

GRI report for the Integrated Annual Review 2011



GOLD FIELDS

GRI Content Index

STANDARD DISCLOSURES PART I: Profile Disclosures

1. Strategy and Analysis

Profile Disclosure	Description	Cross-Reference	Reason for Omission	Further Explanation
1.1	Statement from the most senior decision-maker of the organization	Integrated Annual Review (IAR) 11-17		
1.2	Description of key impacts, risks, and opportunities.	IAR throughout, 38-39, 73, 81, 89, 93, 105		

2. Organizational Profile

Profile Disclosure	Description	Cross-Reference	Reason for Omission	Further Explanation
2.1	Name of the organization.	IAR front page, 2		
2.2	Primary brands, products, and/or services.	IAR 2		
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	IAR inside front cover (IFC) , 2, 72-97		
2.4	Location of organization's headquarters.	IAR back cover WR		Gold Fields has its headquarters at: 150 Helen Road Sandown Sandton, 2196 Johannesburg Gauteng Private Bag X30500 Houghton, 2041 South Africa
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	IAR IFC, 2, 72-97, 98-118		
2.6	Nature of ownership and legal form.	IAR 2, 26, 118		

2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	GRI Web Report (WR)	Not relevant	Gold Fields sells its gold directly to international bullion banks. The commodity nature of gold means that it is not possible to define markets beyond the international bullion market.
2.8 (G3.1)	Scale of the reporting organization.	IAR IFC, 4-5, 72-97, 98-118		
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	118		
2.10	Awards received in the reporting period.	IAR 27		
3. Report Parameters				
Profile Disclosure	Description	Cross-Reference	Reason for Omission	Further Explanation
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	IAR 2		
3.2	Date of most recent previous report (if any).	IAR 2		
3.3	Reporting cycle (annual, biennial, etc.)	IAR 2		
3.4	Contact point for questions regarding the report or its contents.	WR		Contact point for questions regarding the report or its contents: Sven Lunsche Corporate Affairs Manager Sven.lunsche@goldfields.co.za Tel: +27 11 562 9700 Fax: +27 11 562 9838
3.5 (G3.1)	Process for defining report content.	WR		The content of the sustainability section of the Integrated Annual Review is determined by 1) the operational and financial performance and requirements of our eight mines; 2) the legal, economic and regulatory environment of the jurisdictions in which we operate; 3) the material issues identified by stakeholders in our dialogue with them; 4) the priorities spelt out by the Board of Directors in their interaction on the annual report. Primarily we expect our shareholders and regulators to use the report, though it is also being scrutinised by NGOs and the media.
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	IAR 2 WR		The Integrated Annual Review provides information on organisations in which Gold Fields wholly-owns, has a majority stake, or in which it has a significant strategic interest.
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	IAR 2		
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other	WR		The Integrated Annual Review provides information on organisations in which Gold Fields wholly-owns, has a majority stake, or in which it

	entities that can significantly affect comparability from period to period and/or between organizations.			has a significant strategic interest.
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	IAR 4, 13, 47, 56, 61, 67, 119, 124-125, 129, 136, 142-143, 167 WR		<p>Please note the Integrated Annual Review includes a number of restatements, which are referred to – where relevant – in the text.</p> <p>Please note the following in relation to the published data:</p> <p>Environment (Australia) The Australian operations do not report on the quality of water discharged, as water is not discharged directly into the environment.</p> <p>Social (South Africa) Total BEE procurement spend is calculated on goods received and the categories of capital goods, services and consumables are also calculated on goods received, not actual expenditure.</p> <p>Safety (South Africa and Australia) In South Africa, distinctions are not made between minor injuries and medically treated injuries. All injuries treated at the dressing stations are therefore included within the Medically Treated Injury Rate.</p> <p>Due to prevailing legislative requirements in Australia, restricted work cases are excluded from the Lost Time Injury statistics but are included within the Medically Treated Injury statistics. Restricted work cases are those where an employee cannot resume his or her normal duties but may resume work on light duty.</p>
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. Mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	IAR 4, 37, 47, 56, 72, 74, 78, 84, 88, 90, 9, 96		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	IAR 2		
3.12	Table identifying the location of the Standard Disclosures in the report.	WR		
3.13	Policy and current practice with regard to seeking	IAR 3, 33, 161-167		

	external assurance for the report.			
4. Governance, Commitments, and Engagement				
Profile Disclosure	Description	Cross-Reference	Reason for Omission	Further Explanation
4.1 (G3.1)	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	IAR 22-35		
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	IAR 28		
4.3 (G3.1)	For organizations that have a unitary board structure, state the number of member and gender of the highest governance body that are independent and/or non-executive members.	IAR 27, 30-31		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	IAR 27-29		
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	IAR 28 IAR (online only) Financial Report (FR) 35-38		
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	IAR 25, 29 IAR (online only) FR 107-108		
4.7 (G3.1)	Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of and other indications of diversity.	IAR 27-31, 133, 135		
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	IAR throughout, 6, 24		
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with	IAR 26-29, 32-35		

	internationally agreed standards, codes of conduct, and principles.			
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	IAR 28-29, 32-35		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	IAR throughout, 36-39, 73, 81, 89, 93, 105		
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	IAR 3, 26-27		
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	IAR 3, 26, 64, 68, 71, 51, 130, 146, 154, 157-158		
4.14 (G3.1)	List of stakeholder groups engaged by the organization.	IAR 40-43, 141		
4.15	Basis for identification and selection of stakeholders with whom to engage.	IAR 40		
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	IAR 39-41, 141		
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	IAR throughout, 2, 10, 13, 14, 16, 19, 29, 40-43, 141		

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

G3 DMA	Description	Cross-Reference	Reason for Omission	Further Explanation
DMA EC	Disclosure on Management Approach EC	IAR 8-17, 142-148 WR Website		See below.
DMA EN	Disclosure on Management Approach EN	IAR 8-17, 61-71 IAR (online only) WR Website		See below.
DMA LA	Disclosure on Management Approach LA	IAR: 128-135 IAR (online only) WR Website		See below.
DMA HR	Disclosure on Management Approach HR	IAR: 132-135, 156-158 IAR (online only) WR Website		See below.
DMA SO	Disclosure on Management Approach SO	IAR 141-158 IAR (online only) WR Website		See below.
DMA PR	Disclosure on Management Approach PR	n/a	Not relevant	See below for relevant references to Product Responsibility

STANDARD DISCLOSURES PART III: Performance Indicators

Economic

Performance Indicator	Description	Cross-Reference	Reason for Omission	Further Explanation
EC1	Direct economic value generated/distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	IAR 4-5, 15, 142		
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	IAR 16-17, 66-69		
EC3	Coverage of the organization's defined benefit plan obligations.	IAR (online only)		
EC4	Significant financial assistance received from government.	IAR 154		
EC5 (G3.1)	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	IAR 129, 135 IAR (online only) WR		Average wage ratios are provided in the Integrated Annual Review for both standard entry level wage and for male versus female wages. The ratio of the male to female entry-level wage is 1.015.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	IAR 146-148		
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	IAR 128-129, 131-133		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	IAR 142-145 Online case studies		
EC9	Understanding /describing significant indirect economic impacts, including extent of impacts	IAR 15-16, 142-148 Online case studies		

Environmental				
Performance Indicator	Description	Cross-Reference	Reason for Omission	Further Explanation
EN1	Materials used by weight or volume.	IAR 61, 69		
EN2	Percentage of materials used that are recycled input materials.	IAR 71 IAR online WR		In 2011, we recycled a range of materials including the following: <ul style="list-style-type: none"> - 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 <p>We are currently refining our methodology so we are able to disclose percentages for the above materials in future reporting cycles.</p>
EN3	Direct energy consumption by primary energy source.	IAR 50-51, 167		
EN4	Indirect energy consumption by primary source.	IAR 50-51, 167		
EN5	Energy saved due to conservation and efficiency improvements.	IAR 50-51, 68, 82, 84 Online case study		
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	n/a		Indicator is not relevant to the product we produce – gold.
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	IAR 50-51, 68, 82, 84 Online case study		
EN8	Total water withdrawal by source.	IAR 61, 63		
EN9 (G3.1)	Water sources significantly affected by withdrawal of water.	IAR 63	Only partially relevant	No water sources are significantly affected by our water withdrawal.
EN10	Percentage and total volume of water recycled and reused.	IAR 65-66, 71 WR		In 2011, we recycled 9,969 MLT or 12.75% of our water. We also reused 3,093 MLT or 3.95% of our water
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	IAR 71 IAR (online only)		
EN12	Description of significant impacts of activities, products, and services on biodiversity in	IAR 71 IAR (online only)		

	protected areas and areas of high biodiversity value outside protected areas.			
EN13	Habitats protected or restored.	IAR 62, 71 IAR (online only) WR		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.
EN14 (G3.1)	Strategies, current actions, and future plans for managing impacts on biodiversity.	IAR 71 IAR (online only)		
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	IAR (online only)		
EN16	Total direct and indirect greenhouse gas emissions by weight.	IAR 61, 66-67, 167		
EN17	Other relevant indirect greenhouse gas emissions by weight.	IAR 61, 66-67, 167		
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	IAR: 50-51, 61, 66-68, 167		
EN19	Emissions of ozone-depleting substances by weight.	n/a	Not material	Further explanation given in IAR 61
EN20	NOx, SOx, and other significant air emissions by type and weight.	IAR 61, 63, 167		
EN21	Total water discharge by quality and destination.	IAR 61-64, 167		
EN22	Total weight of waste by type and disposal method.	IAR 69-71		
EN23	Total number and volume of significant spills.	IAR 62		
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	IAR (online only)		
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	WR		Our discharges are sampled and monitored regularly, in accordance with our permit/licence conditions. To date, we have not witnessed or found any definitive evidence that our discharges cause/have caused harm or that they have any material impact on the receiving environment - including relevant water bodies.
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact	n/a	Not relevant	Gold is a benign product which has no significant health or safety impacts.

	mitigation.			
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	n/a	Not relevant	Not relevant to Gold Fields as gold is sold in an unwrought form. Packaging requirements are not necessary or are minimal.
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	IAR (online only)		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	IAR 61, 67 IAR (online only)		
EN30	Total environmental protection expenditures and investments by type.	IAR 61		<p>In 2011, our environmental expenditure included the following elements:</p> <ul style="list-style-type: none"> - Pollution prevention: US\$4.6 million - Audits: US\$270,000 - Geo-studies and EIA's: US\$2.2 million - Rehabilitation: US\$1.3 million - Radiation: US\$40,000 <p>In addition, we also invested an additional US\$6.9 million on operational and rehabilitation fund contributions.</p>

Social: Labour Practices and Decent Work

Performance Indicator	Description	Cross-Reference	Reason for Omission	Further Explanation
LA1 (G3.1)	Total workforce by employment type, employment contract, and region, broken down by gender.	IAR 128-129, 133-135		
LA2 (G3.1)	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	IAR 129-130 WR		<p>The turnover rates for men and women in 2011 were 10.8% and 10.3% respectively.</p> <p>Our turnover rate by region was as follows:</p> <ul style="list-style-type: none"> - Australasia: 27.9% - South Africa: 11.7% - South America: 6.8% - West Africa: 5.6% <p>Our turnover by age group was as follows:</p> <ul style="list-style-type: none"> - 18-29 year: 1.9% - 30-39 years: 2.6% - 40-49 years: 2.8% - 50-59 years: 3.2% - 60 plus: 0.3%
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	IAR (online only) WR		Full-time permanent employees are provided with pension, health care, additional leave and Group 'life benefits' which are not provided to part-time employees. Part-time employees are also not eligible for annual incentives, whilst full-time employees are.
LA4	Percentage of employees covered by collective bargaining agreements.	IAR 32		
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	IAR (online only)		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	IAR 59		

LA7 (G3.1)	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	IAR 4, 14, 18, 56, 59, 72-97, 167		
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	IAR 136, 138-139 IAR (online only)		
LA9	Health and safety topics covered in formal agreements with trade unions.	IAR 10, 14, 41, 59 WR		Engagement with unions on health and safety covers all issues relevant to Gold Fields employees and contractors – as set out in the Integrated Annual Review.
LA10 (G3.1)	Average hours of training per year per employee by gender and by employee category.	IAR 129		Although we capture training hours by gender and employee category we are reviewing our methodology to ensure accuracy of reporting. We plan to report this information in future.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	IAR 128, 130-132, 146		
LA12 (G3.1)	Percentage of employees receiving regular performance and career development reviews, by gender.	WR		All management and senior management employees have individual performance scorecards which are reviewed on a regular basis. Individual development plans are agreed upon at the beginning of each financial year based on the performance targets of an employee. In Australia, Ghana and Peru, individual performance plans have been rolled-out to all levels of employees. In South Africa, the performance of non-managerial employees is measured on production targets and this is measured on a regular basis as production bonuses are paid on a monthly basis. Employees and teams are regularly briefed on individual and team performance. Training and development plans are linked to performance management practice throughout the Group.
LA13 (G3.1)	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	IAR 30-31, 133, 135, 167		
LA14	Ratio of basic salary of men to women by employee category.	IAR 129, 135		

<p>LA15 (G3.1)</p>	<p>Return to work and retention rates after parental leave, by gender</p>	<p>WR</p>	<p>Our return to work and retention rates after parental leave (by gender) are as follows:</p> <ul style="list-style-type: none"> • Female: 100% return to work rate following the taking of maternity leave • Male: 100% of the two male employees who took formal paternity leave in 2011 returned to work
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Social: Human Rights

Performance Indicator	Description	Cross-Reference	Reason for Omission	Further Explanation
HR1 (G3.1)	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	WR IAR (online only)		We do not currently have investment agreements that include clauses incorporating human rights concerns, or that have undergone human rights screening.
HR2 (G3.1)	Percentage of significant suppliers, contractors and other business partners that have undergone screening on human rights and actions taken.	IAR 156 IAR (online only)		
HR3 (G3.1)	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	IAR (online only) WR		During 2011, 36,700 of our employees – or 79% of our employees – have been trained in this respect via the Code of Ethics, which includes human rights elements. This represents a total of 36,556 training hours.
HR4 (G3.1)	Total number of incidents of discrimination and actions taken.	IAR (online only)		
HR5 (G3.1)	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	IAR 132 IAR (online only)		
HR6 (G3.1)	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	IAR 132, 156 IAR (online only)		
HR7 (G3.1)	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	IAR 132, 156 IAR (online only)		
HR8 (G3.1)	Percentage of security personnel trained in the organization’s policies or procedures concerning aspects of human rights that are relevant to operations.	IAR 158		
HR9 (G3.1)	Total number of incidents of violations involving rights of indigenous people and	IAR (online only)		

	actions taken.			
HR10 (G3.1)	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	WR		Human rights are subject to ongoing review at all of our operations via our established management systems, whether in terms of safety, health, diversity, discrimination, child labour, forced labour, collective bargaining, freedom of association or otherwise.
HR11 (G3.1)	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	IAR (online only) WR		Excluding the incidents cited under HR4, there were no such formal grievances recorded in 2011.

Social: Society

Performance Indicator	Description	Cross-Reference	Reason for Omission	Further Explanation
SO1 (G3.1)	Percentage of operations with implemented local community engagement, impact assessments and development programmes.	IAR 141-150 WR		All of our operations have ongoing local community engagement and development programmes – and have implemented related impact assessments as required.
SO2	Percentage and total number of business units analysed for risks related to corruption.	IAR (online only)		
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	IAR (online only)		
SO4	Actions taken in response to incidents of corruption.	WR		Where incidents of corruption are identified they are investigated internally. Where relevant, employees will be subject to internal disciplinary procedures and/or referral to local law enforcement authorities.
SO5	Public policy positions and participation in public policy development and lobbying.	IAR 154		
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	IAR 154		
SO7	Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes.	IAR (online only)		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	IAR (online only)		
SO9 [G3.1]	Operations with significant potential or actual negative impacts on local communities.	IAR 63-66 IAR (online only)		
SO10 [G3.1]	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	IAR 63-66, 141 IAR (online only) WR		

Social: Product Responsibility

Performance Indicator	Description	Cross-Reference	Reason for Omission	Further Explanation
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	n/a	Not relevant	Gold is sold directly to the refineries for processing and on-selling as the final product. Gold is a benign product which has no significant health or safety impacts.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during life cycle, by type of outcomes.	n/a	Not relevant	Gold is sold directly to the refineries for processing and on-selling as the final product. Gold is a benign product which has no significant health or safety impacts.
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	n/a	Not relevant	Not relevant to Gold Fields as gold is sold in an unwrought form. Packaging requirements are not necessary or are minimal.
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	n/a	Not relevant	Not relevant to Gold Fields as gold is sold in an unwrought form. Packaging requirements are not necessary or are minimal.
PR5 (G3.1)	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	n/a	Not relevant	Not relevant to Gold Fields due to the fact that gold is sold as a commodity.
PR6 (G3.1)	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	n/a	Not relevant	Gold Fields is not involved in the marketing of its product.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	n/a	Not relevant	Gold Fields is not involved in the marketing of its product.
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	n/a	Not relevant	Gold Fields is not involved in the marketing of its product.
PR9	Monetary value of significant fines for non-	IAR (online only)		Gold Fields has not been subject to any significant fines in this – or

compliance with laws and regulations concerning the provision and use of products and services.			any other – respect.
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Disclosures on Management Approach (DMAs)

Disclosure on Management Approach Environment

The company's approach to environmental management is governed by an environmental policy, which forms part of the overall sustainable development policy framework as approved by the Board. Our environmental management systems are certified to the ISO 14001 standard. These certifications cover all our operations and our exploration division. As an inherent requirement of ISO 14001 certification, all employees receive appropriate training in environmental issues ranging from awareness training at induction centres to competency based training for employees whose daily activities could have an environmental impact. Another inherent requirement of the ISO 14001 certification is to maintain environmental management plans that contain targets and objectives relating to our environmental policies and associated actions plans to achieve them. These policies are subject to regular audits; non-compliance is addressed through a formalised and corrective action protocol.

Environmental responsibilities are integrated into the terms of reference of the Safety, Health and Sustainable Development (SHSD) Committee, which is a subcommittee of the Board of Directors. This committee meets on a quarterly basis and reviews all material aspects of the company's performance with regard to environmental management. Formal sustainable development reports, that include environmental issues, are submitted to the committee prior to the quarterly meetings. The Head of Sustainable Development represents the highest operational responsibility for environmental issues, with the Executive Committee members assuming responsibility for environmental issues that directly affect their area of responsibility.

Disclosure on Management Approach Labour

The company's approach to labour practices and human rights is covered by our human rights policy, which extends from rights for employees and external stakeholders to the mechanisms available for management to integrate these rights. The company has an approved Human Rights policy statement that supports the overall sustainable development policy. To achieve our strategic goals, issues of fair labour practices and human rights are integrated into our performance management system for all employees. The balanced scorecards that support the overall strategic direction of the company and contain specific objectives on human rights and labour practises are adjusted to employees' areas of responsibility. Meeting human rights targets is fully integrated into performance reviews and informs annual salary increases and bonus payments. The balanced scorecard system also supports the overall achievement of strategic objectives with regard to sustainable development.

All employees have an opportunity to challenge labour practices or human rights implementation through a number of mechanisms such as anonymous tip off lines, internal grievance mechanisms or the employee assistance programme. Training and awareness on labour practices at the company is available through the induction process. We are fully integrating our human rights training toolkit into our induction centre training.

Senior operational responsibility for internal human rights issues and labour practices lie with the Senior Vice-President, Human Resources, while the most senior employee responsible for external human rights issues is the Head of Sustainable Development.

Health and Safety

Gold Fields has an approved health and safety policy that forms part of the sustainable development framework. All of our operations are OHSAS 18001 certified, which requires training at different levels across the workforce, and which compels us to develop and implement plans with clear objectives and targets. Audit protocols determine our adherence to agreed standards and targets and outline corrective actions in case of non-compliance. The SHDS Committee, by reporting directly to the Board, is the highest responsible body looking after health and safety. Health and safety issues are captured within the quarterly sustainable development report that is submitted to the committee. At management level the highest level of operational responsibility for Health and Safety issues lies with the relevant Regional Executive Vice-Presidents with the Head of Sustainable Development providing strategic support.

Disclosure on Management Approach Human Rights

The company's approach to labour practices and human rights is covered by our human rights policy, which extends from rights for employees and external stakeholders to the mechanisms available for management to integrate these rights. The company has an approved Human Rights policy statement that supports the overall sustainable development policy. To achieve our strategic goals, issues of fair labour practices and human rights are integrated into our performance management system for all employees. The balanced scorecards that support the overall strategic direction of the company and contain specific objectives on human rights and labour practices, adjusted to employees' areas of responsibility. Meeting human rights targets are fully integrated into performance reviews and inform annual salary increases and bonus payments. The balanced scorecard system also supports the overall achievement of strategic objectives with regard to sustainable development.

All employees have an opportunity to challenge labour practices or human rights implementation through a number of mechanisms such as anonymous tip off lines, internal grievance mechanisms or the employee assistance programme. Training and awareness on labour practices at the company is available through the induction process. Senior operational responsibility for internal human rights issues and labour practices lie with the Senior Vice-President, Human Resources, while the most senior employee responsible for external human rights issues is the Head of Sustainable Development.

Disclosure on Management Approach Social

Our approach to societal issues is governed through our policies on ethics and governance, community and indigenous people, human rights and stakeholder engagement. All of these policies are written into the terms of reference for the Safety, Health and Sustainable Development Committee. Senior operational responsibility is divided between the Executive Vice President, Legal Counsel, for issues relating to governance and ethical practice, the Senior Vice President, Human Resources, for internal human rights, and the Head of Sustainable Development for external human rights, community issues and stakeholder engagement.

Training and awareness of societal and ethical issues is integrated into our induction process. As mentioned previously, a human rights toolkit has also been launched and is being rolled out to all the operations. In addition, the implementation of policies guiding our stakeholder relationships are integrated into our balanced scorecard system in accordance with overall policy objectives. They are tailored to specific positions within the company. Grievance mechanisms, anonymous tip off lines and employee assistance programmes have been developed for preventative, corrective and follow up action.

Disclosure on Management Approach Product Responsibility

Our final product is gold. It is sold in unwrought form to refineries - final product responsibility therefore does not lie with Gold Fields. However, Gold Fields has adopted a materials stewardship and supply chain management policy as part of the overall sustainable development framework. This focuses on the management of materials within our mine sites and the provision of services and good by suppliers. In terms of materials stewardship, all materials brought on site are subject to the provisions of our certified environmental and certified health and safety management systems. They ensure the safe use and disposal of materials with due regard to human and

environmental health. We are also in the process of compelling our suppliers to adopt similar practices of sound sustainable development, such as cyanide transport requirements and the safe disposal of various waste products.

MINING AND METALS SECTOR SUPPLEMENT (2010): Performance Indicators

Mining and metals				
Performance Indicator	Description	Cross-Reference	Reason for Omission	Further Explanation
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.	IAR (online only) WR		In 2011, we disturbed an additional 8,471 ha. This figure excludes our St Ives and Agnew operations, which did not have relevant data available at the point of publishing. Over the same period, 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.
MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place.	IAR 71 IAR (online only)		
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks.	IAR 61, 69, 71, 64-65		
MM4	Number of strikes and lock-outs exceeding one week's duration, by country.	IAR 41, 132		
MM5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities.	IAR 106-107, 148-149 IAR (online only) WR		Only our Agnew and St Ives operations take place on or adjacent to indigenous land. Both mines have formal agreements in place with local indigenous groups. In addition, the Far Southeast growth project is located on territory linked to the Kankana-ey indigenous community in the Philippines. In Canada, our exploration team works closely with relevant First Nation

				communities when operating in their traditional territories.
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples.	IAR (online only)		
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and the outcomes.	IAR (online only)		
MM8	Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks.	IAR 150, 152-153		Two of our eight operations (Damang and Tarkwa) have ASM taking place on or adjacent to them.
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process.	IAR (online only)		
MM10	Number and percentage of operations with closure plans.	IAR 62		
MM11	Programs and progress relating to materials stewardship.	IAR 69, 26, 61		

REPORTING GUIDANCE ON HIV/AIDS: Performance Indicators

HIV/AIDS

Performance Indicator	Description	Cross-Reference	Reason for Omission	Further Explanation
Indicator 1	Describe the organisation's HIV/Aids policy	IAR 15, 138-139		
Indicator 2	Describe the overall strategy for managing the HIV/Aids risk	IAR 15, 138-139		
Indicator 3	Describe preparedness and contingency planning in anticipation of expected impacts	IAR 15, 138-139		
Indicator 4	Describe how your organisation monitors its progress and reports in terms of Indicators	IAR 138-139 IAR (online only)		
Indicator 5	Describe how the organisation involves stakeholders in the formulation of policy, strategy and implementation	IAR 138		
Indicator 6	Indicate current and projected future HIV/Aids prevalence and incidence rates among relevant populations (workforce, service providers, communities, target consumers, direct suppliers)	IAR 138-139		
Indicator 7	Report current HIV/Aids-associated costs and losses to the organisation	IAR (online only)		
Indicator 8	Indicate total assumed future HIV/Aids-associated costs /losses	IAR (online only)		<p>The amount of spending required is expected to fall over time as our interventions take positive effect, as we implement additional TB screening technology and as we implement continue to reduce the density of our employee hostels.</p> <p>Combined spending on HIV/AIDS, HIV/AIDS and TB, and TB is</p>

				expected to amount to approximately R118.4 million (US\$16.4 million) in 2015, R77.4 million (US\$10.7 million) in 2020 and R49.0 million (US\$6.8 million) in 2025 (all US\$ figures calculated using the 2011 exchange rate).
.Indicator 9	Describe the workplace and workplace-related HIV/Aids programmes and interventions and the extent to which they maintain a workplace environment respectful of human and legal rights	IAR 138-139 IAR (online only)		
Indicator 10	Indicate total allocated budget dedicated to HIV/Aids programmes per annum	IAR (online only)		
Indicator 11	Detail the organisation's Voluntary Counselling and Testing (VCT) programme	IAR 138-139		
Indicator 12	Describe other support and counselling programmes and measures	IAR 138-193		
Indicator 13	Describe the organisation's HIV/Aids education and training programmes	IAR 138-139		
Indicator 14	Describe the organisation's condom and femidom distribution programme	IAR 138-139		
Indicator 15	Describe the organisation's general health care and wellness provision for employees (and/or ex-employees) and their families with specific mention of STD-treatment for those Aids sick	IAR 136-140		
Indicator 16	Describe additional benefits and support for employees sick, dying or deceased from Aids-related conditions	IAR 138-139 IAR (online only)		

ICMM Commitments

As members of the ICMM, Gold Fields Limited has aligned to the ten principles developed by the ICMM.¹ These principles being:

1. Implement and maintain ethical business practices and sound systems of corporate governance
2. Integrate sustainable development considerations within the corporate decision-making process
3. Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities
4. Implement risk management strategies based on valid data and sound science
5. Seek continual improvement of our health and safety performance
6. Seek continual improvement of our environmental performance
7. Contribute to conservation of biodiversity and integrated approaches to land use planning
8. Facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products
9. Contribute to the social, economic and institutional development of the communities in which we operate
10. Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.

In support of the principles above, we have also agreed to and implemented a number of position statements. Mandatory commitments inside the position statements include:

Revenue Transparency:

1. Commitment to “include a clear endorsement of EITI on their website and/or in their sustainable development reports in support of the process, and submit a completed international level self assessment form to the EITI Secretariat, for posting on the EITI website.”
2. Commitment to “engage constructively in countries that are committed to implementing EITI, consistent with the multi-stakeholder process adopted in each country.”

¹ Gold Fields Sustainable Development Framework is based on, and aligned with, the ten principles of the ICMM, as well as those of the UN Global Compact and other internationally recognised standards

3. Commitment to “provide information on all material payments to the body assigned responsibility for reconciling details of payments provided by companies and revenue data provided by government according to the agreed national template, once implementation is sufficiently advanced in candidate countries. Material payments by companies are expected to have been independently audited, applying international standard accounting practices.”
4. Commitment to “support the public disclosure (i.e. publication) of relevant data in line with the implementation approach adopted in-country, with the oversight of the committee empowered to oversee the implementation and management of the EITI program (often referred to as the ‘multi-stakeholder group’ in EITI publications).”
5. Commitment to “engage constructively in appropriate forums to improve the transparency of mineral revenues – including their management, distribution or spending – or of contractual provisions on a level-playing field basis, either individually or collectively through the ICMM Secretariat.”

Mining and Indigenous Peoples:

1. Commitment to “acknowledging and respecting the social, economic, environmental and cultural interests of Indigenous Peoples and their rights as articulated and defined within provincial, national and international laws”.
2. Commitment to “clearly identifying and fully understanding the interests and perspectives of Indigenous Peoples regarding a project and its potential impacts”.
3. Commitment to “engaging and consulting with Indigenous Peoples in a fair, timely and culturally appropriate way throughout the project cycle”.
4. Commitment to “building cross-cultural understanding: for company personnel to understand Indigenous Peoples’ culture, values and aspirations, and for Indigenous Peoples to understand a company’s principles, objectives, operations and practices”.
5. Commitment to “encouraging governments where appropriate to participate in alleviating and resolving any problems or issues faced by Indigenous Peoples near mining operations”.
6. Commitment to “designing projects to avoid potentially significant adverse impacts of mining and related activities and where this is not practicable, minimizing, managing and/or compensating fairly for impacts”.
7. Commitment to “seeking agreement with Indigenous Peoples and other affected communities on programs to generate net benefits (social, economic, environmental and cultural), that is benefits and opportunities that outweigh negative impacts from mining activities”.
8. Commitment to “supporting appropriate frameworks for facilitation, mediation and dispute resolution”.
9. Commitment to “seek broad community support for new projects or activities”, recognizing that “a decision may sometimes be made not to proceed with developments or exploration, even if this is legally permitted”.

Climate Change:

1. Commitment to “continue to meet or exceed government requirements” in relation to climate change, “contributing positively” wherever member companies operate.
2. Commitment to “monitor and report Greenhouse Gas (GHG) emissions consistent with international standards, in line with (member companies’) commitment to report in accordance with the Global Reporting Initiative framework”.

3. Commitment to “reduce GHG emissions as measured in absolute terms or per unit of production or through improved energy efficiency”.

Mineral Resource and Economic Development:

1. Commitment to collectively “support research to learn how countries and projects have successfully contributed to economic development and poverty reduction at national and community levels”, under the auspices of the Resource Endowment initiative.
2. Commitment to collectively “develop (in partnership with organizations such as the World Bank Group, the UN and national governments) practical solutions to the dilemmas faced by mineral-rich countries and communities. This research will identify the policy actions, operational practices and partnership arrangements that deliver results on the ground”, under the auspices of the Resource Endowment initiative.

Mining and Protected Areas:

1. Commitment to “undertake not to explore or mine in World Heritage properties”.
2. Commitment to take all possible steps to “ensure that existing operations in World Heritage as well as existing and future operations adjacent to World Heritage properties are not incompatible with the outstanding universal value for which these properties are listed and do not put the integrity of these properties at risk”.

Integrated Annual Review 2011 – Additional online text

Transparency and accountability

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.

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
Australasia Region	79	34	80	26
Damang	74	27	74.6	27
Tarkwa	74	21	76.5	17
West Africa Region	74	24	75.5	22
Cerro Corona	82	19	82.9	14
South America Region	82	19	82.9	14

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	
	2009	2011	2009	2011	2009	2011	2009	2011
1. Property <i>(Fire protection standards)</i>	79	62	71	62	74	61	30	29
2. Business Interruption <i>(Flexibility / ability to recover)</i>	35	37	32	32	32	32	58	29
3. Property <i>(Critical spares)</i>	46	47	46	46	46	46	70	64
4. Business Interruption	35	36	15	15	21	21	96	43

<i>(Spare capacity)</i>								
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
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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 rehabilitation 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 service 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

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 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.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.

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.

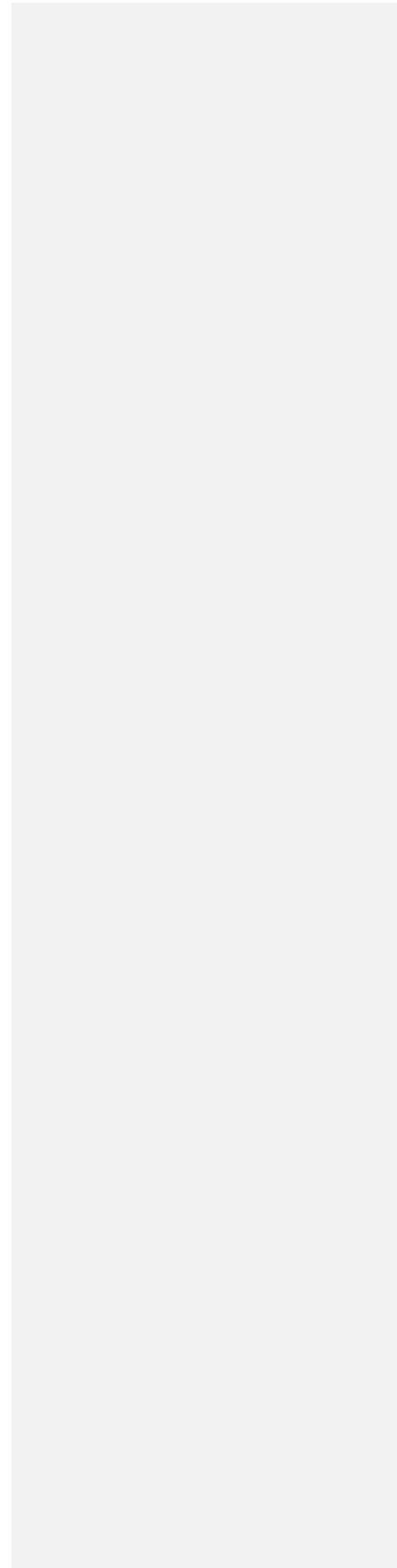
<http://www.randrefinery.com/>

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.

Gold Fields Annual Report 2011:
Case studies



Contents

For inclusion in print and online versions	3
Why does Gold Fields use NCE to measure its cost performance?	3
A revised Code of Ethics for the Group	4
Liquid Gold: Mitigating future liabilities and enhancing water security	5
The GROWTH project: Unlocking value from waste rock	6
BIOX® process technology: Creating commercial opportunities from refractory ore	7
Bringing new life to the Damang mine through the Super Pit project.....	8
Piloting the WGC Conflict-Free Gold Standard.....	9
Phasing out the Fanakalo language in South Africa	10
For inclusion in online version only	12
Cerro Corona: Promoting 'holistic' local development	12
Gold Fields recognised as one of the top-5 mining companies in the DJSI.....	14
Using a Group-level methodology to produce regional Sustainable Development Action Plans	15
South Deep installs award winning steel headgear	16
Pioneering energy-efficient fan technology in South Africa	17
Enhanced cyanide management through ASTER™ process technology.....	18
Gold Fields Ghana wins 2011 Global Business Coalition Health Award	19
Living Gold rose project: Learning from past challenges	20
Developing a sustainable economic model for the Eastern Cape	21

For inclusion in print and online versions

Why does Gold Fields use NCE to measure its cost performance?

Notional cash expenditure (NCE) is a proprietary 'all in' performance measure developed by Gold Fields. It is aimed at introducing greater transparency around the all-in costs of producing an ounce of gold. This is particularly important for both producers and investors in a context of ever-escalating input costs. NCE includes:

- All operating costs
- All capital expenditure (e.g. growth and sustaining capital expenditure)
- All near-mine exploration expenditure

Gold Fields believes this provides a more accurate measure than the commonly used 'cash costs'. In part, this is due to NCE's explicit inclusion of 'growth capital'. In doing so, NCE recognises the bulk of capital invested in new production is largely aimed at replenishing the industry's declining output – rather than delivering growth *per se*. This helps explain why primary gold supply has remained stagnant over the last 10 years, despite higher gold prices providing a significant driver for growth.

By using the 'cash costs' measure, many within the industry are claiming high operating profit margins that are not, in reality, supported by underlying cash flow. This may have had an impact on the number of external stakeholders currently demanding a greater share of (apparently) higher operating profit margins in a number of mining jurisdictions (pxx).

A revised Code of Ethics for the Group

In 2011, the Gold Fields legal team revised the Group Code of Ethics (2007). This was carried out to ensure Gold Fields alignment with the recommendations of the King III Report on Corporate Governance – as well as evolving international best practice. This includes, for example:

- US legislation, such as the Sarbanes-Oxley Act (2002), the Dodd-Frank Act (2010) and the Foreign Corrupt Practices Act (FCPA, 1977) – as well as UK legislation, such as the Bribery Act (2010)
- The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997)
- The UN Convention against Corruption (2003)
- South Africa's Prevention of Corrupt Activities Act (2004)

Furthermore, it was to ensure continued compliance with all relevant national and international legal requirements applicable to Gold Fields.

Under the latest version of the Code, facilitation payments are prohibited, regardless of whether it is legal or deemed to be 'accepted practice' in a particular country or not. Facilitation payments involve the payment of small sums to officials to obtain routine services to which Gold Fields would otherwise be legally entitled. This approach goes beyond FCPA guidelines, which permit facilitation payments of up to US\$250.

The updated Code also prohibits contributions to political parties, either in cash or in kind, unless specifically approved by the Gold Fields Board of Directors. This is the first time that the prohibition of facilitation payments and political contributions has been written into Gold Fields policy, and represents a further step in promoting a zero tolerance approach to corruption and bribery.

In addition, other important areas covered in the updated Code include:

- Conflicts of interest
- Confidential information
- Gifts and business courtesies
- Entertainment and hospitality
- Share dealings

The roll-out of the updated Code to employees commenced in 2011 and will be completed this year. New employees will sign the Code and receive related training during induction. Existing employees sign the updated Code during the roll-out programme and will receive refresher training as required. Every employee has received a copy of the Code, which has been translated into seven languages. It is also available on the Group's Intranet and website.

Liquid Gold: Mitigating future liabilities and enhancing water security

Liquid Gold is Gold Fields long-term strategy for developing and implementing a sustainable business solution for water management in the South Africa region. It aims to establish a sustainable revenue stream to fund the on-going management of key water issues at the KDC and South Deep mines in the Far West Rand area of South Africa – whilst at the same time delivering potable water to local communities that face potential water shortages in the future. These issues include the long-term de-watering of Gold Fields mines in the Wonderfontein spruit river catchment area – as well as the mitigation of any potential future Acid Mine Drainage (AMD) risks.

It is envisaged that potable water will be produced from fissure water (as well as process water) discharged by KDC and South Deep. This will be processed using leading-edge, customised treatment technology and robust monitoring systems that will ensure high levels of water quality. The technology used includes:

- A Crystalactor® to reduce calcium levels and produce mine-usable lime as a side-product. This is a pellet reactor that softens water and enables the crystallisation of a variety of (heavy metal) carbonates, phosphates, halides, sulphates and sulphides
- A cationic ion exchange to reduce residual calcium and magnesium
- A de-gassing tower to remove carbon dioxide

Gold Fields is collaborating with an independent water services provider to ensure these technical processes fully satisfy relevant quality standards for potable water. Gold Fields also plans to establish a commercial off-take agreement for the water, which would produce revenue streams to sustain the project. It is envisaged that the water will then be delivered by local municipalities, or other agreed service providers, using established infrastructure. This will help ensure that dewatering continues at economically and environmentally sustainable levels – even after the closure of Gold Fields mines on the West Rand.

It is envisaged that the sustainability of the Liquid Gold project will be further augmented through the production of marketable chemicals – such as calcium magnesium nitrate (used to make fertiliser) – as a by-product of the water treatment processes. Gold Fields is investigating the establishment of third-party off-take agreements for these by-products.

“By implementing our Liquid Gold project, we are pro-actively and scientifically positioning ourselves to avoid potential AMD-related issues in the decades to come as the mines head towards closure.”

Peter Turner, Executive Vice-President: South Africa Region

The GROWTH project: Unlocking value from waste rock

High gold prices have presented Gold Fields with new opportunities to unlock value from the gold reserves in low-grade surface rock dumps (SRDs) at its KDC mine in South Africa. During 2011, Gold Fields launched the Gold Recovery Opportunities from Waste Treatment Holistically (GROWTH) project to provide a cost effective and energy efficient method for processing these reserves. The GROWTH project uses a fully mobile, modular unit known as the 'Python' gravity concentration plant. One of these plants has been installed at KDC East and during 2011 processed about 140,000 tonnes of waste rock per month, producing an average of 56kg of gold. A proposed plant upgrade will see the plant processing around 153,000 tonnes of waste rock and producing around 92kg of gold.

Two additional Python plants are scheduled for installation at KDC in 2012 to support Gold Fields Long-Term Processing Strategy for South Africa (LTPSSA). This will free up one of KDC's existing surface plants to retreat historic tailings, which are more suited to conventional processing methods. The ultimate aim of the LTPSSA is to expand Python capacity to the point where the remaining two plants that currently process waste rock dumps reprocess existing tailings instead. Once full Python capacity has been installed, these reprocessed tailings will be re-deposited at Gold Fields proposed Centralised Tailings Storage Facility (CTSF) near South Deep's existing Doornpoort TSF (pxx). In addition to producing additional ounces at reduced cost, the LTPSSA will also minimise final closure liabilities by transferring tailings from dolomitic land (i.e. the location of some of Gold Fields current and historical TSFs) onto competent geological sub-strata (i.e. the location of the CTSF).

Gold Fields has approximately 15 million tonnes of SRDs at KDC, which will take about three years to process, though a programme is underway to verify volumes of other waste rock dumps that could add to the total available for processing. Beyond this, Gold Fields is investigating the potential installation of Python plants underground. This would remove the substantial costs associated with transporting waste rock to surface. It would also allow for processed waste rock and tailings to be used underground as backfill, reducing wastage and minimising Gold Fields surface footprint.

In January 2012, Gold Fields and Gold One International announced that they have entered into a Memorandum of Understanding to investigate the viability of concurrently reprocessing their combined surface tailings deposits, located on South Africa's West Rand. These assets are expected to comprise in excess of 700 million tonnes, of which the Gold Fields portion is about 430 million tonnes. The two companies aim to complete a detailed scoping study by the middle of this year, following which a decision will be taken on whether to progress the study to a feasibility level.

BIOX[®] process technology: Creating commercial opportunities from refractory ore

High gold prices and globally depleting levels of oxide ore mean that harder-to-process refractory ore bodies are playing an increasingly important role in global gold production. This dynamic is creating new opportunities for the commercial application of BIOX[®]. This proprietary Gold Fields technology is licenced to third-parties for the pre-treatment of refractory sulphide gold ores, prior to conventional cyanide leaching.

Refractory ores are naturally resistant to standard recovery methods, as the gold is 'locked' within sulphide minerals that inhibit leaching. BIOX[®] uses naturally occurring bacteria to destroy these sulphide minerals and expose the gold for subsequent cyanidation. Recovery rates for refractory ore typically run at less than 70%. After treatment with BIOX[®], however, recovery rates can be as high as 97% – depending on ore characteristics. In addition, the limited environmental impact of BIOX[®] makes it fully compliant with ever stricter environmental standards around the world.

There are currently 10 BIOX[®] processing plants in operation in seven countries worldwide, with additional opportunities being explored in the Philippines, Colombia and China – amongst others. Gold Fields portfolio does not currently contain any refractory ore bodies, but opportunities are being explored for the application of BIOX[®] to recover residual gold in low grade pyrite at its Cerro Corona mine in Peru.

Development of Generation 4 of BIOX[®] is ongoing and focuses on improving the energy efficiency of the process, enhancing the durability of the tank agitation and bacterial consortium, and achieving a 15% reduction in capital and operating costs. The full roll-out of Generation 4 is scheduled for 2014, whilst many of the planned improvements will be incorporated into Generation 3 of BIOX[®] within the next two years.

http://goldfields.co.za/com_technology.php

Bringing new life to the Damang mine through the Super Pit project

The Damang Super Pit project in Ghana is part of Gold Fields Greater Damang strategy, which is being implemented in two phases:

- 'Phase 1' (i.e. the Damang Super Pit) aims to expand the current pit through both the aggressive exploitation of ore at-depth and through the combination of the existing Huni, Juno and Damang deposits into a 'Super Pit'. Gold Fields conceptual model indicates that the Super Pit contains between 50 and 80 million tonnes of ore at grades of 1.6 to 1.8 g/t
- 'Phase 2' focuses on the significant expansion of Damang's Mineral Resources and Mineral Reserves beyond the existing pit

The Damang Super Pit project aims to transform what was previously a relatively modest operation into a long-term contributor to Group production by significantly expanding production at the mine. Given the mine's established infrastructure and wealth of existing geological data, the project represents a high-potential growth opportunity for Gold Fields. The project is targeting a 4 million ounce resource to support a potential doubling of production. In addition, it could potentially increase Damang's life of mine from 2024 to 2028.

The Super Pit project will require the development of enhanced mine infrastructure to cope with the increased production capability of the mine. To this end, Gold Fields is planning the construction of a new processing plant, as well as an upgrade of the existing plant. Once both plants are in operation (scheduled for early 2015), they will double Damang's processing capacity to about 10 million tonnes. In addition, the new plant is targeting a recovery rate of about 95%, compared to a recovery rate of about 92% delivered by the existing plant. This – along with the construction of additional tailings storage capacity – will ensure that the Super Pit project is able to deliver on its exciting potential.

By significantly extending the life of the mine, the Damang Super Pit project will also deliver key benefits to local stakeholders. These include:

- The creation of new employment opportunities – as well as the maintenance of existing positions
- The long-term maintenance of Damang's contribution to local socio-economic development – and the economic sustainability of Damang village. This includes key health, water and sanitation projects funded through the Gold Fields Ghana Foundation (pxx) – as well as the indirect economic contributions of mine employees.

The detailed operational and financial modelling for the Super Pit project will take cognisance of the final format of the new Ghanaian tax regime for the mining industry, which was tabled by the government in December 2011.

Piloting the WGC Conflict-Free Gold Standard

In June 2011, the World Gold Council (WGC) unveiled two new draft standards to address 'conflict gold' (i.e. gold that "enables, fuels or finances conflict"):

- The Chain of Custody Standard (to identify the origin of gold)
- The Conflict-Free Gold Standard (to ensure the exclusion of conflict gold from global supply chains)

These complementary standards provide assurance from extraction through to refining, and will enable gold mining companies to certify their gold as 'conflict free' on a global basis. They will also support gold mining companies in their efforts to meet mineral traceability and due diligence requirements. This includes those set out in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as well as Section 1502 of the US Dodd-Frank Wall Street Reform and Consumer Protection Act. In addition, the standards will help guide companies as to how to monitor and minimise gold 'leakage' from the global value chain.

All Gold Fields production originates from its own mining operations – meaning there is only minimal risk of externally-derived conflict gold entering its value chain. Nonetheless, Gold Fields is playing a leading role in piloting and 'stress testing' the standards. In particular, Gold Fields is voluntarily adopting the standards as best practice across all of its gold mines, regardless of their relative risk exposure to conflict gold.

A number of actions were taken in 2011 to support implementation of the standards:

- The mapping of the 'journey' of gold through the Gold Fields value chain in South Africa. This included the identification of measuring points and a review of relevant documentation to help establish certification audit controls – from the shaft through to the exit of gold doré from the processing plant. This was completed for all South Africa operations in November 2011, with the assistance of third-party auditors. A full 'walk-through' of this process was then undertaken at KDC East – with participation from the WGC – to identify strengths and weaknesses associated with the practical application of the standards at a fully operational mine
- The first pilot application of the standards at the Tarkwa and Damang mines in Ghana in December 2011. This included a more comprehensive walk-through of the process, which built on Gold Fields efforts at KDC. This focused on testing the associated assurance framework and related communications materials. The walk-through highlighted the robustness and transparency of Gold Fields existing assurance processes and controls
- Continued collaboration with the Rand Refinery (34.9% owned by Gold Fields), which refines approximately 75% of all African gold, including all gold from Gold Fields South African and West African operations. Through this relationship, Gold Fields hopes to contribute to the success of the standards throughout the entire gold value-chain

http://www.gold.org/about_gold/sustainability/conflict_free_standards/

http://www.oecd.org/document/36/0,3746,en_2649_34889_44307940_1_1_1_1,00.html

<http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>

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

Phasing out the Fanakalo language in South Africa

In 2011, Gold Fields rolled out a new Business Languages Policy for its South Africa region, which includes a strategy for phasing-out the Fanakalo language used at its operations.

Historically, employees in South Africa have communicated using Fanakalo – an artificial hybrid of Zulu, English and Afrikaans. The language was originally developed within the mining sector to allow communication between groups who speak different languages – a significant challenge within largely migrant workforces. Due to its history, Fanakalo is associated in the minds of many with the Apartheid era – and is believed to be disrespectful to speakers of local languages. Furthermore, the relatively simplistic nature of Fanakalo means it is becoming less useful in an increasingly sophisticated operational environment – and one in which important technical, safety and health information needs to be clearly understood. This is particularly the case as Gold Fields advances mechanised mining and development methods within its mines.

The use of Fanakalo will be phased out using a strategy developed in partnership with the Language School at Wits University, which will run until 2022. An external research team is in the process of establishing which two African languages are currently dominant within the Gold Fields workforce. These will be used to replace Fanakalo as the main means of communication at Gold Fields mines – whilst English will be used for business purposes. As part of the strategy, all employees will be given access to language training programmes, so they are able to speak and understand the 'official' Gold Fields languages. The current Adult Basic Education and Training programme, which teaches English and numeracy, will continue, whilst new language courses will be introduced for the two African languages. These will be based on 80-hour interactive language programmes, which will be embedded at the operations and integrated into the performance management system.

“With proper communication you can inject magic into a team and achieve great things from a safety and production point of view.”

Peter Turner, Executive Vice-President: South Africa Region

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

Gold Fields makes good progress against new Mining Charter targets in South Africa

During 2010, the South African Department of Mineral Resources (DMR) unveiled the revised Mining Charter 2010. The revised Mining Charter updates and expands upon a set of empowerment targets (originally set in the Mining Charter 2002), that mining companies in South Africa are required to comply with by March 2015. Details of Gold Fields progress against key targets are set out below:

- Minimum 26% HDSA ownership by 2014: In 2009, Mvelaphanda Gold (MvelaGold) subscribed for 15% of Gold Fields South African assets (GFIMSA) representing an effective 15% HDSA ownership interest. MvelaGold subsequently sold its holdings. During 2010, Gold Fields implemented three further Black Economic Empowerment (BEE) transactions (pxx). Taken together, these transactions enabled Gold Fields to achieve its 2014 Mining Charter HDSA ownership target (pxx)
- Procurement of a minimum 40% of capital goods, 50% of consumer goods and 70% of services from BEE entities by 2014: By 2011, Gold Fields had achieved an overall HDSA procurement rate of 46% across all categories. HDSA procurement is broken down as follows: 47% of capital goods; 46% of consumer goods; and 46% of services
- Minimum 40% HDSA representation amongst management and technical skills: In 2011, Gold Fields had achieved 44.1% HDSA representation amongst junior management, 45.8% amongst middle management and 28% amongst senior management at its South African operations. At Board level the representation is 36%
- Invest 3% of annual payroll in skills training: Apart from the South Deep mine, which is still undergoing construction and development, all operations have met and exceeded the interim 2011 target of 3.5%
- Investment in community development: As part of their Social and Labour Plans, Gold Fields operations are involved in a number of community development projects focused on infrastructure development, job creation and poverty alleviation – with particular support for enterprise development (pxx). The projects that qualify under these plans are listed on our website (www.goldfields.co.za)
- Attain an occupancy rate of one person per room (in on-site accommodation): Gold Fields has completed more than 90% of planned hostel upgrades at Beatrix, KDC East and KDC West, and has made significant progress in terms of the establishment of family accommodation. At the end of 2011, the occupancy rate at hostels at Beatrix, KDC East and KDC West averaged 1.45 per room. South Deep's licence was only approved in 2010 and was followed by an engagement process with organised labour. As a result, the hostel upgrade programme at the mine will only be initiated in 2012. Overall, Gold Fields continues to strive towards the one person per room occupancy target set for March 2015

For inclusion in online version only

Cerro Corona: Promoting 'holistic' local development

Gold Fields has deliberately developed its Cerro Corona mine in Peru as a 'showcase' for a holistic approach to sustainable mine development.

This approach is based on three interrelated axes – social, economic and environmental – and focuses on the often close relationship between these areas, as well as the need to adopt an 'integrated' approach towards their management. In addition, it is underpinned by the concept that building on existing community 'capital' is the best means of driving truly sustainable and long-lasting development. See figure on the following page for examples of projects that Gold Fields has supported as part of this approach.

To date, Gold Fields sustainable management of Cerro Corona has delivered a range of direct and indirect socio-economic and environmental benefits:

Social impacts

- A total of US\$1.4 million has been invested in health and education projects in local communities from 2008 to 2010
- More than US\$1 million has been invested in a rural electrification project, which is expected to benefit over 5,000 people

Economic impacts

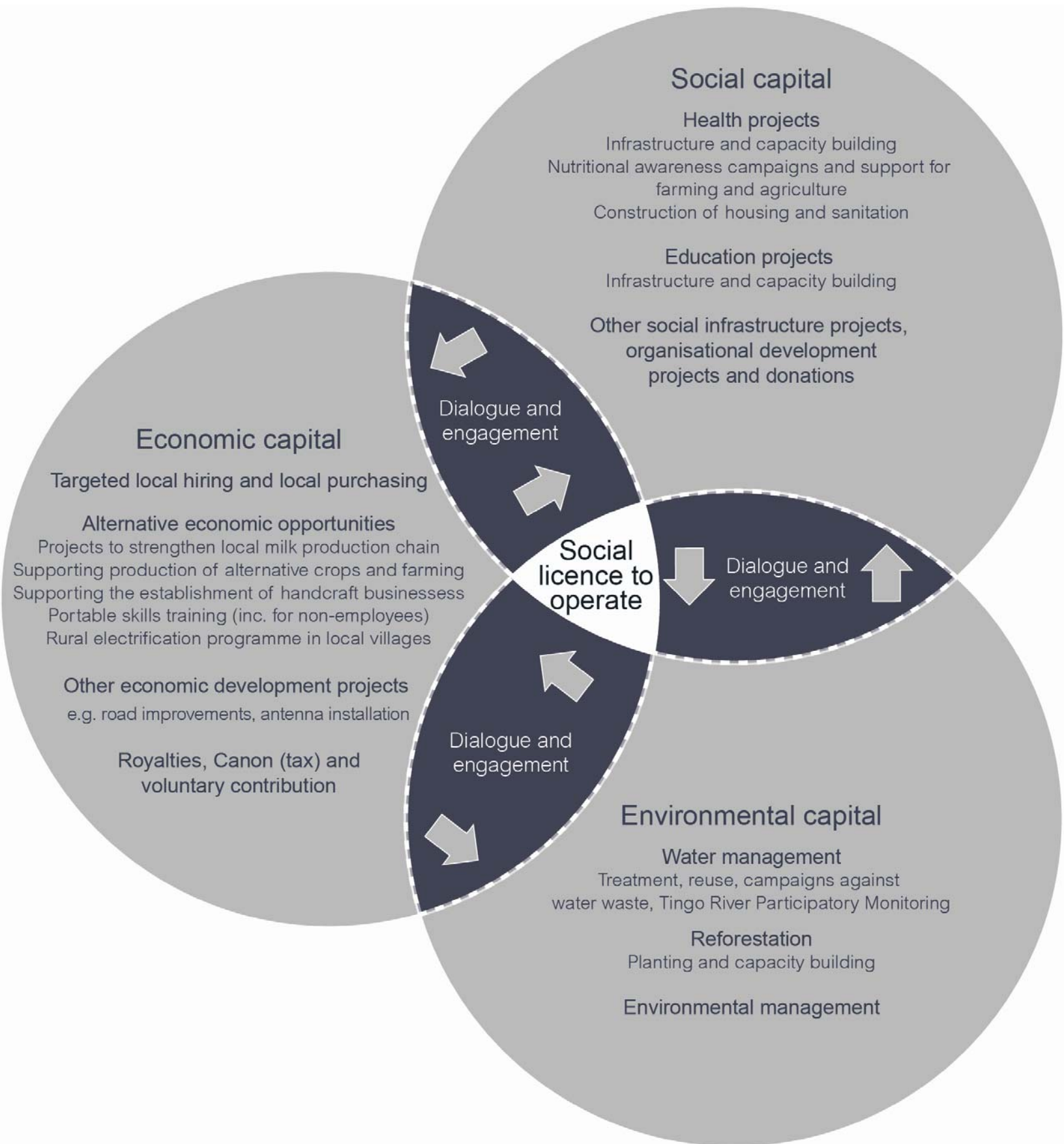
- More than US\$100 million has been awarded in contracts to community-based companies (until end 2010)
- A total of 523 workers are employed directly by the mine or by contractors (exceeding Gold Fields original commitment to generate 150 employment positions)
- A total of 99.4% of employees are nationals and approximately 34% are from local communities
- A total of US\$24 million has been paid in salaries to local communities from 2008 to 2010

Environmental impacts

- Reforestation projects have contributed to a ten-fold increase in initial forest coverage
- Effective water management, including use of a closed water circuit, means the mine only uses 1/6th of its licence allowance

These impacts are in addition to US\$39 million paid in Canon (tax) in 2010.

Gold Fields is delivering significant benefits to local stakeholders – as well as strengthening its social licence to operate – through the application of a similar integrated development approach at its Far Southeast gold-copper project in the Philippines. Gold Fields is also modelling its approach at the Chucapaca advanced stage exploration project (also in Peru) on the one applied at Cerro Corona.



Gold Fields recognised as one of the top-5 mining companies in the DJSI

In 2011, Gold Fields achieved the 4th highest position out of a 'universe' of 108 global mining companies on the 2011 Dow Jones Sustainability Index (DJSI) – the most widely recognised measure of the sustainability performance of listed companies worldwide. Gold Fields score of 81% qualified it for a Silver Class award – meaning it is within 5% of being the sector leader.

This was the first time that Gold Fields had participated in the DJSI assessment, which is carried out by investment firm Sustainable Asset Management (SAM) on behalf of the Dow Jones Index. Nick Holland, CEO of Gold Fields, noted: "We have set strong performance in the DJSI as a milestone on our journey to be the global leader in sustainable gold mining, so our 4th place ranking in our first assessment indicates that we are making good progress."

Particular areas of strength identified by SAM included:

Environmental policy	Enablement of local development
Climate strategy	Transparency
Biodiversity	Risk and crisis management
Stakeholder engagement	Management of security forces

Launched in 1999, the DJSI ranks the performance of global sustainability leaders, through an annual assessment of the world's 2,500 largest public companies. Among other factors, it measures management practices surrounding economic, environmental and social engagement approaches.

<http://www.djindexes.com/sustainability/>

Using a Group-level methodology to produce regional Sustainable Development Action Plans

In 2011, Gold Fields initiated a programme to develop a common approach to the management of Sustainable Development across the Group. This approach uses a risk-based methodology that facilitates the development of comprehensive Action Plans to ensure all relevant issues are proactively and responsibly managed. Each Action Plan is developed on a collaborative basis by:

- Gold Fields regional Sustainable Development teams
- Individual experts from Gold Fields Group-wide Sustainable Development team
- External experts

This – along with the systematic, yet flexible nature of the methodology – means each Action Plan is aligned with Gold Fields overall approach and priorities, local circumstances and international best practice.

The methodology is based on the identification and categorisation of 'latent' risks and opportunities. These are used to develop a highly-tailored action plan to ensure the most prudent, effective and objective use of Gold Fields available Sustainable Development resources.

This cutting-edge approach has already been applied in three locations, helping drive detailed programmes to address (amongst other issues):

- The implementation of ethnographic studies of local communities and labour-sending areas in South Africa to improve the impact of Gold Fields Local Economic Development spending
- A comprehensive set of actions to address illegal mining and to promote responsible artisanal mining near Gold Fields operations in Ghana
- Financial literacy programmes to help local communities and officials manage future revenues should Gold Fields exercise its 60% option over the Far Southeast project and take it to development

In 2012, Gold Fields plans to apply this methodology to its remaining regions and projects – helping move closer towards its Vision of being the global leader in sustainable gold mining.

South Deep installs award winning steel headgear

In 2011, Gold Fields completed the installation of one of the world's tallest steel headgear structures, standing at 87 meters, at its South Deep Twin Shafts complex in South Africa. The new headgear is part of the conversion of South Deep's existing Vent Shaft into a hoisting shaft that will add an additional 195,000 tonnes per month of rock hoisting capacity at the mine. This, together with the existing main shaft rock winder, will contribute to the achievement of South Deep's gold production target of a 700,000 ounce annual production run-rate by end-2015.

The South Deep project team faced a number of challenges whilst installing the headgear. For example, the existing headgear was still required for the daily operation of South Deep and so could not be shut down during installation. Assisted by some of the world's leading contractors, the team employed an innovative approach to overcome this challenge by using the largest mobile cranes in South Africa to erect the new steel headgear over the top of the existing structure. This meant that the new headgear could be erected with minimal operational disruption.

In September 2011, the South Deep headgear project was awarded first place in the Mining and Industrial category at the prestigious Southern African Institute of Steel Construction (SAISC) Steel Awards 2011.

<http://www.saisc.co.za/saisc/>

Pioneering energy-efficient fan technology in South Africa

Gold Fields deep-level mines in South Africa consume significant amounts of electricity due to their substantial ventilation, refrigeration and pumping requirements. Electricity consumption, which accounts for 95% of energy usage in the region – amounted to an average of 526MW in 2011. In a context of significant electricity tariff rises in South Africa, as well as potential carbon regulation, Gold Fields is making every effort to reduce its consumption. This includes a major, R200 million (US\$28 million) project – 80% of which is financed by Eskom's Demand Side Management (DSM) programme – for the fitting of 1,000 high-efficiency fan units at KDC, South Deep and Beatrix.

These 32kW units will replace the existing 45kW units and will consume 30% less electricity. The rolling out of these state-of-the-art fans follows the successful piloting of 10 units at KDC. Collectively, the new fans are expected to save 13MW a year. This will translate into cost savings of around R67 million (US\$9 million) a year. "This means the project will pay itself off in less than six months," says Jan du Plessis, Group Environmental Engineer. In addition, Gold Fields is exploring opportunities to earn carbon credits for its investment in the development of this entirely new, energy-saving technology.

A second DSM initiative during 2011 saw 23 fan stations at KDC fitted with upgraded and automated inlet guide vanes, which shifted 30MW out of peak periods and saved around R7 million (US\$970,000 million) last year.

Enhanced cyanide management through ASTER™ process technology

ASTER™ is a proprietary Gold Fields technology that offers a safe, efficient and environmentally responsible alternative to conventional cyanide management and process water disposal. ASTER™ utilises a blend of naturally occurring microbial species to destroy cyanide and thiocyanate present in recycled tailings process water, following the leaching process. ASTER™ negates the need for costly and environmentally harmful chemicals that are commonly used in cyanide destruction, by using bacteria and fungi that are wholly non-pathogenic. This not only limits ASTER™'s environmental impact, but also offers significant cost savings compared to rival chemical processes.

In addition, the operational efficiency of ASTER™ has now been proven on a commercial scale. During 2011, this was demonstrated at the first ever commercial ASTER™ plant, operated by Barberton Mines in South Africa. Process water from the plant demonstrated only trace levels of cyanide, as well as thiocyanate concentrations of <1ppm. This is below what most chemical processes are capable of achieving and well within the International Cyanide Management Code (ICMC) cyanide concentration limit of 50ppm.

ASTER™ can be used to further enhance Gold Fields BIOX® treatment technology, which has very low tolerance of cyanide and thiocyanate and thus requires tailings process water to be detoxified prior to reuse. As a result, the growing global demand for BIOX® will also generate marketing opportunities for ASTER™. Several BIOX® operations are already investigating potential application of ASTER™. In addition, it is likely that the market for ASTER™ will be driven by increasingly stringent environmental legislation around the world, as well as a growing number of companies signing up to the ICMC.

Gold Fields is currently investigating opportunities to use ASTER™ to enhance cyanide management at its Cerro Corona mine and Chucapaca project in Peru.

Gold Fields Ghana wins 2011 Global Business Coalition Health Award

On 2 June 2011, Gold Fields Ghana was announced as the winner of the Workplace and Community Engagement category at the GBC Health¹ Awards held in New York. GBC Health is a global business coalition seeking to mitigate the impact of HIV/AIDS, Tuberculosis and malaria.

The award recognises the work of the Wellbeing Unit at Gold Fields Ghana – led by Charity Tuffour-Kwarteng – which operates a comprehensive workplace and community education, prevention, treatment and support programme. This wellness programme aims to mitigate the impact of HIV/AIDS, TB and malaria within Gold Fields workforce in Ghana – and within local communities.

The wellness programme has delivered encouraging results. In 2010, for example, Gold Fields Ghana recorded significant reductions in cases of sexually transmitted infections (90% reduction) and malaria (60% reduction) amongst employees. Likewise, 96% of Gold Fields Ghana employees have undergone voluntary testing for HIV, which has suggested a prevalence rate of less than 1%. In addition, 150 workplace and community health educators have been trained under the programme, and engaged with over 18,500 people in 2011.

In particular, GBC Health commended the wellness programme for two “critical success factors”:

- Strong cross-sector and industry collaboration: Gold Fields works with a range of stakeholders, including national government, NGOs, unions and peers, to maximise the impact of the programme
- Outreach to vulnerable and most-at-risk populations: Gold Fields actively engages vulnerable populations, including sex workers, artisanal miners and people living with HIV/AIDS, to expand the reach of the programme

GBC Health is a not-for-profit organisation with a membership of over 200 businesses and organisations – including major multi-national enterprises such as Coca-Cola, Standard Chartered Bank and Unilever. GBC Health aims to apply its members' assets and resources to help improve public health – in partnership with NGOs, United Nations agencies and government programmes. The 2011 GBC Health Awards drew candidates from 82 companies who work in more than 50 countries. The awards presentation ceremony profiled Gold Fields programme and featured dignitaries such as Virgin's Sir Richard Branson and former UK Prime Minister Gordon Brown.

<http://www.gbchealth.org/>

¹ GBC Health was formerly known as the Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria

Living Gold rose project: Learning from past challenges

Gold Fields and the government-run Industrial Development Corporation have invested a total of R160 million (US\$22 million) in the Living Gold rose farm since 2003. To date, this alternative livelihood project, which is based on the Far West Rand in South Africa, has provided training for over 600 people in the skills of growing, harvesting, sorting and packaging roses for export. The project currently employs 132 people.

Since it started, however, the Living Gold project has encountered a number of unanticipated challenges that have undermined its economic viability. These include:

- The 'building-in' of relatively high base- and overhead-costs, including water treatment, heated and artificially ventilated tunnels, and the upfront purchase of excess power to support anticipated expansion
- Commercial and practical challenges posed by the high-volume cultivation of a small variety of rose-species
- Strong competition within the export market from large-scale rose exporters, including those in Kenya that enjoy certain climatic advantages and lower overheads
- A significant strengthening of the Rand against key foreign currencies – with commensurate impacts on relative export prices, resulting in significantly smaller margins

In the spirit of continuous improvement, Gold Fields is implementing a 'turnaround' strategy to ensure the long-term sustainability of the project. This includes:

- The introduction of an increased number of exclusively licenced rose varieties and a commensurate reduction in the volumes being cultivated per variety – allowing for a better-targeted, niche marketing and sales programme
- A new focus on improved quality and lower-volumes to avoid over-supply – and a focus on higher value sales to local markets. This has already improved the economics of the project through, for example, reduced transport costs associated with export
- The introduction of enhanced production techniques to improve rose quality and average stem length. In 2011, this contributed to a near doubling in the average price fetched by Liquid Gold roses
- The diversification of production to include high-value vegetables and cut foliage. This is expected to broaden and expand the project's revenue base and will be piloted and rolled out in the second half of 2012
- The introduction of a more appropriate labour model, based on a core of permanent staff supported by additional seasonal personnel
- Energy saving initiatives to reduce electricity costs

As a result of these changes, the Living Gold project has been put back onto a more sustainable footing. In January 2012, Gold Fields also secured a 10% equity partner in the venture, who will manage Living Gold on an economically sustainable basis.

<http://www.idc.co.za/>

Developing a sustainable economic model for the Eastern Cape

Around 35,000 employees from the major South African mining companies – about 25% of the total workforce – originate from the Eastern Cape Province in South Africa. Nonetheless, the Eastern Cape remains one of the poorest regions in the country, with 74% of its population living below the poverty line of R800 (US\$110) or less a month (2007 estimate).

Gold Fields is partnering with a range of stakeholders to drive sustainable development in the province, including peer company AngloGold Ashanti and the not-for-profit organisations Letsema Circle, TEBA Development and the National Business Initiative. The aim of this partnership is to pool resources, share expertise and leverage economies of scale to deliver lasting socio-economic benefits.

Efforts will focus on the establishment of Community Enterprise Incubators (CEIs) to help support local entrepreneurs in rural and poor urban communities. In addition to introducing new business opportunities, the CEIs will deliver a structured incubation programme – including the provision of soft loans and ongoing administrative and technical training – for 'ready to market' existing social franchise enterprises. This will deliver 'end-to-end' enterprise incubation support for new bakeries, groceries, farms, abattoirs, retail outlets and others. It is envisaged that by building on these proven business models with pre-existing markets – and providing long-term support – the risk of start-up failure will be minimised.

Through this approach, it is hoped that the CEIs will facilitate the development of a full suite of locally integrated community enterprises which can deliver better quality goods, lower costs, local employment opportunities (including for ex-miners) and other social benefits. Gold Fields believes that it is through the facilitation of such self-sustaining economic networks that broad-based, sustainable socio-economic development can be achieved in the Eastern Cape.

Plans are in place to launch two pilot CEIs in 2012: One in the Intsika Yethu municipality and the other in the King Sabata Dalindyebo municipality. It is envisaged that the CEI programme will be scaled-up across the Eastern Cape, before potential roll-out at a national level.

<http://www.letsemacircle.co.za>

<http://www.teba.co.za>

<http://www.nbi.org.za>