

DRDGOLD RANKED IN THE “EXCELLENT”

category in the EY Excellence in Integrated Reporting Awards 2021

DRDGOLD was one of 24 companies ranked in the “Excellent” category for the 2020 reporting cycle in the EY Excellence in Integrated Reporting Awards 2021. The Company was particularly commended for the presentation and review of the risks and opportunities in the Annual Integrated Report 2020 (page 32-39).

The Sibanye-Stillwater Integrated Report 2020 was also ranked “Excellent” and was applauded for its financial report and commentary.

The EY Excellence in Integrated Reporting Awards are designed to benchmark standards of excellence in the quality of integrated reporting to investors and other stakeholders of top 100 JSE-listed companies, based on market capitalisation as at 31 December 2020.

“Excellent” and “Good” are awarded to entities that progressively achieve a higher level of adherence to the spirit of integrated reporting.

Read the full EY media release here: https://www.ey.com/en_za/news/2021/09/ey-announces-results-of-excellence-in-integrated-reporting-award

View our Annual Integrated Report 2020 here: <https://www.drdgold.com/assets/investors-and-media/annual-reports/2020/drdgold-integrated-report-2020.pdf>

RISKS AND MITIGATIONS

DRDGOLD is not a typical gold mining company as we focus exclusively on surface retreatment and not on underground mining. Our retreatment focus places our business in a different risk environment to companies engaged in conventional mining.

How we manage risk

Board of directors - oversees risk challenges and overall risk management process and performance

Audit and Risk Committee - monitors the company's risk management performance

Execo - executes the mitigating actions and continuously revisits risks

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 advice on threats that could prevent the Group from achieving its objectives. This formal process takes place annually and involves the application of frameworks and methodologies to measure the likelihood that opportunities and risks are mitigated. The board provides approval for the acceptable levels of tolerance and risk appetite and risks are managed within these parameters. Identified risks include those which emanate from the company's compliance with legal and regulatory provisions and the Code of Conduct.

The changing business footprint and strategic framework drive a strong integration of the different risk areas in the Group which include strategic, reputational, financial, human resources and day-to-day risks, in addition to the ERM. An independent risk management process assesses operational risks in three categories:

- Baseline** - covers the risk profile of the entire operation in a systematic manner
- Issue-based** - a specific assessment is performed prior to a new event, new capital infrastructure or activity
- Continuous** - health, safety and environmental issues are assessed on an ongoing basis in the daily work programme

A risk management plan is regularly implemented throughout the company and integrated in the day-to-day activities of the company. Risk monitoring is reviewed continuously by Execo and management to ensure that risks remain relevant and mitigation actions remain appropriate.

COVID-19 pandemic response

The COVID-19 pandemic has no longer considered a risk, as it has materialized and created other risks, including employee infection risks and the potential impact that infections will have on the operation. Despite the Charter Management Act regulation permitting DRDGOLD to continue operating pursuant to the announcement of the national lockdown, DRDGOLD did not immediately recommence operations.

Top 10 risk profile

1	Water power supply	STRATEGIC OPERATIONAL
2	Social unrest	SOCIAL
3	Increased crime and gold theft	SOCIAL
4	Social licence to operate	SOCIAL
5	Tailings storage capacities	OPERATIONAL
6	Availability of water	OPERATIONAL
7	High utility cost increases	FINANCIAL
8	Extreme weather	OPERATIONAL
9	Sustained lower commodity prices and strengthening of the rand	FINANCIAL
10	COVID-19 impacts	OPERATIONAL SOCIAL

RISKS AND MITIGATIONS CONTINUED

2020 TOP RISKS

	MINOR Can be absorbed	SIGNIFICANT Can be managed under normal operational circumstances	SERIOUS Requires additional resources and management effort	CRITICAL Can be avoided but has prolonged negative effect	CATASTROPHIC Potential collapse of business
ALMOST CERTAIN Expected to occur				1	
HIGH Probably will occur		10	3, 4	2	
MODERATE Should occur at some time			8, 9	5	
LIKELY Could possibly occur				7	
UNLIKELY May occur in exceptional circumstances				6	

● Long-term ● Localizing

Top 5 Opportunities for the Group

- Increase in reserves and resources base** - From the very beginning of the relationship established with Sibanye-Stillwater, our approach was to develop in a proactive and collaborative manner, consolidating all surface holdings in South Africa to grow the value of our existing asset base and to create opportunity for further growth in surface mining in South Africa and abroad. Expected to occur
- Diversification into P2Es** - Further integration of our systems of information flow and data reporting will allow us to create a consolidated, sustainable tailings management solution. Key focus areas will continue to be the assurance of the integrity of data, protecting it from interference, maintaining the quality of information and managing it to flow and use with the view to optimize our control and management systems. Should occur at some time
- Manufacturing, automation and automated data collection and reporting** - ESG good corporate citizenship and green mining are increasingly important, so our work could and should become the group standard in value creation for "customers of our process" that are the United Nations' Sustainable Development Goals, state agencies, public and private partnerships and energy systems. This will become even more important in a post-COVID-19 world. Expected to occur
- Increase focus on ESG objectives** - ESG good corporate citizenship and green mining are increasingly important, so our work could and should become the group standard in value creation for "customers of our process" that are the United Nations' Sustainable Development Goals, state agencies, public and private partnerships and energy systems. This will become even more important in a post-COVID-19 world. Expected to occur
- Water technology and alternative green power solutions** - We have the opportunity to work with governments and other stakeholders in solving water supply constraints in South Africa by optimizing our closed water circuit and the re-use of AMD and treated average leachate ponds generated through alternative green power solutions, may be "banded" onto the National grid or to other operations and alternative power supply shortages in South Africa. Expected to occur