

# 1 Gold Fields Integrated Annual Review 2011 – additional online content

---

**Guidance note**

This document provides the additional content included in the online version of the Gold Fields Integrated Annual Review 2011. Section headings and sub-headings have been included to offer guidance as to where the content should sit within the report.

## 2 Overview and strategy

---

“Gold Fields is proud to be a participant in the UN Global Compact – and is committed to the furtherance of the Ten Principles.”

Nick Holland, Chief Executive Officer

## 3 Transparency and accountability

---

### 3.1 Corporate governance

#### 2.1.5 Board committees

##### Executive Committee

Members of the Executive Committee:

##### Nicholas J Holland (53)

Chief Executive Officer (CEO)

BCom, BAcc, University of the Witwatersrand; CA (SA)

Mr Holland was appointed an executive director of Gold Fields in 1998 and became CEO on 1 May 2008. Prior to that he was the company's CFO. Mr Holland has more than 30 years' experience in financial management, of which 22 years were in the mining industry. Prior to joining Gold Fields, he was Financial Director and Senior Manager of Corporate Finance at Gencor. He is also an alternate director of the Rand Refinery.

##### Paul A Schmidt (44)

Chief Financial Officer (CFO)

BCom, University of the Witwatersrand; BCompt (Hons), Unisa; CA (SA)

Mr Schmidt was appointed CFO on 1 January 2009 and joined the Board on 6 November 2009. Prior to this, he held the positions of acting CFO from 1 May 2008 and Financial Controller from 1 April 2003. He has more than 16 years' experience in the mining industry.

##### Zakira Amra (30)

Senior Vice-President: Corporate Affairs and Investor Relations

BCom, University of Natal

Ms Amra was appointed to the position of Senior Vice-President: Corporate Affairs and Investor Relations, on 3 May 2011. She joined Gold Fields from Barclays Capital where she was a member of the Mining & Metals Investment Banking team. Prior to Barclays Capital she was employed at RMB Asset Management and Barnard Jacobs Mellet Securities.

##### Naseem A Chohan (51)

Senior Vice-President: Sustainable Development

BEng (Elec), University of Limerick, Ireland

Naseem joined Gold Fields in September 2010 as Senior Vice-President: Sustainable Development. Mr Chohan is a qualified Electronics Engineer and spent 25 years with De Beers during which he led the development of sustainability principles for the company. He left De Beers in 2009 when he was Group Consultant, Sustainability and ECOHS (Environment, Community, Occupational Health and Hygiene, and Safety), to start his own mining consultancy.

##### Jimmy WD Dowsley (53)

Senior Vice-President: Corporate Development

BSc (Mining Engineering), University of the Witwatersrand

Mr Dowsley has been General Manager of Corporate Development since March 1998, a title that changed to Senior Vice-President: Corporate Development, in 2002.

Cain Farrel (62)

Company Secretary

FCIS; MBA, Southern Cross University, Australia

Mr Farrel was appointed Company Secretary on 1 May 2003. He is a past President and former Director of the Southern African Institute of Chartered Secretaries and Administrators. Prior to joining Gold Fields, Mr Farrel served as the Senior Divisional Secretary of Anglo American Corporation of South Africa.

Michael D Fleischer (51)

Executive Vice-President: General Counsel

BProc, University of the Witwatersrand; Advanced Taxation Certificate, UNISA

Mr Fleischer was appointed as Executive Vice-President: General Counsel, on 1 November 2006. Prior to his appointment Mr Fleischer was a partner in the corporate services department at Webber Wentzel. Admitted as an attorney to the High Court of South Africa in 1991.

Juan L Kruger (41)

Executive Vice-President: South America Region

Bachelor degree in Business and Finance, Universidad del Pacifico; MBA, Harvard Business School

Mr Kruger was appointed as Executive Vice-President: South America, on 1 August 2009. He has over 16 years experience in corporate finance, strategic planning and general management in various industries in South America, the last being at LAN Airlines. Mr Kruger joined Gold Fields in Peru in October 2007 as Senior Vice-President and country manager to start the Cerro Corona mine.

Tommy D McKeith (48)

Executive Vice-President: Growth and International Projects

BSc Hons (Geology); GDE (Mining); MBA, University of Witwatersrand

Mr McKeith was appointed Executive Vice-President: Growth and International Projects, on 1 July 2011 having occupied the position of EVP: Exploration, since October 2007. Prior to rejoining Gold Fields in 2007 he was CEO of Troy Resources, NL. Between 2004 and 2006, Mr McKeith served as the Vice-President of Business Development at Gold Fields after holding various positions in mine geology, exploration and business development at the company.

Kgabo Moabelo (41)

Executive Vice-President: People and Organisational Effectiveness

BAdmin (Hons) (Industrial Psychology), UNISA; MSc (Engineering Business Management), University of Warwick

Mr Moabelo was appointed Executive Vice-President: People and Organisational Effectiveness, on 1 August 2011 having joined Gold Fields as Senior Vice President, Human Resources (HR), on 1 October 2010. Prior to joining Gold Fields, he was the HR director for Cisco Systems, and, between 2005 and 2008, HR director for Standard Bank. Between 1999 and 2005 he held various HR positions at Anglo Platinum.

Tim Rowland (51)

Executive Vice-President: Group Technical Services

BSc Hons (Geology); MSc (Mineral Exploration); GDE (Mining Engineering); Pr.Sci.Nat; FSAIMM; FGSSA; GASA

Mr Rowland was appointed Executive Vice-President: Group Technical Services, from 1 July 2011. He has 25 years mining industry experience and was acting Executive Vice-President: South Africa Region from 18 October 2010. Prior to this, he was Vice-President and Head of the Gold Fields Technical Division for the South African Region. He joined Gold Fields in 2003 from Anglo American, where he had held a number of senior technical positions.

Peter Turner (54)

Executive Vice-President: South Africa Region

NHD, Vaal Triangle; Mechanical Engineering, Technikon SA; SA Mine Manager's Certificate

Mr Turner was appointed Executive Vice-President: South Africa Region, from 8 August 2011. Prior to this he was Executive Vice-President: West Africa. He has more than 35 years experience in the mining industry. He joined Gold Fields in 2005 as Vice-President: Operations at Kloof and later Driefontein. Prior to joining Gold Fields in 2005, he was the General Manager of the Africa Region for AngloGold Ashanti.

Peet van Schalkwyk (47)

Executive Vice-President: West Africa Region

BSc (Chemistry and Geology); Diploma in Industrial Relations

Mr Van Schalkwyk was appointed Executive Vice-President: West Africa Region, from 19 September 2011. He has more than 25 years experience in the mining industry. He returned to Gold Fields after a period in Turkey, where he was General Manager of Alamos Gold Inc. Prior to this he was General Manager of both the Damang and Tarkwa mines in Ghana. Before joining Gold Fields in 2007, he was the Metallurgical Manager of the Africa Region for AngloGold Ashanti, working in Mali and Tanzania.

Richard M Weston (59)

Executive Vice-President: Australasia Region

FAIMM; CPEng IEA; MSc (Mining Geomechanics), University of NSW; GDM; UCQ; BE (Civil), Sydney University

Mr Weston was appointed Executive Vice-President: Australasia Region, on 1 May 2010. He was formerly Senior Vice-President, Operations, for Coeur d'Alene Mines Corporation, a gold and silver mining company based in Idaho, US. Before joining Coeur, he oversaw the development of Barrick Australia's Cowal gold project and, prior to that, Rio Tinto Australia's ERA Ranger and Jabiluka uranium mines.

## 3.2 Risk management

*Figure: IMIU risk management survey of our operations outside South Africa – showing improvements in all areas*

	2009		2010	
	%Risk Reduction	Risk Exposure Number	%Risk Reduction	Risk Exposure Number
Agnew	79	40	80	26
St Ives	79	28	80	26
<b>Australasia Region</b>	<b>79</b>	<b>34</b>	<b>80</b>	<b>26</b>
Damang	74	27	74.6	27
Tarkwa	74	21	76.5	17
<b>West Africa Region</b>	<b>74</b>	<b>24</b>	<b>75.5</b>	<b>22</b>
Cerro Corona	82	19	82.9	14
<b>South America Region</b>	<b>82</b>	<b>19</b>	<b>82.9</b>	<b>14</b>

Figure: Zurich risk management survey of our South African operations – showing a significant re-rating at South Deep and improvements at Beatrix and South Deep

Zurich Criteria	Beatrix		KDC WEST (Driefontein)		KDC EAST (Kloof)		South Deep	
Year of survey	2009	2011	2009	2011	2009	2011	2009	2011
1. Property (Fire protection standards)	79	62	71	62	74	61	30	29
2. Business Interruption (Flexibility / ability to recover)	35	37	32	32	32	32	58	29
3. Property (Critical spares)	46	47	46	46	46	46	70	64
4. Business Interruption (Spare capacity)	35	36	15	15	21	21	96	43
SOUTH AFRICA REGION	49	46	41	39	43	40	64	41

  

0 - 50 Excellent risk	51 – 100 Good risk	101 – 150 Fair risk	151 + High risk
-----------------------	--------------------	---------------------	-----------------

## 4 Optimising our operations

---

### 3.4 Respecting and protecting the environment

#### 3.4.1 Managing the environmental impact of our operations

Our environmental incident reporting system rates events from Level 1 (incidents of minor non-conformance that result in negligible adverse environmental impact) to Level 5 (incidents that result in significant long-term environmental impact). During 2011, we reported 51 Level 2 incidents (2010: 134), 5 Level 3 incidents (2010: nine) and no Level 4 or 5 incidents (2010: none). Gold Fields was not subject to any significant environmental fines or non-monetary environmental sanctions during 2011.

The management of our environmental impacts is informed by our ongoing engagement with key stakeholders, including government, local communities, NGOs and environmental interest groups. Examples include public consultation under our Environmental Impact Assessment (EIA) process, as well as:

- Collaboration with local communities and environmental authorities on joint water monitoring at our Cerro Corona and Tarkwa mines
- Regular engagement between our environmental management team at Cerro Corona and local community representatives
- Collaboration with the Mining Interest Group in South Africa to manage our collective environmental impacts in the Wonderfontein spruit River area
- Participation in the Far West Rand Dolomitic Water Association in South Africa, through which we engage with local farmers and other stakeholders on water quality and other issues

#### 3.4.2 Implementing environmental stewardship throughout the mine lifecycle

##### Closure and rehabilitation

Rehabilitation is carried out on a concurrent basis at all of our operations to try and reduce our closure liabilities at the end of life of our mines.

At the start of the year, our total operational footprint totalled 17,826 ha. In 2011, we disturbed an additional 8,471 ha of land. In 2011, our Agnew operation rehabilitated a total of 3 ha of land and our Tarkwa operation rehabilitated 24 ha of land. Rehabilitation also took place at our St Ives operation – although exact figures were not available at the point of publishing. This compares to 100 ha of land rehabilitated across the Group in 2010.

We place particular emphasis on re-vegetation using native species and – where possible – the establishment of cash crops. This is particularly the case in Ghana, where we are working with communities to cultivate oil palm, citrus and maize crops on our rehabilitated waste dumps – and are also planting hardwoods, legumes and cocoa.

#### 3.4.5 Managing materials responsibly

In 2011, we recycled the following materials:

- Metal: 16,264 tonnes
- Plastic: 215 tonnes
- Timber as firewood: 4,180 tonnes
- Paper and cartons: 2,794 tonnes
- Other materials (e.g. backfill): 185,989 tonnes

All waste disposal, transportation and recycling contractors are required to adhere to our environmental procedures, including the provision of safe disposal certificates. Key contractors are audited for ISO 14001

compliance and are required to have appropriate certification in terms of relevant national waste management legislation.

Gold Fields does not import, export or transport any waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII.

#### **3.4.6 Respecting and promoting biodiversity**

None of our lands are on or near biodiversity hotspots and we do not have any rare or protected species (including IUCN Red List species) on or near our properties. Despite this, during 2011 we integrated the output of an independent baseline study into our biodiversity management strategy for the western side of KDC in South Africa, which has been identified by authorities as a potential protected area. We are also rolling out similar baseline studies at other South African operations.



## 5 Securing our future responsibly

---

### 5.1 Becoming the employer of choice

#### 5.1.1 Providing productive and worthwhile employment positions

Our employees' variable remuneration is determined through a combination of both individual and corporate performance. This ranges from a 30:70 individual vs. corporate ratio for executive level employees to a 70:30 ratio for specialist groups. All employees working in a managerial or supervisory role have integrated Individual Balanced Scorecards, which assess performance in a range of areas – including financial, operational, safety and environmental performance. Other employees are subject to production and safety targets.

All of our employees receive formal contracts of employment setting out their roles and responsibilities. These terms are explained to each employee during both the recruitment process and induction. Remuneration is based on pre-defined salary scales linked to an employee's band and location – although these can be renegotiated with key employees to ensure that we retain their skills and experience. All of our employees receive more than local minimum wages and receive regular performance reviews. The ratio of standard entry level wages compared to local minimum wages range from 1.01 in South Africa to 1.41 in Australia, 2.18 in Peru and 5.47 in Ghana. This wide range is partly accounted for by regional variations in statutory minimum wages.

Although they vary between locations, typical benefits include vacation, maternity and paternity leave, sick leave, medical support, pensions and life insurance as well as free healthcare services. For example, in South Africa our employees rely on three main pension funds: The Mineworkers Provident Fund, the Mine Employees Pension Fund and the Sentinel Mining Industry Retirement Fund. Other typical benefits include educational assistance, skills development, free or subsidised accommodation and/or living out allowances.

In South Africa – and as part of our efforts to meet our 2014 Mining Charter ownership target – our non-managerial employees own a 10.75% equity interest in our South African Assets.

#### 5.1.3 Achieving success through careful talent management

We continue to maintain our competitiveness in the labour market by regularly participating in industry market surveys. This not only helps us benchmark our remuneration practices, but also keeps us informed of industry developments relating to employee benefits and non-financial recognition programmes.

#### 5.1.4 Promoting constructive labour relations

All employees belonging to unions are subject to collective bargaining agreements. Management employees have a 30 day notice period and Senior Management have a 60 day notice period. For non-managerial employees the statutory notice period applies. For example, in South Africa this is covered under the basic conditions of employment. Employees who have less than one year service are required to serve two weeks' notice and employees with 12 months or longer service are required to serve 30 days' notice.

We carry out constant engagement with our employees' representative organisations, at a range of different levels. In South Africa, for example, these include:

- Shaft Forums, which take place on a weekly basis and address operational issues
- Monthly meetings at our operations and business units to address unresolved issues
- Group Leadership Forums, which take place every two months and address region-level issues
- A Central Steering Committee, which takes place every quarter and is attended by regional and national union leaders

Other channels for dialogue with organised labour include:

- Established communication channels with human resource managers on all sites
- Employee representative committees

- Our website, intranet, newsletters and campaign-specific communications
- Employee climate surveys

### **5.1.5 Respecting human rights**

Gold Fields practices labour and employment policies that comply with the terms of the International Labour Organization (ILO) protocol on decent work and working conditions. This includes the ILO's eight core conventions with respect to:

#### **Freedom of Association and collective bargaining**

- Freedom of Association and Protection of the Rights to Organise (No.87)
- Right to Organise and Collective Bargaining (No.98)

#### **Elimination of forced and compulsory labour**

- Forced Labour (No.29)
- Abolition of Forced Labour (No. 105)

#### **Elimination of discrimination in respect of employment and occupation**

- Equal Remuneration (No.100)
- Discrimination (Employment Occupation) (No. 111)

#### **Abolition of child labour**

- Minimum Age (No. 138)
- Worst Forms of Child Labour (No. 182)

A key tool in our management of human rights issues is our Human Rights Toolkit, which we use to educate employees and contractors. It uses a range of innovative techniques to sensitise users to relevant human rights issues, including case studies, games, scenarios and multimedia communications materials. The Toolkit materials can be adapted to specific regional contexts and to different employee roles. This ensures that human rights training remains relevant and appropriate across Gold Fields. All of our induction programmes also include human rights elements.

Our human rights initiatives are supported by our internal grievance mechanisms, through which employees and contractors can raise human rights concerns. All grievances are handled by our human resources department, which uses defined guidelines to record, evaluate and address complaints. In addition, employees can raise individual concerns with independent, external counsellors and advisors through our Employee Assistance Programme.

During 2011, there were two formal grievances lodged in relation to alleged racial discrimination. Where incidents of discrimination do take place – whether racial, sexual or otherwise – these are investigated and resolved internally.

There were no incidents of forced labour or child labour at any of our operations. None of our operations represent significant risks in this respect – or to the rights of freedom of association and collective bargaining.

As our human rights capabilities mature, it is envisaged that we will integrate related requirements and commitments into our investment agreements and procurement contracts.

## 5.2 Promoting productivity, health and wellbeing

### 5.2.2 Helping employees address HIV/AIDS, TB and malaria

#### HIV/AIDS and TB

Our five-year retention rate on our HAART programme is 61%. Approximately 4% of employees who leave the programme do so as a result of non-adherence to the HAART regime. Former employees continue receiving treatment at their place of residence through government-funded public health facilities. The provision of relevant healthcare services to family members is dependent upon employees' participation in our contribution-based, in-house medical scheme.

During 2011, we spent the following sums on treating HIV/AIDS and TB:

- Individuals infected with HIV/AIDS only: R83.4 million (US\$11.6 million)
- Individuals infected with TB only: R27.0 million (US\$3.7 million)

### 5.3.5 Respecting the rights of local and indigenous people

In 2011, there were no incidents involving the violation of indigenous peoples' rights by Gold Fields. The only areas in which our operations take place in or adjacent to indigenous peoples' territories are at our Agnew and St Ives mines in Australia.

Our operations have not had any significant disputes relating to land use, customary rights of local communities and indigenous peoples in 2011.

Gold Fields has formal agreements in place with the following indigenous communities, amongst others:

- Widji: This includes a future agreement, as well as an Aboriginal Consent and Site Clearance Agreement and Protocol over certain exploration leases
- Ngadju: This includes Standard Heritage Agreements for a number of leases
- Wutha: We are awaiting approval for amendments to a 1997 Land Access Agreement, covering an annual payment, a production payment for new projects and employment provisions

#### Resettlement and removal

Our use of the open pit mining method in Ghana, as well as local reliance on agriculture means we often need to manage resettlement processes in Ghana. In 2011, there was one case of resettlement in Katamanto village, involving 17 property-owners.

Resettled people are provided with adequate compensation and/or housing and, where relevant, with the means to generate alternative livelihoods. We have an active Livelihood Restoration Programme, through which resettled people can use their compensation money to purchase agricultural land – while Gold Fields provides them with the means to successfully cultivate it. This includes, for example, the provision of oil palm seedlings and livestock. This programme is integrated with our broader agricultural development projects in the area (p145).

#### Land impacts

In Australia, our St Ives mine agreed a new land access agreement in relation to the nearby Murga Station. In return for our occupation of approximately 1,100ha of the station, we pay above market rate compensation negotiated with the assistance of a third-party economist.

Our surface operations in Ghana often impact upon local land use and crops. We participate in a formal system to inform local land users of any activities likely to affect their interests. This includes the formation of multi-stakeholder committees made up of the traditional authorities, local community members, land users, district assembly members and the land valuation board. This aims to establish relevant compensation procedures and packages before we start our activities. The Committee does so in cooperation with community representatives, local chiefs, the local district assembly and the Environmental Protection Agency. This procedure was used twice at Damang during 2011. Significant cases included the payment of compensation for land impacted by the proposed Far East Tailing Storage Facility (FETSF) and the Huni Waste dump.

Complaints can also be made – anonymously if necessary – outside of this formal system. If a complaint is made, we will ensure it is recorded, investigated, tracked and resolved. We aim to ensure legitimate cases are fully compensated – and to identify the minority of ‘speculative’ cases (i.e. where crops are planted or settlements established in anticipation of future compensation).

## 5.4 Forging strong relationships through sound business ethics

### 5.4.1 Complying with the law

All of our employees are given training on our Code of Ethics during induction, while additional, specific training has been rolled-out to staff to accompany the recently updated Code.

All of our operations and business units are monitored for corruption risks by Gold Fields Protection Services (GFPS), as well as our normal internal audit systems. In addition, we maintain an independent whistleblowing hotline managed by Deloitte, to facilitate the confidential reporting of Code violations, fraud and other inappropriate behaviour. During 2011, there were:

- No material transgressions of our ethics policy reported via our dedicated hotline, or any other means
- No significant incidents of corruption at management level. When incidents of corruption are identified, these are investigated internally and, where relevant, referred to disciplinary procedures or, in more serious cases, to law enforcement authorities
- No legal actions against Gold Fields for anti-competitive behaviour, antitrust, and monopoly practices
- No significant fines or non-monetary sanctions for non-compliance with laws and regulations

We operate a ‘closed period’ prior to the publication of our quarterly and annual financial results during which employees and directors may not deal in Gold Fields shares in line with the JSE Listings Requirements. This is also extended to periods when Gold Fields is trading under a cautionary announcement or when employees or directors are in possession of unpublished price-sensitive information.

[http://www.goldfields.co.za/pdf/code\\_of\\_ethics\\_24102011/coe\\_english.pdf](http://www.goldfields.co.za/pdf/code_of_ethics_24102011/coe_english.pdf)

<http://www.tip-offs.com/>

### 5.4.3 Managing an ethical and effective supply chain

In addition to our Sustainable Sourcing Dashboard, our general selection audits for new suppliers include human rights components. Similarly, suppliers are required to meet our own human rights standards. Any failure to do so will result in immediate contract termination. We plan to roll out our Human Rights Toolkit to suppliers and contractors in order to raise awareness about the risk of human rights abuses.

All vendors sign our Code of Ethics to ensure alignment with our human rights policy. In 2012 we plan to embark on a full, independent audit to ensure vendors adherence in this respect.

All Gold Fields outsource contracts for the supply of materials, equipment and skills contain stipulations on compliance with labour and other employee-related laws of the country of manufacture and/or operation – using the standards of the International Labour Organisation as a basis. Our supplier contracts also include specific clauses determining minimum standards of compliance for:

- Working hours
- Medical support
- Accommodation
- Potable drinking water
- Employee human rights

In addition, Gold Fields instructs contractors to adhere to the Gold Fields Human Rights Policy Statement, the Gold Fields Labour Policy, the 10 Principles of the United Nations Global Compact, and the 10 Principles of the International Council on Mining and Metals.

#### **5.4.4 Securing people and assets whilst respecting human rights**

We work closely with local law enforcement officials in all of our countries of operation. In Peru, we maintain a small number of local police officers on-site at Cerro Corona, who we support financially. In Ghana, we host a small detachment of soldiers at Tarkwa, for which we also provide financial support. As with other gold mining companies in Ghana, this detachment was put in place on the instructions of the government for operation Calm Life and is used on an ad hoc basis to assist with bullion transfers. At both Tarkwa and Damang, human rights training is conducted for all our third party associates, including the military. Every time the military detachment is rotated, we conduct a new round of training. In South Africa, we work with the Chamber of Mines, the Rand Refinery, the police and peer companies on the geological ‘fingerprinting’ of gold. This helps identify the source of potentially illicit gold and assists in the prosecution of gold theft.

<http://www.randrefinery.com/>

### **6.3 Assurance**

#### **6.3 Independent Assurance Report to the Directors of Gold Fields Limited**

It is and shall remain the responsibility of Gold Fields to ensure that any electronic publication properly presents Gold Fields’ information and the KPMG assurance report. Gold Fields shall ensure that financial information on its website distinguishes clearly between the information that KPMG is associated with and other information and avoids any inappropriate association. Any publication of the KPMG assurance report made by Gold Fields is to be complete and unaltered in any way. KPMG’s report is as of KPMG report date and KPMG has carried out no procedures of any nature subsequent to that date which in any way extends that date.