



2018

Salient human rights issues at Gold Fields



GOLD FIELDS

Salient issue – health and safety

Occupational incident or exposure leading to physical and/or psychological harm and/or illness



Causes

- Negligence
- Poor understanding of link between mining and community health and safety
- Catastrophic infrastructure failure
- Exposure to harmful environment
- Inadequate safety standards and implementation/enforcement
- Poor safety culture
- Non-compliance with legislation, policies, standards and/or procedures
- Natural events
- Failure of infrastructure
- Poor occupational assessment (physical and mental)
- Organisational culture
- Poor leadership
- Occupational and personal stress
- Fatigue
- Pollution
- Inadequate resources to control risks

Leading up to the event ▶

Preventative controls

- Policies and procedures – up to date, communicated and understood
- Targeted health education and awareness campaigns
- Compliance to regulatory framework
- Health and safety management system
- Organisational culture interventions
- OHSAS certifications
- Disciplinary and grievance procedure
- Behaviour based safety programmes
- Occupational health assessments
- Proper design, certified where applicable
- Health and safety training on relevant risks
- Support to public health institutions in host communities
- Infrastructure maintenance policy
- Zero Harm commitments
- Employee assistance programmes
- Board and management oversight
- Industry networking and collaboration
- Employee support and life skills programme
- Risk management
- Community grievance mechanism
- Recognition and incentive programme

Consequences

- Injury, disability, loss of life
- Loss of government support
- Illness and incapacitation
- Legal liability (civil and/or criminal)
- Psychological effects
- Increased anti-mining sentiment in communities
- Business interruption
- Low morale
- Fines and sanctions
- Reputational damage
- Scrutiny from regulators
- Difficulty in attracting skills

◀ Once the event has occurred

Mitigation and damage control

- Accident investigation and close out of corrective actions
- Provide access to medical care to indigent community members
- Family compensation
- Health care
- Rehabilitation
- Address community concerns/complaints
- Compensation and insurance

Considerations for further mitigation

- Focus on psychological harm (e.g. risks arising from Fly-In, Fly-Out work arrangements)
- Consideration of shared value opportunities, such as safety and wellness training

Salient issue – water

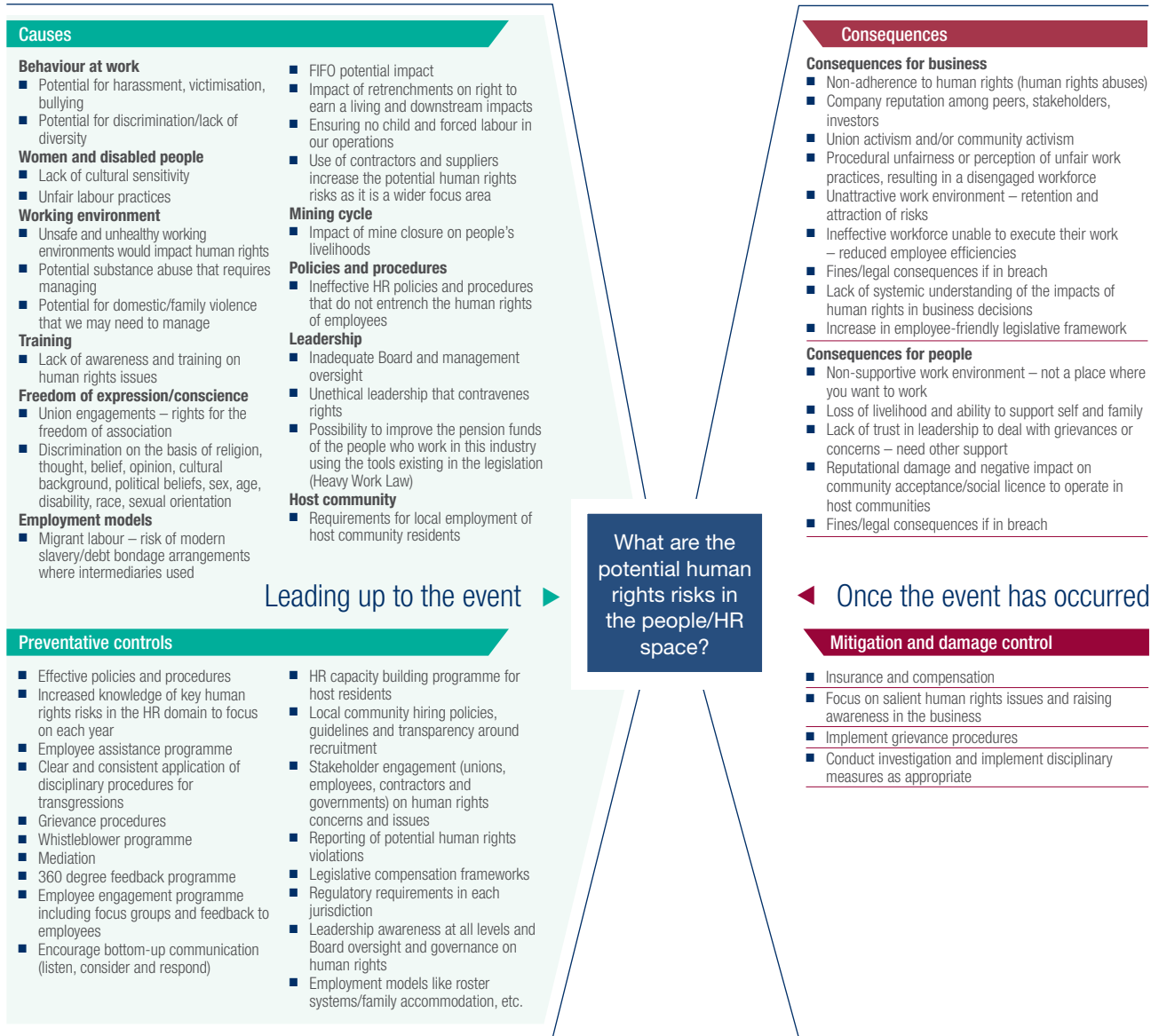
Loss of water containment



- Considerations for further mitigation**
- Region/site water management steering committees to be enhanced
 - Leverage innovation and technology opportunities
 - Implementation/integration of post closure water management plans

Salient issue – human resources

Impact on people



- Considerations for further mitigation**
- Training and awareness programmes with employees and leaders with a particular focus on groups that are at risk, e.g. security personnel and those who manage disciplinary/grievance processes (HR/legal/line managers). This would extend to suppliers and contractors
 - Human rights reporting categories included in reporting to better track and monitor human rights issues in the grievance process. Trend analysis of potential human rights violations

HUMAN RIGHTS POLICY STATEMENT

The Gold Fields Limited Group of Companies strives to ensure that every individual within the Group respects the rights and freedoms enunciated below in respect of all identified stakeholders such as fellow employees, associates, business partners, host communities, etc and to secure their effective recognition and observance throughout the Group. Gold Fields seeks to protect the right to:

- human dignity;
- not be subject to any form of unfair discrimination or harassment;
- fair treatment (subject to considerations of affirming previously disadvantaged groups);
- freedom and security of person;
- not be subjected to slavery, servitude, and forced labour;
- freedom of conscience, religion, thought, belief, opinion and cultural heritage;
- freedom of expression (subject to considerations of confidentiality and the prohibition of hate speech and incitement to cause harm);
- peacefully assemble;
- freedom of association;
- make political choices and to exercise those rights outside of working hours;
- freedom of movement including the minimisation of involuntary resettlement (subject to fair compensation where the latter is unavoidable);
- fair labour practices;

- not be employed if you are a child;
- not be arbitrarily deprived of property or possessions;
- freely participate in the cultural life of your choice;
- lawful, reasonable and fair action; and
- not be subjected to arbitrary arrest or detention.

Gold Fields supports local legislation and the United Nations Universal Declaration of Human Rights and the Voluntary Principles on Security and Human Rights.

Employees of Gold Fields will play a fundamental role in protecting the above mentioned rights by:

- integrating the protection of such rights into everyday practice;
- reacting proactively and adhering to the local legislation and Group's human rights policy;
- encouraging diversity in accordance with the local legislation and Group diversity policy;
- training of and guidance for all relevant staff, including security staff and contract personnel;
- respecting the cultural heritage of communities surrounding our mining activities; and
- stipulating that suppliers and contractors conduct themselves in accordance with local legislation and this human rights policy.

Salient issue – resettlement

Land acquisition and economic compensation and resettlement



- Considerations for further mitigation**
- Human rights impact assessments
 - Medium and long-term business planning (include future resettlement issues)
 - Learning from expert reviews (Asanko)
 - Systems for recording agreement obligations and controls
 - Compliance with international good industry practice
 - Work with local government to align national and international standards

Salient issue – procurement Human rights breach by supplier



Causes

- Re GFL**
- Gold Fields product and/or service specifications
 - Suppliers' human rights commitments
 - Contractors' human rights commitments (operational allowances, e.g. overtime) (*South Africa*)
 - Inadequate contract management/review
 - Gold Fields view on Tier 2 suppliers and potential transgression exposure
 - Non-compliance consequences/ penalties for suppliers (*Australia*) ineffective in acting as a deterrent
 - Lack of understanding of supply chain risk (i.e. focus just on supplies, not entire supply chain) (*Australia*)
 - Lack of understanding of scope/ scale of potential human rights abuses (*Australia*)
 - Multi-national supply chain (*Australia*)
 - Lack of supply chain transparency (*Australia* | *South Africa* – re suppliers)
 - Cost pressures (*Australia*)
 - Programmes and initiatives to maximise procurement from host community-based suppliers (*Philippines*)
 - Local content requirements and perceived or real unfairness (*Ghana*)
 - Inadequate capacity (including financial and technical capacity) of local suppliers to adopt comprehensive human rights programmes (*Ghana*)
 - Poor pre-evaluation of potential suppliers (*Chile*).
 - Lack of supervision at suppliers regarding the use of workers in conditions of desperation (massive migrations), and inadequate payments for their services (*Chile*)
 - Gold Fields makes commitments to maximise employment in the host community in countries where a difference can't be made (*Chile*)
 - Inadequate evaluation of the real effect generated by Gold Fields' decisions and actions in the host community (*Chile*)
 - Inadequate vendor/contractor screening and risk assessment (*Peru*)
 - Unawareness of the real origin of purchased goods (*Peru*).
 - Unawareness of current market conditions – excessive pressure for reduced pricing (*Peru*)
 - Inadequate monitoring of contractors' compliance with labour regulations (*Peru*)

Re people

- BSC compilation and/or inadequate management oversight
- Supplier's contact person/contract manager's understanding of his/her company's approach to human rights
- Inadequate training (*Australia*)
- Lack of understanding of relevance to and impact on Gold Fields (*Australia*)
- Host community-based supplier understanding of and commitment to human rights (*Philippines*)
- Lack of individual understanding regarding the contrary conduct to human rights (*Chile*)
- Inadequate training on the possible effects of the supply chain on human rights violations (*Peru*)
- Disregard of alerts flagging potential human rights violations within a service/purchase order (*Peru*)

Leading up to the event ►

Human rights breach by supplier

Preventative controls

- Re GFL**
- CoC contractor and supplier certification
 - Monthly risk screening of suppliers (via Dow Jones)
 - Supplier awareness and development programmes
 - Contract management and robust product/service specifications
 - Procurement processes, i.e. Tender Review Committee, due diligence, etc.
 - Governance and compliance framework
 - SOX and COSO controls
 - Internal screening risk calculator ("SRC") applied to all suppliers with confirmed (risk mitigated) screening matches
 - Monthly reconciliation of active SAP and Dow Jones active suppliers to ensure all active vendors are screened
 - Compliance with local legal requirements (e.g. impeding Australian Modern Slavery Act (*Australia*) | Local content in procurement (*Ghana*))
 - Involvement with organisations such as the Walk Free Foundation, UNGC, etc. (*Australia*)
 - Continues involvement in industry collaboration projects re modern slavery (*Australia*)
 - Capacity-building programme for host community-based suppliers (*Philippines*)
 - Supplier contract monitoring and supervision (*Ghana*)
 - Request for updating and monthly review of supplier reports regarding compliance with human rights (*Chile*)
 - Execute complete and previous social assessments regarding the possible effects that the decisions and works of Gold Fields will cause on the community (*Chile*)
 - Generate internal awareness campaign for leaders and contract managers so that they distribute the message to their dependants (*Chile*)
 - Training of contractors in most significant risks and prevention of human rights violations (*Peru*)
 - Addition of clause in purchase orders requesting information on origin of goods (*Peru*)

Re people

- Skilled analysis of the screening outcome and profiled risk view derived from the SRC
- Training and awareness creation (*Ghana*) of local suppliers' managers on human rights (*Philippines*)
- Continuous training of employees (own and contractors) related to Gold Fields' operations (*Chile*)

Consequences

- Re GFL**
- Decline in Gold Fields' ESG ratings
 - Product and/or service disruption, with a potential loss in production and income
 - Human Rights Commission involvement and scrutiny
 - Shareholder/stakeholder condemnation
 - Reputational damage and negative impact on social licence to operate (*Philippines*)
 - Gold Fields' subsidiary liability for suppliers' human rights breach (*Philippines*)
 - Financial loss/liability (*Ghana*)
 - Regulatory breaches leading to fines and sanctions (*Ghana*)
 - Application of governmental sanctions (*Chile*)
 - Suspension or loss of permits to operate (*Chile*)
 - Manifestations that affect the company or operation (*Chile*)
 - Adverse media (*Peru*)
 - Social/community disapproval and rejection (*Peru*)
 - Loss of social licence (*Peru*)
 - Loss of operational permits or licences (*Peru*)

Re people

- Harm to victims of child and slave labour or other human rights transgressions
- Product and/or service disruption or contract termination could have a negative bearing on Gold Fields' fixed-term and contractor employees
- Labour impact on supplier's other employees, i.e. they could lose their jobs
- Indirect impact on community due to reputational and financial losses incurred by the Company
- Complaints/grievances by affected persons (e.g. local suppliers' employees) (*Philippines*)
- Gold Fields' operations generate migration of people and settlements in host community and the infrastructure is not ready, generating lack of services and the consequent human rights non-compliance (*Chile*)
- Child labour connected to Gold Fields' source of materials (*Peru*)
- Modern slavery related to severe underpayment of workforce (*Peru*)
- Exploitation of illegal immigrants (*Peru*)

◀ Once the event has occurred

Mitigation and damage control

- Re GFL**
- Termination of contract
 - Emergency contract management, from a crisis management point of view
 - Criminal prosecution
 - Disassociation or remediation
 - An alternate Plan B supplier re supply of goods and services
 - Grievance mechanism (*Australia*)
 - Technical collaboration with governments and social associations for the reintegration of victims of human rights infringements (*Chile*)

Re people

- Reorientation, training and counselling (*Philippines*)
- Contractually establish indemnification obligation of the contractor towards the persons under his dependence who are affected by non-compliance of human rights related to your activities of contractor (*Chile*)

Considerations for further mitigation

- Constant risk and gap analysis and continuous improvement
- Enhanced due diligence for risk-flagged suppliers or suppliers with confirmed screening matches
- Supplier audits?
- Develop Supplier Code of Conduct focusing on procurement requirements, as the Group CoC already covered ethical conduct requirements
- Fourth party (ultimate parent company) screening?
- Consider compliance with UK Modern Slavery Act as best practice – issuing modern slavery compliance statement (*Australia*)
- Training and ongoing awareness – scope/scale of human rights issues (*Australia*)
- Consider implementing tender requirement re human rights awareness and compliance (*Australia*)

Salient issue – mine closure

Impact on stakeholders of mine closure



Causes

- Insufficient or incorrect liability estimate for implementation of mine closure plan
- Insufficient or incorrect resources for implementation of mine closure plan
- Financial provision (environmental reclamation/rehabilitation bond or other) insufficient or incorrect; or the security may not be realised
- Absent, incomplete or incorrect mine closure plan. Regulator does not accept mine closure plan or prescribes opposing or other requirements
- Delayed, failed or ineffective start to implementation of mine closure plan
- Delayed, failed or ineffective implementation of progressive rehabilitation
- Changing landscape (e.g. community influx, statutory changes, mining activities)
- Emergence of AMD, contaminated land/soil and/or other issues not previously identified
- Lack of suitable materials for mine closure to meet mine closure prescriptions (such as rock, topsoil etc.)
- Post closure liability not fully understood or planned for
- Social, community and socio-economic risk and liability not fully understood or planned for
- Poor controls, monitoring and evaluation of mine closure plan implementation
- Rehabilitation activities impacted by natural catastrophic event (fire, flood, earthquake, drought, extreme rain event) or faunal disturbances or sabotage
- Long-term impacts of rehabilitation through climate change
- Regulator does not agree to relinquishment
- Catastrophic failure or sabotage of mine infrastructure
- Artisanal/illegal mining of "closed" landforms or activities
- Premature, partial or unscheduled mine closure
- Operation enters into care and maintenance
- Mergers and acquisitions do not consider mine closure
- Mining activities

Leading up to the event ►

Preventative controls

- Group guidance for mine closure plans that include statutory compliance, ICMM requirements, industry good practice, comprehensive coverage of all aspects (i.e. environment, community, social, procurement, human resources, biophysical, indirect activities, human rights, resettlement, etc.), care and maintenance, unscheduled closure and a resourcing and scheduling plan (detailed versus conceptual closure?)
- Compliance assessment of mine closure plan against Group guidance
- Strategy for provision where gaps exist
- Effective portfolio management
- Annual review and update of mine closure plan
- Performance monitoring protocols for completed rehabilitation
- Regular review and update of Group guidance
- Standardised Group guidance for closure cost estimates (scheduled and unscheduled) aligned with SOX and IFRS requirements. Supported by procedure manual and updated COSO controls
- Annual review and update of closure cost estimate (scheduled and unscheduled)
- Assurance and review of closure cost estimate (scheduled and unscheduled)
- Operational and/or budgets to include applicable closure costs including indirect closure costs
- Due diligence framework to include mine closure plan, liability and provision consideration
- Mine closure requirements for exploration and project activities including compliance with statutory requirements for mine closure
- Progressive rehabilitation to be included in life-of-mine (LoM) closure cost and scheduling
- Progressive rehabilitation plans to be developed and included in business plans (one year, detailed) and three-year plans
- Progressive rehabilitation monitoring and evaluation of implementation
- Progressive rehabilitation lessons learnt: document and update
- Co-operative management between Mine Closure lead and mine planning lead to ensure appropriate scheduling and scheduling changes
- Post closure liability (water management) plans developed for all operations
- Pre-feasibility study for post closure liability management (or mitigation) implementation
- Group financial reporting for post closure liability estimate
- Group provision for post closure liability, or strategy for provision
- Social transitioning strategy that considers stakeholder engagement, host community employment and procurement
- Annual review and update of risk assessment and management plan
- Implementation of social transitioning strategy
- Effective stakeholder engagement for mine closure
- Artisanal mining risk assessment and management plan
- Suitable and adequate financial provision
- Project studies to include mine closure plan, liability and provision consideration
- Appropriate bond assurances in insurances and/or financial provision
- Review process for statutory obligations and risk
- Legal intervention (keep up to date, and influence where possible)
- Internal engagement forums such as Group Integrated Mine Closure Planning Steering Committee
- Design with closure in mind
- Human resources, social and community approach/strategy

Consequences

- Risk to human rights impact not addressed, but occur and perpetuated, including loss of livelihood, access to water, sanitation, resources, quality of life
- Environmental impacts not addressed, but occur and perpetuated
- Non-compliance to legal and/or other obligations
- National and regional social impacts not addressed, but occur and perpetuated
- Host community social impacts not addressed, but occur and perpetuated
- National and regional economic impacts not addressed, but occur and perpetuated
- Catastrophic failure of infrastructure or landform resulting in death, damage or loss
- Grievances and complaints which impact on ability for, or timing of, relinquishment
- Reputational impact on Company, potential financial impacts, and multi-jurisdictional investment risks
- Financial losses to Company (short term)
- Financial losses to Company (long term) in addressing post closure liabilities
- Regulator does not agree to relinquishment
- Impact on mergers and acquisitions and potential asset value
- Direction, sanction, penalty or fine against Company
- Delayed "walk-away" or completion of mine closure activities

◀ Once the event has occurred

Mitigation and damage control

- Reactive and emergency management of social, environmental and other impacts
- Emergency response plan
- Protect value with regulator and/or other stakeholders – including partnerships. Robust engagement and relationship
- Reputation management
- Care and maintenance plan
- Appropriate insurances
- Effective portfolio management
- Effective and increased stakeholder engagement
- Portfolio management adjustments
- Legal interventions
- Contingency planning and risk assessments
- Crisis management plan
- Compensation
- Human resources (employee), social and community approach/strategy – response

Salient issue – public security

Abuse of power by public and private security



Considerations for further mitigation

- Cooperation/coordination with peer companies on complaints of human rights abuse by public and private security providers.