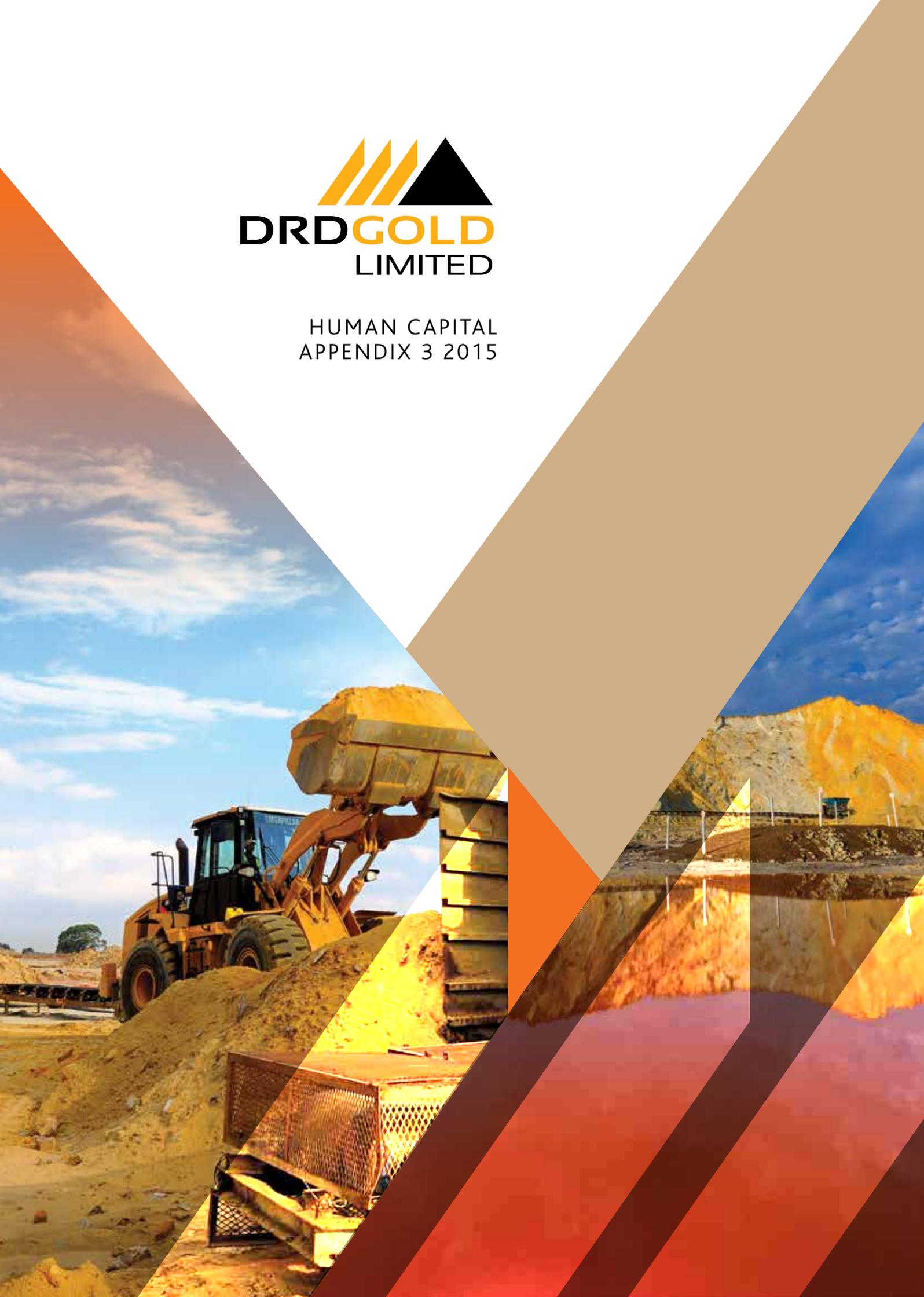




HUMAN CAPITAL  
APPENDIX 3 2015



# APPENDIX 3: HUMAN CAPITAL

The information contained in this appendix is supplementary to that contained in the DRDGOLD Integrated Report 2015 which can be found on the DRDGOLD annual report suite webpage.

## OUR HUMAN RESOURCES STRATEGY (HR)

DRDGOLD's HR strategy is aligned with and informs the group's business strategy. Our HR goals are intended to mitigate key business risks and are listed below.

### OUR GOALS

- 1 Establish a strategically influential, credible, appropriately resourced and optimally performing HR function;
- 2 Design and implement an integrated HR reporting system;
- 3 Strive to become the sustainability and compliance standard for the gold mining industry;
- 4 Implement an integrated HR model and talent management process;
- 5 Optimise EBDA services to serve the operations and the communities;
- 6 Strive for a healthy HR climate and good working interface with organised labour;
- 7 Initiate and implement appropriate organisation and workplace improvement initiatives;
- 8 Ensure a 'total reward' model to attract, motivate and retain skills; and
- 9 Ensure updated, compliant and accessible HR process, policies and procedures.

### OUR PROGRESS

This section details some of the progress we have made in the HR field.

#### Three-year plan

We implemented a comprehensive three-year project plan with clearly defined annual objectives at the end of FY2013. Achievements are measured and reported to the board on a quarterly basis. The integrated HR information and reporting system, using VIP Premier HR, has also been implemented. Work to update historical records to 1 July 2009 continues and the system is now capable of providing reliable and accurate employee data. Significant progress has been made to ensure that full compliance with social and labour plan (SLP) requirements is maintained. This is reviewed and tracked monthly by the SLP compliance committee. Independent auditing of compliance by the company's internal auditors also takes place.

#### HR model

The following features have been implemented as part of the integrated HR model, and more specifically the talent management processes:

- quarterly departmental talent management panels;
- matrix of variables to determine critical positions;
- detailed career paths for individuals with potential;
- differentiating criteria and developmental competencies for each designation on the agreed career path;

- candidates have been identified and placed in a talent pool;
- individual development plans with time frames formulated for these candidates to progress them to a 'ready now' state; and
- tracking system to monitor achievements and provide information on the succession cover ratios at any given time.

#### **Using resources effectively**

We continuously address workplace practices with a view to improving them. Organisational restructuring and the redeployment of personnel takes place as required. These measures ensure we make the most efficient use of our people and resources.

#### **Employee remuneration**

Our remuneration policies are selectively benchmarked against specialist remuneration surveys on an annual basis to ensure that pay scales for critical skills remain market-related.

#### **Induction programme**

A revamp of the company's induction programme to a two-day event in FY2014 continues to benefit employees. Employees are updated on policies, procedures and operating standards including environmental and safety concerns, security and HR policies. They are assessed on their competencies and medically screened. Employees returning from leave are required to undergo induction before having their plant access rights renewed.

The specialist service providers at our reclamation and storage sites are required to provide induction training for their employees so they are aware of our policies and the need to comply with all relevant legislation.

#### **Regulations**

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
- provision and financing of training and skills development programmes.

#### **DAY-TO-DAY EMPLOYMENT PRACTICES**

The HR manager is responsible for putting into effect our strategies and goals for transformation, employment and sustainability. At board level these matters are monitored by the Social and Ethics Committee.

DRDGOLD complies with the Mining Charter requirements for the hiring, development and retention of historically disadvantaged South Africans (HDSA), particularly women.

Although DRDGOLD does not discriminate, our preference is to employ individuals from our local communities (within a 50km radius of our operations) because it eliminates the migrant labour system, makes for a more manageable commute and keeps family units intact. At the end of FY2015, as in the two previous reporting periods, all of our employees were considered local.

## APPENDIX 3: HUMAN CAPITAL

*continued*

### DIVERSITY AND EMPLOYMENT EQUITY

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

DRDGOLD complies with the Mining Charter requirements for the hiring, development and retention of HDSAs, particularly women. We have an employment equity programme in place; drawn up to meet the requirements of the Mining Charter and the Employment Equity Act. The Department of Labour monitors our progress and we also provide regular updates and submit equity figures annually.

We carefully identify talent among our employees, and individual development plans are drawn up for HDSA employees with potential. The company also has a variety of management and supervisory development programmes, learnerships, on-the-job training, and the provision of bursaries and study assistance to benefit employees in developing their potential and their career paths.

### ERGO: EMPLOYEE DIVERSITY % PER MANAGEMENT CATEGORY

Occupational Level	African		Coloured		Indian		White		Total	HDSA %
	Male	Female	Male	Female	Male	Female	Male	Female		
Top management	2						3		5	40
Senior management	1	1					2		4	50
Middle management	5	4	1		3		26	3	42	38
<b>Subtotal</b>	8	5	1		3		31	3	51	39
Junior management	146	15	12	6	4		91	9	283	68
<b>Total</b>	<b>154</b>	<b>20</b>	<b>13</b>	<b>6</b>	<b>7</b>		<b>122</b>	<b>12</b>	<b>334</b>	<b>63</b>

### WOMEN IN MINING

The employment of women in mining is an important consideration in the 21st century and at DRDGOLD we work diligently to employ, promote and support competent women, particularly HDSAs. Any woman occupying a core position (e.g. metallurgy, engineering, survey) is considered to be in the 'woman in mining' category. At the end of FY2015, 12% of our workforce fell within this category. Additionally, 40% of the workforce comprises women in support roles. Overall, women comprise 16% of our workforce and 11% of our management.

Attracting and retaining talent remains a challenge so DRDGOLD offers competitive remuneration packages and has incentive schemes to reward good performance. Although monetary incentives are important, DRDGOLD focuses on developing individuals in a holistic way, enabling them to grow on the job and acquire the skills and training necessary for advancing their careers. DRDGOLD aims to be an employer of choice and the preferred employer in the gold mining industry.

We monitor the training and development challenges facing women in the workplace. Our training and development committee also works to identify the challenges faced by HDSAs and reinforces the importance of personal development.

Individual development plans are drawn up for HDSAs with potential and are aimed at developing specific competencies. Although our team leaders are aware of the focus to increase female HDSAs in junior management positions, employees are also encouraged to take charge of their own development.

DRDGOLD targets the development of additional talent through various management and supervisory development programmes, learnerships, on-the-job training and the provision of bursaries and study assistance.

The following conditions are in place as part of our strategy to increase the number of women in mining:

- a minimum of 10% of new intakes to be women;
- female applicants to 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.

#### FY2015: EMPLOYEE NUMBERS BY BROAD JOB CATEGORY AND GENDER

Category/level	Male	Female
Top management	5	0
Senior management	3	1
Professionally qualified	35	7
Junior management/skilled/technical	253	30
Semi-skilled	214	34
Unskilled	279	80
<b>Total payroll</b>	<b>789</b>	<b>152</b>
<b>Total combined: 941</b>		

#### EMPLOYEE TURNOVER FY2015

Reason	Male	Female	Total
Deceased	7	0	7
Dismissed	17	1	18
Non-renewal of contract	30	9	39
Resigned	5	15	20
Retirement	9	1	10
Medical separation	9	0	9
Retrenchment	4	0	4
<b>Total</b>	<b>81</b>	<b>26</b>	<b>107</b>

#### EMPLOYEE PERCENTAGE IN GOVERNANCE BODIES BY AGE GROUP, GENDER AND HDSA\*

Occupational level	Between			Women	HDSA
	Under 35	35-55	Over 55		
Top management (%)	0	80	20	0	40
Senior management (%)	0	100	0	25	50
Middle management (%)	17	51	32	17	38

\*Ergo Mining Operations

#### 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 practices. These are consistent with South African employment equity requirements.

# APPENDIX 3: HUMAN CAPITAL

*continued*

We do not condone any form of harassment or 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.

A number of forums meet regularly to ensure fair employment practices are observed and disciplinary and grievance procedures are in place and monitored by the HR department. No human rights incidents were reported in FY2015.

## ORGANISED LABOUR AND COLLECTIVE BARGAINING

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 including freedom of choice.

At the end of FY2015, the Ergo workforce was affiliated to two trade unions in the bargaining unit: NUM (64%) and UASA (16%). Ergo does not have any members affiliated to the Association of Mine Workers and Construction Union (Amcu), and there were no issues of inter-union rivalry at our operations in FY2015. The remaining employees were non-unionised.

Union affiliation %



A: NUM	64
B: UASA	16
C: Non-unionised	20

## HEALTH AND SAFETY

DRDGOLD considers a safe working environment as an imperative. Health and safety is critical in any industry but particularly so in the mining sector. Although health and safety matters are governed by legislation, DRDGOLD believes that healthy, alert employees are less likely to have accidents, suffer injuries or breach safety rules because they are fatigued or unable to concentrate on the task at hand. Investing in this area is material to the DRDGOLD strategy and makes good business sense.

Accidents, injuries and 'stop work' notices from regulators all result in production interruptions – so investment in programmes to reinforce health and safety ultimately benefit production and costs, as well as reducing the likelihood of such incidences adversely affecting financial results.

## HEALTH AND SAFETY POLICY

DRDGOLD has a health and safety policy in place and this requires employees to participate in workplace-specific health and safety initiatives to ensure compliance with the mining industry's stringent health and safety laws, referred to above.

The health and safety policy is reviewed annually to ensure the provisions remain relevant to the business and continue to align with company strategy as it evolves.

DRDGOLD is a signatory to the 10-year health and safety targets set at the 2003 summit of the Mine Health and Safety Council, a national public entity including representatives of government, employers and organised labour. Focused on improving health and safety in mining, the body provides advice to the Department of Mineral Resources (DMR) on occupational health and safety legislation and research outcomes.

## ZERO HARM: A JOINT RESPONSIBILITY

At DRDGOLD, our safety goal is zero harm. However, we believe that on-the-job safety is a joint responsibility – it requires commitment from both management and the workforce. Therefore, in mid-2012, we initiated a joint accountability, zero-tolerance campaign. The aim of this initiative was to encourage workers to accept responsibility for their own health and safety and, when the need arises, the safety of their fellow workers. Overall, the strategy has yielded positive results but requires constant focus.

## HEALTH AND SAFETY STRUCTURE

The Ergo health and safety manager is broadly responsible for health and safety compliance. Ergo's 941 employees and 1 426 specialist service providers (at the end of FY2015) are represented by 113 part-time health and safety representatives giving a favourable ratio of 1:25 representatives to employees.

Specialist service providers also have their own health and safety structures in place and these are monitored by the company to ensure conformity to legal requirements.

The operational sites are reviewed monthly for hazards and risks. The list is ranked based on severity, duration of exposure and the probability of a negative outcome (based on past experience and other available information). The information gathered from these assessments is displayed in the workplace to make employees aware of any significant risks, as well as those matters that require improvement.

## **HEALTH AND SAFETY: ALWAYS ON THE AGENDA**

On a day-to-day basis, the company has a number of ways of reinforcing its health and safety messages through various programmes and activities.

### **On joining and/or annual activities**

All new employees receive induction training which includes health and safety training.

Existing employees receive induction training each year, on their return from annual leave.

Induction training is occasionally tackled as a 'talk topic' in itself, as employees and supervisors need to be reminded of the importance of attending annual induction training.

### **Ongoing activities**

Noise induced hearing loss (NIHL) is one of the topics addressed on an ongoing basis. In the case of NIHL, attention is drawn to the importance of using hearing protection devices when entering a noise zone, or any other area where noise makes normal conversation difficult.

### **Quarterly activities**

Health and safety campaigns on selected topics are introduced to employees each quarter. Topics are selected by the central health and safety committee after considering incidents that might have occurred in the previous quarter. For example, a report from another mine regarding the death of three employees who lit a fire within a confined space to keep warm, and who subsequently died of carbon monoxide poisoning, resulted in an intensive campaign at DRDGOLD's operations to remind employees of the rules already in place and the danger of lighting fires inside. DRDGOLD also provides safe means of heating where required. Freezer suits are issued to employees who are exposed to cold weather when working.

### **Bi-monthly activities**

Health and safety agreements with organised labour provide for a joint management/union central health and safety committee that meets every second month. This committee is one of the forums where new risk assessments, codes of practice and procedures are introduced. Issues around general health and safety, workplace conditions, legal compliance, occupational hygiene and radiation requirements are discussed and resolved as far as possible. The committee also examines pertinent environmental issues.

### **Monthly activities**

Line management also meets monthly with health and safety representatives at each Ergo site to consider not only local health, safety and environmental issues, but also community matters. These local committees may pass resolutions affecting their own workplace, but are not mandated to make decisions for other sites within the operation.

### **Weekly activities**

Line management meets weekly with the health and safety manager to address its responsibilities at an operational level.

Each week, a safety topic is introduced for discussion during that week. If an event has occurred in the previous week/s, this will often determine the message. The safety topic is generally issued as a flyer that is displayed and discussed at meetings between supervisors and employees.

# APPENDIX 3: HUMAN CAPITAL

## *continued*

In FY2015 topics included Lock out; Setting a good example; Slips, trips and falls; Foot protection; Auditing ourselves; Knowing the job means knowing safety; Accidents don't just happen; Effects of noise induced hearing loss; Hand tool safety; Dangers of open fires in confined spaces; Housekeeping; Incident reporting; Confined spaces; Don't drink and drive; and Machine guards.

Employees of specialist service providers also attend these weekly meetings.

### **Daily activities**

Employees are required to attend daily toolbox talks lasting 10 to 15 minutes. At these gatherings, staff are reminded of their right (in terms of section 23 of the MHSA) to refuse to enter a workplace they perceive as detrimental to their health or safety. The importance of completing a risk assessment before beginning work on a task is also reinforced at these meetings. Any incidents that might have occurred in the workplace are also discussed.

### **HEALTH AND SAFETY PROCEDURES**

DRDGOLD has, to date, introduced 33 managerial procedures as part of the controls regulating work at the operational sites. When a procedure or risk assessment is revised or introduced, it is discussed by a team comprising managers, supervisors, workers, and health and safety representatives at a 'procedure workshop session'.

The aim of procedure development is to develop controls. The process begins with the selection of a team of people who have practical and theoretical knowledge of a job, and who understand the risks associated with each task forming part of the job.

The team considers the workability of any new procedure when applied in the workplace or, when revising a procedure, determining whether or not changes have occurred in legislation or the workplace. When procedures affect service providers, they are invited to send company representatives to participate in the workshop sessions.

Once management and the health and safety representatives have approved the procedure document, it is presented to employees by line supervisors. Translators are used when necessary.

Baseline risk assessments and procedures are introduced and developed for new and unfamiliar equipment or processes. The risks identified during assessment are managed by the implementation of controls where they cannot be removed. The controls include step-by-step guidelines to avoid injury or other types of incident.

Procedures and risk assessments are updated annually. The next revision will take place in calendar 2016.

### **Specialist service providers**

DRDGOLD has legal agreements with a number of companies for the provision of specialist services. The parties meet on a monthly basis to discuss health and safety issues, ensuring that all companies are aligned with DRDGOLD's policies. Production issues are not discussed at these meetings.

Contracting companies may select their own safety topics. Specialist service providers such as Fraser Alexander experience incidents that are specific to their business and on occasion will choose talk topics that highlight specific rules or safe practices that might have been recently breached.

### **SAFETY PERFORMANCE**

FY2015 was once again fatality-free<sup>LA</sup> at DRDGOLD.

Employees are encouraged to report all injuries, irrespective of how minor they appear at the time.

<sup>LA</sup> Limited assurance

## MINOR INJURIES

There were 33 minor injuries in FY2015. Minor injuries are those where no shifts are lost and they fall into one of two categories, as shown below:

- dressing station cases – treated at a hospital or the mine occupational health clinic by medically trained personnel – no shifts are lost; and
- 'scratch and patch' cases – treated by a first aider (usually with a plaster) no shifts are lost.

## LOST TIME INJURIES

Lost time injuries (LTIs) are injuries that cause the employee to be absent from work for one or more shifts. In FY2015, LTIs marginally increased to 15, including the reportable injuries already mentioned (FY2014: 14). This represents a frequency rate of 2.27 per million man hours compared to 2.16 in FY2014.

## DMR SECTION 54 AND SECTION 55 NOTICES

Zero Section 54 notices and three Section 55 notices were issued to DRDGOLD in FY2015 for the following reasons:

- drawings for substations: not drafted and displayed in the substation and signed by the engineer;
- lifting equipment: not marked according to colour coding, TLB pre-start checklist, TMM brake test ramp; and
- trackless mobile machinery: checklist to indicate clearly whether or not the machine is safe to use was not displayed.

All substandard conditions/acts have been rectified.

## SAFETY RISKS AND AUDITS

Our safety risks can be categorised according to the FY2015 incident statistics as shown below:

<b>25%</b>	hand tools (spanner, hosepipes)
<b>21%</b>	surface conditions (floor, platform, walkway)
<b>18%</b>	equipment (pump, agitator, pipes, scaffold, steel plates, valves)
<b>12%</b>	heavy machinery (trackless mobile machinery)
<b>7%</b>	animals/insects (snakes, security dogs, bees)
<b>5%</b>	electrical (electric flash while working on panels)
<b>5%</b>	chemicals (lime)
<b>5%</b>	environment (wet/slippy conditions; lightning strikes; extreme temperatures)
<b>2%</b>	motor vehicles

Risk assessments and safety audits are conducted regularly and give management an opportunity to identify issues and implement controls to limit the likelihood of such an incident. Training is integral to a successful accident prevention programme and therefore employees are prohibited from carrying out work for which they are not suitably trained.

Health and safety officers conduct 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.

# APPENDIX 3: HUMAN CAPITAL

continued

## EMERGENCY SITUATIONS

Employees receive emergency training during induction to enable them to assist in a crisis with an effective and timely response.

Selected employees also receive emergency response training – including fire training and general chemical handling – for a number of different situations. These individuals attend annual refresher courses. As a result, employees are able to handle a range of the more likely emergencies without injuring themselves or others.

Supervisors are trained to meet the first aid requirements of the MHSA for immediate assistance. In addition, DRDGOLD retains the services of ER24, a medical emergency response company that provides medical assistance in the event of medical trauma or an accident necessitating paramedic care.

Health and safety officers are required to conduct emergency drills – including fire drills – at regular intervals at their respective operations. Some of these are unannounced in order to more accurately gauge response times for emergencies. Pre-planned man-down drills involving all emergency service providers take place once a year.

After each drill, a report – with photographs – identifying areas for improvement is compiled.

## EMERGENCIES AND COMMUNITY SAFETY

Selected employees receive emergency training to enable them to respond to crisis situations. Emergency, fire and man-down drills take place according to a schedule. DRDGOLD retains the services of ER24, a medical emergency response company for situations requiring expert assistance.

## SAFETY: VISITORS AND COMMUNITY

Visitors may only enter company premises when accompanied by a mine employee and are made aware of emergency procedures.

Meetings with community members, including illegal miners, are held to explain the hazards of accessing the mine dumps and 'no trespass' signs are displayed at these sites.

## AWARDS AND COMPETITIONS

### DMR safety award

DRDGOLD participates in the fatality-free shift category of the DMR safety award scheme. In May, the company received an award for 3 000 fatality-free shifts which is equivalent to approximately 1.5 million man shifts and took almost three years to achieve. The award was handed over at a function attended by the DMR's Principal Inspector of Mines.

### LTI-free days competition

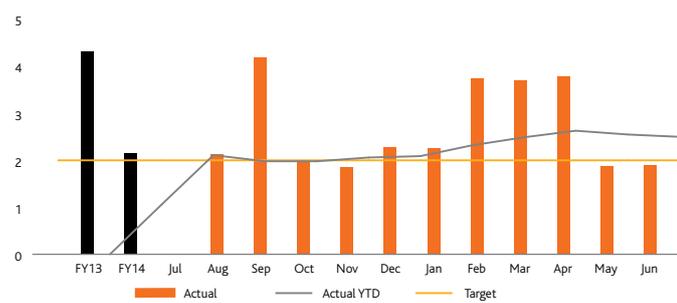
In FY2013, DRDGOLD initiated a company-wide '180 lost time injury-free days competition, with regular feedback to staff on progress. This proved successful, particularly since a large number of people access the operational sites on a daily basis. The competition was repeated in FY2014 and FY2015, and the results for the year under review are encouraging and are shown in the graph.

FY2015 v FY2014  
Ergo LTI-free days

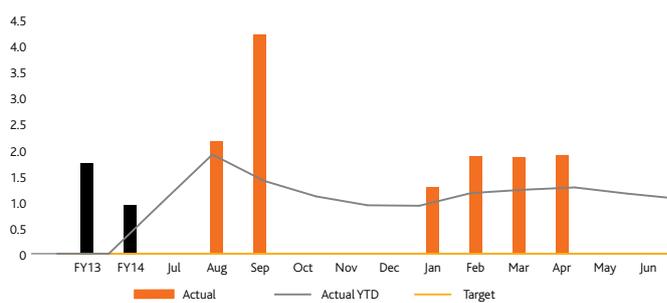
Entity	at 1 July 2014	at 30 June 2015
Projects	458	824
EDBA	183	159
ERPM	836	1 119
Ergo	119	23
Knights	266	91
City Deep	32	401
Crown	117	94

at 1 July 2014  
at 30 June 2015

FY2015: Lost time injury frequency rate



FY2015: Serious injury frequency rate



## OCCUPATIONAL HEALTH PERFORMANCE

DRDGOLD has a two-fold occupational health strategy to:

- eliminate and reduce the sources of health threats; and
- conduct regular health monitoring.

An intensive risk-based medical surveillance programme is in place, and our safety team conducts hygiene inspections. The rigorous identification of chronic medical conditions and follow-up campaigns provide us with a greater understanding of the health of our employees. To ensure our strategy is effectively implemented, we have an on-site health care facility at the Brakpan site, staffed by a full-time occupational health practitioner and assisted by an occupational medical practitioner on a part-time basis. In FY2015, 4 502 screening medical examinations were performed (FY2014: 4 409). 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 as the two most significant occupational health hazards.

No cases of TB were reported in FY2015 (FY2014: 2). Three cases of NIHL were reported to Rand Mutual Assurance for FY2015 while the outcome of one FY2014 case is pending.

### KNOWLEDGE IS POWER

As part of the strategy to educate employees and empower them with knowledge, a number of health-related topics were addressed during FY2015. These were mostly linked to the national 'health year' calendar and involved the distribution of pamphlets, medical surveillance and discussion groups. Topics included:

- Bullying in the workplace
- Healthy life style
- Eye health
- Weight loss
- Love your heart
- How to control stress at work
- Prostate cancer
- How to cope in a crisis
- World Aids day
- Second hand smoking
- Flu prevention

Multi-lingual videos dealing with health education are shown in the waiting area of the clinic to further knowledge on health matters.

### HIV/AIDS

Our HIV/Aids policy aims to provide employees with general information on the disease; 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.

December 1 is recognised around the globe as World Aids Day. DRDGOLD chose December 7 for its in-house HIV/Aids awareness day which served as a reminder to employees that the safety principles followed at work need to be applied throughout their lives.

The objective was a drive to holistic wellness – to complete health risk awareness screenings, detect individuals with abnormal chronic screening levels and make appropriate referrals for medical care. Other objectives included raising awareness about the complications related to chronic conditions and providing information on adapting to a healthy lifestyle.

## APPENDIX 3: HUMAN CAPITAL

### *continued*

Employees were encouraged to undergo voluntary counselling and testing (VCT) as well as a number of other assessments – monitoring blood pressure, cholesterol and body mass index measurements (height; weight).

DRDGOLD has a 'know your status' programme which encourages employees to undergo regular VCT and to discuss the results with the occupational health practitioner.

#### **NIHL**

Noise induced hearing loss (NIHL) is caused by exposure to loud sounds over an extended period. Normal conversation registers approximately 60 decibels (dB) and repeated or prolonged exposure to sounds at or above 85dB may lead to hearing loss.

The noise levels at our operations range from low to 104dB. Thirty two areas are identified as above 85db. DRDGOLD has no equipment or machinery measuring over 110dB.

NIHL can be prevented if hearing protectors such as earplugs or earmuffs are regularly used in noise zones. Our noise zones are demarcated and we encourage compliance with our NIHL policy by placing signage and hearing protection pictograms in prominent positions within these zones, as well as at entrances to the plant.

We enforce and monitor the use of hearing protection among employees and, as part of our procedures, short-term visitors are issued with hearing protection and required to use it in noise zones.

#### **DUST AND SILICOSIS**

We take extensive measures to reduce dust off our reclamation sites and TSFs to avoid creating a nuisance for surrounding communities. Within the operation, dust measurements are continuously monitored by the occupational hygienist and, if and when required, controls are introduced. No cases of silicosis were diagnosed in FY2015.

One case of asbestosis was reported in FY2014 and we are awaiting feedback from the Medical Bureau of Occupational Diseases. A survey was conducted at the Knights plant, where the affected employee works, and no traces of asbestos could be found. We are therefore unable to confirm whether this condition is employment-related.

### **DEVELOPING OUR PEOPLE**

#### **TRAINING**

Our training targets are mainly influenced by the Workplace Skills Plan (which is drafted in consultation with labour representatives), the SLP and developmental requirements identified during the talent management processes. The following tables provide some statistics.

## FY2015 ERGO TRAINING COST AND NUMBERS

Classification	2015		2014	
	Number	Cost	Number	Cost
ABET	–	–	20	296 012
Best Life	–	336 750	757	310 298
Engineering aide	14	169 990	31	708 655
Engineering training	118	722 656	129	346 032
Environmental	–	–	1	741
Financial literacy	366	61 305	79	4 422
Health and safety	83	153 745	189	216 325
Learnerships	6	610 899	15	574 870
Interships	3	234 728	3	15 969
Machine driving	21	86 165	80	276 435
Metallurgy training	110	1 392 098	336	1 118 044
N courses	1	3 400	5	22 203
Soft skills	69	627 046	44	113 018
Study assistance	47	480 443	18	145 538
Technical training	–	–	4	30 000
Employee development	215	2 244 787	211	1 547 768
Bursaries	9	714 739	8	731 164
<b>Total employee training</b>	<b>1 062</b>	<b>7 838 751</b>	<b>1 930</b>	<b>6 457 494</b>

We closely monitor performance and regularly communicate with all stakeholders, including regulators, as we address Mining Charter targets for human resource development.

## EMPLOYEE WELLBEING

At DRDGOOLD we focus on the following core values – which now form part of the induction and performance management programmes – to achieve our strategic objectives:

- 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.

## BEST LIFE PROGRAMME AND ICAS

Our Best Life initiative includes an employee wellness programme (EWP) – provided by Independent Counselling and Advisory Services (ICAS). The service offers an information and counselling service to employees and advice can be sought on a range of lifestyle issues including healthier diet choices, the importance of exercise, substance abuse, depression and the necessity of following instructions for prescribed medications, especially for chronic conditions.

In FY2015, 81 employees made use of the Best Life services.

## APPENDIX 3: HUMAN CAPITAL

### *continued*

The use of the ICAS service by DRDGOLD employees is above the industry norm and we intend to continue to promote the use of the service in future so our employees get maximum advantage.

#### ABOUT ICAS

ICAS is a professional, independent, confidential support and information service provider which offers an employee assistance programme for employees and their families.

Employees can call ICAS around the clock, every day of the year. An SMS call-back facility is also offered. Trained counsellors answer questions, give advice and provide support on lifestyle matters including the following:

- chronic illness and stress: general information and coping skills;
- relationships with family, colleagues, friends;
- employment issues including workplace conflict, harassment and career opportunities;
- legal matters of various kinds including divorce, child custody and maintenance;
- health: the importance of exercise, regular health checkups and a healthy diet;
- family-related problems: elderly or disabled relatives, unwanted pregnancies, adoptions, childcare;
- trauma: robberies, hijackings, accidents;
- death: adjusting to life after the loss of a family member, miscarriages;
- addictions: substance and alcohol abuse, gambling;
- finances: advice on budgeting, dealing with debt, garnishee orders; and
- practical: general issues including how to claim state benefits, organising affordable holidays etc.

#### FINANCIAL LITERACY PROGRAMME

Although employees can obtain financial advice through the EWP (budgeting, saving, retirement planning and dealing with debt), DRDGOLD aims to empower employees through a number of avenues.

A series of financial literacy workshops was rolled out at each site in FY2015 as part of the Best Life initiative. These workshops are aimed at providing participants with a deeper understanding of financial management principles. Employees are encouraged to review their current financial situation, and they receive the information and tools required to assist them in budgeting, planning and making informed financial decisions.

In FY2015 DRDGOLD spent R336 750 on the Best Life programme.

#### SKILLS DEVELOPMENT AND TRAINING

##### FY2015: NUMBER OF COURSES\* ATTENDED BY EMPLOYEES BY GENDER, RACE

	Male	Female	Total
African	959	152	1 111
Coloured	38	23	61
Indian	18	2	20
White	137	20	157
<b>Total</b>	<b>1 152</b>	<b>197</b>	<b>1 349</b>

\* Includes radiation and induction training

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

DRDGOLD established EBDA in 2009 to meet Ergo's HR development requirements. While the company's training needs are still provided by EBDA, this now takes place on an entirely commercial basis.

DRDGOLD has a firm view that education is integral to raising living standards in the longer term. Therefore the broader vision was to offer South Africans, particularly those living in the Ekurhuleni, Johannesburg and Mogale municipalities, another option for education.

EBDA has established a solid track record over the past five years in providing first-rate training to corporate employees in other sectors, private individuals and unemployed community learners. The academy will continue to facilitate accredited business development processes and learning opportunities to meet the HR development needs of DRDGOLD's strategic partners, and other businesses, in a financially viable and sustainable manner.

From the beginning, DRDGOLD's strategy was for EBDA to become self-sustaining within a five-year period. This prerequisite was aimed at creating a permanent community asset that would outlast the DRDGOLD life of mine. EBDA remains the company's most significant LED project to date.

EBDA achieved this goal in FY2015 and the academy is functioning as a sustainable independent trading entity. DRDGOLD was therefore not required to contribute to EBDA's capital and operating requirements in FY2015 and EBDA posted a net profit of R2.7 million and a positive cash balance of R10.3 million for this period.

The cash balance was positively impacted by 2014 grants from the Mining Qualifications Authority (MQA) that were only received in FY2015.

In total, Ergo contributed R48.7 million towards EBDA over an approximately six-year period, underlining our commitment to our employees as well as the communities within which we work.

EBDA has 35 full-time employees and is fully accredited by the MQA in all the engineering trades including diesel and motor mechanics; metallurgy and minerals processing fields; adult basic education and training (ABET); safety, health and environment; construction/portable skills and generic management. EBDA is also certified by the South African Bureau of Standards for the ISO9001:2008 standard. In addition, EBDA is accredited by a number of other major sector education and training authorities allowing it to offer training solutions to many sectors of the economy.

In FY2015 EBDA provided 4 182 training days to Ergo employees (FY2014: 18 998); 245 employees from other companies (FY2014: 227); and 452 community members (FY2014: 470). These training days covered a range of topics.

EBDA is also registered with Umalusi and the Department of Higher Education and Training as a private technical and vocational education and training college allowing it to offer the N1- to N3-NATED courses.

One hundred and thirty-four community members benefited from NATED and National Certificate courses and 56 individuals graduated with full trade test qualifications in FY2015.

Discussions to finalise the EBDA exit strategy are currently underway with the DMR, as required in the SLP tabled in 2008.

## APPENDIX 3: HUMAN CAPITAL

### *continued*

EBDA's courses cover a range of topics:

- ABET;
- computer courses;
- engineering courses;
- engineering learnerships, short courses and skills programmes;
- engineering/operator training and licensing;
- 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 – generic management and supervisory courses.

#### WOMEN IN MINING PROJECT

In 2013, EBDA was appointed by the DMR and the MQA to train 37 community women through a 'women in mining' initiative. The group members are due to sit their trade test in the last quarter of calendar 2015.

#### GRADUATE DATABASE

EBDA administers a database of its graduates to assist them in securing employment. Of the 146 artisans qualified thus far, 88 are employed in a full-time capacity with various employers, including EBDA clients. The remainder are managed via a national artisan database administered on behalf of the National Artisan Moderating Body by the Ekurhuleni East FET College. EBDA has signed a memorandum of understanding with this institution to assist with the placement of engineering graduates.

#### ABET

Like most companies, DRDGOLD has a percentage of employees with little or no formal schooling. The ABET programme is nationally-recognised and designed to improve literacy. EBDA offers ABET to employees as a way of empowering them, thereby boosting their morale and motivating them. ABET is important as literacy makes it possible for individuals to develop further e.g. through artisan learnerships and general technical courses.

In addition to employees, EBDA offers ABET classes on a full- and part-time basis to community members. The former are recruited internally through NUM structures and poster campaigns, while advertisements placed in local community centres encourage community participation.

As a token of recognition, and to encourage enrolment, employees are incentivised to participate in ABET. Any employee completing the programme receives R2 500 for each learning area completed.

In FY2015, 24 community members (FY2014: 16) received ABET training at EBDA. An additional 17 community members (FY2014: 16) received training at the satellite campus serving the City Deep and Crown Mines communities. There were no course dropouts in FY2015.

#### LEARNERSHIPS

Learnerships involve a structured learning programme combining theory and practical on-the-job training, with an average 24-month duration. After passing the trade test, candidates receive a National Certificate. This initiative helps to promote artisanship and enables various sectors to meet their training targets.

The learnership qualification provides employees with a lifelong skill. Together with management training, it offers an employee better prospects of being appointed into junior management positions. The benefit of in-house development is the creation of a growing pool of suitably qualified artisans to replace others as they retire. Another benefit is the opportunity for young artisans to learn on-the-job from those with more experience. The senior artisans are able to mentor and share their knowledge and skills with the next generation.

In FY2015, six employees were registered as full-time learners at EBDA, beginning their studies with Nated courses. DRDGOLD invested R610 899 in the learnership programme during the period under review.

### **INTERNSHIPS**

On-the-job experience has value that cannot be measured. Unfortunately, a large percentage of students are unable to qualify for their National Diplomas as the opportunities for practical training are limited.

However, DRDGOLD works diligently to provide young graduates – all HDSAs from impoverished areas – with practical opportunities wherever possible. The purpose of the programme is twofold:

- to expose young graduates to the concept of formal employment; and
- to provide the practical experience required for the National Diploma.

The Ekurhuleni Metropolitan Municipality has its own FET colleges with graduate programmes and EBDA/Ergo assists as far as possible in providing internship opportunities to these students.

### **PORTABLE SKILLS**

Portable skills are those that a person may use to create employment opportunities for themselves. In recent years, unemployment in the formal sector has made the acquisition of such skills even more important as it enables individuals to generate their own income.

One of our SLP commitments was the development of portable skills among our employees.

The programmes – offered by qualified training providers under the auspices of EBDA – are accredited.

### **BURSARIES**

DRDGOLD offers bursaries to employees and school leavers who wish to obtain tertiary qualifications. They cover tuition costs, text books, accommodation, a monthly allowance and any other study-related costs. DRDGOLD has an agreement with a provider of student accommodation for safe, secure and well-maintained housing in the Johannesburg area. A new block of flats exclusively for students includes study and recreational areas, an access-controlled gate and 24-hour security.

One DRDGOLD bursar, Mthokozisi 'Thoko' Siwela, graduated from the University of Johannesburg in 2014 with a National Diploma in Electrical Engineering (Power) after completing his practical experience at Ergo. Thoko has embarked on a BTech (Electrical Engineering) with financial support from DRDGOLD and is currently working for Ergo.

In FY2015 DRDGOLD invested R714 740 in bursaries for nine students.

### **STUDY ASSISTANCE PROGRAMME**

DRDGOLD encourages employees who, of their own accord, make a decision to improve their career prospects by part-time study and short courses because we believe that investment in education has positive repercussions for the individual, the company and society.

Applications for financial assistance are considered each year. In FY2015, R480 443 was spent on fees, study materials, books, accommodation and travel costs for 47 employees (FY2014: R145 538; 18 employees).

## APPENDIX 3: HUMAN CAPITAL

*continued*

### TALENT SPOTTING AND MENTORSHIP

A mentorship is a relationship between a mentor and his or her protégé to accomplish the personal development of the latter through a series of regular meetings and various developmental interventions. The mentor shares his or her insight, knowledge and experience with the protégé – advising on problems that may arise in the latter’s working life – and providing whatever support is required.

The mentor also plays an important role in monitoring the protégé’s personal development plan and tracking progress against the talent pool. A talent management panel made up of senior managers and relevant departmental managers is also responsible for tracking the progress of talent pool candidates. The panel also conducts regular performance assessments and identifies any training or refresher courses that might be required.

Talent management is discussed at executive and departmental level within the engineering, metallurgy, technical services, finance, HR and administrative departments. HDSAs and women candidates are prioritised.

As a result of the work done in determining career paths in all disciplines, as well as developing a talent pool, 24 mentors/coaches and 38 protégés have been identified. These talent pool candidates form the backbone of the company’s succession plan.



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