



ESG FACT SHEET 2020

MINE. ENHANCE. SUSTAIN.











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ESG Fact sheet



### FORWARD-LOOKING STATEMENTS

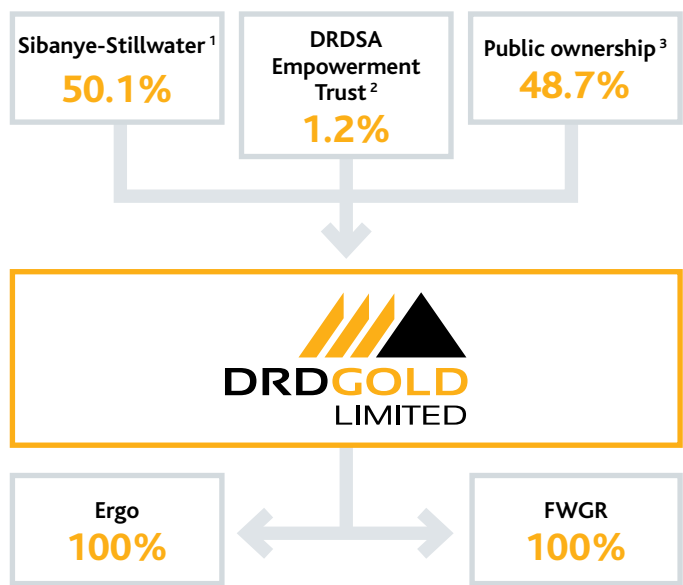
Some of the information in this fact sheet may contain projections or other forward-looking statements regarding future events or other financial performance, including information relating to our Group, that are based on the beliefs of our management, as well as assumptions made by and information currently available to our management. When used in this fact sheet, 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 Form 20-F for the fiscal year ended 30 June 2020, which we filed with the United States Securities and Exchange Commission (SEC) on 29 October 2020. 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.

# ABOUT THIS FACT SHEET

As environmental, social and governance (ESG) issues increasingly gain prominence in the decision-making of our stakeholders, this is the first year that DRDGOLD provides a concise overview of how our business strategy promotes the values of sustainable development. We endeavour to improve the transparency of ESG disclosures, taking cognisance of material issues affecting ESG within the Group.

- We also report on our alignment with the United Nations Sustainability Development Goals (SDGs) as well as the World Gold Council Responsible Gold Mining Principles (WGC RGMPs), all of which are of strategic importance to us.
- This ESG fact sheet contains sustainability data which is also contained in our Annual Integrated Report and therefore should be read in conjunction with the report which can be found on the company's website: [www.drdgold.com/investors-and-media/annual-reports/2020](http://www.drdgold.com/investors-and-media/annual-reports/2020).
- The Annual Integrated Report is prepared in accordance with the International Integrated Reporting Council Reporting Framework and the GRI standards. We also applied other standards, codes, principles and guidelines during our reporting processes: the King IV Report on Corporate Governance for South Africa, 2016 (King IV), JSE Limited Listings Requirements, and the Companies Act of South Africa Limited (Act No.71 of 2008).
- Information in this fact sheet relates to Ergo Mining Proprietary Limited (Ergo) and Far West Gold Recoveries Proprietary Limited (FWGR), the operating subsidiaries of DRDGOLD Limited (DRDGOLD), during the financial year from 1 July 2019 to 30 June 2020. FWGR made its maiden full-year production contribution which had a material impact on our financial results presented.



<sup>1</sup> Sibanye Gold Limited, trading as Sibanye-Stillwater  
<sup>2</sup> Ergo was previously owned by Ergo Mining Operations (Proprietary) Limited (EMO). EMO was 74% owned by DRDGOLD Limited and 26% by our broad based black economic empowerment (BBBEE) partners – Khumo Gold SPV Proprietary Limited (Khumo) and the DRDSA Empowerment Trust. In FY2015, an agreement was entered into with our BBBEE partners entailing a roll-up of shareholding which included the substitution of their 26% shareholding in EMO for a 8.1% and 2.4% shareholding in DRDGOLD Limited respectively. At 30 June 2020, Khumo held nil shares in DRDGOLD  
<sup>3</sup> Includes shareholding by subsidiary EMO of 1.1% and shareholding by directors of the Company of 0.08%. Such shareholding is classified as non-public

## ESG ALIGNMENT

International integrated Reporting Council



Responsible Mining Principles





# STRATEGIC APPROACH TO SUSTAINABILITY

In the early days of gold mining in Johannesburg, there was limited understanding and focus on the future environmental impacts of mine residue deposition. In the decades that followed, a second, equally challenging situation arose when a city sprung up around these dumps, with residential communities growing and moving ever closer to the mines.



## OUR FIVE CAPITALS



**FINANCIAL  
CAPITAL**



**MANUFACTURED  
AND INTELLECTUAL  
CAPITAL**



**HUMAN  
CAPITAL**



**NATURAL  
CAPITAL**



**SOCIAL  
CAPITAL**

This was aggravated by the forced displacement of communities and the social engineering of the apartheid era, and poorly managed urban influx and development policies since democracy. This has resulted in hundreds of thousands of people living in formal and informal communities, much too close to mine dumps – dumps that were closed to a standard that assumed community presence much further away and did not in all cases prevent the considerable inconvenience and potential health impacts of mine dust.

We therefore take an integrated approach to both social and natural capital. They are in reality, inextricably linked, and delivering value in respect of the one, also brings us closer to our goals in respect of the other. Our aim is to leave an enduring legacy by permanently removing the many old mine dumps scattered around the Witwatersrand that were either created where they did not belong in the first place, or had become inappropriately situated because of the movement of people and establishment of a new urban reality.

We do this by reprocessing the dumps and redepositing resultant waste in modern, well-managed tailings storage facilities, cleaning environmentally sensitive areas and liberating valuable land for redevelopment. This yields both a substantial environmental dividend as well as a social dividend in improving the quality of life of communities previously affected, whilst, also creating financial value, allowing sustainable land use to take place in areas previously sterilised. The value delivery is therefore truly integrated and firmly aligned with the goals of sustainable development.

The use of technology in reversing this legacy of mining requires the use of a specialised skillset from our workforce, usage of material such as hazardous reagents and the use of scarce natural resources in the form of water and electricity from coal-fired power stations. Consequently, we must be mindful of the ESG factors emanating from the operations themselves, to ensure that we remain aligned with our goal of reversing the environmental legacy of early mining and that we conduct our operations in a manner that will ensure the sustainability of business, our communities and the earth's natural resources.

We consistently challenge ourselves with every project we embark on to ensure our values, ambitions and actions are aligned. Does our workforce fairly represent the diversity of our country; do we provide the women in our operations with a working environment that is both physically and emotionally safe; is our workforce trained and developed to deal with the ever-changing factors influencing our business and the increasingly prominent role of technology?

We ask ourselves whether our usage of water is optimal and are we keeping to a minimum the extent to which we rely on potable water? Are we managing effluent effectively and preventing the discharge of pollutants into surrounding water sources?

Are we doing enough to reduce our reliance on power utility Eskom and thus our reliance on coal-fired electricity and its associated carbon footprint, and promoting sustainability through strategies that soften the impact of Eskom's pricing policy, and the poor quality and erratic nature of electricity supply?

Is our dust monitoring programme effective in reducing the nuisance factor to affected communities?

Do we have the relevant regulatory compliance requirements to operate and what can we do to contribute to reversing adverse regulatory requirements imposed on the mining industry?

These questions also inform an integrated thinking process in the execution of our overall business strategy by the board of directors.

A very prominent part of our business focus is that of tailings storage facility (TSF) safety. We subscribe to the contemporary imperative of greater transparency and enhanced governance in terms of the technical standards, safety and environmental impact of TSFs, a commitment that so far has led us to implement the following:

- A Group wide policy on the management of TSFs at our operations is currently being reviewed to align it to best practice and expectations
- An Internal Tailings Performance Management System ("TPMS") for dedicated data collection, storage and processing to ensure the integrity of the data for day-to-day management and oversight purposes
- Quarterly drone surveillance
- Review of various technologies which could be employed to enhance TSF observation and monitoring
- The establishment of an Independent Tailings Review Board in 2018

Our strategic focus areas with a direct link to ESG include:

- Using technology and information to enhance operational performance and to minimise the impact on the environment
- Ongoing focus on employee safety, development, values and wellbeing
- Improving the quality of life of communities surrounding our operations

## ESG GOVERNANCE

The board of directors (Board) is ultimately responsible for the sustainability of the business and ensuring that the Company conducts business in an ethical, responsible and properly governed manner. The social and ethics committee is established to assist the board in executing this responsibility. Key activities of the social and ethics committee include:

- To monitor the Group's activities with regard to: the 10 principles set out in the United Nations Global Compact and the Organisation for Economic Co-operation and Development recommendations regarding corruption; the Employment Equity Act 55 of 1998; and the Broad Based Black Economic Empowerment Act 53 of 2003
- Records of sponsorship, donations and charitable giving

- Monitoring the environment, health and public safety, including the impact of the Group's activities and of its products or services
- Monitoring labour and employment practices
- Review and recommend the Group's Code of Ethics
- Review and recommend any corporate citizenship policies
- Review significant cases of employee conflicts of interests, misconduct or fraud, or any other unethical activity by employees of the Group
- The executive committee led by the Chief Executive Officer is responsible for executing the ESG strategy and reports back to the board.

**DRDGOLD has identified the following seven United Nations SDGs which are aligned to our core purpose as a business and our overall strategy:**



# ESG RISKS

Our board oversees risk challenges and overall risk performance and process. DRDGOLD employs a formal, enterprise-wide risk management process (ERM) designed to identify risks which are updated by the chief risk officer in a risk register and advise on threats that could prevent the Group from achieving its objectives. Embodied in this ERM are ESG risks. These ESG risks also translate into business risks and therefore cannot be considered in isolation.

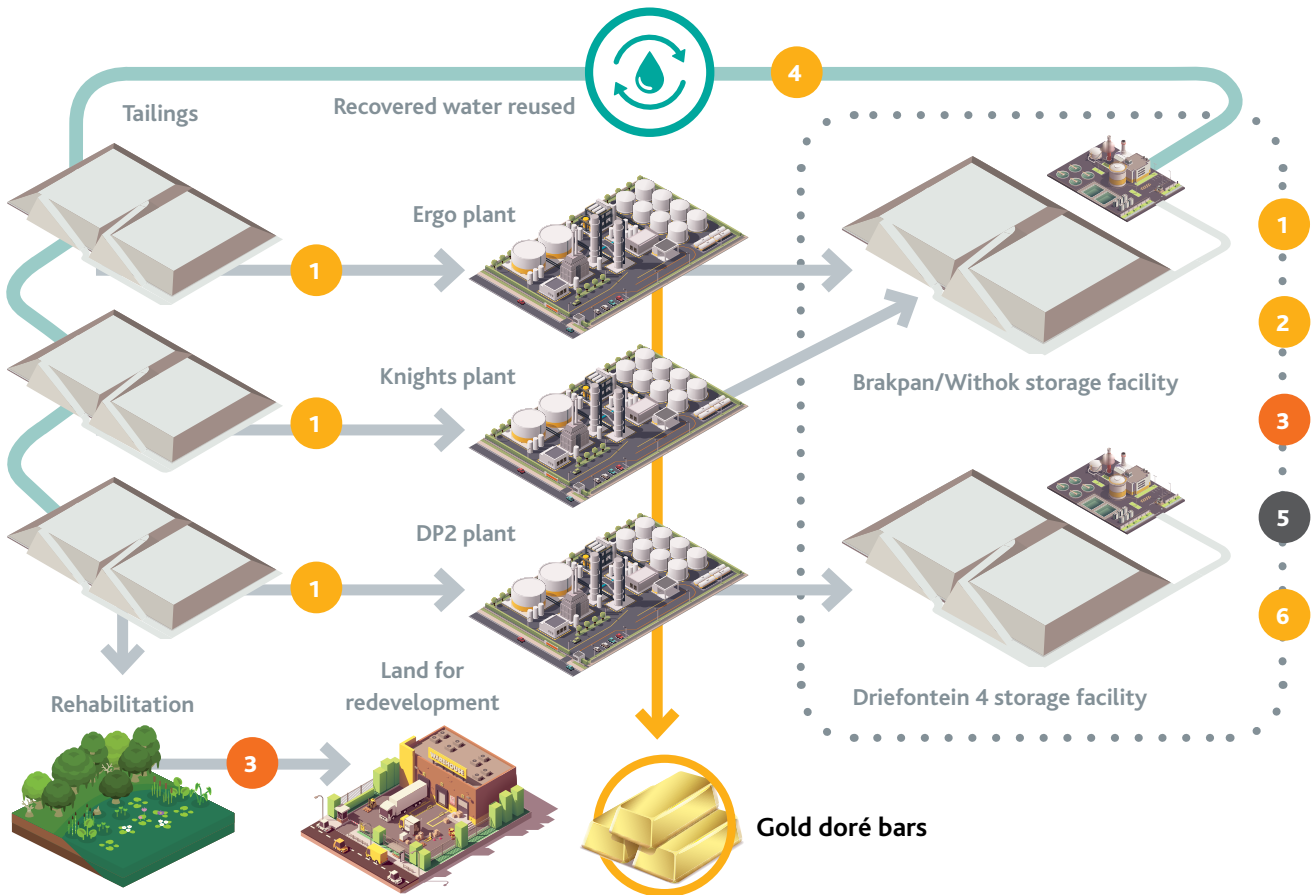
## OUR TOP SIX ESG-RELATED RISKS ARE:

- 1** Eskom power supply<sup>1</sup>
- 2** Social unrest
- 3** Social license to operate
- 4** Availability of water
- 5** Extreme weather
- 6** COVID-19 impacts

Note:

- Risks which the company can influence for the better from within its operations, where <sup>1</sup> relates in part to alternative sources of power
- Result of the company's successful handling of manageable risks
- Risks outside of the company's control

Below is an illustration of how these impact our operations:



For more information on how these risks are mitigated, please refer to our operating environment on pages 34 to 39 of the Annual Integrated Report and the risks and mitigation section on pages 32 to 33.

# MATERIAL ISSUES

## ENVIRONMENTAL VALUE-ADD

### Strategic focus area

Using technology and information to enhance operational performance and to minimise the impact on the environment

### Applicable UN SDGs:



### Strategically relevant WGC RGMPs:

- 8 – Environmental stewardship
- 9 – Biodiversity, land use and mine closure
- 10 – Water, energy and climate change

Our targeted nature dividend is pursued through three distinct strategic objectives:

- The first involves measures to contain the impact that our operations have on the environment through the containment of dust and effluent
- The second is to minimise the burden our activities place on nature and natural resources
- The third is to restore areas that have been impacted by mining through rehabilitation

We mitigate dust nuisance mainly by vegetating TSFs by way of concurrent and post-decommissioning rehabilitation. Dust fall-out is measured at 140 sites to track and monitor dust fall-out trends.

We also use water and soil agents on reclamation sites and haul roads. This outcome is closely linked to our social value-add target of improving the quality of life of those communities living within the area of impact of our operations and facilities.

Water is kept in a closed circuit and all water in and on storage sites is contained by way of return water dams and evaporation ponds to ensure that water from workings does not find its way into the natural environment.

We make extensive use of high density polyethylene (HDPE) liners, where possible, to minimise pipe frictional losses. At Ergo, approximately 70% of process water makeup is recirculated back from the Brakpan/Withok TSF. Treated acid mine drainage accounts for approximately 5% of water usage, approximately 1% from Rondebult wastewater treatment, and approximately 15% from Cinderella dam and Rosherville dam. The balance of water usage is potable water. At FWGR, we currently use all the water harvested from Driefontein 4 TSF. This amounts to approximately 40% of our process water requirements. The balance is made up from underground mine dewatering. Potable water consumption is limited to drinking and change houses and flocculant makeup for usage in the plant.

The reclamation of mine dumps for reprocessing is, by its very nature, rehabilitative of the land on which dumps are situated. Land capable of redevelopment and environmentally sensitive areas are both increasingly restored as a result of our activities.

	2020	2019	2018
Environmental spend (Rm)	54.4	45.8	51.6
TSFs vegetated (ha)	66	56	35
Land lodged with the National Nuclear Regulator (NNR) for approval for redevelopment (ha) <sup>1</sup>	27	136	0
Energy consumption (Mwh)	350 914	392 007	383 151
Potable water consumption (Ml)	2 659	2 732	3 377
Surface water extracted (Ml)	3 871	4 155	3 484
Underground water extracted (Ml)	3 004	1 529	–
Rondebult waste water (Ml)	103	386	938
Water recycled in the process (Ml)	20 838	20 051	20 894
TCTA water (AMD) (Ml)	1 326	964	744
Total water used (Ml)	31 801	29 817	29 437
% Potable water used	8%	9%	11%
Water used per tonne (l)	1.21	1.18	1.21
Total sites monitored for dust	1552	1521	1 188
Dust exceedances	8	10	7
Scope 1 CO <sub>2</sub> emissions (tonnes)	6 923	8 488	8 578
Scope 2 CO <sub>2</sub> emissions (tonnes)	364 950	407 687	363 993
Total carbon emissions (tonnes CO <sub>2</sub> e)	372 025	416 324	372 678
Cyanide consumption (tonnes)	6 976	8 645	8 566

<sup>1</sup> In FY2018, 191ha of rehabilitated land had been lodged with the NNR for clearance for redevelopment. In FY2019, clearance certificates for 136ha of land were received. In FY2020, 26.6ha of rehabilitated land were lodged with the NNR for clearance.

No fines of monetary value or significant non-monetary sanctions for non-compliance with environmental laws and regulations were imposed on the Group in FY2018, FY2019 and FY2020.



# MATERIAL ISSUES CONTINUED

## SOCIAL VALUE-ADD

### Strategic focus area

Improving the quality of life of communities surrounding our operations

#### Applicable UN SDGs:



#### Strategically relevant WGC RGMP:

7 – Working with communities

Our business model would not be complete, and perhaps not even worth pursuing, in the absence of social relevance. Large parts of our operations are situated in urban areas. In addition, most of the communities that live near our facilities are in the grip of poverty and socio-economic stress. Our social value-add is therefore focused on the realities faced by these communities and aims to alleviate poverty and provide educational opportunities to the youth.

#### Our programmes:

- Focus on enabling communities to be self-sustainable by providing skills development in the areas of entrepreneurship and business acumen
- Ensure improvement in the quality of life of communities neighbouring our facilities
- Strive for meaningful engagement with community groups to understand their struggles and concerns and to respond in an appropriate way

Our initiatives to contain the impact of our operations on the environment, in particular the removal of mine dumps and the containment of dust and effluent, clearly overlap with this objective. Poverty alleviation and self-empowerment takes place through our very successful alliance with Umsizi Sustainable Social Solutions (Umsizi),

which has assisted us in rolling out the Broad-based Livelihoods Programme in the Ekurhuleni, City of Johannesburg and Merafong communities. The programme has empowered around 3 331 participants with skills and infrastructure to produce healthy food, generate an income, grow a business and trade in the market.

We engage with various schools in our areas of influence to set up programmes aimed at upskilling our youth, to empower them to make an active contribution to our economy. We have two high school teachers in our employ, who provide extra classes in mathematics, science and accountancy to high school pupils at seven schools within our area of influence. These schools are mostly under-resourced and many pupils live in circumstances that are less than ideal. Over the years, thousands of pupils have taken advantage of this opportunity and this year, two former pupils who attended these classes have enrolled for BCom degrees at the University of Johannesburg and the University of the Free State respectively, as part of our bursary programme. We spent R20.4 million on various community projects and youth education programmes during the year.

	2020	2019	2018
Total socio-economic development spend (R'mil)	32.5	26.5	25.1
Total discretionary spend with BBBEE companies	68.8%	84.7%	90.7%
Communities reached	25	25	24
Direct and indirect jobs created	259 <sup>1</sup>	*	*
Members of communities on learnerships	310	531	488
Learners who benefited from maths, science and accountancy programmes	686	772	721

<sup>1</sup> 15 direct jobs created through the BBL programme. The rest includes the number of families on record who are participating in the BBL programme and have traded in the informal economy

\* Data not available. This is the first year that this KPI is reported





# MATERIAL ISSUES CONTINUED

## HUMAN RELATIONS AND HEALTH AND SAFETY REVIEW

### Strategic focus area

Renewed focus on employee safety, development, values and wellbeing

#### Applicable UN SDGs:



#### Strategically relevant WGC RGMP:

##### 4 – Safety and Health

We employ 951 full-time employees and 1 615 special service-providers. Service-providers are deployed mostly in security, reclamation and tailings deposition.

It is our desire to develop an engaged, knowledge-based workforce that increasingly represents the demography of South Africa and that provides fair opportunity for advancement to all. We aspire to create an environment where employees are safe and content and are provided with every opportunity to develop as individuals.

A three-tiered approach is taken to safety:

- Firstly, we take responsibility for creating a safe workplace and awareness of potentially hazardous situations
- Secondly, we provide employees with both the training and equipment required to perform every task safely
- Thirdly, we encourage and teach the appropriate attitude towards safety and safe conduct

In terms of employee wellbeing:

- A range of training courses is available to employees, from basic literacy to sophisticated junior leadership. Training takes place in-house and at our accredited training academy, EBDA
- Our Best Life Programme offers private and confidential guidance and counselling to assist employees with emotional health and coping skills
- Employees have access to life skills training, also through EBDA, that addresses lifestyle choices, personal health and financial literacy

	2020	2019	2018
Total salaries and wages paid (R'mil)	573	477	417
Employee training spend (R'mil)	11.7	8.7	9.0
Women as % of workforce	23	21	20
HDSA % of employees	73	72	70
Human rights incidences	0	0	1
Fatalities	0	1	0
LTIFR	1.27	2.37	2.92
RIFR	0.96	1.78	1.55
Silicosis and asbestos cases reported <sup>1</sup>	1	–	2
Noise-induced hearing loss cases <sup>1</sup>	0	4	1

<sup>1</sup> Information not presented for FWGR as not released by the hospital





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