## Online content: Stakeholder engagement

### Investors

**Stakeholder engagement in 2012: Investors**

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<tr>
<th>Issue</th>
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</table>
| Demand for greater leverage against gold price | All investors | Global | Weekly/monthly engagement | • Strategic Portfolio Review resulting in the unbundling of Sibanye Gold 1.3  
• Operational Portfolio Review resulting in cessation of marginal production activities 1.5  
• Focus on cash-based KPIs over ounces produced 2.2.3  
• Avoidance of marginal growth projects and implementation of stringent financial stage-gates 3.1.4  
• Ongoing investment in Group Technical Services to optimise mining performance 3.1.6  
• Ongoing investment in more efficient gold processing technology/facilities 5.1  
• Prioritisation of delivery of free cash flow to investors in the form of dividends 6.1 |
| Growth of cash-generative production volumes (including South Deep ramp-up) | All investors | Global, South Africa | Weekly/monthly engagement | • Completion of all major mine infrastructure to support South Deep's future run-rate 1.3  
• New “24/7” operating model at South Deep to maximise productivity, incentivise employees and support production ramp-up 1.5  
• Pursuit of high-quality greenfields exploration in established Regions and new, under-explored prospective areas 2.2.3  
• Establishment of Growth and Exploration division Sustainable Development function to ensure competitive advantage in challenging new growth environments 3.1.4  
• Focus on maintenance of strong liquidity and improvement of our debt maturity profile 5.1  
• Maintenance of a conservative debt maturity schedule 5.1.3  
• Integration of stringent financial stage-gates throughout the growth pipeline to ensure superior returns 5.1.4  
• Re-scoping of development at the Chucapaca growth project 5.1.5  
• Ongoing investment in more efficient gold processing technology/facilities 6.1 |
| Optimisation of capital expenditure | All investors | Global | Weekly/monthly engagement | • Measurement and monitoring of true, all-in-cost through the use of Notional Cash Expenditure (NCE) 1.5  
• Integration of stringent financial stage-gates throughout the growth pipeline to ensure superior returns 2.2.3  
• Re-scoping of development at the Chucapaca growth project 3.1.4  
• Suspension of development work at the Far Southeast growth project – pending conclusion of stakeholder relations efforts and regulatory clarity 6.1 |
| Leveraging of balance sheet | All investors | Global | Weekly/monthly engagement | • Focus on maintenance of strong liquidity and improvement of our debt maturity profile 1.6  
• Maintenance of a conservative debt maturity schedule |
## Stakeholder engagement

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<tr>
<td>Perceptions of deteriorating operating environment in South Africa</td>
<td>All investors</td>
<td>South Africa</td>
<td>Weekly/monthly engagement</td>
<td>• Unbundling of new Sibanye Gold for more focused management of related issues linked to labour-intensive, deep underground mines&lt;br&gt;• Engagement with organised labour, government, employees and peers to establish a new, fit for purpose labour relations model&lt;br&gt;• Ongoing and new efforts to address broader transformation within the South African mining industry, including through Social Labour Plans</td>
<td>1.3, 1.5, 2.2.3, 3.1.1, 5.1.5, 7.1.5</td>
</tr>
<tr>
<td>Concern over the long-term profitability of mature, deep underground mines in South Africa</td>
<td>All investors</td>
<td>South Africa</td>
<td>Monthly engagement</td>
<td>• Separation of new Gold Fields and Sibanye Gold to allow for more focused management&lt;br&gt;• Pursuit of Surface Treatment Strategy to leverage South African surface assets and reduce environmental liabilities&lt;br&gt;• Ongoing operational efficiency measures at Beatrix and KDC</td>
<td>1.3, 3.1.4, 5.1.3, 5.1.6, 5.1.7, 5.2.1, 7.1.5</td>
</tr>
<tr>
<td>Impact of significant illegal strikes at KDC and Beatrix</td>
<td>All investors</td>
<td>South Africa</td>
<td>Weekly engagement</td>
<td>• Application of responsible and effective security practices to ensure resolution of Beatrix and KDC strikes without serious violence&lt;br&gt;• Engagement with employees, unions and government to resolve the strikes – including acceleration of planned wage increase&lt;br&gt;• Maintenance of the integrity of existing, two-year Collective Wage Agreement – pending resolution of future labour arrangements</td>
<td>2.2.2, 3.1.1, 5.1.2, 7.1.5, 7.3.3</td>
</tr>
<tr>
<td>Impact of major underground fire at KDC’s Ya Rona shaft</td>
<td>All investors</td>
<td>South Africa</td>
<td>Weekly engagement</td>
<td>• Ongoing efforts to establish causes of accident and implement recommendations</td>
<td>2.2.2, 5.1.1, 5.1.2, 5.2</td>
</tr>
<tr>
<td>Impact of Section 54 safety stoppages in South Africa</td>
<td>All investors</td>
<td>South Africa</td>
<td>Monthly engagement</td>
<td>• Ongoing pursuit of Zero Harm (see relevant section under Employees stakeholder table)</td>
<td>1.3.3, 5.1.1, 5.1.2, 5.2</td>
</tr>
<tr>
<td>Impact on production of temporary suspension of our heap leach facilities at Tarkwa</td>
<td>All investors</td>
<td>Ghana</td>
<td>Monthly engagement</td>
<td>• Securing of a lifting of the suspension in August 2012 and approval for continued dilution and discharge (on a temporary basis)&lt;br&gt;• Installation of two new water treatment plants in early 2013 and resumption of heap leach activity</td>
<td>5.1.1, 5.1.2, 5.3.2</td>
</tr>
<tr>
<td>Delivery of major new growth projects</td>
<td>All investors</td>
<td>Global</td>
<td>Quarterly engagement</td>
<td>• Fast tracking of the Yanfolila project in Mali towards a 2013 development decision, following a doubling in resources&lt;br&gt;• Extensive engagement activity at the Far Southeast growth project in the Philippines to ensure a strong/stable licence to operate</td>
<td>1.3.2, 2.2.3, 3.1.5, 6.1, 6.3</td>
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#### Employees

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<tr>
<td>Ongoing pursuit of Zero Harm</td>
<td>Mine employees</td>
<td>Global, South Africa</td>
<td>Daily</td>
<td>• Enhanced Safety Strategy in South Africa, including renewed focus on cultural transformation and stakeholder engagement 1.4 1.5 2.2.2 3.2.2 3.2.3 5.2 6.1.4</td>
<td>1.4 1.5 2.2.2 3.2.2 3.2.3 5.2 6.1.4</td>
</tr>
<tr>
<td>Responsible management of occupational health and employee wellbeing</td>
<td>Mine employees</td>
<td>Global, South Africa</td>
<td>Daily</td>
<td>• Engineering-out of health risks, including the installation of tip filters, mist sprays, settling agents and improved dust measurement As above 7.1.4</td>
<td>7.1.4</td>
</tr>
<tr>
<td>The addressing of potential legal claims relating to silicosis in the South African mining sector</td>
<td>Veteran employees, Ex-employees</td>
<td>South Africa</td>
<td>As required</td>
<td>• Detailed preparation to determine potential litigation and liability – including consolidation of historical data 2.2.2 3.2.3 7.1.4</td>
<td>2.2.2 3.2.3 7.1.4</td>
</tr>
<tr>
<td>Management of HIV/AIDS and Tuberculosis within the workforce</td>
<td>Employees</td>
<td>South Africa</td>
<td>Daily treatment, annual testing</td>
<td>• Ongoing awareness raising, Voluntary Counselling and Testing, provision of Highly Active Retroviral Treatment and broader social/medical support 7.1.4</td>
<td>7.1.4</td>
</tr>
<tr>
<td>Effective management of internal and external crisis situations</td>
<td>Employees</td>
<td>Global</td>
<td>Quarterly review, annual testing</td>
<td>• Implementation of Group-wide crisis management programme, ‘semi-live’ exercises and application during illegal strikes at Beatrix and KDC and the serious fire at KDC’s Ya Rona shaft 2.2.2 3.1.1 5.2.1 6.1.4 7.1.5 7.3.3</td>
<td>2.2.2 3.1.1 5.2.1 6.1.4 7.1.5 7.3.3</td>
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<tr>
<td>Provision of competitive salaries, working conditions and benefits</td>
<td>Specialist employees, Managers</td>
<td>Global</td>
<td>Quarterly briefing of top-talent, annual survey</td>
<td>• Regular surveys to ensure remuneration remains competitive in each market we operate in&lt;br&gt;• Offering of an integrated, holistic employee value proposition, tailored to individual needs where possible&lt;br&gt;• Delivery of high-quality education, training and development opportunities</td>
<td>3.1.3 7.1.2</td>
</tr>
<tr>
<td>Provision of competitive training and development opportunities</td>
<td>Managers and employees</td>
<td>Global</td>
<td>Employees receive two weeks a year of on-the-job training</td>
<td>• Ongoing application of centralised and regional leadership development programmes&lt;br&gt;• On-site operational training in South Africa, South America and West Africa&lt;br&gt;• Provision of university bursaries in our South Africa, South America and West Africa regions&lt;br&gt;• Development of world-class, high-technology training facilities at South Deep to support deep underground, mechanised mining</td>
<td>3.1.3 7.1.2</td>
</tr>
<tr>
<td>Enhancement of employee accommodation/living arrangements</td>
<td>Junior employees</td>
<td>South Africa</td>
<td>Weekly tenant meetings</td>
<td>• Upgrading of single men’s accommodation and the ongoing delivery of family accommodation units – in line with our Mining Charter commitments&lt;br&gt;• Initiative to help improve conditions for those employees who opt to “live-out” in informal settlements</td>
<td>7.1.4 7.3.2</td>
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## Society

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| Increased fiscal burden on extractive companies | Government | Ghana | Regular direct and indirect engagement with government | • Submission of draft, Gold Fields-specific Stability Agreement to the Government of Ghana to ensure a stable platform for future investment in the country  
• Development/advocacy of draft, sector-wide Stability Agreement to ensure level playing field for all operators  
• Engagement with the government to find correct balance between increasing mining revenues and ensuring that future investment in the Ghanaian extractive industry remains commercially justifiable |
| Employment of local citizens, community members and/or Historically Disadvantaged South Africans (HDSAs) | Governments, local citizens, local communities | Ghana, Peru, South Africa | Weekly/monthly/quarterly assessment | • Compliance with relevant quotas relating to the employment of nationals/Historically Disadvantaged South Africans (HDSAs)  
• Ongoing application of community recruitment processes and structures in Ghana  
• Ongoing, targeted employment, training and development of local community members in Peru  
• Ongoing, targeted employment, training and development of HDSAs in South Africa |
| Sourcing of local and/or Black Economic Empowerment (BEE) goods and services | Local/HDSA-controlled businesses | Ghana, Peru and South Africa | As required | • Compliance with relevant terms of the Mining Charter and other relevant BEE legislation  
• Application (where practicable) of preferential procurement in Ghana, Peru and South Africa  
• Active engagement and joint ventures with local suppliers to improve their business, management and production standards  
• Development of database of suppliers in South Africa |
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| Water scarcity and quality           | Regulators, local communities       | Australia, Ghana, Peru and South Africa | Daily monitoring, weekly joint-community monitoring          | • Introduction of new Group-wide Water Strategy to ensure strong, common practice across all regions  
• Ongoing implementation of Liquid Gold project in South Africa to address potential Acid Mine Drainage and other water-related risks  
• Joint water monitoring with community members at Cero Corona and Tarkwa  
• Installation of two high-value water treatment plants at Tarkwa’s heap leach facilities |
| Carbon emissions and climate change impacts | Governments, society          | Global                          | Six-monthly government briefings                            | • Implementation of new, integrated Energy and Carbon Management Strategy across the Group  
• Ongoing investigation into renewable energy opportunities, including a biomass energy plant at Tarkwa, a waste and biomass energy plant at KDC and wind-power at St Ives  
• Ongoing operation of the Beatrix Methane Project and the generation of Certified Emission Reductions  
• Energy efficiency measures at our South African operations  
• Minimum requirement of 20% renewables for greenfields projects |
| Contributions to local socio-economic development | Local government, Local communities | Global                          | Monthly meetings with local communities                     | • Implementation of the shared value concept to ensure alignment of operational and strategic interests with local communities  
• Ongoing Socio-Economic Development contributions (via ‘per ounce’ payments to the Gold Fields Ghana Foundation)  
• Ongoing initiatives to enhance local infrastructure, education and training, health and wellbeing, and economic diversification |

Relevant sections in the Integrated Annual Review 2012:

- 2.2.3
- 5.1.6
- 5.3.3
- 6.1
- 7.2
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<td>Meaningful consultation on matters affecting local communities</td>
<td>Local communities</td>
<td>Global</td>
<td>Weekly/monthly/quarterly meetings</td>
<td>• Engagement on issues around heritage issues, native title and land access with indigenous groups at Agnew, St Ives and Far Southeast – and also in relation to our exploration activities in Canada                                                                appiness: 2.2.3 • Extensive, multi-layered stakeholder engagement frameworks at Damang and Tarkwa • Regulated engagement activities through our Social and Labour Plans at Beatrix, KDC and South Deep • The establishment of new Community Engagement Forums at South Deep • Ongoing implementation of formal engagement framework at Cerro Corona – and participation in the ‘Mesa de Dialogo y Concertacion de Hualgayoc’ multi-stakeholder forum</td>
<td>2.2.3 6.1 6.3 7.2.5</td>
</tr>
<tr>
<td>Transformation of the mining industry</td>
<td>National government, Regulators, Society, Employees</td>
<td>South Africa</td>
<td>Six-monthly SLP meetings with government, weekly meetings with employees on training, operating and wellness issues</td>
<td>• Ongoing strengthening of the ‘empowerment pipeline’ through the education, training and development of our HDSA employees – including targeted Adult Basic Education and Training programmes • Ongoing construction of family accommodation, the upgrading of single person hostels and the promotion of home ownership (on advantageous terms) amongst our employees • Efforts to improve living conditions amongst that portion of our workforce that opts to ‘live-out’ in informal settlements • Promotion of socio-economic development in labour-sending areas • Implementation of the new operating model at South Deep, offering greater potential take home pay • Exploration of new career structures for junior personnel</td>
<td>3.1.1 7.1.3 7.1.4 7.1.5 7.2</td>
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| Securing of people and assets without compromising the human rights of others | National government, Society, Local communities, Employees, Consumers | Ghana, South Africa | Quarterly meetings with external security providers | • Resolution of illegal strikes at Beatrix and KDC without serious injury  
• Human rights training for Gold Fields Protection Services (GFPS) personnel  
• Ongoing liaison with local security forces  
• Adherence to the International Code of Conduct for Private Security Service Providers by GFPS | 2.2.2  
3.1.1  
3.2.3  
7.1.5  
7.3.3 |
| Support for international efforts to exclude conflict-related gold from the legitimate global gold trade | Society, Consumers                    | Global            | Ongoing, monthly WGC meetings           | • Voluntarily adoption of the World Gold Council’s (WGC) Conflict-Free Gold Standard, despite not producing gold in any conflict-affected countries  
• Pilot application of the Standard by external and internal experts at all of our eligible operations (building on similar exercises at Damang and Tarkwa in 2011) to assess our readiness to conform with the standard | 4.1.2  
7.3.3 |