

UNDERSTANDING OUR RISKS

Risk is defined as the probability or threat of loss, damage, injury, liability, or any other adverse occurrence caused by internal or external vulnerabilities, which may be counteracted by pre-emptive action.

MANAGING OUR RISKS

While the board of directors is ultimately responsible for the management of risk, it delegates some of its duties to the Risk Committee.

The management of risk is pivotal to reducing uncertainty and for ensuring resilience to changes in the operating environment. The Risk Committee is tasked with the identification of potential risk and opportunities, the group's internal control systems, assurance issues, health, safety and environmental compliance, and the monitoring and reporting of all these matters. The responsibility for the quality, integrity and reliability of the group's risk management falls within the ambit of this committee.

The requirements of King III, the Integrated Framework from the Committee of Sponsoring Organisations and the Sarbanes-Oxley Act of 2002 (SOX) (Section 404) have been incorporated into the group's internal control processes.

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RISK MANAGEMENT PROCESS

As part of its integrated approach to business, DRDGOLD developed and implemented an Enterprise Wide Risk Management process as far back as 2003. The objective was, and still is, to assist DRDGOLD in achieving its strategic objectives and for the board to have a complete, informed view of the business environment in which the group operates across all disciplines.

The DRDGOLD risk management process provides a framework for assessing and managing risks and opportunities and it allows for risks to be ranked.

