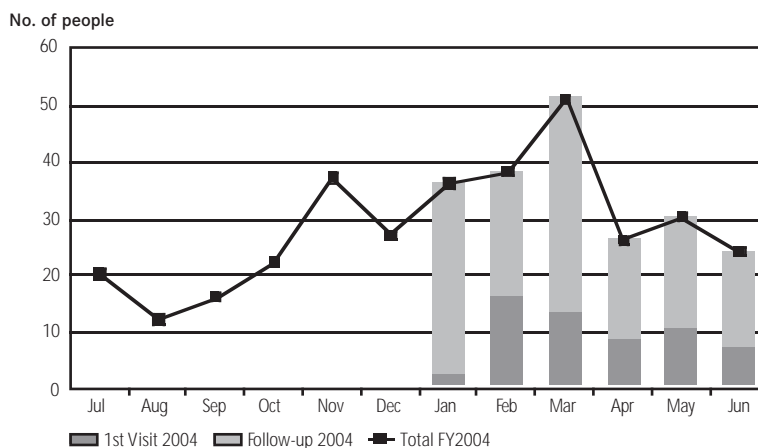


## Voluntary counselling and testing attendance 2003/2004



## ► SUSTAINABLE DEVELOPMENT

### SAFETY AND HEALTH

DRDGOLD remains committed to the philosophy that, during the course of business, no activities be undertaken which may compromise the health and safety of its employees. In consolidating this philosophy across the Group, the Group's health and safety policy is core to the everyday running of our operations. As such, the policy seeks to ensure that all activities, present or future, are undertaken with foremost consideration for employees' health and safety. To achieve this, a number of key principles and objectives underpin the health and safety policy, such as compliance with all relevant legal requirements; the integration of a health and safety mindset into the Group's overall management structure; and instilling a culture where health and safety are deemed more important than "getting the ounces out of the ground". In addition, the allocation of resources – human, financial or otherwise – as well as responsibility and accountability ensure that individuals are empowered to take the lead in the management of their health and safety.

#### Safety

On the whole, the 2004 financial year represented a good year on the safety front for DRDGOLD. The Company has made improvements on many fronts, albeit to varying degrees, at the different operations.

Tragically, 11 people died in mine accidents at DRDGOLD's operations during the 2004 financial year. Although this is an improvement on the 20 fatalities in the previous year, any loss of life is unacceptable

to the Group. The primary agencies in these deaths were falls of ground and seismicity. To this end, support standards are being constantly reviewed, and improvements made where specific ground conditions warrant additional support. Also, the Group is continually building on its seismic database in an effort to gain a better understanding of the regional seismicity challenges at the operations. A number of safety campaigns highlighting falls of ground and related topics have been embarked upon during the 2004 financial year with the purpose of bringing this issue to the fore so that it receives priority attention from all employees.

The NWO experienced a below average safety track record during the year under review, partly attributable to restructuring and downsizing of this operation during the 2004 financial year. It is the Group's view that these insecurities may have contributed to the negative safety statistics. On a more positive note, however, NWO managed to achieve one million fatality-free shifts on 23 January 2004.

Blyvoor won the West Rand Mine Managers' Association safety competition for the sixth year in succession, attesting to the admirable safety performance that the Blyvoor team has made the norm. The operation achieved a 60% improvement in its Lost Time Injury Frequency Rate (LTIFR), from 17.84 in 1999 to 7.19 currently.

Crown operations, of which DRDGOLD holds 40%, achieved 800 000 fatality-free shifts during June 2004. Notably, the last fatality at these operations was in June 2001, an

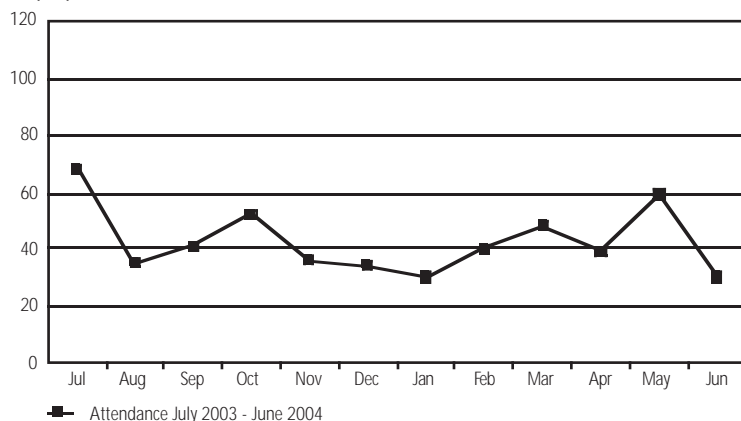
achievement of which the Crown team is extremely proud.

The Tolukuma Gold Mine (Tolukuma) in PNG also experienced a very satisfactory safety track record for the period under review, achieving 361 days without a lost time injury. Unfortunately, the operation experienced one lost time injury on 20 May 2004, four days short of completing a full year with no lost time injuries.

In an effort to remedy the situation, a number of initiatives have been put in place across the Group. One such campaign at the NWO is the introduction of a "Red/Yellow/Green" card system, much along the lines of those used in soccer. The rationale for the campaign is that the majority of employees understand soccer's rules, and thus will easily associate with the system.

These kinds of initiatives have been found to work effectively in conjunction with an operations-wide campaign that requires any employee, irrespective of function, when challenged at random, to account for what he or she has done about safety on that particular day.

A focus on minor injuries – so-called dressing station cases – has provided additional valuable information regarding causal factors of workplace accidents. Driven by the assumption that every dressing station case had the potential to be a fatality, each is investigated thoroughly and any lessons to be learned regarding prevention of recurrences are incorporated into workplace safety policies and practices, as well as training.



## ► SUSTAINABLE DEVELOPMENT

Executive Committee reviews, at our corporate office, of every workplace accident that results in a fatality have had the beneficial effect of aligning the Group's executive with operational management in the pursuit of continued safety improvement. We encourage open and honest debate on these matters in order for all parties to understand the importance of the matter at hand and the steps required to avoid such accidents occurring in the future. A culture of blame is avoided and energies are focused where they are most needed – in identifying problems and devising and applying solutions. Mine management benefit from each other's input and experience, and lessons learnt are shared amongst colleagues.

A Group-wide risk assessment audit, which began in the 2004 financial year, is in the process of being finalised. Through this process, the Group seeks to gain an in-depth understanding of all risk factors, and to develop appropriate mitigating steps to best manage these.

### Health

DRDGOLD's philosophy with regard to the provision of health care remains unchanged – the Group assists its employees with primary and, where possible, secondary health care.

At the NWO, health care is provided by our wholly-owned subsidiary, Duff Scott Hospital, located adjacent to the mining operations. Managed as a separate business unit, the hospital provides secondary health care. During the 2004 financial year, this health care service was provided at a capitation fee

of R216 per employee per month, well below the current industry average of around R400 per employee per month. The hospital is staffed by three medical doctors, 87 qualified nursing staff, four ambulance drivers, and around 22 support staff. The fee covers a comprehensive medical service on a 24/7 basis and includes the R5 contribution per person per month for anti-retroviral treatment (ART). Comprising nine wards, 400 beds (120 beds are currently being utilised), three theatres, a laboratory and pharmacy, the hospital is well equipped to deal with most situations.

In an effort to assist in the fight against the HIV/AIDS pandemic, the Group has committed to paying R5 of each capitation fee into a separate account for the provision of ART which will be in addition to the South African Government's commitment to provide this medication free of charge to AIDS patients that require it.

Provision has been made for four medical centres to be located on mine premises, which will provide primary health care facilities as well as a 24-hour emergency service.

Of particular importance during the period under review is the fact that the NWO have secured contracts with the Department of Health (North West Province), which will see the department making use of 40 beds at the Duff Scott Hospital at an agreed cost. Had the hospital not secured this external revenue, the capitation fee per employee per month would be around R340 per employee per month. The Company has also come to

an arrangement with the Emergency Medical Rescue Services (EMRS) whereby the EMRS may use certain hospital facilities in return for their services, when and if required by the mine.

The Company's Blyvoor operation outsources all medical and health care services to AngloGold Health Services (AHS), affording employees a wide range of services at an affordable cost to both the Group and staff. Currently, these services are provided at a capitation fee of R180 per employee per month. Services offered include primary health care and 24-hour emergency services at two medical stations; and secondary health care, including treatment of conditions such as malaria; dentistry; injury on duty; medical surveillance and a comprehensive HIV/AIDS Wellness Programme covering peer education, prevention and treatment.

ERPM, in which the Group has a 40% interest, outsources all healthcare to Afrox Health Care Services, while the Group's off-shore operation – Tolukuma – makes use of in-house health care facilities due to its remote location in PNG.

With reference to the HIV/AIDS pandemic, the Group has also embarked on a number of projects in South Africa in collaboration with other mines, local councils and local communities. These projects include voluntary anonymous testing, wellness and lifestyle programmes (focused on prevention) and peer education and counsellor training. The Group does not conduct pre-employment testing, and all

## The year under review saw major strides being made with regard to environmental matters

employees who are retired on health grounds, including those with AIDS-related illnesses, can nominate a relative to take up employment with the Group, thus ensuring continuity of income for the family.

Tuberculosis, and in particular, its proven association with HIV/AIDS, while still a major concern, continues to be addressed aggressively through comprehensive screening programmes, dust suppression measures in the workplace, and directly observed treatment (DOT), to ensure compliance. Similarly, hearing loss prevention is pursued through the provision of appropriate training and equipment, as well as through screening programmes.

### ENVIRONMENT

DRDGOLD, with operations in South Africa and PNG, faces the ongoing challenge of not only keeping its business profitable, but of doing so in an environmentally responsible manner. Accordingly, during the year under review, the Group revised its Environmental Policy in an effort to align it with the current legislative environment and philosophies underpinning environmental management within the mining industry as a whole.

Core to this policy is the integration of environmental management issues into the everyday business of running a mining Group. Needless to say, legal compliance and the adoption of best practice form the backbone of the policy. Creating an awareness of the collective responsibility and accountability among all role players represents another focus area of the policy; lastly, the mitigation of environmental

risks and the concomitant provision required for closure of any of its operations are included in the policy statement. However, the Group is still gearing toward a progressive implementation of the policy; it is DRDGOLD's intention to honour all tenets of the policy during the next financial year.

To this end, the Group has established environmental committees at each of its operations, with responsibility to implement the policy and monitor progress against the Environmental Management Programme Progress Assessment (EMPPA). This entire process is audited bi-annually, with remedial measures being suggested and undertaken after the audit.

Owing to the diverse nature of DRDGOLD's operations, which range from deep-level underground mines to surface reclamation activities, environmental risks vary from site to site. To mitigate risks going forward, the Group has submitted Environmental Management Programmes (EMPs) for all of its operations to the necessary regulators. These EMPs are reviewed where necessary and updated. Risks are prioritised per operation and are being addressed, with active management input and support.

During the year under review, major strides were made with regard to environmental matters. Heightened levels of control, coupled with an overall commitment to the new policy and its implementation, realised improved environmental performance for DRDGOLD.

During the 2004 financial year Blyvoor, Crown and ERPM were all awarded certificates of registration by the National Nuclear Regulator (NNR); the NWO and Durban Roodepoort Deep Mine are in the process of completing a number of conversions to comply with these regulations.

### SOUTH AFRICAN OPERATIONS Blyvooruitzicht (Blyvoor)

During the year under review, Blyvoor was encouraged by the decision of the Far West Rand Dolomitic Water Association (FWRDWA) agreeing to form a sub-committee for a joint water-use licensing application. Most notably on the environmental front, Blyvoor commissioned the reprocessing of the 4 and 5 slimes dams, following approval of the Environmental Management Programme Report (EMPR) addendum for the reclamation of these dams and the extension of the number 6 return water dam. This significantly reduces one of the mine's most significant long term liabilities. The mine has also applied to the Department of Water Affairs and Forestry (DWAF) for water use licenses for the 4 and 5 slimes dams reclamation project. Currently, none of the mines in the Far West Rand Dolomitic Compartment (including Blyvoor) can be issued with new licenses, but they have been granted authorisation by DWAF to operate under current licenses until the reserve has been determined and new licenses approved.

### North West Operations (NWO)

During the 2004 financial year, the Company's NWO received approval on the EMPR amendment for the modification to the South Plant at Buffelsfontein Mine.

## ► SUSTAINABLE DEVELOPMENT

A water use license application is also currently in progress for the NWO. As part of the KOSH (Klerksdorp/Orkney/Stilfontein /Hartebeestpoort) area, the NWO have applied for an integrated water use license. This will mean that one license for each water use referred to in Section 21 of the National Water Act will be issued for the entire area.

NWO are also in the process of rehabilitating their defunct acid, uranium and gold recovery plants in accordance with processes and practices approved by the regulators.

### **Crown**

During the 2004 financial year, Crown achieved the NOSA four star platinum rating, indicating that its safety, health and environment system is functioning efficiently. The operation was commended by DWAF for the timeous reporting of incidents and work done to mitigate and prevent water pollution incidents. The NNR awarded Crown its certificate of registration in May 2004.

Regrettably, this operation faced prosecution by DWAF following the overflow of water from the Mooifontein return water dam, owing to capacity and pump efficiency problems experienced by the mine. New pumps to better handle the inflow of water to the dam were installed by year-end. The operation conducts continuous monitoring of its EMPR in respect of water and dust management.

In respect of concerns raised regarding airborne pollutants in the Heriotdale and Denver areas, quarterly meetings are held with the Heriotdale Business Forum and Denver Business Forum, respectively. All dust-related queries and concerns relating to airborne pollutants from CMR, Crown, City Deep or Knights are handled by an external consultant versed on the topic. At these meetings, the effectiveness of current measures are interrogated and additional mitigating measures are discussed. Periodic reclamation site visits are conducted with the Inspector of Mines and a representative from the Department of Minerals and Energy (DME). Annual tailings dam inspections are also conducted by the Inspector of Mines. Monthly meetings are held with DWAF and annual inspections are conducted in collaboration with the Gauteng Department of Agriculture, Conservation, Environmental and Land Affairs (GDACEL), a body responsible for regulating activities impacting on the environment in the province.

On cessation of mining in the Fleurhof area, in the vicinity of the Durban Roodepoort Deep Mine, the Company built a fishing pier and an island to attract birdlife.

Monitoring of EMPR compliance in respect of dust and water control and rehabilitation management is undertaken as a matter of course.

### **ERPM**

At ERPM the emphasis has been on the adoption of sound water management

practices through the compilation of a water management plan and associated water balances.

In phasing out the underground operations and as a result of the withdrawal by the government of the water pumping subsidy, ERPM has stopped actively pumping extraneous water from the underground sections and only adhoc pumping takes place on weekends.

Community participation has been undertaken, with regular meetings being held with The East Rand Mines Dust Excavation Committee (ERMDEC). Ad hoc meetings were also held with the Wildlife and Environmental Society of South Africa (WESSA) and Reiger Park Civic Association.

### **Durban Roodepoort Deep Mine**

Mining activity at the Durban Roodepoort Deep Mine (DRD), on the West Rand, ceased in August 2000 and the mine has been decommissioned. The mine is currently implementing the closure plan, as detailed in the EMPR that was approved in April 2004. During the year under review, the focus was on the plugging and capping of shafts to enhance the safety to people and animals in the area as well as to minimise the ingress of groundwater. Work was also performed on the alleviation of dust from the mine's 2L24 slimes dam through ridge ploughing of the surface and the establishment of wind rows on its horizontal surface. During the 2004 financial year, approximately R7 million was spent on rehabilitation.

At year-end, the Company had embarked on a process to identify – and quantify – the reach and areas of current CSR activity at its operations, both in South Africa and Australasia

## AUSTRALASIAN OPERATIONS

Tolukuma – located in PNG – which comprises open pit and underground operations, as well as a metallurgical plant complex, has come under pressure from non-governmental groups during the year under review.

Most notably, Oxfam Community Aid Abroad made a number of allegations against the Company in respect of environmental management and compliance. Detail in this regard is available on the Company's website at [www.drdgold.com](http://www.drdgold.com). To a large degree, these concerns have been addressed and it is the Group's intention to maintain this position.

Tolukuma is drained by the Iwu Creek to the east and the Live Creek to the west, both of which empty into the Auga River. The Auga is a tributary of the Alabule River, which flows into the Angabanga River before draining into the ocean. Tolukuma discharges tailings into the Auga/Angabanga river system, currently an acceptable practice owing to the seismic instability of the area rendering the construction and operation of tailings facilities almost impossible.

Mercury, which occurs in high levels in the ore mined at Tolukuma, poses an environmental threat to the integrity of the aquatic system. To monitor and manage this effectively, stringent controls have been put in place, including a comprehensive monitoring programme. The programme entails an intensive water monitoring programme, focusing on:

- ▶ daily monitoring of discharge levels at discharge point and downstream of the

tailings discharge point (grab sampling for internal controls);

- ▶ monthly monitoring of dissolved metals at government mandated water quality inspection points; and
- ▶ biennial monitoring of stream sediments.

In addition, the programme sees the addition of raw water to the final tails hopper prior to discharge, and sampling of ore prior to run-of-mine (ROM) stockpiling. Ores with relatively high levels of mercury are stockpiled for blending into the process. Some ores high in mercury minerals are stockpiled and contained.

As a point of departure, by end-September 2003, the Department of Environment and Conservation, in association with Central Province Department of Health, released the results of its independent Health and Water Study for the Auga and Angabanga Rivers. The results attested to the fact that Tolukuma is operating within all environmental compliance requirements stipulated by the PNG Government. All riverine discharge from the mine passed the testing and monitoring criteria.

Another outcome of the study was the general lack of health care facilities within the communities surrounding the mine. To this end, Tolukuma has offered to assist the local government in determining strategies going forward to alleviate this problem.

During the 2004 financial year approval was granted by the PNG Department of Environment for amendments to the

Environment Permit (Waste Discharge) for an increase in throughput and the extension of the permit for a further 50 years.

Downstream community involvement has also increased and improved during the year under review, with regular meetings and consultation driving the process forward.

## CORPORATE SOCIAL RESPONSIBILITY

Although corporate social responsibility (CSR) activity has not been formalised, DRDGOLD is considering the best way to focus its CSR initiatives going forward. At year-end, the Group had embarked on a process to analyse the reach and areas of current CSR activity at its operations, both in South Africa and Australasia. Currently, CSR activity is mine-specific and predominantly ad hoc in nature and, in future, these efforts will be more coordinated and formal in nature. It is the Group's intention to formalise local activities both in terms of quantum and focus. In this regard, DRDGOLD is considering the application of a formula regarding quantum (based on annual profit, for example) and agreeing a theme (education, for example) regarding focus. Also, the Group is looking into the establishment of a proper corporate CSR fund, which could be managed by a board of trustees with a degree of independent representation and administered by a Section 21 Company, in an effort to streamline CSR activity across all operations. In recognition of its responsibilities, the Group is in the process of establishing a corporate social responsibility committee to be chaired by a Non-Executive Director.

Tolukuma has established an agricultural extension programme designed to stimulate activity and generate income for local inhabitants both before and after mining in the area ceases

## ► SUSTAINABLE DEVELOPMENT

The Group is able to detail some of the ad hoc CSR activity undertaken during the year under review as follows:

### **Australasia**

In Australasia, Tolukuma is committed to the broader social and economic development of its surrounding communities. In an effort to convert the economic benefits of mining into a sustainable future for the communities, Tolukuma aims to leave behind an improved physical, social and economic environment in which community members can prosper.

Tolukuma has established an agricultural extension programme designed to stimulate activity and generate income for local inhabitants both before and after mining in the area ceases. Another successful project is the establishment of a coffee plantation nursery; the mine flies on behalf of the community, locally produced coffee to Port Moresby for export. The mine also purchases fresh produce from local growers for consumption at the mine in an effort to stimulate and encourage local productivity in the region.

On the education front, Tolukuma has provided a school building for local children and pays for local teachers. On the civic side, the mine has made available heavy equipment for use in the building of local infrastructure like roads and has implemented a clean water programme, providing much needed potable drinking water for local and downstream communities. In terms of law and order, the mine has assisted the community by equipping and training a local security force and developing a village court.

In terms of employment equity at its Australasian operations, DRDGOLD is proud to acknowledge that Tolukuma is a leader in the employment of nationals in senior positions at the mine. Of three Papua New Guinean nationals who currently possess mine manager's certificates, Tolukuma employs two. The mine has also actively recruited nationals, with nationals currently comprising more than 90% of the total workforce. At year-end, 10 nationals held management positions at the mine.

To facilitate a healthy relationship with the local communities, Tolukuma has employed a full-time community relations officer, who in turn has established a unique decision-making body known as the Avubab Forum, Avubab meaning "owner of the spoken word". The forum is led by the highest ranking and most powerful chief from each of the three local communities. The success of the forum has surpassed the expectations of everyone involved.

From a health perspective, Tolukuma not only provides access to health care services for employees at its mine-site clinic, it staffs a community aid post and offers a helicopter medical evacuation service for more complicated medical cases. Tolukuma has also recently undertaken a number of medical surveys to gauge the health needs of local communities.

Central to the success of any corporate social investment programme is effective communication. In recognising this, Tolukuma has created what is effectively an 'open door policy' with stakeholders, including

employees, surrounding communities, government and non-governmental organisations (NGOs). Stakeholders have been invited to the mine and encouraged to participate in community building and talking through of issues which are of mutual concern.

### **MINING CHARTER**

The Broad-based Socio Economic Charter for the South African Mining Industry (the Mining Charter), developed collaboratively between the mining industry and the South African Government was ratified in October 2002, following the development of recent legislation in the form of the Mineral and Petroleum Resources Development Act (MPRD Act).

In an effort to monitor the progress mining companies are making with regard to these socio-economic elements, a Mining Scorecard has been developed by the Department of Minerals and Energy (DME). In summary, the elements contained in the scorecard include:

- ▶ Human resource development (HRD)
- ▶ Employment equity
- ▶ Migrant labour
- ▶ Mine community and rural development
- ▶ Housing and living conditions
- ▶ Procurement
- ▶ Ownership and joint ventures
- ▶ Beneficiation
- ▶ Reporting

All mining companies are required to report progress on each of these elements. Below is a summary of the Group's progress as of year-end.

**Human Resource Development (HRD)**

The Scorecard poses the following questions in respect of HRD:

1. Has the Company offered every employee the opportunity to be functionally literate and numerate by the year 2005?
2. Have you implemented career paths for historically disadvantaged employees?
3. Has the Company developed systems through which empowerment groups can be mentored?

On the labour front, the 2004 financial year represented a number of challenges to DRDGOLD.

Most notably, during the year under review, the Group:

- ▶ employed 16 764 people (including contractors) in South Africa and 751 people in Papua New Guinea;
- ▶ spent R18.6 million on training and development across the Group, including refresher training;
- ▶ ABET teachers are provided by the Department of Education free of charge;
- ▶ 685 of the South African workforce

completed ABET levels 1 to 4; and  
 ▶ further, the Group put in place a comprehensive employment equity (EE) programme, with relevant targets being set and a committee tasked with reporting to the Board on progress on a quarterly basis.

By year-end, the Group had drafted and approved a Code of Ethics, as well as a set of core values. The purpose of these two documents is to deliver the Group's overarching principles to all in the organisation, from the Chairman to the drill operator at the rockface. By working

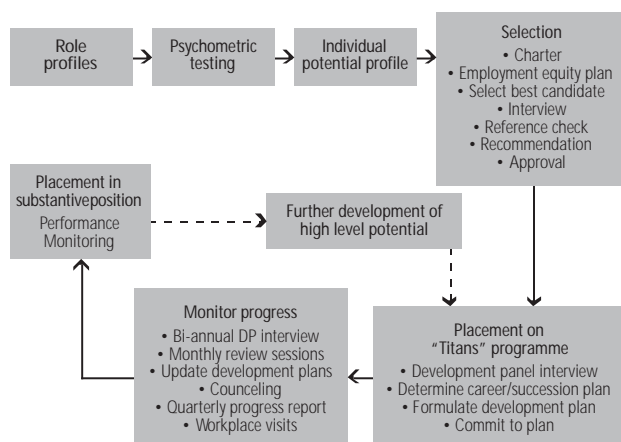
**ADULT BASIC EDUCATION & TRAINING (ABET)<sup>(1)</sup>**

8	Doctorates/Further Degrees		Higher Education and Training Band		
7	Higher Degrees/Professional Qualifications				
6	First Degrees/Higher Diplomas				
5	Diplomas/Certificates				
4	School, College and Trade Certificates		← Grade 12 →	← Further Education and Training Certificate	
3			← Grade 11 →	Further Education and Training Band	
2			← Grade 10 →		
1	ABET Level 4	← Grade 9 →	← General Education and Training Certificate	General Education and Training Band	
		← Grade 8 →	Senior Phase		
	ABET Level 3	← Grade 7 →	Intermediate Phase		
		← Grade 6 →			
		← Grade 5 →			
	ABET Level 2	← Grade 4 →	Foundation Phase		
		← Grade 3 →			
← Grade 2 →					
ABET Level 1	← Grade 1 →	Optional Reception Year			
	← Pre-school →				

<sup>(1)</sup> ABET bands are defined by the National Qualifications Forum.

## “Train for the Nation”

The schematic alongside represents the “Train for the Nation” process of selection, monitoring and further development of high potential candidates, as developed and utilised at DRDGOLD.



## ► SUSTAINABLE DEVELOPMENT

to a common goal, the Company can aim to achieve greater success in all its activities, be they corporate or operational.

All local DRDGOLD employees have the opportunity to become functionally literate and numerate by 2005 through the ABET courses offered at its operations, except at ERPM, where a literacy audit is being conducted. During the 2004 financial year, the Group converted unoccupied residential facilities at its Blyvoor Number 3 Shaft and 5 Shaft hostels into ABET facilities at a cost of around R0.2 million. These two additional facilities provide training for 300 students. By year-end, DRDGOLD was in a position to claim refund

grants from the Mine Qualifications Authority (MQA) in respect of ABET training conducted totalling R2.5 million. The Group is pleased with an arrangement entered into with the Gauteng Department of Labour which will see qualified teachers presenting the ABET courses.

### Literacy improvement levels – Profile of ABET learners: 2003/2004

Skills development plans were submitted by all operations by 31 March 2004. The Group has also established a self-funded Group Skills Development Centre which is fully accredited in terms of ISO 9001/9002 as well as by the MQA, and ongoing training initiatives have been completed during the

year under review. Services rendered by the training and development function include mining training (blasting certificates, initial and refresher training for all mining categories, shift boss modules, assessments and health and safety representative training); engineering training (apprentice training, lifting and moving, servicemen, winding engine driver, winch erector and multi-skill training); metallurgical training (initial, refresher and specialised training) and ABET (levels 1 to 4).

### Train for the Nation

In terms of the development of career paths for historically disadvantaged employees,

### TRAINING CONDUCTED JULY 2003 – JUNE 2004

TRAINING	WHITE MALE	BLACK MALE	WHITE FEMALE	BLACK FEMALE	TOTAL JUNE 2004	PROGRES-	PLACED
						SIVE TOTAL JULY 2003	
Learner miners	5	39	–	–	44	134	85
Learner onsetters	1	6	2	8	17	232	20
Winding Engine Drivers	–	1	2	–	3	12	12
Apprentices	5	8	–	–	13	13	–
Measurers	6	5	–	–	11	11	11
All mining refresher training	← COMPLETED →				3 978	34 798	
Additional training at shafts	← COMPLETED →				11 379	21 729	
Roll-up training	← COMPLETED →				–	2 946	
Assessments	← COMPLETED →				1 639	3 381	
Contractors	← COMPLETED →				245	3 586	
Wire, mesh and lace	← COMPLETED →				708	1 207	
<b>Total</b>	← COMPLETED →				<b>18 037</b>	<b>68 049</b>	

## Progress towards target of 40% HDSAs in management

Operations	% Target	% achieved for quarter ending March 2004	% achieved for quarter ending June 2004
Crown Operations	40	29.17	30.43
Corporate	40	21.95	28.57
ERPM Operations	40	16.67	17.86
North West Operations	40	9.52	15.38
Blyvoor	40	7.32	10.34
<b>DRDGOLD Consolidated</b>	<b>40</b>	<b>15.08</b>	<b>19.79</b>

\* HDSA = All blacks, coloureds, indians and all females category 17 plus.

## LITERACY IMPROVEMENT LEVELS

### Profile of ABET learners 2003/2004

Level	Year	NWO	Blyvoor	Crown	ERPM*
Level 1	2003	300 (July 03) 124 (October 03)	56	8	–
	2004	148	115	4	–
Level 2	2003	166 (July 03) 68 (October 03)	50	4	–
	2004	118	84	2	–
Level 3	2003	113 (July 03) 73 (October 03)	37	8	–
	2004	80	43	–	–
Level 4	2003	177 (July 03) 71 (October 03)	–	–	–
	2004	97	115	4	–
Grade 10	2004	23	–	–	–
Total	2003	756 (July 03) 336 (October 03)	143	20	–
	2004	466	242	7	–

\* No numbers have been provided for ERPM, as a literacy audit is in the process of being conducted.

the Group is proud to report that a comprehensive programme has been launched to recruit and retain competent and talented staff. Named "Train for the Nation", the programme seeks to identify talented individuals, place them on a relevant training programme – the Titans programme – whilst monitoring their progress and ensuring a formal continuity within the Group. This programme has another purpose – to ensure that the Group is able to meet employment equity and Mining Charter targets and requirements. The benefits of this structured approach is that it is outcomes-driven, and allows for informed

succession and career planning. Of equal importance is the mentorship element of the training, such that historically disadvantaged employees are able to progress their careers under the guidance of more experienced staff members. The Group has offered the services of the Group Skills Development Centre to the MQA and the Department of Labour to extend the "Train for the Nation" concept to the surrounding community, whereby members of the community may be trained and become employable (either by DRDGOLD or any other mining company), thereby reducing unemployment in South Africa.

### Employment equity

The Scorecard poses the following questions in respect of employment equity (EE):

1. Has the Company published its EE plan and reported on its annual progress in meeting that plan?
2. Has the Company established a plan to achieve a target for Historically Disadvantaged South African (HDSA) participation in management of 40% within five years and is it implementing this plan?
3. Has the Company identified a talent pool and is it fast tracking it?

## Progress towards target of 10% women

Operations	% Target	% achieved for quarter March 2004	% achieved for quarter June 2004
Corporate	10	23.91	28.57
Crown Operations	10	5.05	5.20
ERPM Operations	10	2.69	2.90
North West Operations	10	1.61	1.41
Blyvoor	10	1.20	1.22
<b>DRDGOLD Consolidated</b>	<b>10</b>	<b>1.88</b>	<b>1.86</b>

## SUSTAINABLE DEVELOPMENT

4. Has the Company established a plan to achieve the target for women participation in mining of 10% within five years and is it implementing the plan?

All operations have developed comprehensive employment equity plans, and progress in this regard is reported to the board on a quarterly basis. These plans were presented to the South African DME in October 2003.

In terms of its plan to secure 40% HDSA participation in management within five years, DRDGOLD has identified 44 relevant management level positions across the group across all disciplines (mining, metallurgy, engineering, sampling, survey and finance), and suitable HDSA candidates to fill these positions. Accordingly, these individuals are to be fast-tracked to ensure compliance.

### Progress toward 40% of HDSAs in management target

The Group's "Train for the Nation" development programme described on pages 22 to 23 details one of the initiatives it has in place to identify and fast-track competent individuals into higher level positions.

With reference to women participation in mining of 10% within five years, the Group has also embarked on a range of initiatives at both a corporate and operational level to ensure this target is met. At year-end, the Group had made limited progress in achieving this target but it anticipates that through the interventions put in place during the 2004 financial year, progress in this regard will be forthcoming in the short- to medium-term.

### Migrant labour (labour from neighbouring countries)

The Mining Scorecard poses the following question in respect of migrant labour:

1. Has the Company subscribed to Government and industry agreements to ensure non-discrimination against foreign migrant labour?

DRDGOLD does not discriminate against migrant labour and it adheres to the relevant inter-governmental agreements that are in place.

### Mine community and rural development

The Mining Scorecard poses the following question in respect of mine community and rural development:

1. Has the Company co-operated in the formulation of Integrated Development Plans (IDPs) and is the Company co-operating with Government in the implementation of these plans for communities where mining takes place and for major labour-sending areas? Has there been an effort on the side of the Company to engage the local mine community and major labour-sending areas?

As a socially responsible employer, DRDGOLD has committed to develop a social and labour plan for each of its operations. By year-end the Group was in the process of drafting a Group-wide social plan policy, with relevant social plan agreements and social and labour plans per operation. The Group is involved

with a working Group with regard to the conversion of old order to new order mining rights. Operational heads of department have been tasked with reporting on a monthly basis in respect of the Group plan to meet the Scorecard's requirements.

### Housing and living conditions

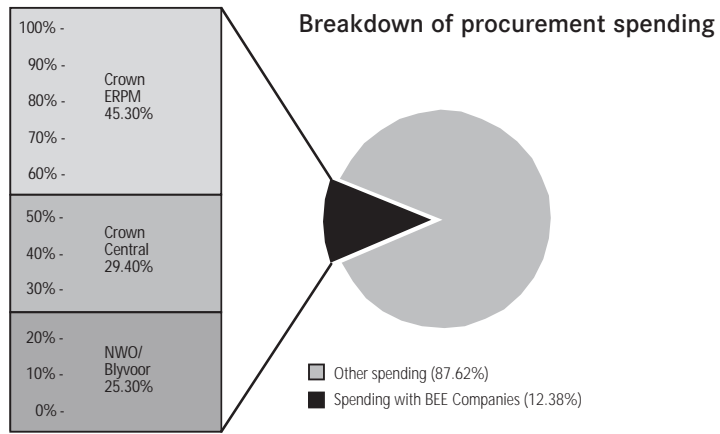
The Mining Scorecard poses the following questions in respect of housing and living conditions:

1. For Company-provided housing, has the mine, in consultation with stakeholders, established measures for improving the standard of housing, including the upgrading of hostels, conversion of hostels to family units, and promoting home ownership options for mine employees?
2. For Company-provided nutrition, has the mine established measures for improving the nutrition of mine employees?

During the 2004 financial year, NWO's Number 6 hostel was converted into family units at a cost of approximately R0.7 million, and 380 additional family units were created. The Group has also identified the Number 5 and Number 11 hostels for possible conversion into family units.

At the Blyvoor operation, the conversion of 134 units at the Number 3 hostel is being investigated, while at ERPM hostel facilities were upgraded.

Looking to the future, the Group is considering entering into discussions with local government to donate redundant hostels and married



accommodation to local or regional councils in an effort to alleviate the need for low-cost housing within and near to mining communities.

In the hostels, the quality of meals has improved. The Group has started providing 3-meal cycles in the hostels, as well as mid-shift supplements. Operations are in constant liaison with the relevant service providers in an effort to maintain a suitable standard. The provision of family units and recent increases in living out allowances that are paid to employees who choose to live outside the hostels have resulted in the numbers of employees per room in the hostels being reduced.

**Procurement**

The Mining Scorecard poses the following questions in respect of procurement:

1. Has the Company given HDSAs preferred supplier status?
2. Has the Company identified current levels of procurement from HDSA companies in terms of capital goods, consumables and services?
3. Has the Company indicated a commitment to a progression of procurement from HDSA companies over a 3-5 year timeframe in terms of capital goods, consumables and services, and to what extent has the commitment been implemented?

While the Group has established a procurement department, which affords all Black Economic Empowerment (BEE)

companies the opportunity to tender for business, all contracts are awarded on the grounds of commercial viability. All tender documents reflect that BEE companies will receive preference. At year-end, 12% of total procurement was spent with BEE companies. The procurement department, in collaboration with both internal and external financial experts, assists vendors to achieve the Group's BEE requirements. Potential BEE vendors are also assisted so that they are able to meet tender requirements.

**Ownership and joint ventures**

The Scorecard poses the following question in respect of ownership and joint ventures:

1. Has the Company achieved HDSA participation in terms of ownership for equity or attributable units of production of 15% in HDSA hands within five years and 26% within 10 years?

During the 2003 financial year, DRDGOLD sold a 60% stake in its wholly-owned subsidiary, Crown Gold Recoveries (Pty) Ltd (CGR), together with a 3% stake in itself, to Khumo Bathong Holdings (Pty) Ltd (KBH). In terms of DRDGOLD's total South African production, KBH's attributable production is approximately 15% currently.

DRDGOLD is also negotiating the transfer of its 8% shareholding in The Employment Bureau of Africa (TEBA) into HDSA hands.

**Beneficiation**

The Mining Scorecard poses the following questions in respect of beneficiation:

1. Has the Company identified its current level of beneficiation?
2. Has the Company established its baseline level of beneficiation and indicated the extent that this will have to be grown in order to qualify for an offset?

Our acquisition of Net-Gold Services Ltd from G.M. Network Ltd (GoldMoney.com), an internet-based gold marketing company established to provide gold investors with the ability to invest directly in gold without the associated risk of physical ownership, demonstrates our belief that gold represents value as currency. It is the Group's belief that gold can – and should – be used internationally as a form of currency and as a substitute for paper based currency.

The Company also holds 10.6% of South African-based Rand Refinery Limited, one of just five refineries worldwide to have been accorded gold delivery referee status by the LBMA. DRDGOLD is represented on the Rand Refinery Board and Audit Committee and is pleased with the beneficiation and marketing work done by the refinery.

**Reporting**

The Mining Scorecard poses the following question in respect of reporting:

1. Has the Company reported on an annual basis its progress towards achieving its commitments in its annual report?

Mining Scorecard issues are reported on in this report.