participate in either the full-time or part-time ABET programmes. ABET classes are also open to members of the communities surrounding the DRDGOLD operations, and learners are recruited by regular adverts placed in local newspapers. Over the past year nine DRDGOLD employees and 187 community members received ABET training at EBDA. An additional 14 community members received training at the satellite campus which serves learners from the City Deep and Crown Mines communities. This facility comprises two classrooms, an administration office and two facilitators.

DRDGOLD's contribution to ABET in FY2013 was R0.9 million (FY2012: R1.0 million including Blyvoor until May 2012).

The following initiatives formed part of a commitment to the DMR to encourage ABET participation:

- Employees who participate in the ABET classes will not lose out on their basic benefits, taking into account the shift allowances;
- A reward system will be introduced for employees who have completed each level of ABET as well as recognition for completion of their ABET training;
- Incentives will be given to those who have completed each level of their ABET programme as a token of appreciation and to encourage other workers to enrol for ABET training;
- We intend to use the ABET learners as part of a pool for recruitment purposes; and
- Suitable technically competent applicants who lack numeracy and literacy skills will be targeted for ABET interventions.

These measures have been implemented and 16 people have been identified and enrolled in ABET classes.

## LEARNERSHIPS

Learnerships involve a structured learning programme which combines theory and practical on-the-job training benefiting both the company and employees. Productivity at our operations is not materially impacted, compared with full-time academic programmes, and employees receive qualifications recognised by the MQA and various SETAs.

A good qualification not only provides grounding for future development, it improves self-esteem, work standards and job satisfaction, all of which add value to DRDGOLD.

In FY2013, a group that included one black woman, seven black males, one Indian male and three white males participated in learnerships facilitated by EBDA at the cost of R2.2 million (FY2012: R2.95 million) to DRDGOLD.

## INTERNSHIPS

DRDGOLD realises the importance of accepting interns into our operation as it provides the students with valuable on-the-job experience and improves their chances of being employed.

The Ekurhuleni Metropolitan Municipality is in the process of assisting students who have recently graduated to find internship opportunities. We are in consultation with the municipality to determine how many students we can accommodate as part of this process. The same initiative will be explored with the City of Johannesburg, as well as its educational institutions.

## MENTORSHIPS

A mentorship is a personal development relationship where the mentor offers insight, knowledge and support to his or her protégé – and advises on any problems that may arise in the individual's working life or professional development. In particular the mentor advises on, and oversees the implementation of,

*"Over 200 community members signed up for ABET classes"*





*Above: Cheryl Marais, manager: remuneration with Mthokozisi Siwela, DRDGOLD's "home-grown" engineer*

*"A mentorship is a personal development relationship where the mentor offers insight, knowledge and support to his or her protégé"*

the protégé's personal development plan. Regular meetings are held between the mentor and the protégé and the progress against the personal development plan is tracked and monitored as part of the talent pool and talent management process. A talent management panel, comprising of senior managers in consultation with relevant departmental managers, tracks the progress of talent pool candidates, including the identified protégés. During the past year seven mentors and seven protégés (five male and two female) participated in DRDGOLD's mentorship programme. In line with the new HR strategy we now have 42 people in the talent pool and these persons together with their mentors will now be trained to manage the mentoring process.

Employees who are identified as having potential have individual development plans created for them and their progress managed through the talent pool. Bi-annual performance management assessments for more senior employees allow for training needs to be identified and for appropriate training and development programmes to be followed. Regular skills refresher training takes place in all technical fields.

The seven mentor/ protégé relationships are:

- Giel Koekemoer and Sandile Lamani (completed)
- Henry Gouws and Josiah Tshisevhe (completed)
- Alwyn Hamman and Geraldine Land (in progress)
- Dean Lindecke and Katlego Thekiso (in progress)
- Willie Bernhardt and Sibongile Mngomezulu (in progress)
- Josiah Tshisevhe and Ramvhambelani Tshiguvho (in progress)
- Gert Aucamp and Simon Legodi (in progress).

#### **BURSARIES AND STUDY ASSISTANCE PROGRAMMES**

The number of bursaries offered by DRDGOLD is determined by the needs of the company at any given time. The bursaries are offered to employees and other applicants for studies undertaken at a tertiary institution, in a discipline related to the mining industry. Bursaries are market-related and cover tuition costs, accommodation and an allowance. The cost of the bursary programme for the five participants in FY2013 was R0.6 million (2012: R0.5 million).

One of our bursary students will soon become one of the company's "home-grown" engineers. Mthokozisi Siwela is currently busy doing his P2 practical experience at Ergo and according to Barry de Blocq, general manager: corporate services, is extremely hard working and dedicated. Mthokozisi is studying towards a National Diploma in Electrical Engineering (Power) at the University of Johannesburg. Once he has met all the requirements of the practical, he will qualify for his diploma. He also intends studying further towards his B-tech, possibly next year.

Employees attending short courses to enhance their career prospects may approach DRDGOLD for financial assistance with fees, study material, books, accommodation and travel costs. Five employees received assistance in FY2013 at a cost of R86 458 (2012: R51 000).

# HUMAN CAPITAL (CONTINUED)

## CASE STUDY

*EBDA, the training academy established by DRDGOLD in 2009 to raise education standards and provide opportunities for employees and community members to acquire additional skills, has been selected as the preferred training provider for a project supported by the Department of Mineral Resources (DMR), the Mining Qualifications Authority (MQA) and the Ekurhuleni Metropolitan Municipality.*



*Left: Minister Susan Shabangu addresses the gathering at the WASP project launch on 31 August*

### DRDGOLD'S LED PROJECT COMES OF AGE

#### EBDA SELECTED FOR DMR AND MQA PROJECT

Piet Pistorius, academy manager explained the background: "The social and economic woes that beset South Africa are well-known," said Piet. "Although the official unemployment figure is 25%, it is believed that the real figure is much higher when taking into account those citizens who have given up on prospects of a job and are no longer actively seeking employment.

"This is as much a problem in our local municipality – the Ekurhuleni Metropolitan Municipality – as in other parts of the country," Piet explained. "Ekurhuleni officials decided to address the underlying causes of these social and economic ills by conducting a survey in its area of jurisdiction."

The results demonstrated that rates of unemployment, alcohol abuse, domestic abuse, prostitution, as well as a high pregnancy rate were prevalent, particularly among women in the 18 to 35 year age group.

In an attempt to make positive changes within this environment, the Municipality – together with the MQA and the DMR – came up with the Women's Artisans Skills Project (WASP) which, if successful, will be rolled out country-wide in areas experiencing similar problems.

To co-incide with what has come to be known as Women's Month (Women's Day is on 9 August), a briefing session held in Katlehong, Ekurhuleni on Saturday 31 August 2013 and attended by officials from the municipality, the MQA, the DMR and EBDA. Minister Susan Shabangu of the DMR was among those who addressed the women.

*"EBDA has been selected as the preferred training provider for an artisan skills project to train unemployed women for the mining industry"*



Above: Danie Havenga, EBDA's training superintendent, with the women selected to participate in the Women's Artisans Skills Project

*"EBDA has the reputation of producing quality artisans and has a 100% trade test pass rate"*

The briefing was also attended by the women who have been selected to participate in the project. These individuals were selected from a pool of potential candidates, after assessment by EBDA. The 50 women who have been selected will be enrolled across various mining-related trades (fitting and machining, electrical, boilermaking and millwright).

EBDA has the reputation of producing quality artisans and has a 100% trade test pass rate. Said Piet: "EBDA has been operating for less than five years, but we have already established a sound track record in the training sector. Our selection to run this programme demonstrates our credibility with the MQA and its growing corporate client base in the mining industry. EBDA's success is a testament to the commitment and dedication of our trainers, and to the support provided by DRDGOLD which has provided funding of some R35 million to date."

The WASP – to be funded by the MQA – is not without its challenges. A potential concern regarding the rollout of the programme relates to EBDA and Ergo Mining's capacity to host the learners for their practical on-the-job training. As a result, the DMR and the MQA have undertaken to communicate with the entire levy-paying mining sector to identify mining companies that can collaborate with EBDA on the placement of learners for their practical training.

Piet is pleased with this strategy as it will provide EBDA with valuable exposure within the mining industry and assist in cementing relationships between DRDGOLD's Ergo and the DMR.

DRDGOLD CEO Niël Pretorius said the EBDA team had worked hard to establish the EBDA brand. "Although we initially founded EBDA to develop our own employees and to empower the members of our local communities, our broader vision was always to become the preferred business and skills development institution in Gauteng and possibly even in South Africa," said Pretorius.

"Strategically, EBDA's selection to head up this project will make a huge contribution to addressing barriers to entry for women in the mining sector – an issue that is high on the agenda of the Mining Charter. The socio-economic impact on the communities from which the learners are drawn will also be positively affected," he concluded.

The learnership agreements are currently being drawn up and the 50 women are expected to begin their training on 1 October 2013.

# SOCIAL CAPITAL

*At DRDGOLD, we consider social capital as a contribution, or intervention, to assist those experiencing hardship, typically in the communities surrounding our operations.*

DRDGOLD recognises the importance of social capital and the responsibility of every South African to ensure the future for his or her descendants. The board holds the view that corporates, and smaller companies, need to provide "little pockets of stability and excellence".

## OUR CONTEXT

During FY2013 economic growth in South Africa suffered due to social unrest and the continuing economic crisis in the wake of the volatile domestic and global environment. Mining activities are finite and cannot support employment in the long term so alternative livelihoods need to be pursued.

Poor education standards, inadequate service delivery and a lack of employment opportunities are problems of national significance, mainly affecting underprivileged citizens. Unemployment figures, as reported by Statistics South Africa, increased from 24.90% in the fourth quarter of 2012 to 25.20% in the first quarter of 2013 and it generally recognised that these figures are under-representative and figures exclude those who are not seeking jobs and have effectively given up hope.

## OUR APPROACH

The responsibility for social investment falls under the auspices of the general manager: corporate services and the managing director of Ergo. This team makes decisions on the corporate and operational focus areas, together with specialists where required. There was some disruption to processes and activities in the last quarter of FY2013 due the suspension, and later the dismissal, of the Ergo HR manager after an internal disciplinary hearing. Until the position can be permanently filled, a former employee has been contracted to deal with this portfolio.

## SOCIO-ECONOMIC DEVELOPMENT


There are many communities close to our operations and, when required, we provide financial assistance and goods to support them in times of need and/or crisis.

At present, each project application is considered on its own merits using a general principle of whether the support granted by the company is likely to make a contribution to the sustainability of the project goals using the principles outlined in our philosophy (below). In line with our HR strategy, a broad-based community investment plan is being formulated and will be implemented during this financial year.

Our philosophy at DRDGOLD is:

- To alleviate hardship through empowerment;
- To mobilise the potential of young people; and
- To create emotional and financial independence through self-realisation of worth, own potential and skills development.

*"Our new HR strategy addresses a broad-based community investment plan"*

 pages 31 to 32  
For more on our HR strategy

Our main focus areas are:

- Life after employment – own employee development (Vuselela and Best Life);
- The youth – (maths, science and Enterprise Clubs); and
- The disenfranchised.

The communities need support in many different areas but DRDGOLD has chosen to focus on the following:

- Education, particularly maths and science;
- Skills development;
- Sustainable job creation;
- Health;
- Housing; and
- The overall improvement of the environment surrounding our operations.

*“During FY2013 DRDGOLD spent R2.2 million (FY2012: R5.5 million) on socio-economic development”*

During FY2013 DRDGOLD spent R2.2 million <sup>LA</sup> (FY2012: R5.5 million) on socio-economic development.

Our CSI projects are aligned, as far as possible, with the commitments in our SLPs. However we do assist in other areas, as required, even if outside our SLP.

Although there is some overlap between human capital and social capital we have attempted, in this report, to address empowerment and development through education as part of human capital.

Thus our social capital initiatives are essentially community-based, and exclude education.

### CSI projects FY2013

Name of project	Description of benefits received by beneficiaries
Riverlea project: initiated survey in the area to determine causes of air pollution and possibility of reducing this by use of clean-burning fuels	Residents indicated whether they would participate in a subsidised liquid petroleum gas stove project to cook meals using clean fuel. Local entrepreneurs will be provided with opportunities to provide gas and maintain equipment purchased by participating households.
Diepkloof knitting and sewing co-operative	Women supplied with knitting and sewing machines, training and start-up materials.
Vegetation rehabilitation project	Employment of local youth to assist in rehabilitating Crown tailings complex.
School uniforms donation	To underprivileged children at selected Reiger Park schools.
Technogirl	Exposing girls to the world of work to assist them in making informed career choices.

### Donations FY2013

Name of beneficiary	Description	Expenditure (R)
COMPASS (abandoned/abused children)	Annual donation towards operating expenses.	30 000
Alexandra Youth Crisis Centre	Bi-annual support for community events.	50 000
Riverlea community	Support for Youth Day and Mandela Day events.	80 000
MES, BHCC, Abraham Kriel Children’s Home, Make-a-Difference Foundation	Distribution of warm clothing and blankets.	450 000

<sup>LA</sup> Limited assurance.

# NATURAL CAPITAL

*Natural capital refers to our natural assets including water, land, air, renewable and non-renewable resources.*

The natural capital components are interconnected and provide us with goods and services that are wide-ranging and diverse. The collective benefits provided by the resources and processes supplied by natural capital are essential for our survival and well-being and form the basis of all economic activity.

## OUR CONTEXT

We comply with relevant environmental legislation and integrate environmental management into our business practices from the planning stage of our projects. This ultimately helps to minimise the influence of our activities on the environment in which we operate. We have environmental management programmes in place and our environmental impacts are monitored, audited and reviewed by management to evaluate the success of our interventions before mitigation measures are considered. Management also ensures that environmental risks are identified and managed through effective controls and procedures as identified in the risk register.

Detailed Environmental Management Programmes (EMPs) are prepared which address the management and mitigation of impacts at each of the operations. At Crown Gold Recoveries (CGR), base EMPs for the Crown, Knights and City operations are supplemented with detailed site-specific documents which are prepared for each reclamation site that is reclaimed according to the mining work programme. There is a detailed EMP for the Ergo operations, revised in 2012, which takes cognisance of the impacts associated with the reprocessing of the Benoni dumps as well as the Elsburg complex. The ERPM EMP addresses the impacts associated with mining activities at this operation and was also recently amended to reflect the current status at this operation. Additionally, for ERPM, detailed closure plans, aligned with the EMP have also been prepared and implemented. The closure plans address in detail the systematic closure of all mining areas and associated activities superfluous to the current – as well as possible future – mining activities at ERPM.

## OUR APPROACH

Our environmental management systems comply with legislation and regulations and endorse the principle of integrated environmental management as contemplated by the National Environmental Management Act, 1998, the principal suite of legislation regulating the environment in South Africa. Compliance at our operations is measured taking account of all applicable regulatory requirements. In addition, and to effectively manage outcomes, we use the following mechanisms:

- Internal audits and self-inspections are conducted;
- External audits are conducted;
- Following from the above, non-conformances are identified and recommended actions noted. Responsibilities and time frames for the completion of such actions are also prepared;
- The reports and recommendations are discussed at the regular production/management meetings held at each operation;
- Progress on action is measured and discussed at a formal environmental co-ordination meeting which is held on the last Tuesday of each month; and
- All of the above are integrated into a geographic information system database co-ordinated by the appointed DRDGOLD compliance manager.

*“We comply with relevant environmental legislation and integrate environmental management into our business practices”*

**IR** pages 28 to 30  
For more on environmental risks



*Above: Irrigation is an important part of rehabilitation on the tailings dams*

The following management actions are actively applied to lessen the impact that our activities may have on the environment:

- A structured plan/programme is in place to progressively vegetate all exposed areas on currently dormant and operational tailings dams;
- Active de-silting of return water and pollution control dams associated with the tailings dams;
- Maintaining and, where required, establishing effective storm water control measures, specifically at the tailings dams and reclamation sites;
- Sealing redundant shafts, specifically at ERPM, and making them safe;
- Maintaining active dust control measures to minimise dust fall-out;
- Active liaison with all stakeholders and I&APs;
- Implementing and managing a structured programme aimed at progressively cleaning all historical slime spills; and
- Representation on the local dust forum which meets quarterly, and the Klip River and Blesbok Spruit water forums.

### STAKEHOLDER ENGAGEMENT ON ENVIRONMENTAL ISSUES

The proximity of our operations to local communities means they can be significantly affected or inconvenienced, mainly by dust. We have established relationships with the leaders of these communities and engage with them regularly.

Before we embark on any project which will affect our stakeholders, we engage in a public participation process with I&APs.

### IMPROVING LAND USE AND MANAGEMENT REHABILITATION AND SEEKING CLOSURE

In FY2013, some 4 803 ha of land was disturbed by our mining and processing activities. Our extensive footprint includes historic mining sites extending as far back as the 19th century. Many of the environmental issues experienced by DRDGOLD are a legacy of past mining activities.

However, at DRDGOLD we take our environmental responsibilities seriously and aim to rehabilitate the land we have used or disturbed. In FY2013 we spent R67.9 million (FY2012: R68.1 million including Blyvoor until May 2012) on rehabilitation.

*"The proximity of our operations to local communities means they can be significantly affected or inconvenienced, mainly by dust"*

# NATURAL CAPITAL (CONTINUED)

Today, our policy is to mitigate dust on dumps and deposition sites as we proceed. DRDGOLD has two nurseries in the Crown and Brakpan areas where indigenous plants, suitable for the prevailing conditions on mine dumps, are cultivated and cared for by members of the local communities. The combined cost of these projects is R3.1 million (FY2012: R2.7 million). A total of 75ha (FY2012: 20ha) of top surface has been vegetated and 46ha (FY2012: 8.6ha) of side slopes vegetated.

Under our guidance members of the local communities are also being employed to remove alien plant species and replace them with plants with root systems that bind the soil, preventing water run-off.

## Land rehabilitated

Legislation dictates that mining companies must rehabilitate the land on which they work to an aesthetically acceptable standard, and environmental management plans must outline details of closure arrangements, including the financial provisions that have been made to implement the plans.

All DRDGOLD operations have EMPs detailing plans for closure. In addition, detailed and site-specific closure plans have been prepared as follows:

- A detailed base closure plan for the ERPM operation encompassing the "cradle to grave" closure of the operation;
- Pursuant to the above, three detailed closure plans addressing the three phases of the closure of ERPM, taking account of future opportunities;
- A detailed base closure plan for all plants and reclamation sites associated with CGR;
- Site-specific closure plans for historical sites at CGR where reclamation has been completed, as well as sites where reclamation and final rehabilitation will be completed in the near future;
- A detailed base closure plan for the plant and reclamation sites associated with the operations of Ergo; and
- Site-specific closure plans for historical sites at Ergo where reclamation has been completed.

During FY2013 there have been a few highlights in terms of the management of environmental issues. The following are worthy of note:

- The process for closure at a number of historical sites associated with CGR operations and Ergo was initiated. In addition to these historical sites, a number of more recently-worked sites are also currently being rehabilitated for final closure and "hand over" to the land owners. It is anticipated that by the end of FY2014 a total of 30 reclamation sites at CGR and Ergo will have been closed;
- At ERPM, a total of six redundant shafts were capped and sealed as required by the DMR;
- On the Rooikraal and Crown tailings complexes, long-term sustainable vegetation cover was established. A total of 75ha of the top surface of Rooikraal was vegetated and a total of 46.0 hectares on the side slopes of the Crown complex;
- 115ha of dust netting was installed on various tailings dams to reduce wind speed and minimise dust from any wind direction; and
- The dust control measures that were implemented and that have been maintained have resulted in a significant reduction in dust fall-out compared to FY2012.

*"115ha of dust netting was installed to reduce wind speed and minimise dust from any wind direction"*

## Land disturbed by mining and processing activities (ha)

Plants	Plant area	Reclamation sites	Tailings	Total
Crown	15.3	992	341	1 348.3
City Deep	10.2	560	–	587
Knights	4	583	–	56.1
Brakpan tailings dam	–	400	1 500	1 900
Elsburg slimes dams	–	341.8	–	341.8
<b>Total</b>	<b>85.6</b>	<b>2 876.8</b>	<b>1 841</b>	<b>4 803.4</b>

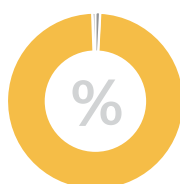


## Rehabilitation closure

Operation	Net closure liabilities		Trust funds	
	FY2013 (R'000)	FY2012 (R'000)	FY2013 (R'000)	FY2012 (R'000)
Crown	219 359	182 009	62 758	59 614
Ergo	155 456	154 683	–	–
ERPM	77 149	79 128	23 599	22 421
West Rand Consolidated*	–	20 382	–	24 295
<b>Total</b>	<b>451 964</b>	<b>436 202</b>	<b>86 357</b>	<b>106 330</b>

\* No longer part of the DRDGOLD group.

## Emissions by scope



▲ Scope 1	1
▲ Scope 2	99
▲ Scope 3	0

The following challenges, among others, were encountered during FY2013:

- Ensuring an adequate and consistent water supply to irrigate the areas on the tailings dams that were vegetated, as well as sufficient water for active dust suppression in operational areas;
- Effective pollution control and water management at the CGR tailings complex, in particular, due to the silting of the return water/pollution control dams;
- Theft of equipment and infrastructure used to manage rehabilitation activities;
- Damage on vegetated and rehabilitated areas due to fires;
- Storm damage to the access ramps at the various tailings dams which, on occasion, restricted access to the sites for rehabilitation work;
- Wet and inaccessible “basin areas” on the tops of the decommissioned tailings dams at the CGR tailings complex which delayed rehabilitation activities that were planned;
- Dust blown from active reclamation sites during windy periods;
- Closeness of local communities; and
- Spillage during commissioning of the new pipeline.

## Energy and fuel used

	Unit	Year	Crown	ERPM	Ergo	Total <sup>1A</sup>
Electricity	MWh	<b>FY2013</b>	–	–	325 509	325 509 <sup>1A</sup>
		FY2012	168 591	11 386	124 119	677 472
		FY2011	169 210	7 003	115 378	689 562
Diesel	litre	<b>FY2013</b>				1 526 098 <sup>1A</sup>
		FY2012	1 203 675	–	246 533	2 375 933
		FY2011	1 373 314	–	60 000	2 439 363
Petrol		<b>FY2013</b>				–
		FY2012	–	–	–	37 500
		FY2011	–	–	–	41 112
FPP waxy fuel		<b>FY2013</b>				–
		FY2012	–	–	–	–
		FY2011	–	–	–	–

<sup>1</sup> FY2011 and FY2012 totals include Blyvoor until end May 2012.

<sup>1A</sup> Limited assurance.

## DIRECT AND INDIRECT EMISSIONS

Direct emissions of CO<sub>2</sub> (scope 1 emissions) are those for which DRDGOLD is directly responsible: the means of combustion are owned by the company and include all the emissions from liquid and waxy fuel consumed on site. In FY2013 this figure comprises the diesel purchased and consumed by Ergo.

# NATURAL CAPITAL (CONTINUED)

The total scope 1 emissions equal 4 227 tons of CO<sub>2</sub> and equivalents, representing a potential carbon tax liability of R635 050 at R150 per tonne. However, it is recognised that the specifics of the proposed carbon tax are still a long way from being finalised and will, in all likelihood, differ substantially from this figure. Thus, this number is for illustrative purposes only. A final decision on carbon taxation has not yet been made by the South African government.

Indirect CO<sub>2</sub> (scope 2 emissions) refers to emissions generated in the production of the electricity used by DRDGOLD.

Travel emissions (scope 3 emissions) are based on reported kilometres claimed by DRDGOLD employees. These are included in total CO<sub>2</sub> emissions. Air miles are unreported and are excluded from these calculations.

DRDGOLD showed a consistent reduction in total carbon emissions year-on-year from 2009 to 2011 and a marginal increase in FY2012, largely as a function of increased emissions from Eskom per unit electricity sold. As a result of restructuring, the size of DRDGOLD is significantly smaller, resulting in an almost 50% decrease in emissions across the board.

In South Africa, electricity is supplied by Eskom, which generates approximately 89% of its power at coal-fired power stations, resulting in significant indirect emissions for South African customers. The emission factors related to the use of Eskom power change subtly year-on-year, but since these all reflect the actual emissions expected for that year, data is not analysed for 2012 factors.

## Emissions and inputs per unit of Eskom electricity consumed

		Units	Ergo (incl ERPm)	Corporate
Electricity consumption	Factor	MWh	325 509 <sup>LA</sup>	0
Coal use	0.56	t	182 285	0
Water use	1.42	kl	462 223	0
Particulate emissions	0.32	t	104	0
CO <sub>2</sub> emissions	1.00	t	325 509 <sup>LA</sup>	0
CO <sub>2</sub> emissions	1.20	t	390 611	0
SOx emissions	8.23	t	2 679	0
NOx emissions	4.35	t	1 416	0

The emission factor for CO<sub>2</sub> of 1.2kg per kWh has been used as recommended by the United Nations Framework Convention on Climate Change.

## Summary table of total of emissions (tonnes)

Measure	FY2013	FY2012	FY2011
Direct CO <sub>2</sub> (scope 1)	4 090 <sup>LA</sup>	8 159	8 472
Indirect CO <sub>2</sub> (scope 2)	390 611 <sup>LA</sup>	697 796	682 666
Travel emissions (scope 3)	146	265	234
Total CO <sub>2</sub> emissions	329 745	706 220	691 372
NOx	1 521	3 096	3 050
SOx	2 686	5 586	5 355
VOC	9	13	14
Carbon monoxide	23	35	36
Methane	0	2	2
Particulate emissions	112	217	228

<sup>LA</sup> Limited assurance.

## Primary materials used (tonnes)

	FY2013	FY2012*	FY2011*
Cyanide	5712 <sup>LA</sup>	6 574	6 682
Steel (grinding)	5757	8 098	9 274
Hydrochloric acid	1312	1 656	1 482
Caustic soda	2721	2 465	2 403
Lime	38 463	29 306	42 973
Carbon	859	1 267	1 114

\* Figures include Blyvoor until end May 2012.

<sup>LA</sup> Limited assurance.

DRDGOLD uses cyanide in the gold liberation process. In accordance with the requirements of Section 9 of the MHPA, mandatory Codes of Practice on cyanide management are in place at all DRDGOLD operations. The transport, offloading and use of cyanide, as well as training and safety requirements to ensure the safe handling of cyanide are managed according to the Code of Practice which is strictly adhered to.

### NUISANCE DUST PRIOR TO AND DURING RECLAMATION

*“Modern-day retreatment waste is deposited according to stringent regulations when compared with deposits in the 1970s”*

Modern-day retreated tailings are deposited according to stringent regulations when compared with deposits in the 1970s. However dust, especially during the winter months on the Witwatersrand, remains one of our most challenging issues. In December 2012 Government Notice 1007 was published on the Draft National Dust Control Regulations for South Africa. Our dust suppression measures are in line with this regulation. Dust monitoring is performed monthly by SGS Environmental Services and quarterly dust monitoring meetings are held at the Crown site to discuss the quarter's results.

Windblown dust fall-out is measured and monitored based on the American Society of Testing and Materials Standard Method for collection and analysis of dust fall (ASTM D 1739). A simple device, consisting of a cylindrical five-litre plastic container (bucket) half-filled with de-ionized water is used. This container, which is placed within a bucket stand on a 2.1 metre galvanized steel pole, is exposed to the elements for cycles of one calendar month (30.3 days). The buckets are collected monthly and the de-ionized water within the container treated with an inorganic biocide to prevent algae growth. At the laboratory the buckets are rinsed and de-ionized to remove all residue from the sides of the bucket. The bucket solids are processed through a coarse filter to remove insects and grit, and then filtered through a pre-weighed paper filter to remove the dust fraction. This dust fraction as well as the filter are both dried and gravimetrically weighed and analysed to determine the insoluble dust fraction which is then reported as dust fall-out in milligrams per square metre per day, averaged over a one-month period.

Dust complaint registers are kept at the operations. We log and register all complaints for attention.

# NATURAL CAPITAL (CONTINUED)

During FY2013, a total of 115ha of high-risk areas were stabilised using netting which proved very effective. The re-vegetation programmes for the Crown and Ergo tailings dams were expedited and significant progress made. This programme will be further advanced during FY2014. On the Ergo complex, numerous trials using chemical dust suppressants were undertaken. We make use of water carts to wet roads in the areas where reclamation activities are being undertaken. The measures implemented have been effective when compared with the FY2012 dust fall-out results, as shown below.

*"A total of 115ha of high-risk areas were stabilised using netting and this proved very effective"*

## Dust fall-out results

Operation	Number of points monitored	Number of points monitored	Number of exceedances	Number of exceedances	Exceedances as a percentage of total in 2013	Exceedances as a percentage of total in 2012
	2013	2012	2013	2012	(%)	(%)
Crown	827	942	31	105	3.75	11
Ergo	223	264	9	10	4.04	14
ERPM	247	258	11	40	4.45	14
Group	1297	1 464	51	155	4.08	13

## POLLUTION CAUSED BY PIPELINE LEAKAGE

The length and route of our pipelines require that we dedicate significant resources and time to pipeline monitoring and maintenance. To mitigate the risks of leakage, new pipes were installed along the route from Crown to Ergo via City Deep as well along a number of the other pipeline routes. There is a programme in place to systematically replace any old and/or worn pipes. A 24/7 telemetric pressure, flow-monitoring system is in place to indicate leaks.

In addition, a pipeline and spill management programme has been implemented which includes daily patrols of all major pipeline routes, a reporting mechanism to immediately report any leaks encountered and a preventative maintenance team which immediately and pro-actively addresses leaks to prevent a minor problem escalating into a major incident.

## AMD AND WATER POLLUTION

The central basin, created during decades of mining on the Witwatersrand, is currently flooding and water is expected to decant around ERPM Cinderella Shaft unless preventative measures are taken. This water, known as AMD, is contaminated with metal sulphides.

Government has rejected the proposal to contain the situation which was submitted by various mining companies, including DRDGOLD, opting instead to contain the situation itself and appointing the TCTA as the main contractor to implement its plan. DRDGOLD is collaborating with the TCTA and has placed both land and infrastructure at its disposal from where it can pump AMD and construct a treatment plant. The TCTA pump station and plant is expected to come into operation early in 2014. The plant will treat water to a "grey" standard before releasing it into the environment. DRDGOLD has negotiated an option to purchase up to 30ML grey water per day from TCTA should it need to do so.

During FY2013 Crown and Ergo each had two spillage incidents. At Crown the return water dams overflowed at one of the main tailings complexes, commonly referred to as GMTS. The following action was immediately taken in order to prevent a recurrence of this incident:



*Above: Maintenance of Ergo's pipeline infrastructure ensures volumes are delivered to the plant in an uninterrupted flow*

*"We are investigating ways of reducing potable water usage"*

- The return water dam at GMTS West was de-silted and this has significantly increased the retention capacity of the complex;
- The existing pollution control paddocks adjacent to the N12 were de-silted and additional paddocks established; and
- The spill into the water resource was cleaned, a close-out survey conducted and the results forwarded to the National Nuclear Regulator and DWA as required in terms of the Crown incident reporting protocol.

The return dams at another tailings complex associated with the Crown operations (Mooifontein) also overflowed and the pump station was subsequently upgraded to prevent future occurrences. Two pollution incidents associated with pipe bursts and dam overflows at the Ergo operations were also addressed during the year and the affected areas were cleaned. We have also applied to have all Crown's existing water usage licences and permits consolidated into an Integrated Water Usage Licence (IWUL).

The status of the Ergo IWUL is as follows:

- The IWUL has been issued by DWA;
- An internal audit of the IWUL was conducted during FY2013 as required;
- An external audit of the IWUL was also conducted during FY2013 as required.
- As a result of the above audits, an action plan has been compiled and implemented to ensure compliance with all IWUL conditions; and
- A compliance inspection was conducted by the DWA.

# NATURAL CAPITAL (CONTINUED)

DRDGOLD has received authorisation from the DWA to utilise nearby waste water treatment works to replace potable water in its circuits and to irrigate the vegetation on its tailings dams. Once we have received the various authorisations we will begin construction of the pipelines that link our workings with the plants later this year. This source will bring about a significant saving in water costs and also reduce our usage of potable water.

## Total water used and recycled (000m<sup>3</sup>)

	FY2013	FY2012*	FY2011*
Potable water from external sources	5 748	8 301	8 491
% of total water used that is sourced from external sources	20	23	26
Groundwater used	1 800	15 198	6 299
% water used that is groundwater	6	43	19
Water recycled in process	21 773	15 154	17 674
% of water that is recycled	74	43	55
<b>Total water used</b>	<b>29 321<sup>LA</sup></b>	<b>35 508</b>	<b>32 464</b>

\* Figures include Blyvoor until end May 2012.

<sup>LA</sup> Limited assurance.

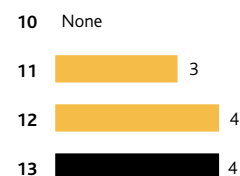
To address legitimate concerns of stakeholders and affected parties DRDGOLD will:

- Continue to engage with all stakeholders and I&APs within the existing, formalised mechanisms, as well as any others deemed appropriate and feasible;
- Note legitimate concerns raised by stakeholders and address them;
- Maintain accurate records of any and all engagements with stakeholders in an issues and response register;
- Strive to continually improve its environmental performance through appropriate resourcing and the application of "best practice" principles and technologies;
- Implement and expand the current compliance mechanism tool; and
- Close out completed sites and return land to the owners for development.

DRDGOLD did not receive any material fines in respect of non-compliance with laws and regulations during FY2013.

DRDGOLD believes that, commensurate with its formal Environmental Policy, it is pro-active in effectively managing environmental impacts at its operations. Mindful that careful monitoring of policies should result in continued improvements, DRDGOLD will, as part of its Environmental Management System, aim to remain pro-active and continue to develop measures over time.

## Number of reportable environmental incidents as at 30 June 2013



*"DRDGOLD did not receive any material fines in respect of non-compliance with laws and regulations during FY2013"*

# MANUFACTURED CAPITAL

*Manufactured capital – the infrastructure we use to produce our product – is designed and developed to deliver optimally with other forms of sustainable development capitals. DRDGOLD’s manufactured capital comprises plants, pump stations, pipelines and equipment.*

**IR** pages 33 to 39  
For more on our  
business strategy

*“Slurry material is transported in pipelines designed to reduce power consumption by up to 25%”*

Together, this network facilitates the surface recovery process whereby minute gold particles are extracted from mountains of sand and slime. The process uses water in a closed circuit – limiting demand on potable water, and investigations are underway to use AMD and retreated sewage in future.

Slurry material is transported in pipelines designed to reduce power consumption by up to 25%. In FY2013 DRDGOLD managed to reduce pipeline power consumption by 18%. Our consolidated operations ensure that chemical and energy efficiencies comply with international standards of competence. Tailings are deposited on a single tailings storage facility, carefully managed and maintained to reduce dust and water pollution, and to safely contain chemical residue.

## OUR CONTEXT

As the grade of the dumps is very low (around 0.3g/t), massive volumes are required for surface retreatment to be economical. There are several economic benefits resulting from the technological ingenuity that is Ergo: the recovery and treatment operations create jobs directly and indirectly through down-stream economic activity; they turn to account mineral wealth otherwise trapped in the dumps; and they liberate prime land located within the hub of economic activity for redevelopment.

## OUR APPROACH

DRDGOLD embarked on the Ergo project with a number of strategic objectives. One of these was to exploit synergies and create a consolidated, cost-effective operating entity. As a surface retreatment company, DRDGOLD’s business, and indeed its very existence, is based on the company’s ability to adopt and develop technological innovations to transform the life and value of its retreatment operations.

DRDGOLD’s core business in the years ahead is to safely extract as much gold as possible by reprocessing sand and slimes dumps which stretch from east to west, just south of Johannesburg’s central business district. The pipeline network that has been constructed has made it possible for tailings resources on the central and western Witwatersrand to be brought to account in one streamlined operation in the east.

The board has authorised improvements in technology and the investment of capital with the specific aim of maximising production. Measures include:

- The recent addition of 62km of pipeline to consolidate operations, improve synergies and implement cost efficiencies by linking various operations to Ergo’s plant in Brakpan;
- Increasing treatment capacity by refurbishing the second CIL circuit at the Brakpan plant (initially by 600 000t to 1.8Mtpm and potentially to 2.4Mtpm if required);

# MANUFACTURED CAPITAL (CONTINUED)

- Modifying the Brakpan tailings facility, an integral component of the retreatment process, to significantly increase waste deposition capacity. The increase in deposition capacity to a minimum of 1.8Mtpm (and site capacity by an additional 150Mt to 200Mt) is being carried out in phases and will ensure Ergo's ability to continue treating tailings well into the future;
- Constructing new flotation and fine-grind circuits to improve extraction efficiencies; and
- Continued focus on R&D as integral to the strategic aim of delivering greater value to shareholders.

## PURSUING URANIUM

Ergo is also licenced to produce uranium and sulphuric acid. As the flotation/fine-grind process is amendable to the addition of resin-in-pulp technology, the flotation/fine-grind circuit may also bring uranium recovery within Ergo's reach at a substantially lower cost than conventional uranium extraction technology. A by-product credit reduction in gold production costs of between 5% and 8% – assuming production of 11tpm and a uranium spot price of US\$50/lb – could be achieved.

A feasibility study is underway to verify these assumptions, and the estimated capital cost of between R1.1 million has been authorised for FY2014.

DRDGOLD uses the country's road and rail networks, mainly for deliveries from suppliers and to gain access to the pipeline network for maintenance and security. Water and power are important utilities provided by reliable, independent service providers.

*"We depend, for our existence, on the ability to develop technology that will extract every particle of gold from the tailings and thus extend the life of our operations"*

*Below: Chemical storage tanks at Ergo*






# INTELLECTUAL CAPITAL

*Intellectual capital includes knowledge-based intangibles and includes intellectual property, software, systems, procedures and protocols that have been developed over time. It also includes the brand and reputation of a company.*

*“At DRDGOLD we believe in nurturing our people and, in so doing, developing our intellectual capital”*

 pages 23 to 41  
Human capital

Knowledge, skills, training and experience are essential aspects of what is known as intellectual capital, and critical for the growth and development of our company. At DRDGOLD we believe in nurturing our people and, in so doing, developing our intellectual capital. Significant effort is placed on initiating programmes to ensure that this resource – the employees and workers who represent our intellectual capital – can be fully developed.

Investment in people contributes directly to the success of our company just as investment in machinery and equipment boosts manufactured capital, or rehabilitating tailing dams with indigenous vegetation makes a positive contribution to managing natural capital.

The 21st century promises to be as exciting and innovative as the last, and DRDGOLD is committed to developing and extending its people to enable them to meet the challenges of the future. Intellectual capital is closely tied to human capital, and our various programmes and initiatives have been discussed in that section.

The development of a method for capturing intellectual property and knowledge for posterity is a long way off, and a challenge for future generations. In the meantime, however, companies must ensure that employees are adequately trained and mentored to ensure that the exchange of knowledge is managed effectively, and not lost to the company.

At DRDGOLD we are fully cognisant that to face the challenge of constantly changing markets and rapidly developing technologies, we must develop the capabilities and competencies necessary for adaptation and realignment to remain competitive and profitable.

A good example of the use to which we put our intellectual capital, is the R&D project that has been designed to investigate ways of extracting more gold from the tailings material. Another example, at a different level, of our attempts to access intellectual capital is our Brainbox competition. This initiative offers a R5 000 cash prize to employees for the best idea on saving costs or promoting efficiencies. Since the inception of the competition we have awarded the prize to two people.

**FACT:** WE ARE ALREADY IN  
**THE NANO-**  
TECHNOLOGY SPACE



# OUR INFORMATION

# KPMG ASSURANCE

## INDEPENDENT ASSURANCE REPORT ON SELECTED SUSTAINABILITY INFORMATION

### TO THE DIRECTORS OF DRDGOLD LIMITED

We have undertaken a limited assurance engagement on selected sustainability information, as described below, and presented in DRDGOLD's Sustainable Development Report 2013, for the year ended 30 June 2013 (the report). This engagement was conducted by a multi-disciplinary team of health, safety, social, environmental and assurance specialists with extensive experience in sustainability reporting.

#### Subject matter

We are required to provide limited assurance on the following selected sustainability information prepared in accordance with the Global Reporting Initiative (GRI) G3.0 guidelines, marked with an "LA" on the relevant pages in the report.

Description	Page
<b>Safety indicators (human capital)</b>	
Fatalities and lost time injury frequency rate	28
Reportable injury frequency rate	28
<b>Environmental indicators (natural capital)</b>	
Total water used	52
Cyanide used	49
Energy and fuel used	47
Total direct (scope 1) and indirect (scope 2) GHG emissions: tonnes CO <sub>2</sub> e (Total emissions)	48
<b>Social indicators (social capital)</b>	
Rand value spent on socio-economic development projects	43
<b>Financial indicators (financial capital)</b>	
Value-added statement	20

#### Directors responsibilities

The directors are responsible for the selection, preparation and presentation of the selected sustainability information in accordance with the GRI G3.0 guidelines. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, for commitments with respect to sustainability performance and for the design, implementation and maintenance of internal control relevant to the preparation of the report that is free from material mis-statement, whether due to fraud or error.

#### Our independence and quality control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with International Standard on Quality Control 1, KPMG Services (Pty) Ltd maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Our responsibility

Our responsibility is to express a limited assurance conclusion on the selected sustainability information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE 3000), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our engagement to obtain limited assurance about whether the selected sustainability information is free from material mis-statement.

A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of DRDGOLD's use of GRI G3.0 guidelines as the basis of preparation for the selected sustainability performance indicators, assessing the risks of material mis-statement of the selected sustainability performance indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability performance indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment

# KPMG ASSURANCE (CONTINUED)

procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability information;
- Inspected supporting documentation and performed analytical procedures on a sample basis to evaluate the data generation and reporting processes against the reporting criteria;
- Undertook a site visit to the Ergo operations;
- Evaluated whether the selected sustainability information presented in the report is consistent with our overall knowledge and experience of sustainability management and performance at DRDGOLD.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the selected sustainability information set out in the subject matter paragraph has been prepared, in all material respects, in accordance with GRI G3.0 guidelines.

## Limited assurance conclusion

Based on our work performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected sustainability information set out in the subject matter paragraph for the year ended 30 June 2013 is not prepared, in all material respects, in accordance with GRI G3.0 guidelines.

## Other matters

The maintenance and integrity of DRDGOLD's website is the responsibility of DRDGOLD's management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the report or our independent assurance report that may have occurred since the initial date of presentation on DRDGOLD's website.

Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the report.

## Restriction of liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected sustainability information to the directors of DRDGOLD in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than DRDGOLD, for our work, for this report, or for the conclusions we have reached.

## KPMG Services Proprietary Limited



Per NG Morris

Chartered Accountant CA(SA)

Director

Johannesburg

16 September 2013

# REPORTING IN LINE WITH GRI

*DRD GOLD has provided an index below of compliance with the Global Reporting Initiative's (GRI) G3.0 reporting guidelines and the core performance indicators. The company has self-declared a B level of reporting.*

Reporting in line with GRI - B level of reporting		Page/s
<b>Profile</b>		
<b>1</b>	<b>Strategy and analysis</b>	
1.1	Statement from senior decision maker	7
1.2	Description of key impacts, risks, and opportunities	This report
<b>2</b>	<b>Organisational profile</b>	
2.1 – 2.10	Information about the company	4, 9 to 14 and 28
<b>3</b>	<b>Report parameters</b>	
3.1 – 3.4	Report profile	4
3.5 – 3.11	Report scope and boundary	4
3.12	GRI content index	59 and 60
3.13	Assurance	57
<b>4</b>	<b>Governance, commitments and engagement</b>	
4.1 – 4.10	Governance	11 to 14 and <b>IR</b> (Governance)
4.11 – 4.13	Commitments to external initiatives	17
4.14 – 4.17	Stakeholder engagement	15 to 17
<b>Economic performance indicators</b>		
<b>Management approach</b>		19
EC1	Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	20 and 21
EC3	Coverage of the organisation's defined benefit plan obligations	20 and 21
EC4	Significant financial assistance received from government	22
EC6	Policy, practices and proportion of spending on locally based suppliers at significant locations of operation	19
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	32
<b>Environmental performance indicators</b>		
<b>Management approach</b>		44 and 45
EN1	Materials used by weight or volume	49
EN2	Percentage of materials used that are recycled input materials	10 and 11
EN3	Direct energy consumption by primary energy source	47
EN4	Indirect energy consumption by primary source	47
EN8	Total withdrawal of water by source	52
EN9	Water sources significantly affected by withdrawal of water	52
EN10	Percentage and total volume of water recycled and reused	52
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	45
EN16	Total direct and indirect greenhouse gas emissions by weight	48

# REPORTING IN LINE WITH GRI (CONTINUED)

Reporting in line with GRI - B level of reporting		Page/s
<b>Environmental performance indicators continued</b>		
EN17	Other relevant indirect greenhouse gas emissions by weight	48
EN23	Total number and volume of significant spills	50 and 51
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	50 and 51
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	52
<b>Labour practices and decent work performance indicators</b>		
<b>Management approach</b>		23
LA1	Total workforce by employment type, employment contract and region	10
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	21
LA4	Percentage of employees covered by collective bargaining agreements	33
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	32
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	25 and 26
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	28 to 30
LA8	Education, training, counselling, prevention and risk-control programmes in place to assist workforce members, their families or community members regarding serious diseases	28 to 30
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	34 to 39
<b>Human rights performance indicators</b>		
<b>Management approach</b>		32
HR4	Total number of incidents of discrimination and actions taken	33
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	32 and 33
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	32 and 33
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour	32 and 33
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	33
<b>Society performance indicators</b>		
<b>Management approach</b>		42
SO1	Nature, scope and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting	16, 42 to 43 and 44 to 47
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	14
<b>Product responsibility performance indicators</b>		
<b>Management approach</b>		10 and 11
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	10 and 11
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	10 and 11

# GLOSSARY OF TERMS AND ACRONYMS

<b>ABET</b>	Adult basic education and training.
<b>AIDS</b>	Acquired immune deficiency syndrome.
<b>Amcu</b>	Association of Mineworkers and Construction Union, a labour union.
<b>AMD</b>	Acid mine drainage.
<b>BEE</b>	Black economic empowerment.
<b>Blyvoor</b>	Blyvooruitzicht Gold Mining Company Limited.
<b>BTF</b>	Brakpan tailings facility, the Ergo deposition site.
<b>CEO/CFO</b>	Chief executive officer/chief financial officer.
<b>CGR</b>	Crown Gold Recoveries Proprietary Limited, incorporated into Ergo Mining Proprietary Limited (Ergo) on 3 July 2012.
<b>CIL</b>	Carbon in leach, a gold recovery process.
<b>CO<sub>2</sub></b>	Carbon dioxide.
<b>Crown</b>	Crown Gold Recoveries Proprietary Limited, incorporated into Ergo Mining Proprietary Limited (Ergo) on 3 July 2012.
<b>CSI</b>	Corporate social investment.
<b>DMR</b>	Department of Mineral Resources.
<b>DWA</b>	Department of Water Affairs.
<b>EBDA</b>	Ergo Business Development Academy.
<b>EMO</b>	Ergo Mining Operations Proprietary Limited, includes Ergo and ERPM.
<b>EMP</b>	Environmental management plan.
<b>Ergo</b>	Ergo Mining Proprietary Limited which includes the Crown, City Deep, Knights and Brakpan operations from 3 July 2012.
<b>ERPM</b>	East Rand Proprietary Mines Limited.
<b>FY</b>	The DRDGOLD financial year is 1 July to 30 June. FY2013 is the year beginning 1 July 2012 and ending 30 June 2013.
<b>GRI</b>	Global Reporting Initiative.
<b>HDSA</b>	Historically disadvantaged South African.
<b>HIV</b>	Human immuno-deficiency virus.
<b>HR</b>	Human resources.
<b>I&amp;APs</b>	Interested and affected parties.
<b>ICAS</b>	Independent Counselling and Advisory Services.
<b>IWUL</b>	Integrated water use licence.
<b>JSE</b>	Johannesburg Stock Exchange Limited.
<b>kg</b>	Kilogram.

## GLOSSARY OF TERMS AND ACRONYMS (CONTINUED)

<b>King III</b>	Code of and Report on Governance Principles for South Africa 2009.
<b>km</b>	Kilometre.
<b>LED</b>	Local economic development.
<b>LTI</b>	Lost time injury.
<b>m</b>	Metre.
<b>MHSA</b>	Mine Health and Safety Act of 1996.
<b>Mining Charter</b>	Broad-based Socio-economic Empowerment Charter for the South African Mining Industry, in terms of the MPRDA.
<b>MPRDA</b>	Mining and Petroleum Resources Development Act.
<b>Mt</b>	Million tonnes.
<b>(M)tpm</b>	(Million) tonnes per month.
<b>NGO</b>	Non-governmental organisation.
<b>NIHL</b>	Noise-induced hearing loss.
<b>NO<sub>x</sub></b>	Nitrous oxide.
<b>NUM</b>	National Union of Mineworkers, a labour union.
<b>NYSE</b>	New York Stock Exchange.
<b>OHP</b>	Occupational health practitioner.
<b>OMP</b>	Occupational medical practitioner.
<b>oz</b>	Ounce/s.
<b>R&amp;D</b>	Research and development.
<b>SETA</b>	Sector education training authority.
<b>SLP</b>	Social and labour plan.
<b>SMME</b>	Small, medium and micro enterprise.
<b>SO<sub>2</sub></b>	Sulphur dioxide.
<b>SO<sub>x</sub></b>	Sulphur emissions.
<b>TB</b>	Tuberculosis.
<b>TCTA</b>	Trans-Caledon Tunnel Authority.
<b>UASA</b>	UASA – The Union, formerly the United Association of South Africa, a labour union.
<b>US/USA</b>	United States of America.
<b>VCT</b>	Voluntary counselling and testing.
<b>VOC</b>	Volatile organic compound.



# ADMINISTRATION AND CONTACT DETAILS

**DRDGOLD LIMITED**

(Incorporated in the Republic of South Africa)

(Registration Number: 1895/000926/06)

## OFFICES

### Registered and corporate

Quadrum Office Park  
1st Floor, Building 1  
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1709  
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## OPERATIONS

### Ergo Mining Proprietary Limited

PO Box 390  
Maraisburg  
1700  
South Africa  
Tel: +27 (0) 11 742 1003  
Fax: +27 (0) 11 743 1544

### East Rand Proprietary Mines Limited

PO Box 2227  
Boksburg  
1460  
South Africa  
Tel: +27 (0) 11 742 1003  
Fax: +27 (0) 11 743 1544

## DIRECTORS

### Geoffrey Campbell<sup>1</sup>

Independent Non-executive chairman <sup>2,3#,4</sup>

### Daniël (Niël) Pretorius

Chief executive officer <sup>4#,5</sup>

### Craig Barnes

Chief financial officer <sup>4,5</sup>

### Robert Hume

Independent non-executive <sup>1#,2,3,4</sup>

### Edmund Jeneker

Independent non-executive <sup>1,2#,4,5#</sup>

### James Turk<sup>\*\*</sup>

Independent non-executive <sup>1,2,4</sup>

## COMPANY SECRETARY

Themba Gwebu

## INVESTOR AND MEDIA RELATIONS

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## STOCK EXCHANGE LISTINGS

### JSE

Ordinary shares  
Share Code: DRD  
ISIN: ZAE000058723

### NYSE

ADRs  
Trading Symbol: DRD  
CUSIP: 26152H301

### Marché Libre Paris

Ordinary shares  
Share Code: MLDUR  
ISIN: ZAE000058723

### Euronext Brussels

IDRs  
Share Code: DRD  
BE0004520582

DRDGOLD's ordinary shares are listed on the Johannesburg Stock Exchange (JSE) and on the New York

Stock Exchange (NYSE), in the form of American Depositary Receipts (ADRs). The company's shares are also traded on the Marché Libre in Paris, the Regulated Unofficial Market on the Frankfurt Stock Exchange, the Berlin and Stuttgart OTC markets, as well as the Euronext Brussels, in the form of International Depositary Receipts.

In addition, DRDGOLD trades warrants of various denominations on the Marché Libre Paris.

## SHARE TRANSFER SECRETARIES

### South Africa

Link Market Service South Africa Proprietary Limited  
13th Floor, Rennie House  
19 Ameshoff Street  
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### United Kingdom (and bearer office)

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### Australia

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## ADR depositary

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14 rue Rouget de Lisle  
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## GENERAL

### JSE sponsor

One Capital

### Auditor

KPMG Inc.

### Attorneys

Edward Nathan Sonnenbergs Inc.  
Malan Scholes  
Mendelow Jacobs  
Norton Rose  
Skadden, Arps, Slate, Meagher and Flom (UK) LLP

### Bankers

Standard Bank of South Africa Limited  
ABSA Capital

### Website

www.drdgold.com

<sup>\*</sup> British

<sup>\*\*</sup> American

<sup>#</sup> Denotes committee chairman

<sup>1</sup> Member of the Audit Committee

<sup>2</sup> Member of the Remuneration Committee

<sup>3</sup> Member of the Nominations Committee

<sup>4</sup> Member of the Risk Committee

<sup>5</sup> Member of the Social and Ethics Committee

 **RUSSELL AND ASSOCIATES** 6982/13

