



GOLD FIELDS



GOLD FIELDS LIMITED
SUSTAINABLE DEVELOPMENT

SUSTAINABLE DEVELOPMENT REPORT 2008

SECURING OUR FUTURE

Overview of our performance

Highlights	Lowlights
<ul style="list-style-type: none"> • ISO 14001, OHSAS 18001 and AS4801 certifications maintained. • Zero Lost Time Injuries (LTIs) at Agnew. • Significant progress made on our sustainable development framework. • Numerous alternative livelihood projects progressed. • Received an award in Ghana for “the most socially responsible company”. • Received an award for outstanding contributions in environmental education in South Africa. • Cyanide Code (ICM) certification at Damang and Tarkwa achieved. • Illegal miners peacefully removed at Damang. • Spend on Historically Disadvantaged South African vendors increased by R400 million. • Progression of the Cerro Corona Project through the construction phase through to the commencement of the ramp-up phase with the ongoing input and support of our stakeholders. 	<ul style="list-style-type: none"> • Tragic fatalities. • Energy constraints at the South African operations. • Rising input costs. • Level 3 environmental incidences. • Illegal mining activity on a portion of the Damang mine.

Key focus areas for F2009

- Increased emphasis on mining safely and productivity.
- Completing the sustainable development framework and ensuring operational alignment with the Gold Fields Principles for Sustainable Development.
- Energy efficiency gains.
- Clean Development Mechanism Projects.
- Skills attraction and retention.
- Stakeholder engagement and finalising the implementation of the management systems.
- ISO 14001 Environmental Management System implementation at South Deep and Cerro Corona.

SECURING OUR FUTURE THROUGH INTEGRATED SUSTAINABLE DEVELOPMENT

In keeping with our previous year's report and the favourable feedback that we have received, we have elected to again restrict our reporting to issues that our stakeholders deem to be material and to present this report as an update on the progress achieved during this year.

Gold Fields Limited has become a member of the International Council on Mining and Metals (ICMM) as well as a signatory to the United Nations Global Compact. The ICMM commitment requires adherence to ten principle requirements ranging from ethical considerations to sound systems of corporate governance, human rights, health and safety, environmental management, material stewardship and supply chain management to engagement and last but not least, community affairs. The Global Compact requires adherence to another 10 principles that support the ICMM commitment with conformance required in the areas of human rights, labour standards, environmental management and anti corruption. To understand our position in terms of the abovementioned principles, we have undertaken a comprehensive gap analysis. Based on the outcomes of this gap analysis, we have developed a sustainable development framework which consists of a high level policy, supporting policies and associated practical guidance. The structure of the framework is reflected below.

Through our membership of the ICMM, we maintain an active role and provide representation on numerous work programmes of the ICMM which include:

- Environmental Stewardship;
- Health and Safety;
- Materials Stewardship;
- Socio-economic Development; and
- Resource Endowment.

Our involvement in these work groups serves to actively assist the ICMM in developing responsible approaches to the mining and use of metals in keeping with the ICMM's overall objective and to provide insight towards our practices and experiences regarding the above.

As a result of the requirement to ensure that the principles of our sustainable development framework are integrated into all aspects of our business, we have adopted a collaborative approach to the population of the framework. This approach is achieved through the formulation of peer groups for each policy area. The members of the peer groups are acknowledged experts in the respective subjects and are sourced from operations as well as from centralised disciplines. The terms of reference for each peer group includes the revision of policies and the development of strategic objectives and associated practical guidance. The peer groups also serve as a "brains trust" for the organisation and to ensure that intellectual capital is retained.

During the year significant progress has been achieved on this framework and the population of the various subsections of the framework. The focus of the coming year will be to finalise the framework and to ensure that the principles and practical guidance contained therein are cascaded back into our operational entities.

In terms of governance, this process is managed by a Steering Committee, which is responsible to report progress to the Sustainable Development Executive Committee. All sustainable development matters other than ethics and corporate governance matters are reported to the Safety, Health, Environment and Community Committee (a subcommittee of the Board of Directors) on a quarterly basis, including progress on the sustainable development framework. Ethics and corporate governance are reported at the Audit Committee. More detail on the Safety, Health, Environment and Community Committee is provided under the Corporate Governance section.

As part of the entire process, assurance checklists are being developed to provide operations with a yardstick for conformance.



INVITATION TO ENGAGE AND STAKEHOLDER FEEDBACK FORM

This Report provides part of Gold Fields' response to calls for increased transparency and accountability and we hope you find it useful and informative. We believe that it constitutes a reasonable and fair reflection of the progress and challenges we have experienced over the past year. As always, we welcome your feedback on the report and any of our activities. For further information please visit our website at www.goldfields.co.za or complete the fax reply form at the back of this report.

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SUSTAINABLE DEVELOPMENT REPORT 2008 CONTINUED

ETHICS AND CORPORATE GOVERNANCE

Gold Fields is committed to upholding sound principles of corporate governance and creating value for its shareholders in a responsible and ethical manner.

The company endorses the principles contained in the South African Code of Corporate Practices and Conduct as recommended in the second King Report (King II) and complies with its provisions. Gold Fields' shares are listed on the JSE Limited (the JSE) as a primary listing and the company is required to comply with the JSE Listings Requirements. The company, also has a secondary listing on the following stock exchanges: The New York Stock Exchange (NYSE), the Dubai International Financial Exchange (DIFX), the Euronext in Brussels (NYSE), and the Swiss Exchange (SWX). The company is subject to the disclosure and corporate governance requirements of the NYSE, in so far as these relate to foreign private issuers such as Gold Fields.

1. Board of directors

The company's articles of association provide that the company's Board shall consist of a minimum of four directors and a maximum of 15 directors. The Board currently comprises two executive directors and nine non-executive directors, the majority of whom are independent.

The office of the chairman and that of the chief executive officer (CEO) are separate from one another and are currently filled by an independent non-executive director, Mr AJ Wright, and an executive director, Mr NJ Holland, respectively.

Mr Holland replaced Mr Cockerill as the CEO who resigned from the Board, and Mr TP Goodlace was appointed the chief operating officer (COO), all with effect from 1 May 2008. Mr DN Murray was appointed a non-executive director of the company, with effect from 1 January 2008, and Mrs GM Wilson was appointed a non-executive director of the company, with effect from 1 August 2008. Dr A Grigorian and Mr TMG Sexwale resigned as directors with effect from 2 November 2007, and Mr JM McMahon and Dr PJ Ryan resigned as directors of the company with effect from 30 June 2008. Subsequent to year end, Mr TP Goodlace informed the Board of his resignation with effect 15 October 2008.

The Gold Fields Board comprises a majority of non-executive directors of whom sufficient are independent of management so that shareowner interests (including minority interests) can be protected. Non-executive directors do not receive any remuneration from the

company for their services as directors other than the fees and share options detailed in the Directors' Report on pages 116 to 117 of this annual report.

The Board reviews the status of its members on an ongoing basis and, based on its deliberations, currently considers the majority of its nine non-executive directors to be independent, as defined in the JSE Listings Requirements.

Details of the directors and their status as executive, non-executive or independent appear on pages 4 and 5 of this annual report.

2. Board charter

Gold Fields' mission is that of a leading value adding globally diversified precious metals producer through the responsible, sustainable and innovative development of quality assets.

In accordance with the board charter, the directors seek to promote the mission of the company, while upholding sound principles of corporate governance, the interests of communities which the company affects, responsible citizenship and the best interests of the company's shareholders. The charter, which is available on the Gold Fields website (www.goldfields.co.za), articulates clearly and concisely the objectives and responsibilities of the Board.

The Board discharges these responsibilities through a number of actions, including:

- Determining the company's code of ethics and conducting its own affairs in a professional manner, upholding the core values of integrity, transparency and enterprise;
- Evaluating, determining and ensuring the implementation of corporate strategy and policy;
- Determining compensation, development, education and other relevant policies for the Group's employees; and
- Developing and setting disclosure and reporting practices, as required by applicable law to best serve the needs of its shareholders.

3. Staggered rotation of directors

In accordance with the company's articles of association, one-third of the directors shall retire from office at each annual general meeting, with the first to retire being those appointed as additional members of the Board during the year, followed by the longest serving members. Retiring directors are free to make themselves available for re-election and may, as such, be re-elected at the annual general meeting at which they retire.

4. Board meetings and attendance

The Board is required to meet at least four times a year. The non-executive directors also use this opportunity to meet amongst themselves. The Board met on 13 occasions, in person or telephonically, during the year under review. The record of attendance by members of the Board at such meetings is contained in the table below.

Director	2007				2008									
	31/7	22/8	04/10	09/11	30/1	14/2	15/2	13/3	30/3*	18/4	08/5	10/6	26/6	
AJ Wright	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
NJ Holland	✓	✓	✓	✓	✓	✓	✓	✓	N/A	✓	✓	✓	✓	
TP Goodlace ¹	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	
K Ansah	✓	✓	#	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
ID Cockerill ²	✓	✓	✓	✓	✓	✓	✓	✓	N/A	✓	N/A	N/A	N/A	
A Grigorian ³	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
JG Hopwood	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
G Marcus	✓	✓	✓	✓	✓	✓	#	✓	✓	✓	✓	✓	✓	
JM McMahon ⁴	✓	✓	✓	✓	✓	✓	✓	#	✓	✓	✓	✓	✓	
DN Murray ⁵	N/A	N/A	N/A	N/A	✓	✓	✓	✓	#	✓	✓	✓	✓	
DMJ Ncube	✓	✓	✓	✓	✓	✓	✓	✓	✓	#	#	✓	✓	
RL Pennant-Rea	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
PJ Ryan ⁴	✓	#	✓	✓	✓	✓	✓	#	✓	✓	#	✓	#	
TMG Sexwale ³	#	#	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Cl von Christierson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

✓ Indicates attendance # Indicates absence with apology N/A Indicates not a director at the time or not required to attend

¹Appointed 1 May 2008 and resigned 15 October 2008 ²Resigned as a director 30 April 2008 ³Resigned 2 November 2007 ⁴Resigned 30 June 2008

⁵Appointed 1 January 2008 *Non-executive

5. Board committees

The Board has established a number of standing committees composed entirely of non-executive directors. These committees comprise the Nominating and Governance Committee, the Audit Committee, the Remuneration Committee, the Safety, Health, Environment and Community Committee, all of which operate in accordance with written terms of reference, which terms of reference were approved by the Board and are available on the Group's website (www.goldfields.co.za) or from the company's secretarial office, on request.

Each of the standing board committees is chaired by an independent, non-executive director. Each such committee is required to evaluate its own effectiveness and performance from time to time, with the Nominating and Governance Committee monitoring and reporting to the Board periodically on such performance and effectiveness.

Each member is paid remuneration in addition to the annual fee payable to directors, which remuneration is recommended by the Board and requires approval in advance by the shareholders of the company in general meeting.

6. Nominating and Governance Committee

The Nominating and Governance Committee was reconstituted on 8 May 2008 and is chaired by the chairman of the Group, Mr AJ Wright. Messrs RL Pennant-Rea, K Ansah and Cl von Christierson are the other members of this committee. Its written terms of reference require this committee, *inter alia*, to:

- Develop the approach of the Group to matters of corporate governance and make recommendations to the Board with respect to all such matters;
- Identify successors to the chairman and chief executive officer and make recommendations of such successors to the Board;
- Consider the mandates of board committees, the selection and rotation of committee members and chairman as well as the performance and effectiveness of each board committee on an ongoing basis; and
- Evaluate the effectiveness of the Board and its committees and management as a whole and report thereon to the Board.

The Nominating and Governance Committee met on six occasions during the year under review. The record of attendance by members at such meetings is contained in the table overleaf.



SUSTAINABLE DEVELOPMENT REPORT 2008 CONTINUED

Director	2007		2008			
	21/8	8/11	13/2	27/3	07/5	25/6
AJ Wright	√	√	√	√	√	√
K Ansah ¹	N/A	N/A	N/A	√	√	√
A Grigorian ²	√	N/A	N/A	N/A	N/A	N/A
RL Pennant-Rea	√	√	√	√	√	√
PJ Ryan ³	#	√	√	√	#	#
Cl von Christerson ¹	N/A	N/A	N/A	√	√	√

√ Indicates attendance # Indicates absence with apology N/A Indicates not a member at the time

¹Appointed 13 February 2008. ²Resigned 2 November 2007. ³Resigned 30 June 2008.

7. Audit Committee

The Audit Committee is chaired by Mr JG Hopwood, and the other members are Messrs RL Pennant-Rea, DMJ Ncube and Mrs GM Wilson (appointed 1 August 2008). The committee is required to meet at least quarterly and to monitor and review:

- The effectiveness of the Group's information systems and other systems of internal control;
- The effectiveness of the internal audit function;
- The reports of both the external and internal auditors;
- The quarterly and annual reports and specifically the annual financial statements;
- The annual report on Form 20-F filed with the United States Securities and Exchange Commission (SEC);
- The accounting policies of the Group and any proposed revision thereto;
- The external audit findings, reports and fees and the approval thereof; and
- The compliance with applicable legislation, requirements of regulatory authorities and the Group's code of ethics.

All members of the Audit Committee are independent, non-executive directors.

The internal and external auditors have unrestricted access to the Audit Committee, the Audit Committee chairman, and the chairman of the Board, ensuring that their independence is in no way impaired.

The Group internal audit function is headed by the senior manager, internal audit. The Audit Committee determines the purpose, authority and responsibility of the internal audit function in an Internal Audit Charter, which charter has been approved by the Audit Committee. The Audit Committee has the authority to appoint and dismiss the head of the Group internal audit function.

The Audit Committee is required to approve all significant non-audit relationships with the Group's independent auditor. For the period under review, the Audit Committee has approved, and the Group's independent auditor has performed, the non-audit services for accounting advice and taxation. In consideration for rendering these services, the Group has paid the independent auditor an amount of R1.0 million.

The Audit Committee is responsible for the oversight of the work of the independent auditor, and the independent auditor reports directly to the Audit Committee.

The Board of Directors believes that the members of the Audit Committee collectively possess the knowledge and experience to oversee and assess the performance of Gold Fields' management and auditors, the quality of Gold Fields' disclosure controls, the preparation and evaluation of Gold Fields' financial statements and Gold Fields' financial reporting. The Board also believes that the members of the Audit Committee collectively possess the understanding of audit committee functions necessary to diligently execute their responsibilities.

The Audit Committee has adopted formal, written terms of reference that were approved by the Board. Save in respect of the requirement to have at least one member who is an 'audit committee financial expert', as defined in the rules of the SEC, the Audit Committee is of the opinion that it has satisfied its responsibilities for the past financial year in compliance with such terms of reference.

The Audit Committee met on six occasions during the year under review. The record of attendance by members at such meetings is contained in the table on the next page.

Director	2007				2008	
	30/7	20/08	23/10	04/12	28/1	05/5
JG Hopwood	✓	✓	✓	✓	✓	✓
JM McMahon ¹	✓	✓	✓	✓	✓	✓
DMJ Ncube	✓	#	✓	✓	✓	#
RL Pennant-Rea	✓	✓	✓	✓	✓	✓

✓ Indicates attendance # Indicates absence with apology

¹Resigned 30 June 2008.

8. Remuneration Committee

The Remuneration Committee (formerly known as the Compensation Committee) comprises independent non-executive directors namely, Messrs Cl von Christierson (chairman), DMJ Ncube, JG Hopwood and AJ Wright and is required to meet at least twice a year. The committee, which has adopted its own formal terms of reference, has established and reviews, on an ongoing basis, the Group's remuneration philosophy, the terms and conditions of employment of executive directors and other executives, including a short-term performance-linked bonus scheme and a long-term share incentive scheme.

The terms and conditions of employment of both executive directors are contained in written contracts of employment. The remuneration particulars of each contract are contained on pages 116 and 117 of this annual report, with the Group's maximum exposure being limited to two years' remuneration in the event either such executive director's services are terminated as a result of a takeover or merger.

The Remuneration Committee met on six occasions during the year under review. The record of attendance by members at such meetings is contained in the table below.

Director	2007		2008			
	21/8	8/11	13/2	3/4	07/5	25/6
Cl von Christierson	✓	✓	✓	✓	✓	✓
JG Hopwood	✓	✓	✓	✓	✓	✓
JM McMahon ¹	✓	✓	✓	N/A	N/A	N/A
DMJ Ncube	✓	✓	✓	#	#	✓
AJ Wright	✓	✓	✓	✓	✓	✓

✓ Indicates attendance # Indicates absence with apology N/A Indicates not a member at the time

¹Resigned as a member 13 February 2008.

9. Safety, Health, Environment and Community Committee (SHEC)

The SHEC Committee (formerly known as the Health, Safety and Environment Committee) comprises Messrs DN Murray (chairman), K Ansah, AJ Wright and Prof G Marcus.

The Group is committed to the achievement and maintenance of world-class standards in the management of the health and safety of its employees and the environment. As such, the SHEC Committee plays a pivotal role in assisting the Board in its oversight of the effectiveness of the Group's health, safety, environmental and community programmes and in keeping the Board informed in regard

to the Group's objectives, compliance with and maintenance of standards in these areas. The committee seeks also to minimise health, safety and mining related accidents within the Group, to ensure that the Group's operations are in compliance with all environmental regulations and has established a Group policy in respect of HIV/Aids and health matters. This committee has adopted formal terms of reference and is required, in terms thereof, to meet at least twice a year.

The SHEC Committee met on six occasions during the year under review. The record of attendance by members at such meetings is contained in the table below.

Director	2007		2008			
	21/8	8/11	13/2	6/5	24/6	25/6
DN Murray ¹	N/A	N/A	N/A	✓	✓	✓
PJ Ryan ²	#	✓	✓	#	#	#
K Ansah	✓	✓	✓	✓	✓	✓
A Grigorian ³	✓	N/A	N/A	N/A	N/A	N/A
G Marcus	✓	#	✓	✓	✓	✓
JM McMahon ^{1 & 2}	N/A	N/A	N/A	✓	✓	✓
AJ Wright	✓	✓	✓	✓	✓	✓

✓ Indicates attendance # Indicates absence with apology N/A Indicates not a member at the time

¹Appointed as a member 13 February 2008. ²Resigned 30 June 2008. ³Resigned 2 November 2007.

SUSTAINABLE DEVELOPMENT REPORT 2008 CONTINUED

10. Executive Committee

The Gold Fields Executive Committee (Executive Committee) is not a committee of the Board, but is primarily responsible for implementing the Board's directives, meets regularly to review Group performance and develop Group strategy and policy proposals for consideration by the Board.

The Executive Committee has been mandated by the Board to assist in the execution of the Group's disclosure obligations. A series of guidelines on disclosure have been disseminated throughout the Group. 'Disclosure' is an agenda item at each Executive Committee meeting and, in order to facilitate the fulfilment by the committee of this function, a disclosure co-ordinator has been appointed at each operation and in respect of each core discipline throughout the Group.

Each operating subsidiary of the Group has established board and management committee structures designed to ensure that the Group's commitment to sound practices and standards of corporate governance is maintained on a Group-wide basis. The Group's executive director serves on the board of each operating subsidiary of the Group.

Details of the members of the Executive Committee appear on pages 6 and 7 of this annual report.

11. Internal control

The Board has established and maintains internal controls and procedures, which are reviewed regularly for effectiveness. These controls and procedures are designed to manage, rather than eliminate, the risk of failure, and provide reasonable, but not absolute, assurance that there is an adequate system of internal control in place.

Internal auditors monitor the operation of the internal control systems and report their findings and recommendations to the Audit Committee, the directors and management. Corrective action is taken to address any deficiencies as and when they are identified. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

12. Code of ethics

Directors and employees are bound to uphold the core values of honesty, transparency and integrity that underpin the Gold Fields Code of Ethics. Above all, this code requires all directors and employees to maintain the ethical standards set by the Group, *inter alia*, that its representatives conduct themselves with integrity, in accordance with all applicable law and generally in a manner which is beyond reproach. The code of ethics also articulates the Group's policy with respect to conflicts of interest, confidentiality, fair dealing, the protection and proper use of Group assets. The code of ethics is available on the Group's website (www.goldfields.co.za) and has been communicated throughout the Group. The code of ethics is also communicated to all new employees.

The Board is committed to ensuring the consistent application of the code of ethics and is assisted in its responsibility for overseeing compliance therewith by the Audit Committee.

Gold Fields has contracted the services of 'Tip-offs Anonymous', an independent hotline service provider, to facilitate the confidential reporting of code violations, fraud and other inappropriate behaviour. Employees found guilty of ethical breaches are disciplined in accordance with the Group's disciplinary code and, should the breach also be a criminal act, it is the Group's policy to pursue prosecution of the employee concerned.

13. Insider trading

The Group operates a closed period prior to the publication of its quarterly and year end financial results during which period employees, directors and officers of the Group may not deal in Gold Fields shares. This is also extended to any period when Gold Fields is trading under a cautionary announcement or when employees, directors and officers are in possession of unpublished price sensitive information. The company secretary keeps members of the Board and employees across the Group informed of all such periods.

PEOPLE

At Gold Fields we recognise that people are what make the business and as a result we expend a great deal of energy in ensuring that we deploy sound and leading human resource principles. As a means to this end, our focus this year has been on six fundamental elements of the function. These are:

- Repositioning the human resources function – We have commenced with implementing a strategy that was approved by our Board in the closing months of the previous reporting period. The intention of this strategy is to ensure full alignment with the overall business strategy and is aimed at enhancing human resources service delivery both through upskilling of the practitioners in the function and through re-engineering transactional HR work and implementing an HR shared services centre.
- Developing fully performing leaders – Through a growing understanding of the value of performance and productivity, talent management and training and development of people throughout the Group, remarkable levels of people management have been achieved in the year gone by. In addition to the commitment to developing fully performing leaders, we have also simplified our management and talent review process and this plays a fundamental role in allowing us to gauge the status of talent within the Group.
- Developing Gold Fields people – Our Gold Fields Business Leadership Academy has continued during the year to focus on training to improve the availability of scarce skills. Through an expansion of the Mining School of Excellence we have been able to address the critical shortages in higher order mining and mining services skills. We have also placed special focus on safety training, the development of production supervisors and the establishment of mechanised mining training capacity.

- Remuneration – During the year, the pressures regarding attracting and retaining personnel continued. To address this challenge our remuneration strategies are geared appropriately and have been modernised to move towards a gross remuneration structure which has been rolled out on a voluntary basis to the majority of officials. We have also undertaken a review of the short-term incentive schemes to provide the correct focus on performance and associated rewards. On the international operations we are in the process of consolidating our practices, again with the express intent of attraction and retention. We have also recommenced with a project to consider an Employee Share Ownership Plan following the resolution of certain legislative hurdles.
- Transformation – Our strategic objective to align the company with the evolving new dispensation in South African society continues to be centred on the nine pillars of the Mining Charter, the details of which follow this introduction.
- Employee relations – Our new approach of moving from an industrial relations perspective to employee relations is bearing dividends and providing value. We believe this will stand us in good stead with regard to future negotiations especially in terms of a buoyant gold price and likely increased pressure on wage negotiations

1. Economic contributions

	South Africa	Ghana	Australia	South America
Total employees (excluding contractors)	48,520	2,141	380	151
Net sales (Rm)	14,264	5,030	3,715	0
Total payroll and benefits (Rm)	4 823	257	258	*
Community investment	R15,000,000	US\$1,765,000	A\$642,041	US\$3,265,181
Taxes paid (Rm)	480	153	205	17
Investment in capital expenditure (Rm)	3,275	1,745	1,026	2,533

*Venezuelan operations are accounted for under discontinued operations. All expenses relating to Cerro Corona were capitalised in F2008.



SUSTAINABLE DEVELOPMENT REPORT 2008 CONTINUED

2. South African mining charter

Human resources development

Objective	Achieved F2008	Targets F2009
Has every employee been offered the opportunity to be functionally literate and numerate by 2005 and are employees being trained?	In F2008, 5,773 employees attended ABET of which 1,500 are ABET level 4 which brings the percentage of the total work force that is functionally literate and numerate from 39 per cent to 43 per cent.	Although the target of 4,800 for F2009 will continue to be influenced by the objectives set in the Social and Labour Plans, changing labour, socio-economic, political and workplace realities will dictate a change in the approach to the setting of literacy and numeracy targets. A new dispensation is likely to focus on a dual strategy of literacy and numeracy provision to younger employees, and the provision of portable skills to older employees who are less inclined to literacy and numeracy learning, and who may prefer to acquire portable skills which can sustain economic activity after their formal employment with Gold Fields Limited. The detail of such a new dispensation has yet to be worked out with the social partners.
Have career paths and skills development plans been implemented for HDSA employees?	Workplace Skills Plans and Annual Training Reports covering all Historically Disadvantaged South Africans (HDSA) employees and which have been ratified by organised labour representatives, are submitted individually to the MQA by the mining operations before 30 June of each year, and the company has a policy that stipulates that every employee attending ABET level 4 must have an Individual Development Plan which is aligned to the elective subjects chosen for the qualification.	Continue providing a workplace skills plan and annual training report covering all HDSA employees as required by MQA as well as alignment with any new legislative requirements as they come into force.
Has the Group developed mentorship systems for empowerment groups?	An upgraded mentorship and protégé programme was launched during the year. The programme comprised training interventions to give capacity to the mentor population, and a matching of mentors to protégés to facilitate programme rollout. The programme is aligned to other elements of the Group human resource development programme, for example individual development plans, assessment frameworks, and mentorship and coaching of subordinates are performance deliverables for the management level. All ABET practitioners are trained and placed in a pool to be chosen by learners as coaches and mentors.	Systematic extension of upgraded mentorship programme established in F2008 to the rest of the population on formal succession plans and in the HDSA talent pool.

Employment equity

Objective	Achieved F2008	Targets F2009
Has the employment equity plan been published and has annual progress in meeting this plan been reported?	The 2008 employment equity plan is to be submitted to the Department of Labour. The Transformation Steering Committee continues to monitor its implementation across all South African operations.	The employment equity plan will continue to be revised and updated to ensure that it is in line with existing legislation. The transformation committees at operational and corporate level will continue to guide the implementation of employment equity.
Has a plan been established to achieve HDSA participation in management of 40 per cent within five years and is the plan being implemented?	A plan to increase HDSA participation in management is in place and its implementation is guided by the Transformation Steering Committee.	A strategy is in place to achieve 40 per cent HDSA participation in management by 2009.
Has the company identified a pool of talent and is this being fast-tracked?	Representation of HDSA in management, showed a steady increase over the last year from 33 per cent to 37 per cent.	Talent pool identification and fast tracking programmes will continue in supporting the next level targets in the social and labour plans.
Has a plan been devised to achieve 10 per cent participation by women by 2009 and is this plan being implemented?	Current levels have improved from 2007, 3.2 per cent to 5.7 per cent with the inclusion of South Deep.	A strategy is in place and continues to aspire to the mining charter target for 2009. The mining operations, who are individual holders of mining rights, are also continuing with dedicated efforts and strategies to achieve their respective targets of 5 per cent by 2009 as well as the 10 per cent Social and Labour Plan commitments by 2016. These targets were negotiated and agreed with the regulator. The Group is on track to meet the 2009 commitment of 5 per cent.

Migrant and foreign labour

Objective	Achieved F2008	Targets F2009
Has the Group subscribed to government and industry agreements to ensure non-discrimination against foreign migrant labour?	Group policy remains not to discriminate against foreign/migrant labour but to recruit locally where possible.	Increase of local labour portion of South African workforce.

Mine community and development

Objective	Achieved F2008	Targets F2009
Has the Group co-operated in the formulation of integrated development plans and is it co-operating with government in implementing these plans in communities where mining takes place and in labour sending areas?	The Gold Fields Foundation budgeted as per established formula for allocation to four key categories: Education, Community Development, Environment and Health. The allocated budget was R15 million.	Maintain capacity to develop projects through multi-stakeholder consultation and align them with the integrated development plans of the relevant communities.
Has the Group engaged with local mining communities and those in labour sending areas?	There has been ongoing engagement with public and private sector stakeholders for both our mine host communities and labour source communities. All approved social and labour plans are being implemented at the operations in consultation with the appropriate stakeholders.	Gold Fields will maintain ongoing engagement with public and private sector stakeholders for its communities and labour source communities. This engagement will be in accordance with the AA 1000 standard. The contributions of the Gold Fields Foundation to the communities and labour source communities will be maintained according to the formula. However, actual funding will depend on project sustainability.

SUSTAINABLE DEVELOPMENT REPORT 2008 CONTINUED

2. South African mining charter (continued)

Housing and living conditions

Objective	Achieved F2008	Targets F2009
Regarding Group-provided housing, has the mine, in consultation with stakeholders, established measures for improving housing, including the upgrading of hostels to family units and promotion of home ownership options among employees?	<p>The Group has commenced with the construction of 292 houses for family accommodation in the West Wits region.</p> <p>The programme to upgrade hostels continued and 508 rooms were completed during F2008.</p> <p>Involvement of organised labour and other key stakeholders has been fundamental to the above success.</p>	<p>The construction of the 292 houses is aimed for completion by November 2008.</p> <p>There are 299 hostel rooms ring fenced as a separate project due for completion by end of December 2008 as part of the 508 completed rooms to meet F2008 target of 807 upgraded rooms.</p> <p>For F2009 the target for hostels upgrade is 1 001 rooms.</p>
Have measures been established to improve the nutrition of mine employees? What has been done to improve nutrition?	<p>There has been an improvement of nutrition in 2008 by setting up a separate Food & Beverage Department that is independent from the accommodation. Specialists have been employed and have brought about a number of changes with the support of a dietician for quality assurance.</p>	<p>There will be intensive training and development of the cooks to improve the serving, food preparation methods and to eliminate wastage.</p> <p>Menus will be standardised. Buying and food preparation and batching will be centralised.</p>

Procurement

Objective	Achieved F2008	Targets F2009
Have current levels of procurement from HDSA companies in terms of capital goods, consumables and services been identified?	<p>By the end of F2008, HDSA spend accounted for R1.8 billion, 40 per cent of total working cost and capital materials spend. This includes South Deep where no Social and Labour Plan targets are set as yet. South Deep is a trackless mine and majority of spend is with foreign countries. If South Deep is excluded, our spend is at 44 per cent. We have exceeded our Mining Charter target of having more than 40 per cent of our working cost and capital materials spend provided by accredited HDSA suppliers</p>	<p>Achieve a more than 40 per cent HDSA procurement spend by 2009. Although targets have been exceeded, we will be pushing the limit to 45 per cent as an internal target. We will be focusing on SME development and will be offering more advanced courses for learners that have attended the basic training courses.</p>
Has a commitment been made to a progression of procurement from HDSA companies over a three to five year time frame in terms of capital goods, consumables and services and to what extent has this been implemented?	<p>The spend has increased to 40 per cent which is above target, up from 9.7 per cent in 2003, on the back of steadily increasing procurement spend in real terms.</p>	<p>Maintain and improve the HDSA procurement spend for 2009. HDSA supplier screening and accreditation systems to remain in place to ensure accuracy of vendor information. There will be a major drive to achieve Social and Labour Plan targets and improve on them for 2009. The challenges for 2009 will be to improve South Deep HDSA spend.</p>

Ownership and joint ventures

Objective	Achieved F2008	Targets F2009
What is being done to ensure the Group achieves 15 per cent HDSA participation in terms of ownership of equity or attributable units of production by 2009 and 26 per cent by 2014?	Gold Fields complied with the 2009 target by completing a transaction with Mvelaphanda Resources Limited, effective 1 May 2004, in terms of which Mvelaphanda Resources, through its wholly-owned subsidiary, Mvela, will acquire a 15 per cent interest in Gold Fields' South African gold mining assets within five years for a cash consideration of R4.1 billion. On 17 March 2008 Gold Fields Limited and Mvelaphanda Resources Limited agreed that Mvela would receive a fixed 50 million Gold Fields shares if and when Mvela's future stake of 15 per cent in Gold Fields South African mining assets would be exchanged at the instance of either party, for shares in Gold Fields Limited.	Plan for 2014 target through various initiatives.

Beneficiation

Objective	Achieved F2008	Targets F2009
Has the current level of beneficiation been identified?	Gold Fields, together with AngloGold Ashanti, SARB and Standard Bank, operates a gold advance scheme in order to facilitate the provision of secured and cost effective advances of gold to the South African jewellery manufacturing industry.	Continue to support the Gold Advance Scheme.
Has the baseline level of beneficiation been identified and has the company noted the extent by which this will have to increase to qualify for an offset?	The scheme mentioned above involves facilitating advances of gold by advancing collateral support in the form of guarantees. A Beneficiation Act has not yet been promulgated. Gold Fields continues to engage the Department of Minerals and Energy to determine the criteria to qualify for an offset.	Growth in this sector can only be achieved through additional development of the South African jewellery design and manufacturing industry and the development of additional industrial applications for gold.

Reporting

Objective	Achieved F2008	Targets F2009
Does the company report annually on progress made in meeting its commitments?	As part of our annual report we report on progress made in terms of the guidelines set out by the Mining Charter Scorecard and using the evolving Global Reporting Initiative guidelines in the compilation of our report.	To continue to report in accordance with the established format.

SUSTAINABLE DEVELOPMENT REPORT 2008 CONTINUED

3. Skills development and GFBLA

The Gold Fields Business Leadership Academy, which was formed in F2006 to provide the full range of human resource development services required by the South African operations of Gold Fields, has successfully completed its second full year of operations in F2008. The Academy has settled well into its dual operational model of providing human resource development support to the Gold Fields operations in South Africa, and of providing support to a well diversified mining sector customer base in South Africa and the SADCC region, on a commercial basis.

Key focus areas for the Academy in F2008 included providing support to the South African mining operations in respect of their obligations under the relevant sections of the Social and Labour Plans, special training interventions to improve safety performance at the South African operations, customised training interventions to support the transition from conventional mining to more technology based mining methods, and focused training interventions in critical scarce skills occupations to mitigate the loss of such skills in the ongoing competition in the local and global mining market. A further significant area of focus was that of bursaries, learnerships and post graduate trainees, where the numbers of candidates were significantly increased in the year under review (by 29 per cent from 563 to 726) resulting in a 58 per cent increase in costs in this area. The purpose of this was to grow the Group's talent pipeline in the technical disciplines in particular, and in order to transform the racial and gender demographics of the future leadership and professional element of the company.

In Ghana, the scarcity of critical skills is one of the major challenges to achieving our targets. Skills development is undoubtedly one of the top priorities of most industries, of which Gold Fields Limited is not an exception. The focus of training at both Tarkwa and Damang has been not only synergised and aligned towards developing current employees to achieve operational excellence but also geared towards developing prospective employees. This is done by interfacing with the educational authorities and providing scholarships to promote mining related programmes, especially in the fields of mineral resources and mining in selected universities.

For current employees, training can be categorised into three phases at the lower level:

- Induction and orientation (functional knowledge);
- Knowledge and skills training pertaining to the particular tasks requirements; and
- Evaluation/follow up.

All designations have been classified under high, medium and low criticality to ensure energy is directed towards areas where urgent attention is needed. In addition, a framework to manage career path per section aligned to the stratified systems theory, with an integrated aspect of skills/competence measurement and that supports continuous improvement, has been developed and is being systematically deployed into the various departments.

It is envisaged that this framework will assist us to:

- Undertake competence assessments for all critical skills and monitor progress per designation per department;
- Progressively improve training delivery and methodology;
- Make training support mandatory; and
- Ensure a substantial link to performance management.

In Australia, skills development initiatives are in place to meet the needs of our staff and business partners and also provide a range of skills and individual development opportunities for their employees. Our needs are identified via regular performance discussions between staff and their immediate line managers and through the annual Gold Fields Limited Management Review process, a process which reviews all development and performance related information of every employee. Outcomes that may result from this process range from basic skills upgrades to maintain desired competency standards, and supervisory management through to executive leadership training at tertiary institutions. Training and development programmes are delivered by internal as well as external providers.

In Peru, we have embarked on a process of preparatory training of concentrator plant operators in all areas of the metallurgical process including safety and environmental requirements. This process has enabled us to source employees from the local community and therefore contributes directly to the socio-economic climate. Corporate culture alignment training for all heads of department has also been undertaken, which included:

- Social responsibilities and implications;
- Analysis of internal and external context of the mining sector in Peru;
- SWOT analysis of Gold Fields La Cima; and
- Alignment with Gold Fields corporate vision/mission with Peruvian reality.

4. Employment equity

Representation of Historically Disadvantaged South Africans (HDSAs) in management showed an increase over the last year from 33 per cent to 37 per cent.

Strategies that are in place to identify, develop and fast-track high potential employees from within have accelerated.

The Group is on track to meet the 2009 mining charter commitment. The mining operations which are individual holders of mining rights, are also continuing with dedicated efforts and strategies to achieve their respective targets set out in the Social and Labour Plan commitments by 2016.

Percentage targets and actuals for HDSA in South Africa

Occupational category	June 2008	June 2007	June 2006	June 2005	June 2004	June 2003	June 2002	Target June 2008	Target June 2009
Senior management	33	26	26	15	16	14	8	40	40
Professionals	55	54	50	57	56	56	47	57	57
Technicians and associated professionals	49	48	48	50	48	45	37	50	50
Clerks	84	86	97	96	96	97	96	94	94
Services and sales	82	82	96	96	96	97	99	96	96
Craft and related trades	44	40	50	57	55	53	44	53	53
Plant and machine operators	58	50	97	100	100	100	100	97	97

5. Employee relations

In line with our Human Rights Policy (which can be found on the company website under the Company tab), we continue to engage with recognised unions representing our workforce. At the end of F2008, 78.96 per cent of the permanent employees of the South African operations were members of one of the three recognised trade unions. Approximately 71 per cent belong to the National Union of Mineworkers (NUM), 6 per cent are members of the United Association of South Africa (UASA), and 2.5 per cent were members of Solidarity.

Industrial action was limited during F2008, and the South African operations lost only 0.5 per cent of working time to strikes, with 99.5 per cent of shifts having been worked. The 2007 to 2009 wage negotiations were concluded on 30 August 2007 without incident, although a one day strike across all of the South African operations was held on 4 December 2007, to protest conditions in the mining industry.

In addition, Kloof mine experienced a one day strike over health and safety and at Beatrix West shaft there were three days of unprotected work stoppages brought about due to conflict related to branch committee elections.

The company recognises that legal strikes by recognised trade unions are a legitimate instrument of the employer/employee engagement, and relations with organised labour remained constructive during F2008. Management and unions continue to engage in a number of "Plenary" forums to discuss policies such as HIV/Aids, Adult Basic Education and Training, accommodation, employment equity, job grading and social development. Furthermore, management meets on a monthly basis with the leadership of the NUM shaft Stewards Council, and dialogue in these forums contributes to the resolution of issues.

The South African Operations have continued to ensure high levels of compliance with applicable labour legislation and this is borne out by the fact that in 96 per cent of cases, arbitration awards relating to various disputes have been made in favour of the company. A further positive development is that the number of dismissal related disputes has continued to decline and 171 (F2007: 222) matters were finalised in 2008.

Dialogue exists with two unions in Ghana, both affiliated to the Ghana Mineworkers Union (GMWU) with each representing staff on different

levels. The unions are engaged at an operational and national level. The operational engagement is at a formal monthly forum whereas the national engagement is at annual wage review negotiations where Collective Bargaining Agreements are negotiated every three years. These annual wage agreements have been concluded with the Ghana Mineworkers Union since 1994 with the next date for renegotiation being June 2009.

No major issues have been recorded on the industrial relations front; and the following positive employee initiatives were implemented in the year to create goodwill on the operations:

- At Tarkwa and Damang – A supplementary meal for 12 hour shifters (additional to the main mid-shift meal) was introduced in accordance with the provisions of the Collective Bargaining Agreement.
- At Tarkwa and Damang – A shuttle bus service was introduced on two major routes in Ghana to enable employees to travel safely while off duty to see their families.
- At Tarkwa – In furtherance of the Ghana Employee Housing Loan Scheme, a spent ore supply scheme was introduced to supply spent ore to employees for the making of building blocks. Expanding this successful initiative to Damang is being investigated.
- At Tarkwa – A South Plant Closure Plan has been implemented to ameliorate any issues arising out of the pending closure of the Tarkwa South Plant. A transfer plan has been put in place through a standing committee to achieve zero retrenchment with 50 per cent of the target transfer achieved to date.

In Australia, the major challenge facing the Australian resources sector continues to be the availability of suitably trained and experienced people. Unemployment stands at record lows and the development of new projects together with the expansion of many existing ones in Western Australia has created labour shortages across all industry sectors. To this end, we have adopted a strategy of Growing Our People. This strategy has established sound relationships with the major teaching institutions within Australia and abroad and we are now receiving unsolicited applications from young graduates to join the company. Workforce planning and an analysis of scarce and critical skills have enabled targeted programmes to be implemented to ensure future resourcing requirements can be met. Having said this, retaining existing staff remains a high priority goal.

SUSTAINABLE DEVELOPMENT REPORT 2008 CONTINUED

Competition for labour has created many opportunities for staff, even those with little practical experience, with other resource sector companies. Our employment and related benefits are designed to ensure that the total remuneration package is attractive and serves to retain key staff. Promoting from within wherever practicable is also a key driver for the retention of staff. Organisation structures have been reviewed and changes have been made to ensure that the available skills and processes are optimised. Our approach in Australia is to deal directly with our employees on an individual basis. This has proven to be a mutually successful arrangement for a number of years. There has been no lost time due to industrial disputation since Gold Fields Limited acquired the assets in 2001.

6. Housing and living conditions

During F2008 Gold Fields continued to focus on implementing the key strategic employee wellness initiatives such as hostel upgrades, family accommodation and nutrition.

With regard to hostel upgrades, in F2008, 508 rooms have been upgraded. This has brought the total rooms upgraded since the inception of this initiative in F2006 to 1,432, including 168 rooms converted into family units. This initiative has gone a long way in setting a standard for improved living conditions for single sex accommodation employees who now have access to self contained units that boast a kitchenette, living room/common area, bedrooms (shared by a maximum of two employees) and a private and tiled bathroom facility.

On family accommodation, forty additional hostel units have been converted to family units bringing the total units delivered to date to 168 since F2006. These are flats with a bathroom facility, lounge with an open plan kitchen and two bedrooms in most instances. These units, although they were hostels in the past, have been planned for exclusive family accommodation with separate access so as not to mix hostels with family units.

In addition to the above, the construction of an additional 292 houses has commenced that will be completed by mid F2009. This will increase, including the converted units, the portfolio of family accommodation to close to 700 units comprising houses and flats.

For employees residing in single sex accommodation, F2008 saw the establishment of a focused food and beverage department. Four food and beverage specialists have been employed to head and man this department while an accommodation department was formed to focus on the property management side of the hostels. The process to standardisation of menus has commenced to optimise productivity and lower costs while the quality assurance to support this unit is undertaken by a full time nutritionist.

RISK MANAGEMENT

Gold Fields' risk management approach continues to be guided by the Group Risk Policy (refer to Gold Fields website www.goldfields.co.za) which requires consistent and systematic risk assessment and reporting procedures across the Group's global

operations. The Board, via the Audit Committee, is ultimately responsible for the overall system of risk management and oversees measures to understand the changing environment within which the Group operates and the identification and mitigation of new and existing risks on an ongoing basis.

During F2007, risk registers from all operations have been updated or generated by their respective management teams and submitted to Group Risk Management Division for review. For the first time, Cerro Corona as well as all service divisions participated fully in this process. These risk registers are then consolidated for review by regional management and at Group executive level. Building upon the earlier integration of the strategic planning process with the risk management system, the process of compiling the risk registers is used to strengthen the role of risk management within broader operational management. The intention is not a more defensive approach but a more informed, pro-active way of risk management and mitigation that allows for remedial action to be taken often before the risks materialise.

A project to implement a new electronic risk management system that will assist Gold Fields in meeting the guidelines set out in ISO 31000 was initiated during F2008. ISO 31000 outlines generic guidelines for the principles and adequate implementation of risk management. The system will be fully functional by December 2008.

During F2008 a number of material new risks were identified which related mainly to the inclusion of Cerro Corona in the consolidated risk register for the first time. In addition some existing risks, relating to safety and security of power supply, were materially re-rated. Although most risks are multi-dimensional, they are grouped in accordance with the headings utilised in the strategic planning process as set out below.

1. Safety and health

Like all mining companies, Gold Fields is exposed to the risk of injury or occupational illness arising among its workforce. Safety is considered the top priority at all the operations, particularly the South African operations, and continues to receive focused and sustained attention through the Full Compliance and Safety Management System. As safety risks are identified at the operational level, management and mitigation strategic decisions taken from time to time may affect or curtail mining operations impacting on the ability of the Group or its individual operations to produce in line with mine plans. In addition Gold Fields regularly engages external, internationally recognised consultants to review and audit health and safety practices. Recommendations received are implemented and reviewed for compliance on a consistent basis.

Occupational illnesses associated with hard rock mining operations can be caused by excessive, persistent exposure to dust, heat, radiation, noise, vibration and gases. Therefore, the sector has long been subject to stringent occupational health and safety, as well as occupational compensation legislation which is subject to change from time to time. While the Group's various operations have in place the necessary capacity to ensure full compliance with the legislation

of the various jurisdictions, and operate various programmes and initiatives to give effect to this, changes in these laws and regulations may result in additional costs.

In addition, the industry confronts various regional, non-occupational healthcare challenges, such as the HIV/Aids pandemic which is particularly severe in southern Africa and malaria which is prevalent in West Africa. Left unmanaged such medical challenges could adversely affect productivity, safety, general medical costs and absenteeism. Both have been aggressively targeted with a strong emphasis on employee and community involvement and prevention through a variety of educational initiatives. In addition a preventative employee wellness programme for all employees is in place which is complemented by a multi-tier HIV/Aids management programme for those affected by the disease.

2. Financial

As for all gold producers, the risk of projects not delivering in terms of feasibility studies due to inadequate due diligence, sub optimal implementation or resource bottlenecks could impact adversely on the Group's earnings, assets and cash flows. In order to mitigate this risk, the Group has established dedicated project offices for each of its major projects to deploy the necessary experienced project and capital management skills on each project as it is progressed towards operation.

In addition, the company is subject to the volatility of the gold price and exchange rates. Investment decisions relating to mine expansion or mine acquisition are particularly affected by such fluctuations and could impact the Group's earnings and cash flow. Rising commodity input costs and sourcing bottlenecks driven by strong global demand for diesel, timber, tyres and certain chemicals have also impacted on production costs and could continue to do so in future. Gold Fields' response to these volatilities continues with the pursuit of Project 500 which comprises both projects aimed at generating additional revenues through enhanced productivity (Project 400) and initiatives designed to achieve considerable savings (Project 100, Project 100+). At the same time these projects are designed not to adversely affect the company's adherence to, and compliance with regulations, industry standards and adopted voluntary codes. Gold Fields also continues to drive various initiatives seeking to reduce procurement costs through centralised buying, standardised usage of inputs and better inventory management. Where appropriate, the company also seeks longer-term, mutually beneficial arrangements with suppliers and technology partners.

The Group also takes an active role in strengthening global demand for, and use of, gold through its activities in the World Gold Council.

3. Human resources

The expansion of Gold Fields' global footprint together with the continuing 'commodities boom' continues to raise demand for certain skills required by resource companies such as the Group to the extent that this could have a negative impact on productivity, project continuity, the maintenance of standards and employment costs. In response to the actions of higher-margin operators in the resources, construction and infrastructure sectors who have moved aggressively on the latter, Gold Fields pursues a multi-tier approach aimed at generating, attracting and retaining skills. To accommodate the reality of staff turnover, succession and business continuity plans are put in place at all appropriate levels. To this end the Group restructured its training infrastructure into the Gold Fields Business Leadership Academy to provide an expanded, more diverse training and skills development service to the Group and the wider sector. Mindful that many of today's skilled graduates are attracted by a

company's operational ethics and sustainability performance we continue to ensure that cost-reduction initiatives and productivity drives do not impair our ability to meet the high operational standards to which we are committed in these areas. And finally, we seek to retain staff at all levels through a range of programmes encompassing competitive, tax-effective and flexible compensation models, career development opportunities and mentorship schemes. Share incentive and bonus schemes are being reviewed on a regular basis. Relationships and communication with organised labour at operations level is receiving focused attention; to improve this situation the industrial relations and employee benefits functions have been separated.

4. Political

As orebodies bind mining operations physically to the location, the sector is exposed to unexpected changes in national regulatory requirements, such as the tax regime, the terms of royalty agreements, as well as levy and licence conditions. Such uncertainties can have a material effect on overall profitability and influence investment decisions in certain regions where there is political volatility, a divisive electoral process or a drift towards undemocratic rule. In addition, there are local, national and international campaigns against mining activities and specific forms of mining, all of which have the potential to influence public perceptions of the industry. These could include demands from labour and other social demands. Gold Fields remains particularly conscious of these dynamics and continues to develop relationships and mutually beneficial partnerships with all levels of government and non-governmental stakeholders in each country of operation. Through the implementation of the AA1000 stakeholder engagement system, community support programmes and its membership in various industry bodies and transparent lobbying at national and international level, the Group further seeks to ensure stakeholder inclusivity and manage stakeholder expectations and increase regulator understanding.

In addition, the Group's South African operations are subject to the mining charter and scorecard which seeks to

- Promote equitable access to South Africa's mineral resources for all people in South Africa;
- Expand opportunities for Historically Disadvantaged South Africans (HDSAs), including women, to enter the mining and minerals industry and to benefit from the extraction and processing of the country's resources;
- Utilise the existing skills base for the empowerment of HDSAs;
- Expand the skills base of HDSAs in order to serve the community;
- Promote employment and the social and economic welfare of mining communities and areas supplying mining labour; and
- Promote beneficiation of South Africa's mineral commodities beyond mining and processing, including the production of consumer goods.

While Gold Fields believes that it has made, and continues to make good progress towards meeting the Charter requirements, any regulatory changes to these, or failure to meet existing targets, as well as the rise of unrealistic social, political and economic demands being placed on the South African mining sector in general, could adversely affect the Group's earnings, assets and cash flow.

5. Environmental and social

As its global footprint expands, Gold Fields is subject to an ever-growing range of national environmental laws, regulations and

SUSTAINABLE DEVELOPMENT REPORT 2008 CONTINUED

permit conditions as well as a more active stance by global and local environmentally-focused organisations and community groups. Continued compliance with evolving regulatory requirements and dynamic community expectations holds the potential for increased costs and/or potential litigation that could impact negatively on cash flow and earnings. Gold Fields' response to these risks is to resource its environmental and community engagement structures adequately at an operational and corporate level so as to enable it to operate in a legally compliant manner and through the implementation of the AA 1000 stakeholder engagement system build and maintain inclusive, constructive, long-term relationships with its stakeholder communities. In addition, the environmental management systems have since 2004 been certified to the international ISO 14001:2004 standard by external auditors. Gold Fields has also put in place the necessary measures to ensure the certification of all its operations to the International Cyanide Management Code. The Group also seeks to integrate its community engagement more closely with environmental management functions, making both more sustainable through increased integration. Thus many rehabilitation efforts are simultaneously aimed at creating, *inter alia*, sustainable livelihoods, while energy efficiency projects are also assessed for the carbon footprint reduction.

There may be additional risks unknown to Gold Fields at the time, and others that are presently believed to be immaterial which could become material. These factors, should they materialise, could significantly affect the Group's results. All risk information contained in this section and within the statutory disclosure documents should therefore be considered in conjunction with any forward looking statements in this document.

6. Risk financing

Gold Fields continues to insure on a standing charges only (fixed cost) basis of business interruption cover in an effort to contain costs. The Group's insurance programme, now inclusive of Cerro Corona, has been renewed for F2009 at slightly increased premiums

while the underlying deductible structure has been materially improved as previous penal deductibles applicable to South Deep have substantially been eliminated. Globally, mining groups confront a shrinking insurance capacity for mining risks due to the increasing number of catastrophic events that have plagued the industry in recent times.

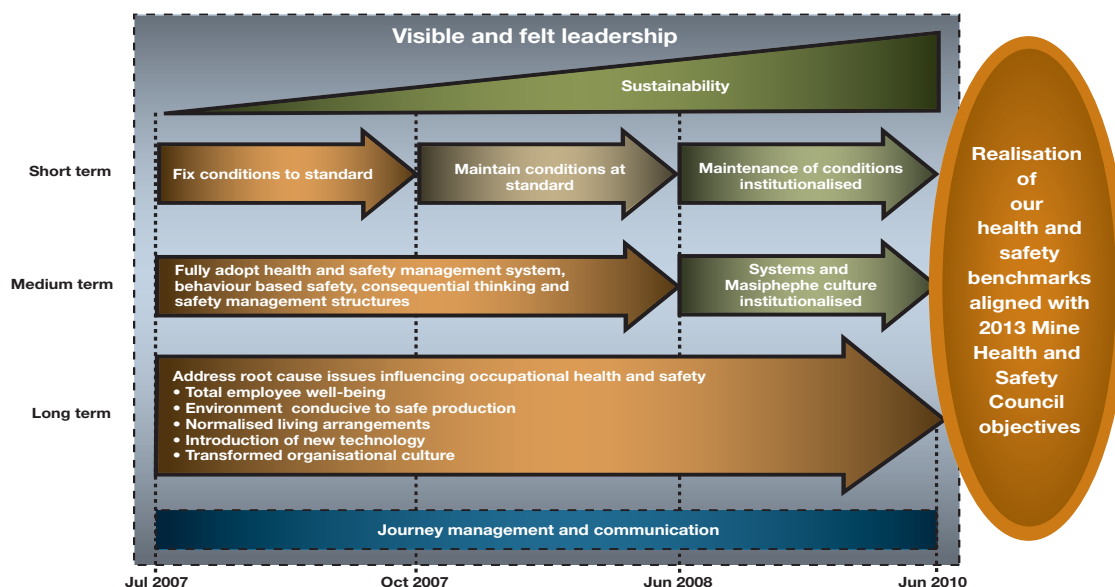
HEALTH AND SAFETY

Since taking up office, Nick Holland has been quoted as saying "We will not mine if we cannot mine safely". This statement succinctly signifies our unwavering commitment to the safety of our people. Supporting this commitment, an occupational health and safety policy provides strategic guidance as to our intent and actions that are required throughout the organisation. Central to the requirements of the policy and the success of our business is the requirement to achieve rapid and sustained improvements in health and safety.

In line with the above commitment and to intensify our focus on accelerating the pace of improvement from that achieved over recent years, an approach has been consolidated and deployed that seeks to realise rapid and sustainable results through a holistic programme of interventions in South Africa. The approach focuses on three distinct timeframes, these being:

- Short-term – An intensive focus on remediating physical conditions and undertaking refresher and new training. This short-term approach includes the stopping of work and re-training mining and support crews regarding safety and expectations around conditions in the underground environment. Once the re-training is completed, workplaces are audited by the crews, supervisors and safety staff.
- Medium-term – Institutionalising our safety management systems with full ownership from all employees.
- Long-term – A proactive response to significant root causes that may give rise to poor health and safety performance.

The graphic depicted below further illustrates the approach:



On the short-term interventions, controls that apply include:

- Assessments of physical conditions;
- Plans to address any potential or real deviations from planned arrangements including any refresher training that may be required;
- Monitoring and measurement processes to allow for assessment of performance against said arrangements; and
- Processes to institutionalise the sustainability of conformance.

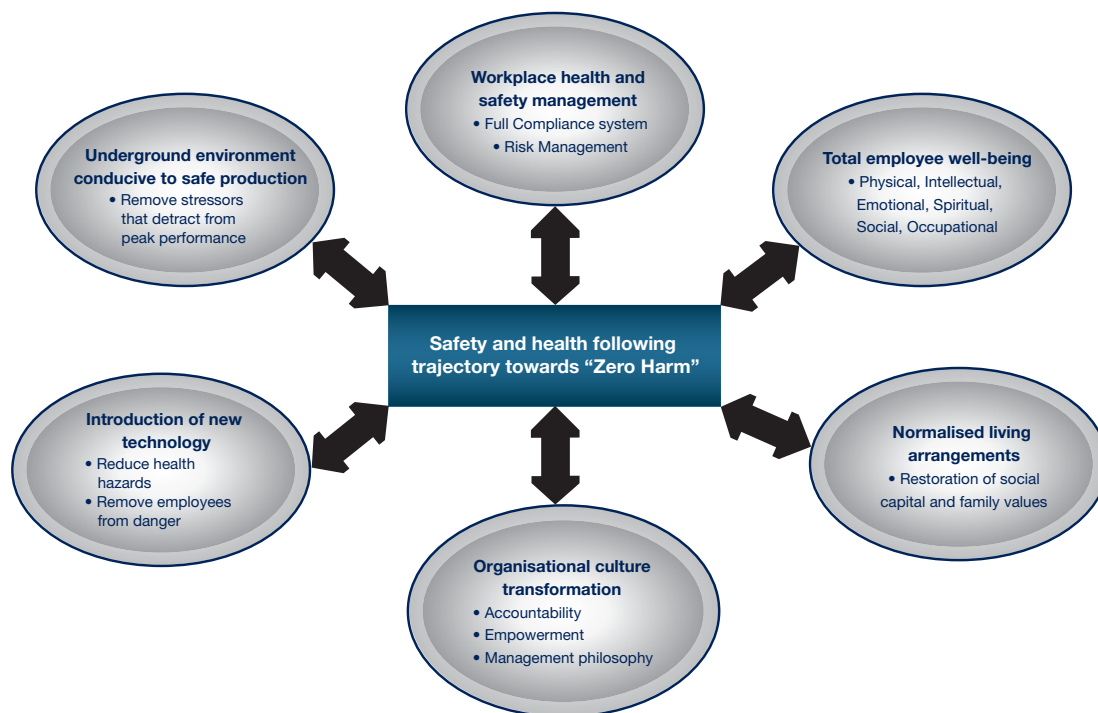
In the medium term, our safety management systems are designed around five key elements; these being:

- Identify hazards, assess risks and institute remedial action;
- Establish procedures and standards that reduce risk to tolerable levels;

- Train employees in the correct use of the procedures and standards;
- Supply resources required for employees to implement procedures and standards; and
- Monitor compliance to procedures and standards.

To achieve the full institutionalisation of the safety management systems, targets of conformance have been set, thus providing a valuable benchmark against which our performance can be monitored.

The longer-term focus represents some interesting and unique challenges that need to be addressed to ensure that we succeed in our vision of long-term sustainability of performance and can best be depicted in the graphic below:



At the International operations, a similar thrust is being pursued through interventions tailor made to the specific operation. As is the case above, the focus areas of safety include:

- Proactively responding to safety;
- Communicating and encouraging safe work behaviour;
- Simplification facilitating ownership; and
- Holism.

As an imperative to continue to drive the process of continual improvement, proactive responses to safety issues are vitally important. Through a proactive approach, safety considerations are effectively integrated into all aspects of the business and bring into effect a "prevention is better than cure" strategy.

Fundamental to the success of our continual improvement drive is to ensure that communication channels are open, transparent and effective. As a means to this end, open and frank communication about safety, its management and potential risks is required at all levels, facilitating the process of ownership by our employees.

As a further means to creating the correct levels of ownership of safety, we are of the firm belief that simple systems will not only yield the required results but provide access to all employees to fully participate in our drive.

As in the case of the South African operations, we believe that the key to safe production at our operations lies in a holistic approach which ensures long-term sustainability of performance. The holistic approach to the wellbeing of our people has been depicted in the graphic above.

As mentioned above, interventions have been tailored to the specific operation. In Australia, our mines are using ZIP (Zero Incident Process). This involves the approach of developing and empowering the workforce with a belief and genuine desire to go home every day without incident. These operations run Occupational Health and Safety programmes that address calculated risk, hazard awareness, task assessment and hazard reporting. These four processes when functioning properly remove the underlying possibilities of uncontrolled environments. A primary driver of this was determining what factors control the desired outcome (zero incidents) and then focusing on the proactive behaviours (through increased hazard reporting and identification). At our Ghanaian operations the "Take Two for Safety" and the "Touch Safety" and "Safety Referee" initiatives are designed towards imparting the same sense of ownership and ensuring that safety is a daily consideration within all activities.

SUSTAINABLE DEVELOPMENT REPORT 2008 CONTINUED

Empowering people is the key element with regard to producing an incident free work place, managing the working environment and utilising effective systems and processes complements this.

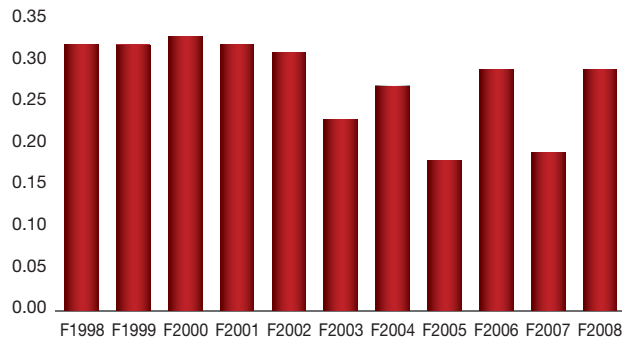
It is our firm belief that this strategy of parallel interventions in the short, medium and long term will deliver the expected and desirable outcome. The process is viewed as being dynamic and subject to continual review, thereby effecting a process of continual improvement at all levels of the organisation. The current DuPont review will inform the Group of the changes necessary to further improve our health and safety systems. This review will be completed for the South African operations by the end of October 2008. The process of continual review has been integrated into all levels of our structure and affords the appropriate level of governance. This includes a corporate review every two weeks chaired by the chief executive officer.

1. Safety

The fatal injury frequency rate for F2008 (0.29 ytd) is higher compared to 0.19 per million hours worked recorded during F2007. Other safety statistics continue with a positive/downward trend. The lost day injury frequency rate (LDIFR) improved from 10.7 to 7.8 per million hours worked. The improvement LTIFR (27 per cent) is in line with the Mine Health and Safety Council (MHSC) milestones target of 20 per cent per annum.

Fatal injury frequency rate

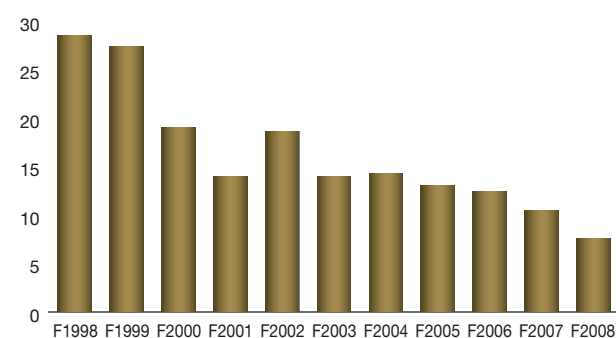
(per million hours worked)



The Group supported the establishment of the MOSH Task Teams to assist in the interventions for the MHSC milestones to reduce injuries; eliminate silicosis and noise induced hearing loss; based on set targets. Cartoon booklets that assist in communicating health, safety and hygiene hazards are being rolled out to all South African operations.

Lost days injury frequency rate

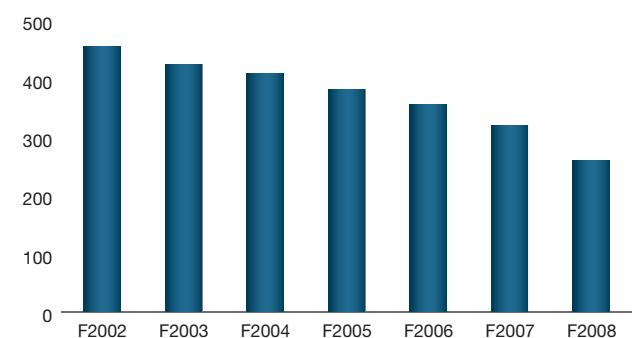
(per million hours worked)



The Full Compliance Health and Safety Management System will be revised taking into consideration recent multiple fatal accidents, lessons learned from the investigations and the outcomes of the audits conducted. Masiphephe (Let's be Safe) initiative, that has proved to be successful at Driefontein, will be implemented to improve safety performance of the rest of the South African operations.

Days lost frequency rate

(per million hours worked)



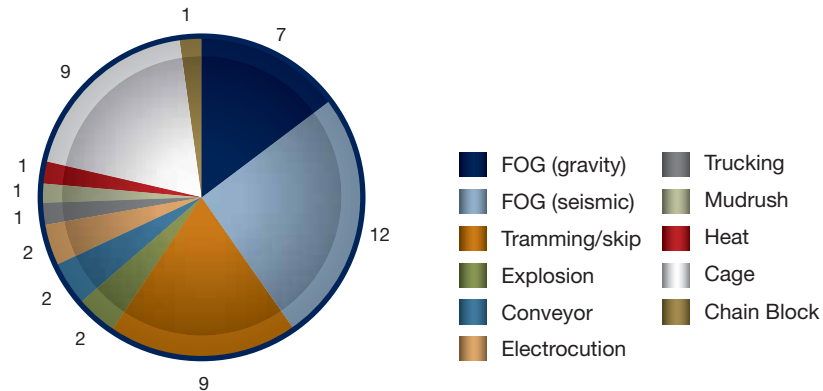
DuPont has been tasked to assess the existing health and safety management systems at Gold Fields and benchmark them against the international best practices on the following: Leadership, Organisation, Operations and Risk Assessment. Current behaviours, attitudes, practices and procedures will be analysed and a gap analysis will be conducted for each operation's attention.

During the year OHSAS 18001 certification was maintained following two external surveillance audits. These audits include an assessment of conformance to the standard as well as measuring the process of continual improvement. Our current certifications are under the 1999 standard which is in the process of being replaced by the new 2007 standard. As a result the 1999 standard will be phased out by July of 2009. Our approach so far has been to align our operations with the new standard whereby current audits are utilising much of what will be required under the 2007 standard. This approach will ensure a smooth transition to the revised standard.

Damang maintains the OHSAS 18001 status. Tarkwa gold mine has been recertified to the new OHSAS 18001:2007 standard by Bureau Veritas while the Australian operations have maintained their AS/NZ4801 certifications.

Pillar extraction risk assessment will be established based on the set of parameter; *inter alia*, APS (average pillar stress), ERR (energy release rate), width to height ratio and geological features. Ongoing monitoring of risk parameters will be conducted during the pillar extraction period in order to withdraw employees should the risk factor exceed the acceptable level. A study is being conducted to determine the ground conditions that lead to injuries in the event of different peak particle velocities caused by a seismic event. The outcome of the study will be used to optimise the design of different support configurations and to further reduce exposure to high risk geological features.

Causes of fatal injuries:



Operations	Fatal accidents				LDIFR		DLFR	
	F2008		F2007		F2008	F2007	F2008	F2007
	Number	Rate	Number	Rate				
Driefontein	12	0.26	13	0.31	7.02	12.97	331	522
Kloof	15	0.33	11	0.23	11.05	15.4	309	339
Beatrix	4	0.13	4	0.13	3.90	5.5	258	289
South Deep	12	0.75	1	0.13	16.81	14.36	316	156
South African operations	43	0.32	29	0.22	8.85	12.06	306	413
Ghana	3	0.14	0	0	0.38	0.54	12	15
Australia	0	0	0	0	1.53	1.93	2	3
Peru	1	0.10	0	0	0.24	0.15	14	-
International operations	4	0.12	0	0	0.63	1.36	10	20
Group	47	0.29	29	0.19	7.57	10.47	260	356

2. Occupational Hygiene

Our approach to occupational hygiene continues to focus on the following material issues:

- Managing a healthy work environment;
- Control of airborne pollutants;
- Management of noise and vibration; and
- The control of thermal stress.

With regard to managing a healthy work environment, our approach is through a risk assessment process where for the year, an additional 1,096 risk assessments were conducted for the Group. To support this approach we undertake the necessary training interventions to ensure that we have suitably qualified individuals facilitating the process on the ground. To further integrate our approach, we are currently assessing digital platforms such that hygiene measurements can be more effectively linked to our medical surveillance programmes.

On airborne pollutants, the main pollutant of our focus is silica. We are committed to meeting the industry milestones with regard to silica and have internally targeted a concentration of 0.5 mg/m³ and our measurements have indicated that we have far exceeded this target where the Air Quality Index for the South African operations

has been calculated at 0.27 mg/m³. This signifies a further improvement on the previous year's results. The legal limit which has been set by the Department of Minerals and Energy in South Africa is 1.0 mg/m³. In Australia, our operations continue to remain in, and exceed compliance to the Statutory Occupational Ventilation Contaminants as prescribed by the Department of Consumer and Employee Protection. In Ghana, baseline dust sampling continues.

The overall dust dose for the Group is measured at 0.033mg/m³ which is well within our Group target of 0.1 mg/m³.

In terms of noise and vibration, hearing conservation programmes have been implemented at all operations and the following parameters are managed and measured on a quarterly basis:

- The identification of noise sources and the demarcation of noise zones;
- Compliance with regard to the wearing of hearing protection devices; and
- The leading indicators of personal exposure and machinery/equipment noise emissions which are outlined in the table below.

SUSTAINABLE DEVELOPMENT REPORT 2008 CONTINUED

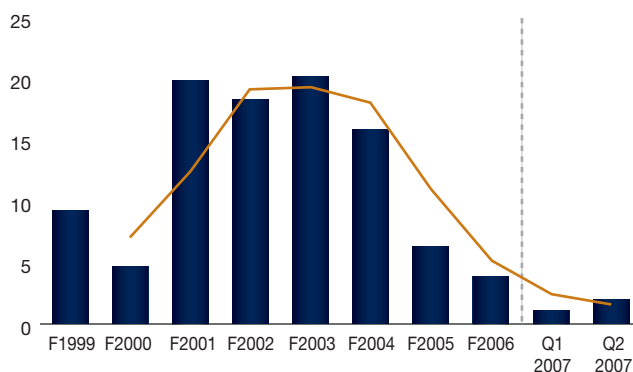
Personal exposure and dosimeter measurements

Mine	Total dosimeter measurements	Per cent readings <85 dB(A)	Per cent readings 85 dB(A) – 105 dB(A)	Per cent readings > 105 dB(A)
Kloof	812	37.00	60.11	2.89
Driefontein	494	57.82	41.34	0.84
Beatrix	736	31.14	60.04	8.83
South Deep	231	61.45	36.39	2.16
South African operations	2,273	46.90	49.50	3.70

Machinery/equipment noise emissions

Mine	Total measurements	Per cent readings <85 dB(A) – 110 dB(A)	Per cent readings > 110 dB(A)
Kloof	1,456	55.5	1.7
Driefontein	463	75.7	0.3
Beatrix	872	48.3	3.6
South Deep	394	37.1	5.6
South African operations	3,185	54.2	2.8

Gold Fields – SA operations NIHL submissions



Mining at the South African operations takes place at a mean rock breaking depth of 2,220 metres, with an average virgin rock temperature of 44.5°C and therefore thermal stress is an issue of priority and one that needs to be actively managed. These high temperatures are countered through the increased use of refrigeration and the implementation of effective cooling and ventilation systems. Bulk air, spot coolers and chilled service water

are all used to reduce the ambient temperature. The average wet bulb temperatures for the South African operations for stoping was recorded at 29.0°C and for development, 30.0°C.

All wet bulb temperatures measured at Agnew and St Ives in Australia were below 25.0°C and this is a result of the relatively shallow depths at which we mine.

3. Occupational medicine

In order that all employees should retire healthy, the operations strive to eliminate, engineer out, control and mitigate workplace risks as far as is reasonably practicable. Where risks remain to workers in terms of workplace exposure, monitoring of these risks is undertaken in the form of occupational hygiene programmes which are risk based. Personal protective equipment is supplied to employees who are exposed to such residual risk, free of charge. In order to monitor the control measures implemented to address workplace exposure to hazards such as noise, dust, thermal stress and others, Gold Fields Limited also ensures a comprehensive programme of medical surveillance for its employees.

At the Australian operations, medical surveillance examinations are conducted by the Western Australian government. Employees are then afforded the opportunity to participate in additional health surveillance in the form of health and lifestyle examinations and assessments by on-site medical personnel.

In Ghana and South America, medical surveillance examinations are conducted by contracted occupational medical services. Employees at these operations are also provided with medical care on site by medical services contracted by the company.

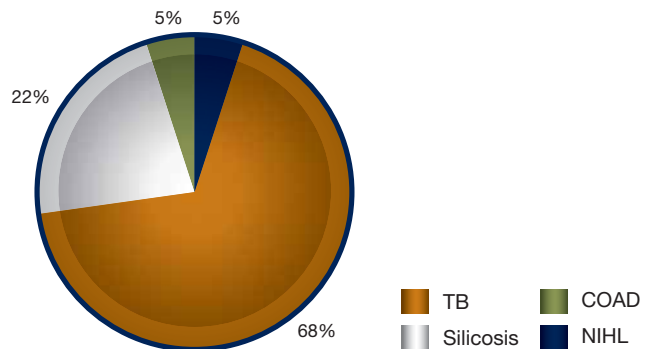
Whilst employees at the international operations encounter numerous general and region-specific health issues, there have been no reported occupational diseases from these operations in the past financial year.

In South Africa, where more occupational diseases are encountered, the health and well-being of employees is addressed in various ways by appropriately trained, skilled and equipped staff employed at the operations in occupational health centres (OHCs). Our approach consists of three main themes. Firstly, initial medical examinations are performed so as to ensure that new recruits are placed in occupations which they can perform with due regard for their health status. This is achieved through comprehensive examinations of all applicants, specifically in terms of the inherent requirements of their proposed occupations, and assessment by means of physical and functional work capacity testing to support appropriate placement.

Secondly, risk-based medical evaluations are conducted in accordance with workplace risk assessments, and periodic medical examinations are thus performed on employees at frequencies determined by their occupations, medical status and workplace exposures. This is made possible by the interaction of occupational hygienists and occupational medical practitioners (OMPs) at the operations. These examinations afford the opportunity to assess the effect, if any, of workplace exposures on employees. These examinations also provide an opportunity for counselling of individuals regarding the impact of their work on their health status and interventions to mitigate this. Finally, when employees leave the operations, they undergo exit medical examinations in order to assess their health status and provide a report to them which may be carried forward to any future employer.

The minority of employees who develop occupational diseases are identified during these examinations and referred for appropriate treatment, where applicable, and submitted for compensation to the relevant compensation authorities in accordance with relevant legislation.

Gold Fields SA Operations – Occupational diseases submitted F2008



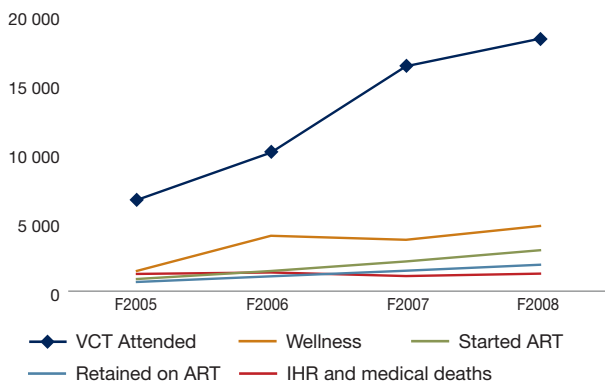
Whilst the detection and reporting of occupational diseases (lagging indicators of adverse workplace exposure) remains a prerequisite for any good system of medical surveillance in order to alert management to the need to review workplace control measures, a more proactive approach to occupational diseases has been adopted in recent months. The occupational medical practitioners have embarked upon identifying and intervening with regard to “early lag” indicators of occupational diseases. Such early intervention allows for individuals to undergo counselling with regard to their health status, workplace interventions, the correct use of personal protective equipment, and possible redeployment. In addition, the work environments of these individuals are investigated by the occupational hygienists, who then assess the effectiveness of workplace control measures and implement corrective measures, where relevant. This kind of intervention is brought about through the use of relevant technology such as audiometric, spirometric and digital radiographic equipment.

Since returning to work too early after illness or injury could constitute a risk to health and safety, there has also been a concerted effort by the occupational medical practitioners to improve the rehabilitation of ill or injured employees and optimise the timing of the return of these employees to work. The continued use of physical and functional work capacity testing has facilitated a more objective approach to such efforts and has undoubtedly improved the ability of the occupational medical practitioners to objectively determine the best time for employees to return to work after illness or injury.

The South African operations are committed to the milestones agreed with the Department of Minerals and Energy and labour partners relating to noise and silicosis.

SUSTAINABLE DEVELOPMENT REPORT 2008 CONTINUED

HIV testing and treatment



Furthermore, the occupational health and safety discipline continues to explore new ways of contributing to the overall health of all Gold Fields employees. Examples of such undertakings include:

- Facilitation and support of relevant health and safety research in conjunction with government and labour representatives which includes:
 - o The “Thibela” TB Project;
 - o Research into best practice in dust control;
 - o The evaluation of biomarkers to detect preclinical silicosis in exposed individuals;
 - o The piloting of a review tool for TB control programmes;
 - o Research into ocular safety in gold miners; and
- Active participation in tripartite structures pertaining to the improvement of health and safety in the mining industry, along with government and labour partners.

4. Healthcare

In addition to working for the general well-being that Gold Fields Health Services seek to ensure for employees, they are also called upon to mount an innovative response to specific health challenges (such as epidemics) that arise from time to time as Gold Fields Limited expands its operations in accordance with our growth strategy. The most significant challenges that Gold Fields has been managing with efficiency and pragmatism are HIV/Aids and tuberculosis (TB) in South Africa and malaria in Ghana.

At our Cerro Corona operation in Peru, comparable healthcare challenges do not exist at present and we are building up medical surveillance programmes in order to operate from a position of knowledge should any challenge arise. In Australia, the impact of recreational drugs remains the principal challenge for our workforce and their families.

As has been reported annually since 2000, Gold Fields remains committed to managing HIV/Aids and TB. Our strategy continues to be one of prevention, treatment, care and support due to the successes that we have recorded in this regard. Ongoing engagement with stakeholders, including trade unions, ensures that these initiatives are widely supported, that key interventions are audited to monitor and evaluate their efficiency, and that an assessment of the economic impact of the disease on the Group is updated annually.

With regard to prevention, the current HIV prevalence rate among employees of the South African operations is estimated to be 33.5 per cent, bearing in mind that the prevalence is expected to rise as more HIV infected employees remain fit and productive on anti-retroviral therapy (ART). Gold Fields offers HIV prevention education and training to all employees through the use of induction courses, training events and peer education. In addition, free condoms are provided in the workplace and in mine accommodation. The incidence of sexually transmitted diseases (STD) has decreased from 147 cases per 1,000 employees in F2001, to a level of 98 infections per 1,000 employees in F2006. Since then, the downward trend has continued as reflected in the annualised rate of 78 infections per 1,000 employees.

On the testing front, voluntary counselling and testing for HIV (VCT) is offered at all Gold Fields Health Services facilities. VCT reinforces HIV prevention and encourages those who test negative to protect themselves. It alerts those who test positive to seek life-prolonging interventions. The Gold Fields VCT motto is “Protect your HIV-free status with your LIFE”. During F2008, a total of 6,845 new tests were performed (6,599 tests in F2007) translating into a total of 15,700 tested employees still in service (32.4 per cent). This sustained high level of testing is attributable to senior management who took full ownership of VCT targets, which are included in their key performance indicators. The benefit to employees and the Group has been an acceleration of employees enrolling for HIV care and treatment in the wellness and ART programmes in F2008.

Gold Fields offers ART to employees diagnosed as HIV-positive. By June of 2008, over 2,750 employees had commenced ART since the inception of the programme. Of these 1,911 still remain on the programme, the remainder having left due to retirement, resignation or death. Of those who have been on treatment for a year or longer, medical attendants are still witnessing a 67 per cent adherence to taking treatment, a level comparable to adherence rates in developed countries.

In cases where employees deny their condition or refuse testing, thereby delaying diagnosis and treatment, or fail to comply with treatment requirements, they do not benefit from life-prolonging ART provided. When these employees are no longer able to work they are offered ill health retirement (IHR) and, where possible, are referred to a network of home-based care (HBC) projects, that Gold Fields

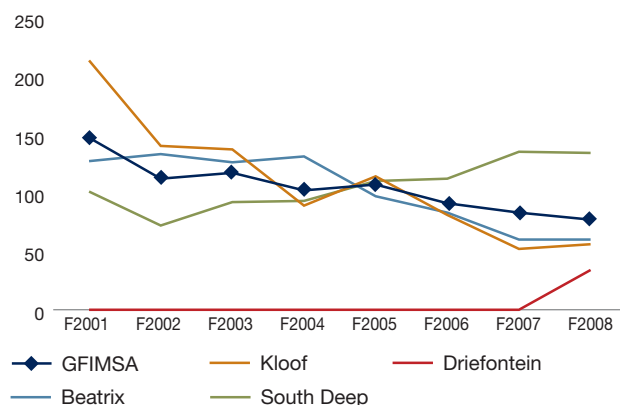
sponsors. In F2008, 25.26 per 1,000 employees retired due to ill health compared to 20.9 per 1,000 in F2006.

A robust TB control programme to deal with the parallel escalation in cases is critical to the management of Aids related diseases and continues to be an area of focus in South Africa. Our TB management programme predates the HIV epidemic and was scaled up accordingly to meet the fourfold increase in new TB infections related to Aids. The challenges of managing TB are well entrenched at Gold Fields Health Services, the approach being:

- Education on TB prevention and symptoms;
- TB preventive therapy for HIV-infected employees;
- Early detection of new TB cases;
- Directly observed therapy; and
- The ability to isolate and treat patients who, in future, may be diagnosed with highly infectious multi drug resistant (MDR) TB.

In F2008, the incidence of new TB cases stabilised at 37.0 new infections per 1,000 employees, a slight decrease from F2007 (39.95), which can be attributed to improved surveillance at occupational health centres and improved diagnostics at primary health care centres.

STI rates F2008



Our health services continue to work very closely with the Department of Health in South Africa to monitor, report and manage multi drug resistant (MDR) and potential extremely drug resistant (XDR) TB cases. As yet, there have been no confirmed cases of XDR TB amongst Gold Fields Limited employees and even where resistant TB is suspected, patients appear to recover slowly, as opposed to the rapid and deadly variety observed in other areas of southern Africa. There have however, been 46 patients diagnosed with MDR in F2008, compared to 32 cases in F2007. This disease variant is being closely monitored and managed.

We continue to support the South African Safety in Mines Research Advisory Council (SIMRAC) research projects. Our South African operations are involved in numerous research projects around reducing diseases from noise and dust, including the Thibela TB research project (mentioned under the occupational medicine section), aimed at reducing the burden of the TB disease, which is being conducted by the Aurum Institute for Health Research and co-funded by the Bill and Melinda Gates Foundation.

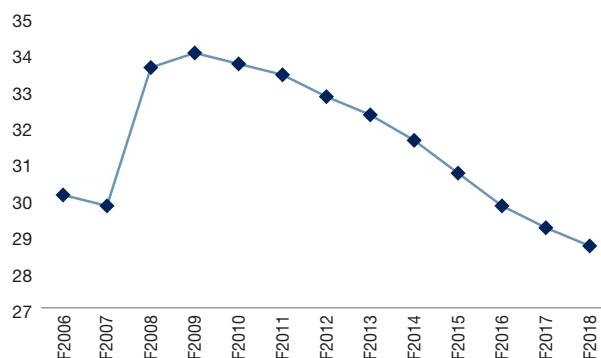
We also continue to participate in and contribute towards a Southern African HIV Therapeutic Vaccine Project (the Theravax Project). This collaborative strategic HIV/Aids health initiative is aimed at advancing therapeutic vaccine clinical trials within southern Africa. The Virax vaccine technology and the related Theravax Project proposal have been extensively discussed with leading HIV clinicians in South Africa and are favourably regarded due to the potential for the vaccine to provide an effective early therapeutic intervention, potentially delaying the requirement to start ART by some years. The research project is currently waiting for final South African Medicines Control Council approval.

Through our continued engagement with the Ghanaian healthcare authorities, and other mining companies operating in Ghana, we continue to monitor and assess the effectiveness of the malaria control programmes implemented. We continue to see a gradual decline in malaria incidences amongst our workforce and within local communities. Nevertheless, the disease remains the dominant cause of cases presenting at our clinics and our local medical staff continue to manage the disease through symptomatic treatment. This avoids the substantial delay for test results and entails treatment generally being administered at an earlier stage, allowing more effective and less drug-intensive treatment. The current focus of malaria management, which does not rely on mass spraying but focuses instead on primary preventative behaviour-based measures, remains the most sustainable approach, but will be reviewed in F2009. These efforts include the widespread use of mosquito nets, and the selected, targeted treatment with larvicides of temporary water bodies identified as mosquito-breeding hotspots.

HIV/Aids rates in Ghana have persisted at levels lower than those of southern African countries. Nevertheless, we continue to work actively with Ghanaian authorities to promote voluntary counselling and testing (VCT) as a tool for behavioural change and a proactive measure. The HIV/Aids Policy agreement signed with the Ghanaian Mineworkers Union and the Officials' Associations sets out the management framework for the ongoing work on the four defined elements of Gold Fields Ghana's HIV/Aids programme, Education, Prevention, Care and Support. All employees are exposed to education, training and counselling services and F2008 saw over 1,000 employees come forward for testing. Free treatment of sexually transmitted infections for employees and their immediate dependants continues.

In Australia, recreational drug use remains the principal workplace challenge for most employers. Our Australian teams remain focused on employee fitness for work, without judging what employees do in

Projected HIV prevalence rates F2008



SUSTAINABLE DEVELOPMENT REPORT 2008 CONTINUED

their personal time. However, in line with our “three strikes and you are out” policy, we conducted a large-scale survey in 2007 in which about 10 per cent of those tested were found to be positive, with the drug of choice being methamphetamine. Although these results are not unusual for an Australian resources sector work force, for reasons of workplace safety, we do not tolerate such a situation, even though the disciplinary action associated with the management of this issue contributes to staff turnover.

In Peru, our communities live at high altitudes in colder climates and a common feature of almost all homesteads is the absence of chimneys in homes. This is significant due to the fact that the only source of heat in homesteads is fire. This, together with a tradition of using cowdung as a fuel source for indoor cooking of food, results in a relatively high level of respiratory conditions among rural people living in the Andes mountains. From the data gained from the project’s medical induction procedure we are building an understanding of the medical challenges that we are likely to encounter once the mine is fully operational and are positioning ourselves to formulate strategies to address this challenge and contribute where we can.

Overall, the company recorded seven deaths per 1,000 employees that were related to medical conditions (including Aids). The rate is slightly decreased from previous years: F2006 (10 per 1,000) and F2007 (8.44 per 1,000). The pre-Aids era reflected average rates of around seven per thousand employees. This trend is encouraging as it validates our approach to this critical component of our business.

ENVIRONMENTAL MANAGEMENT

In support of the overall sustainable development framework, we have been actively developing an environmental framework that includes a revision of our environmental policy statement, developing strategic principles that support the environmental policy objectives and developing standardised practical guidance to ensure operational alignment to Group requirements. This framework is being developed with inputs from an operational as well as a corporate level and the framework is currently undergoing a process of final ratification and approval.

1. Management systems

After numerous audits undertaken by our certification auditors, ISO 14001 certification has been retained at our operations and the offices of our exploration division. During the independent audits only minor issues were identified which have been successfully rectified as part of the ongoing auditing process. At South Deep and Cerro Corona, significant progress towards implementing environmental management systems that can be certified to the ISO 14001 standard has been achieved.

The environmental management systems continue to drive our continual improvement imperative for environmental management through the setting of objectives and targets at various levels within the organisation.

The tables that follow represent the Group’s performance with regard to key consumables.

Timber (tons)	F2008	F2007	F2006	F2005
Driefontein	40,864	43,942	43,204	45,100
Kloof	37,982	37,574	55,735	39,900
Beatrix	41,659	42,587	43,259	46,100
South Deep	n/d	n/a	n/a	n/a

Blasting agents (tons)	F2008	F2007	F2006	F2005
Driefontein	1,993	1,400	1,042	1,400
Kloof	2,196	1,160	1,415	1,300
Beatrix	3,231	5,185	4,607	4,600
South Deep	n/d	n/a	n/a	n/a
Tarkwa	30,578	29,712	28,556	23,000
Damang	4,148	3,568	2,044	1,300
St Ives	6,258	4,256	4,928	4,000
Agnew	3,421	3,287	4,130	1,700



HCL (tons)	F2008	F2007	F2006	F2005
Driefontein	1,238	710	1,967	2,690
Kloof	41	433	599	790
Beatrix	807	738	692	840
South Deep	171	n/a	n/a	n/a
Tarkwa	1,481	1,267	1,444	1,100
Damang	198	173	232	200
St Ives	272	236	288	370
Agnew	176	192	140	150

Lime (tons)	F2008	F2007	F2006	F2005
Driefontein	4,021	5,782	7,580	7,600
Kloof	4,301	3,589	4,916	9,100
Beatrix	2,951	3,422	3,033	3,900
South Deep	3,976	n/a	n/a	n/a
Tarkwa	4,289	3,537	3,085	2,500
Damang	2,741	3,251	3,239	3,500
St Ives	12,894	11,820	9,786	18,300
Agnew	1,155	1,402	2,042	2,400

Caustic soda (tons)	F2008	F2007	F2006	F2005
Driefontein	282	359	592	650
Kloof	157	81	176	510
Beatrix	624	512	556	530
South Deep	337	n/a	n/a	n/a
Tarkwa	869	749	619	300
Damang	354	336	347	330
St Ives	307	330	284	370
Agnew	350	274	297	280

Cement (tons)	F2008	F2007	F2006	F2005
Driefontein	7,171	458	1,520	900
Kloof	1,540	1,770	4,032	4,200
Beatrix	823	587	762	1,100
South Deep	n/d	n/a	n/a	n/a
Tarkwa	60,577	67,905	64,507	72,100
Damang	0	5	23	13
St Ives	11,055	8,674	8,386	11,500
Agnew	4,525	2,255	2,051	2,400

2. Incidences

As mentioned in previous years, Gold Fields Limited has implemented an incident reporting system for environmental incidences defined as follows:

- Level 1 – incidents of minor non-conformance that result in no or negligible adverse environmental impact
- Level 2 – incidents that result in short-term, limited and non-ongoing adverse environmental impacts
- Level 3 – incidents that result in ongoing, but limited environmental impact
- Level 4 – incidents that result in medium-term environmental impact
- Level 5 – incidents that result in long-term environmental impact.

We have continued to strengthen our systems and actively encourage the reporting of incidences such that we can become more proactive in preventing incidences from occurring. The table below reflects the incidences for the reporting period.

Level	F2002	F2003	F2004	F2005	F2006	F2007	F2008
1	112	565	1,222	1,174	802	1,538	720
2	59	144	208	129	71	117	111
3	7	4	2	3	4	3	10
4	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0

SUSTAINABLE DEVELOPMENT REPORT 2008 CONTINUED

Unfortunately, during the reporting period ten level 3 incidences occurred and are summarised in the table below. The increase in the number of level 3 incidences observed was partly the result of unusually high rainfall experienced at the South African operations and its effect on water containment facilities. All of these incidences have been comprehensively investigated and remedial actions have been put in place.

Incident	Remedial action
Overflows of the return water facilities at South Deep gold mine after excessive rainfall (two incidences). A reduction of storage capacity in the dams due to cleaning of compartments was the main contributing factor. With regard to impact on the environment, the incident is deemed to have been limited and thus the incident is classified on the basis of a non-compliance.	Compartments in the return water facilities have been cleaned out to maximise storage capacity.
A discharge of water from mine dewatering occurred at our St Ives gold mine. The incident is regarded as a level 3 largely as a result of a breach of operating conditions rather than any significant environmental impact whereby discharges are required to be routed via a sedimentation pond.	The discharge was immediately diverted to another pit. All discharge points were reviewed to ensure that correct infrastructure is in place and an emphasis was placed on providing the appropriate training for personnel on site requirements.
Overflow of water from the return water facility at Kloof gold mine following excessive rainfall.	The capacity of the return water facility complies with relevant and best practice requirements and thus the incident is largely a result of unusually high rainfall experienced during the wet season.
A spillage of tailings material occurred at our Driefontein gold mine after a pipeline failure (four incidences).	All failed components have been replaced and the areas have been remediated. Where applicable, additional containment facilities have been provided.
Total dissolved solids and sulphate levels in the ground water have exceeded prescribed levels at our Agnew gold mine. This incident does not impact on a third party but is an administrative non-compliance.	An extensive investigation has been launched to understand the potential causes for this phenomenon as the source of the contamination is unclear. It is also unclear whether the elevation can be ascribed to anthropogenic activity.
A discharge of hydrocarbon contaminated water to Delta Pit from the Revenge washpad occurred. A Field Notice was issued from the Department of Environment and Conservation indicating breach of Unauthorised Discharge Regulations.	The washpad was closed until functioning to standard contaminated material was recovered. An improvement plan for the washpad was implemented. Lastly, soil sampling was undertaken to determine the extent of contamination and clean up requirements.

All our operations target to record zero level 3 incidences and report any level 3 incidences immediately to senior management as well as on a quarterly basis to the Board. Level 1 and 2 incidences are reported on a weekly basis to senior management in the routine weekly reports for the operations.

3. Water Management

Within all our environmental management systems, the conservation of the quality and quantity of water at our operations remains a central tenet. In this context, we continue to build on systems that are already in existence including systems and infrastructure implemented to monitor usage, measure quality changes and to maximise the recycling opportunities of this critical resource. Increasingly though, extreme climatic effects are forcing us to be very dynamic in our approach to water management. This has been evident through extreme rainfall events in Ghana and in South Africa. In Australia the converse holds true where a lack of rainfall proves to be the challenge. However, our dynamic approach and geographical range in different environments stands us in good stead to constantly apply lessons learnt and adapt to local circumstances. In addition to this, the deployment of some advanced technology at our operations has reduced the time interval for access to information regarding quantity and quality and has thus improved our ability to manage this resource.

One of the ongoing material issues surrounding water management is of an administrative nature whereby water licences for the South African operations have not yet been received. Applications have been submitted and the company remains committed to working with the relevant regulatory authority in ensuring that all requirements of the catchment management process are facilitated through appropriate reserve determinations to involvement and the engagement of all stakeholders.

A further issue of materiality is the ongoing engagement initiatives in the Wonderfonteinspruit in South Africa. The Wonderfonteinspruit's headwaters reach as far north as the municipal area of Krugersdorp and a range of industrial, mining, agricultural and municipal activities have impacted the watercourse for over a century. Informal settlements also contribute to the state of the water in this watercourse. Through constructive engagement, Gold Fields Limited took the initiative in establishing the Wonderfontein Action Group (WAG), which comprised, *inter alia*, the gold mines in the area, the regulators, academic institutions and representatives of the community. The WAG had three stated objectives, these being to:

- Sample the sediment in the Wonderfonteinspruit so as to determine the spatial extent of any elevated heavy metals;

- Pilot a water monitoring methodology that would be open and transparent and available on a “real time” basis to all stakeholders; and
- Help re-establish the Water Management Forums in the catchment.

To date all three objectives have been met.

The approach to water monitoring was successful and now needs to be rolled out to the other roleplayers in the catchment. The results of the sediment sampling study and process of analysis, in short, indicated that, while there is evidence of elevated heavy metals in the sediment, the water is safe from a radiological point of view. The Water Management Forums were re-established through a public participatory process and now provide a good platform to address the implementation of further actions regarding the Wonderfontein spruit. It was on this basis that the WAG was disbanded, in order to allow the fully representative Water Management Forums to start functioning in a holistic manner. Furthermore, in order to ensure the continuation of the processes initiated by the WAG and to further increase the level of objectivity, it was decided to incorporate the WAG's function into the said Water Management Forums in the form of a Mining Interest Group (MIG). This group, which currently includes other mining companies in the area, is a subset of the larger Forum and gives the mines a voice in terms of voting structure. It also provides the appropriate platform for the mines in the area to cooperate with regard to common issues and to pool resources in seeking regional/collective solutions. The MIG is functioning well and has remained involved with the issues at hand.

In a parallel process of contributing towards finding an acceptable and practicable solution for the Wonderfontein spruit, the Regulators have recently formed the Steering Committee for Remediation of Mining Related Radioactive Contamination (SCRMRRRC) that will be looking at radioactive contamination of water in the whole of South Africa. The Wonderfontein spruit Catchment Area Technical Working Group was formed under the auspices of the SCRMRRRC to look specifically at the WFS Catchment Area (WCA). This technical working group is characterised by representation from the mining industry as well as the surrounding communities and will be assisted by a Specialist Group which is in the process of being fully established. The Specialist Group has been mandated to evaluate all previous reports (including the work done by the WAG), the current status quo in the WCA and to make recommendations on the type of action that will be required. By ensuring that the evaluation and selected approach is based on sound science, the outcome of this process will be published and peer reviewed.

The Wonderfontein spruit and its associated legacy issues are complex and unlikely to be resolved quickly and without an effective process that is credible, objective and beyond reproach. Gold Fields continues to be actively involved in the process and remains committed to the process of finding an acceptable and effective solution to addressing the issues associated with the Wonderfontein spruit.

Water withdrawal for the operations is tabulated below:

Total water withdrawn (m ³)	F2008*	F2007	F2006	F2005
Driefontein	14,720,540	16,416,000	17,450,000	18,200,000
Kloof	20,671,000	20,799,974	23,862,289	25,500,000
Beatrix	11,232,000	16,912,192	13,204,645	15,100,000
South Deep	5,027	n/a	n/a	n/a
Tarkwa	7,941,690	5,596,000	2,539,527	5,200,000
Damang	547,910	594,376	673,439	800,000
St Ives	14,197,081	3,941,007	3,213,848	3,600,000
Agnew	246,700	192,612	2,128,000	2,100,000

*The reporting format for F2008 has changed from total water withdrawal to subdividing the different water components. F2008 figures are MI of water purchased



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4. Energy and climate change

Our main challenge with regard to energy during the year was the load shedding undertaken by Eskom in South Africa. The result of this was that all mining activities at the South African operations were suspended on the evening of 24 January 2008 following Eskom declaring *force majeure* and requesting their key industrial consumers to reduce consumption to the minimum load possible. At this level no production was possible. After almost a week, on 31 January 2008, Eskom increased the power allocation to mines and industry to 90 per cent, which Eskom indicated would remain in force for at least five years, through to 2012.

After assessing the impact of a continuous 90 per cent power supply, it was estimated that sustainable production at the South African operations would decline between 20 and 25 per cent from the June quarter 2008.

In order to achieve the 10 per cent reduction in electricity consumption imposed by Eskom, the following actions were deemed necessary:

- The 6 and 7 shafts as well as the 9 shaft Depth Extension Project at Driefontein, and 3 and 8 shafts at Kloof, would be mothballed, closed or scaled back, potentially affecting approximately 4,900 employees at these two mines.

However, on 7 March 2008, we received formal notification from the Department of Minerals and Energy that, following representations by the Chamber of Mines and consultation with all stakeholders, the mining industry had been allocated an additional 260 MW of power allowing the mines to increase their power consumption from the current level of 90 per cent of average historical consumption. On the evening of 14 March, we were informed that 10 per cent of this allocation, ie 26 MW, had been granted for use by Driefontein and Kloof.

On 17 March 2008, the total power available to the Group's South African mines was increased to 566 MW, or 95 per cent of the historical average consumption profile.

With the additional power, the future of the 6 and 7 shafts at Driefontein as well as the 3 and 8 shafts at Kloof was reviewed. These shafts had been downscaled or had production stopped since the onset of the power constraints in January.

There is no additional supply of power to either Beatrix or South Deep gold mines. We believe that these operations can function at current levels of electricity supply owing to the shallower depth at which Beatrix operates and the nature of the restructuring operations underway at South Deep.

During the year, Gold Fields Limited embarked on a process to determine its full carbon footprint. The services of an external body were procured for this exercise as the information gleaned from the study would also be used for submission under the Carbon Disclosure Project (CDP) and thus the approach affords a level of independence. In addition ISO 14064-1 (Specification with Guidance at the organisation level for Quantification and Reporting of Greenhouse Gas Emissions and Removals) and the GHG reporting protocol were used as the preferred methodology in the study, lending further credence to the results. The CDP provides a secretariat for institutional investors and on their behalf it seeks information relating to carbon emissions and business risks and opportunities presented by greenhouse gas emissions and climate change from the world's largest companies. This project has been concluded and the information submitted to the CDP. The study covers all aspects of our producing operations and assesses emissions in terms of direct and indirect energy use, including energy consumed during travel. The study provides a very valuable baseline for the company and also charts the way forward for pursuing energy efficiency gains.

We are continuing to pursue Clean Development Methodologies (CDM) and we have already obtained approval for a new methodology entitled "Methodology for mine methane capture and utilisation or destruction in underground, hard rock, precious and base metal mines" registered as AM0064. This methodology pursues the potential for us to capture methane that vents at our Beatrix operation and to convert the gas into supplementary power supply for the mine. Further methodologies have been submitted for approval.

We are also actively pursuing a whole portfolio of emission reduction opportunities as summarised in the following table.

Project site	Planned intervention	Notes
Beatrix	Monitoring compressed air at 1, 2, 3 shaft	The system optimises the compressed air plant schedule of the mine
Driefontein, Kloof and Beatrix	Control of main fans	Controls ventilation flow or volume of air
Driefontein	3CPF* system at 1 and 5 shaft	Utilises the U-tube effect of column design to pump water up the mine
Driefontein, Kloof and South Deep	Energy efficient lighting	Installation of energy efficient light bulbs
Driefontein	Stope shut-off valves	Under investigation
Kloof	3CPF* system 4 shaft	Utilises the U-tube effect of column design to pump water up the mine
Kloof	Hard ice technology	Ice technology for Kloof 3 shaft and 4 shaft

* Three Chamber Pipe Feed System (3CPF)

In Ghana, although the high rainfall provided us with numerous challenges in achieving our targets at the operations, it did alleviate the low levels in the Akosombo Dam. As mentioned in previous reports, the Akosombo Dam is critical to the supply of electricity in Ghana and with the high rainfall, the outlook for power supply has become much more positive. Nevertheless, we will continue to pursue independence of electricity supply owing to the predicted energy constraints into the future.

In Australia, we continue to submit the required information for the Greenhouse Challenge Plus which is an initiative of the Australian government to promote working partnerships between industry and the government to promote energy efficiencies and to reduce greenhouse gas emissions. The Energy Efficiency Opportunities Act also comes into effect in Australia which seeks to promote energy efficiencies and we are undertaking the necessary work to ensure our alignment with the requirements and to pursue energy efficiency goals.

Our energy usage for the reporting period is tabulated below:

CO ²	F2008	F2007	F2006	F2005
Driefontein	1,666,948	Not reported	Not reported	Not reported
Kloof	1,590,112	Not reported	Not reported	Not reported
Beatrix*	752,998	13,436	17,520	18,000
South Deep	430,091	n/a	n/a	n/a
Tarkwa	178,107	138,849	112,670	96,000
Damang	71,043	88,950	45,010	33,000
St Ives	79,770	62,067	99,342	160,000
Agnew	12,491	28,176		

*Previous figures not based on GRI protocol

Historically the Australian operations have reported in accordance with the Greenhouse Challenge Plus and continue to do so but for the purpose of group reporting, the Australian calculations have been conducted in accordance with the GRI protocol.

The CO₂ emissions that result from the use of a coal-fired boiler at Beatrix have been assessed. In the absence of detailed coal specification, initial calculations have indicated that, with an annual coal consumption of 16,572 tons, the emissions equate to approximately 22,186 tons of CO₂ per annum. This is based on certain assumptions that include: (i) 1 per cent unburned carbon (ii) a carbon emissions factor of 25.8 TCO₂/TJ and (iii) a 36.9 per cent carbon in coal content. These assumptions will need to be verified going forward on the basis of materiality as these emissions contribute a mere three per cent of the Beatrix total and less than 0.5 per cent of the Group's total.

Electricity (MWh)	F2008	F2007	F2006	F2005
Driefontein	1,727,046	1,904,075	1,910,100	1,874,000
Kloof	1,751,495	1,833,957	1,887,032	1,766,000
Beatrix	889,657	863,460	931,533	953,000
South Deep	651,291	n/a	n/a	n/a
Tarkwa	214,306	200,282	202,641	163,000
Damang	89,628	87,606	107,006	108,000
St Ives	191,369	192,248	187,037	148,000
Agnew	54,379	51,472	48,121	46,000

Electricity (TJ)	F2008	F2007	F2006	F2005
Driefontein	6,217	6,854	6,876	6,740
Kloof	6,305	6,602	6,793	6,360
Beatrix	3,202	3,108	3,353	3,430
South Deep	426	n/a	n/a	n/a
Tarkwa	766	721	729	590
Damang	317	315	385	380
St Ives	688	696	672	530
Agnew	196	185	173	160

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Diesel (TJ)	F2008	F2007	F2006	F2005
Driefontein	86	85	160	66
Kloof	109	90	110	113
Beatrix	58	58	44	66
South Deep	61	n/a	n/a	n/a
Tarkwa	2,331	1,855	1,519	1,300
Damang	913	1,166	583	370
St Ives	1,043	811	654	825
Agnew	152	367	361	271

Petrol (TJ)	F2008	F2007	F2006	F2005
Driefontein	8	10.6	9.4	10.2
Kloof	7	5.3	5.4	4.8
Beatrix	5	5.8	5.4	7.3
South Deep	2.5	n/a	n/a	n/a
Tarkwa	1	0.6	0.5	0.7
Damang	0	0	0	0
St Ives	5.4	3.0	4.0	3.6
Agnew	0.1	0.2	0.3	0.3

LPG (TJ)	F2008	F2007	F2006	F2005
Driefontein	3.7	5.85	4.2	3.87
Kloof	3.1	3.0	3.2	2.4
Beatrix	0	0	0	0
South Deep	0	n/a	n/a	n/a
Tarkwa	4.7	3.8	6.1	5.1
Damang	89.7	57	80.3	112
St Ives	40	33	39.1	37.6
Agnew	19.4	21.6	21.7	15.5

5. Land management and biodiversity

Probably the most material issue that we would like to report on under this section is the Leadership for Conservation in Africa (LCA) initiative. This initiative started under the leadership of Ian Cockerill and Willie Jacobsz where Gold Fields Limited, the South African National Parks Board and the World Conservation Union (IUCN) formed a partnership to influence business leaders worldwide to support conservation led development in Africa. This initiative is endorsed by NEPAD and is actively functioning in 16 African countries including Burkina Faso, Botswana, Cameroon, Ethiopia, Gambia, Ghana, Malawi, Mozambique, Namibia, Republic of Congo, Senegal, South Africa, Tanzania, Uganda, Zambia and Zimbabwe. In these countries, the LCA collaborates with heads of conservation and has amassed the support of numerous internationally renowned businesses. The Board of the LCA boasts some of the biggest names in worldwide business. Through a partnership approach, the LCA seeks out the very best business

skills and knowledge to initiate and pursue financially sound conservation led development and acts as an enabler to influence national and international roleplayers to become involved in various projects. It is the LCAs intent to provide guidance for conservationists where conservation develops rather than defend its path into the future. Although the leadership at Gold Fields Limited has undergone changes, it is our intent to continue to actively support this constructive and successful initiative.

On site, we continue to apply sound principles of land management and conservation of biodiversity. This is achieved through our environmental management systems where assessments of activities that could impact on biodiversity, be it positive or negative, remain a fundamental consideration. In addition, any significant changes to operations or new activities are subject to comprehensive environmental impact assessments that place a concerted emphasis on the engagement and involvement of all relevant stakeholders. We are consolidating our approach in this regard and in accordance with the sustainable development framework that has been developed, strategic principles and practical guidance notes are being developed to integrate into the overall framework.

6. Waste management

Gold Fields does not produce, transport, import or export any waste categorised as 'hazardous' under the terms of the Basel convention. Within our ISO 14001 Environmental Management Systems, waste issues and the management thereof remain an integral component. As a result, the sites have protocols in place to govern the proper disposal of all waste types as well as to minimise the production of waste products and to recycle where practicable. We also continuously pursue potential opportunities associated with waste products as the old adage "one man's waste is another's gold" is very apt. To this extent, at some of the sites, we are investigating the possibility of job creation through waste recycling initiatives, albeit with slow progress due to legislative and numerous other requirements.

Of materiality though is the fact that we have commissioned our tyre retread facility at Tarkwa. The driving force behind this project was twofold where tyres for haulage vehicles are in short supply worldwide and the disposal of these large bulky items is problematic. To construct the facility we undertook a long environmental impact assessment process, with much consultation, and managed to secure the necessary permits and licences to construct and commission the facility. In the initial stages, we experienced problems with the new tread separating from the casing and this was attributed to methodology and materials used in the vulcanising process. With external expert assistance, we are confident that this has been resolved and that the facility will prove to be a valuable asset in the next reporting period. This initiative represents the spirit of sound sustainable development principles through addressing an economic and productivity problem whilst at the same time addressing an environmental challenge and lastly, providing much needed employment in the area. We monitor the performance of the retread product and are benchmarking this against the performance of new tyres. The outcome of this benchmarking is somewhat difficult to evaluate as excessive rainfall that has been experienced at the operation also has a significant impact on tyre wear. However some of the retread tyres have exceeded 1,000 hours of use which is most encouraging.

The disposal of tailings and waste rock is tabulated below.

Tailings facilities (tons)	F2008	F2007	F2006	F2005
Driefontein	3,839,620	9,779,083	6,592,996	6,534,000
Kloof	3,485,680	3,710,101	3,681,623	5,128,000
Beatrix	3,212,600	3,590,000	3,540,324	4,118,000
South Deep	5,212,090	n/a	n/a	n/a
Tarkwa	4,979,019	5,230,888	4,686,966	3,190,000
Damang	3,695,229	5,269,310	5,327,955	5,215,000
St Ives	4,647,818	4,669,446	4,567,611	3,753,000
Agnew	2,851,660	3,226,978	3,161,159	1,170,000

Waste rock to rock dumps (tons)	F2008	F2007	F2006	F2005
Driefontein	464,996	559,946	319,783	385,000
Kloof	1,101,623	1,120,821	473,371	625,000
Beatrix	1,091,543	934,439	731,738	722,000
South Deep	105,447	n/a	n/a	n/a
Tarkwa	89,096,834	82,168,348	74,353,234	61,666,000
Damang	29,433,351	28,109,727	21,427,370	9,050,000
St Ives	12,323,842	5,210,789	17,028,304	20,360,000
Agnew	425,609	18,234,119	14,254,210	2,060,000

7. Cyanide management

Over the last year, the Group has made considerable progress towards achieving the requirements of the International Cyanide Management Code. The code is a voluntary industry initiative for manufacturers, transporters and consumers of cyanide and seeks to commit signatories to the code to sound and responsible management practices. Gold Fields Limited signed the code in November of 2005 and has undergone a rigorous process of implementing systems to ensure conformance to the code. During this financial year, our Ghanaian operations, Tarkwa and Damang, have achieved full compliance status in terms of the International Cyanide Management Code after an intensive process of auditing by an external body. Our other operations are due to be audited in the next reporting period.

Region	Operation	Certification status
Ghana	Tarkwa Damang	Certified 4 June 2008 Certified 8 May 2008
Australia	St Ives Agnew	Audit to be undertaken F2009
South Africa	Driefontein Kloof Beatrix South Deep	Audit to be undertaken F2009 Audit to be undertaken F2009 Audit to be undertaken F2009 Audit to be undertaken F2009
Region	Supplier	Certification status
Ghana	Orica and Barbex Technical Services Limited	Certified 16 November 2007
Australia	Australian Gold Reagents Pty Limited	Certified 9 October 2007
South Africa	Sasol	Certified 8 March 2007

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8. Closure

Gold Fields Limited continues to provide funds for eventual closure and rehabilitation of its mines. During the year, the environmental peer group formulated a group standard for requirements of closure planning. The standard embodies best practice and requires the operations not only to accurately account for their closure costs but also to annually undertake a revision of the closure plan and the associated costs. These closure plans are also consistently guided by stakeholder inputs during regular engagement sessions. The closure costs as revised in June of 2008 are depicted in the table below.

Operation	Closure provision
Driefontein	R514 million
Kloof	R391 million
Beatrix	R226 million
South Deep	R155 million
Tarkwa	US\$30 million
Damang	US\$5 million
St Ives	AS\$73 million
Agnew	AS\$18 million
Cerro Corona	US\$34 million

9. Fines and legal actions

During F2008, no money was paid by the Group or its operations in fines or penalties resulting from environmental transgressions nor was any legal action brought against the company.

MATERIAL STEWARDSHIP AND SUPPLY CHAIN MANAGEMENT

1. Procurement

Our Project Beyond in South Africa set out in financial year 2005 to achieve cumulative contracted benefits of R300 million. This project focuses on three pillars which are:

- Quality and safe underground mining;
- New technology and innovation; and
- Power, people and surface optimisation.

To date, this project has delivered contracted total cost benefits for SA operations in excess of the target (around R20 million beyond the target). During the reporting period, another R31 million in contracted benefits were delivered, excluding cost avoidance estimated around R34 million over this period. Although real record high inflation over the last year outstripped the contracted benefits delivery, it does imply a reduced basket inflation impact compared to doing nothing. Likewise, the International operations, through integrated supply chain initiatives, added approximately US\$36 million in contracted benefits since 2005, with around US\$8 million in benefit added over this financial year.

For the South African operations, the in-house shared workshop operations managed to turn the facility from a loss making model during the first part of the financial year to a cost savings model over the second part of the year, over and above the critical enabling support that this capability provides to the South African operations.



2. Local procurement and empowerment

Our policy objective for South Africa is to identify and approve Historically Disadvantaged South African (HDSA) suppliers, increase the level of spend to previously disadvantaged individuals and to increase business opportunities and set targets for HDSA procurement spend.

When applying for registration on our database we evaluate the following criteria:

- Ownership;
- Black empowerment programme; and
- Size of enterprise relating to turnover and staff.

Should an HDSA vendor not qualify as a result of safety, quality and service, Gold Fields will at its discretion, support and develop the supplier to be able to meet our criteria as set out in the Gold Fields Policies and Procedures.

As a matter of course, we monitor and verify all information received to ensure accuracy by making use of external auditing companies and preference is given to HDSA suppliers where Gold Fields criteria are achievable. The policy extends to all tenders regarding any supply contract entered into by any Gold Fields Limited affiliate.

The policy sets out time frames for certain targets to be achieved. These being:

- Short-term (1 year) – Procurement from HDSA suppliers must meet a target of 15 per cent;
- Medium-term (2-5 years) – Procurement from HDSA suppliers must meet a target of 25 per cent; and
- Long-term (Within 10 years) – Procurement from HDSA suppliers must meet a target of 40 per cent.

Throughout the subsistence of Gold Fields' plan, support will be offered to new fledgling companies to effect their transition into the supply chain and to further support our overall strategic direction.

In 2003, Gold Fields Limited adopted a Black Economic Empowerment Procurement Policy. When this policy was adopted, spend on HDSA stood at 9.7 per cent. By the end of this reporting period, spend on HDSA had increased to R1.8 billion, increasing by some R400 million over the previous year. Therefore the company has achieved its target of 40 per cent of our spend on working cost and capital materials sourced via accredited HDSA suppliers. This includes the newly acquired South Deep. During the year we have increased by an additional 48 HDSA vendors to a total of 558.

The Thusanang Entrepreneurial Support Centre was initiated by our Shared Services Division (which manages all procurement for the Group) in collaboration with the Gold Fields Business Leadership Academy. This initiative seeks to empower small, medium and micro enterprises (SMME) through providing the required training and business skills to participate in the market and more specifically to enable them to provide our organisation with services. To date, 128 people from our local communities have been through life skills, computer, entrepreneurship and SMME finance courses. These training courses are as a result of our engagement with the target audience and the identification of their needs and issues that represent a barrier to entry to the relevant markets. We also continue to engage our long standing vendors with regard to Black Economic Empowerment. In this regard we also arrange alignment meetings between potential HDSA service providers and our long standing traditional vendors to form partnerships or joint ventures. Notwithstanding this, we also strive to ensure that HDSA vendors remain commercially competitive and that quality, reliability and

health and safety standards are upheld. To facilitate and stabilise cash flow issues for our HDSA vendors, we adhere to a seven-day payment schedule.

In Ghana, our major business partners continue to support our SEED programme's educational projects. A Gold Fields strategic supply partner, Sandvik, assisted in financing a new junior high school classroom building at Awudua in Tarkwa.

We are also engaging in strategic partnerships with local suppliers. Gold Fields Ghana and Tema Steel (a local steel mill) have a mutually beneficial relationship that has seen Tema Steel grow in confidence to a point where their products meet quality criteria and there is a growing market evident not only in Ghana but in the West African region. Tema Steel has embarked on an expansion and modernisation of their production capacity which is expected to produce 20,000 tons of grinding media per annum by the end of next year.

We have also engaged E&P, a local engineering company, in developing the Phase 5 Heap Leach Expansion Project. It is expected that resources generated from this venture will be re-invested into the local economy.

Gold Fields Ghana continues to develop the Electrofax Engineering Company, another wholly Ghanaian owned company, by engaging them in a partnership for all electrical works. This company is presently providing a consultancy service and has been encouraged to set up a motor rewinding facility in Tarkwa, the first of its kind by a private company in the area.

A local joint venture investment with OTR tyres at Tarkwa through a newly built tyre retread facility was also commissioned during the third quarter of financial year 2008. The first product was produced in February 2008. This business venture is not only critical to ensuring a reduction of the risk of short supply, but will also service the greater region and industry as part of a future hub for tyre retreading. This new manufacturing facility obviously also created employment opportunities for local people and an added economic contribution to the community.

The Damang operation increased their local supplier spend from less than 10 per cent in 2003 to over 30 per cent to date. Certain material is provided free of charge to a local Chief and we have also agreed to establish a shop where minor consumables like cement blocks and other building materials can be bought. Damang are also buying soap, rags and timber from suppliers in the village and workers' uniforms are sewn at the Damang Village.

In Australia, all suppliers were issued revised guidelines on how to deal with our procurement requests and how to ensure they are paid on time, every time. In addition to our "Customer of Choice" philosophy, teams are working closely with all major commodity suppliers to accurately forecast future delivery volumes to assist in supplier planning and logistics. The major sustainable development initiative is our Enhanced Underground Alliance where combined contractor and mine teams are working together to drive productivity enhancements and cost reductions. Early indications show a dramatic culture change where sustainable value delivery is a key focus and opportunities to be implemented in the coming months forecast significant improvements.

During the closing month of this reporting period, a gas explosion occurred on the Apache gas line in Australia. Whilst this has no direct effect on our operations, an indirect effect from our suppliers is possible. To mitigate any risks associated with continuity of supply, our team in Australia has developed contingency plans. The abovementioned "Customer of Choice" philosophy is serving the

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company well as is evident from our suppliers going to great lengths to ensure that our requirements are being met. Fortunately, our operations in Australia have not been impacted yet but we remain cautious on the issue and will continue to focus our risk mitigation through our contingency plans.

In Peru, the major source of semi-skilled labour (and sometimes skilled labour) and service provision is through "Direct Influence Area" companies. This is an initiative designed to ensure benefit for the local communities and economy throughout the development of the mine and continuing through the operational phase of the mine. During the year there were some 86 local companies providing services to the mine in three main categories, these being:

- Heavy equipment;
- Light vehicles; and
- General services.

Part of this strategy requires training for the local companies to ensure that the companies optimise and to provide a better understanding of quality and client satisfaction concepts. At present, we are facilitating a process of company certification and these companies will continue to provide us with services into the operational phase. With the project moving towards the operational phase at the end of this reporting period, the demand for services will decrease and we have been actively engaging with local service providers and local communities to minimise the impact of this transition. To this end, an action plan has been devised with our stakeholders' input and we have implemented this plan.

Total cost initiatives and the development of strategic partnering models with suppliers will continue across all regions. Within the global context of record high inflation, strategic risk sharing partnerships, risk mitigation and capping, total cost baseline optimisation, salvage and consumption optimisation will need strong focus to ensure mutual sustainable cost leadership and relationships.

SOCIAL RESPONSIBILITY AND STAKEHOLDER ENGAGEMENT

1. Community development spend

Community	Development spend
South Africa	R15,000,000
Peru	US\$3,265,181
Australia	A\$642,041
Ghana*	US\$2,394,789

*Excluding soccer sponsorship of US\$1,3 million.

2. Social and Labour Plan

Social and Labour Plans (SLPs) were submitted for Beatrix, Kloof and Driefontein mines in October 2006. The respective SLPs were approved as part of the successful conversion of each operation's mining right in January 2007.

At the end of March 2008, Implementation Plans were submitted as required and a concurrent internal review process was initiated. The review highlighted areas that presented a challenge in terms of targets as well as the influence of specific external factors. Challenges that were highlighted included issues related to human resources development and local economic development. Other factors that were identified as having a negative impact on the successful achievement of the set targets included the electricity crisis, increases in operational costs due to inflation and several safety related operational decisions. This prompted Gold Fields to request an opportunity to re-submit revised Implementation Plans. The DME made this allowance and the revised Implementation Plans will be submitted by the end of August 2008.

Measurement of each operation's actual performance against the various plans has been initiated. All results will be verified by an external verification body to provide the necessary assurance that the data is reliable. This will culminate in an annual status report for each operation that will be submitted by the end of November 2008 and will depict the performance of each of the operations against the targets included in the original SLP. The process has proven to be a learning experience upon which future improvements will be based. South Deep's SLP will be completed before the end of 2008 and will be submitted as part of its mining rights conversion application.



3. Community investment and local economic development

Agrihold has been developed by Gold Fields Limited as an autonomous investment holding company (100 per cent owned by Gold Fields Limited) to pursue the delivery of agricultural local economic development. This entity is responsible for the development, implementation and support of new agribusiness. The entity also conducts ongoing research and development for sustainable enterprise development in labour sending areas in South Africa. Through extensive global research, Agrihold has identified three strategic areas, where South Africa has proven strategic advantages and has significant potential for the employment and training of large numbers of people. These areas are floriculture, bioprospecting and aquaculture. The key criterion for any business under consideration includes the potential to be globally competitive and that large numbers of people can be employed in a short period of time.

In terms of floriculture, the well known Living Gold facility is a rose propagation and growing facility located on the West Rand in South Africa. This business has trained over 650 people in the skills of growing, harvesting, sorting and packaging world class quality roses for export. By the beginning of this financial year, the facility had already produced in excess of 60 million roses, half of which had been exported to destinations around the globe. The business is accredited by Global Gap and as a result is audited for performance in terms of not only rose production but also performance with regard to environmental and social issues. Numerous opportunities for the expansion of this business are being evaluated, including an initiative called "Planet Flowers". This initiative will concentrate on the procurement of locally produced flowers for the production of bouquets, arrangements and various other value-added products for sale nationally and internationally.

On the bioprospecting front, any biological resource emanating from a country's biodiversity for potential commercial use in pharmaceutical, herbal, agricultural, industrial or chemical products, is pursued. Such a business approach has the inherent benefit of promoting the conservation of national biodiversity. Our investment into this initiative is through the Golden Oils company and we are of the firm belief that the field of bioprospecting will represent a "sunrise" sector into the future. The first investment of Golden Oils has been the development of a growing and screening facility near our Beatrix mine in the Free State in South Africa. At this facility numerous plants are tested for their performance in terms of growth and their respective yields and quality. Species being tested include aloe, succulents, bulbs, essential oil producing plants and plants which have proven medicinal properties. Through this initiative, a company called AloeCo has been developed to facilitate investment into the Eastern Cape in the aloe sector and feasibility studies with respect to investment in the aloe sector are being finalised.

With regard to aquaculture, feasibility studies are underway as to the large scale production of trout in the Highlands of Lesotho and this is seen as having the potential for being a catalyst for a large scale aquaculture industry being established at the Lesotho Highlands Water Scheme starting with the Katse Dam. The feasibility study includes the production of various products such as smoked fillets, pâtés, terrines and the like, as well as tackling the logistical issues and access to international markets.

Through our involvement with Agrihold, Gold Fields Limited has emerged as a leader in the field of sustainable enterprise development with the southern African programmes forming the Agrihold blueprint for operations around the globe.

In addition to the above initiatives, we are also very active in our labour sending communities in South Africa which are often many

hundreds of kilometres away from our operations but are home to many of our employees. Our activities in these areas are again very much agricultural in nature and very similar to the approach adopted in Ghana whereby our aim is to provide the necessary support to enable agricultural sustainability in the area through:

- The provision of agricultural expertise and skills development;
- The provision of livestock to beneficiaries of the programme;
- The provision of seed for crop cultivation to beneficiaries of the programme; and
- The provision of supporting infrastructure.

Using a mentorship type structure, possibly one of the greatest yet intangible benefits of these initiatives is the valuable transfer of skills and the ongoing support that is provided. The reach of these programmes is considerable, aiming to benefit many thousands of community members.

In Ghana, our SEED (Sustainable Community Empowerment and Economic Development, the intentions of which were covered in our previous annual report) programme continues to yield very positive results. Over 3,000 members of the local community have benefited directly from the SEED programme with an estimated reach to at least 15,000 people. During the year, more than 17,000 oil palm seedlings had been distributed. The processing of oil palm has been facilitated by the provision of numerous oil palm processing facilities. The facilities have been provided with secure access to maintenance services to ensure that the facilities continue to produce the desired product. Some of the facilities in this venture are recording processing rates of up to five tons of oil palm fruits during a quarter. Based on these successes, we had undertaken a feasibility study of a large scale oil palm project (thousands of hectares in extent). However the land assembly has proven to be problematic and therefore we are exploring alternative options.

Under the SEED programme the livestock programmes are proving to be very successful where some of our beneficiaries are now moving away from being dependent on the SEED programme and are becoming self sufficient through purchasing feed from the local markets which provides further economic stimulation in the local market. Our aquaculture initiatives have also shown huge success where one of the fish farms that was initiated through our SEED programme has evolved to become one of the most productive in the country.

In Ghana, forty per cent of our budget for community investment was directed to alternative livelihoods. Thirty four per cent of the budget was directed into education, ten per cent to health, ten per cent to water and sanitation and the remaining six per cent was directed towards other infrastructure.

The lessons we have learnt in agricultural led local economic development have stood us in good stead even at the top of the Andes Mountains in Peru at our Cerro Corona project. Some noteworthy examples include the increase of dairy yield through establishing grazing pastures as well as increasing natality rates through artificial insemination of dairy cattle. Investments in assisting communities with pig farming have also proven to be very successful. We are also extending our experience to feasibility studies on various enterprises including blueberry farming, to which the area and climatic conditions are conducive. We also had the pleasure of opening the school in the Tingo community during the year. The success of this initiative lies in the approach by which local community members constructed the school, imparting critical skills development. A large delegation was present at the opening, including local politicians and regulators. We also focus on direct employment for community members at the mine and in this regard

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we have been successful in training locals in plant operation and these members will form part of the workforce responsible for producing the concentrate out of the plant. Transport contractors were also procured locally.

In Australia, the Community Endeavour Team (responsible for social investment) is more focused on community cohesion and pride initiatives such as the Red Hill walking trail (a conservation based effort), investing in recreational facilities, the upgrade of the local airport and promoting tourism access and interest to the areas in which we operate.

A fundamental component of the Gold Fields Limited strategy is that of growth and as mentioned in other sections of the annual report, we are actively pursuing the addition of ounces to our production profile. Four per cent of the exploration budget is assigned to investment in the local communities and our initiatives in this regard are tailored to the level of interest that can be assigned to a particular area. Examples of our investment initiatives take the form of improvements in educational facilities to improvements in medical facilities to providing access to clean water to also facilitating agriculture in the area to create sustainable employment. By adopting a continuity of approach in the communities in which we operate, we can capitalise on the benefit of lessons learnt and cross pollination across the globe.

4. Socio-economic impact assessments in Australia

At our Australian operations we have undertaken socio-economic assessments through an independent party. These assessments serve to:

- Provide an up to date assessment of impacts (be they positive or negative) on our stakeholders and communities;
- Identify areas for further social improvement;
- Measure the effectiveness of existing community and impact minimisation strategies;
- Investigate indigenous community perceptions;
- Identify issues that may impact during the Life of Mine and eventual closure; and
- Consult and engage with a large range of stakeholders.

The outputs of these studies serve to detail opportunities for improvement. Notwithstanding these studies, we continue to strengthen our approaches to land access with regard to indigenous communities and have developed databases to support this process. During the year we have procured the services of expert archaeologists to further our understanding of the heritage surveys and as a result our database has expanded quite significantly. All near site exploration is subject to a process of applying for a site disturbance and any sites of heritage importance are avoided. This is most useful as the heritage information is also integrated with other information such as areas of biodiversity significance or areas that hold significant landforms and appreciably enhances our ability to undertake on and near site exploration while minimising adverse impacts.

5. Awards

At a ceremony in Takoradi in December 2007, we received an award for corporate social responsibility in the western region of Ghana

from the Regional Chamber of Commerce and Industry. This awards scheme is in its first year and serves to recognise companies that have excelled in their social responsibility and to stimulate healthy competition amongst corporations. At the ceremony, representatives of Gold Fields Limited were presented with a shield and certificate recognising outstanding contributions in providing water, health, education and other social facilities that seek to enhance the lives of people.

Gold Fields also recently received an award from the Education Department at Rhodes University for its contribution to environmental education in South and southern Africa. Gold Fields has a long standing relationship with Rhodes University that developed more than a decade ago mainly due to Gold Fields' commitment to the Eastern Cape, which is one of its labour sending areas. It was through the resultant interaction that the "Rhodes University Certificate in Environmental Education", which is often referred to as the "Gold Fields" certificate, was born. This certificate is offered as a semi-distance course, which is run over a year. The course has also been franchised out to other educational institutions within southern Africa and targets the needs of students, teachers, community workers, conservationists, political activists and non-formal educators. Gold Fields continues to support Rhodes University and recognises this fine institution as being a key role-player in sculpting the future of South Africa.

6. Artisanal and small scale mining involvement

During the year we had experienced some problems with artisanal miners moving onto the Damang concession in Ghana and mining in areas that had been earmarked for possible future development. Through consultation with the relevant regulatory authorities, communities and the artisanal miners, a peaceful eviction was concluded without any incident. Unfortunately, in April of this financial year, artisanal miners again invaded the site. This is of concern to us due to the following impacts:

- Threat to the safety and security of mine personnel, community members and the artisanal miners themselves;
- Potential for pollution in the area;
- A threat to the life of the Damang mine;
- A threat to the possibility of the company being able to re-open the old Abooso underground section; and
- Reduction in funds contributed to the community investment foundation.

The situation has been discussed with the community members and we have received very encouraging, sustained support with the community themselves appealing to the regulators to address the situation. Numerous site visits were held and we remain committed to finding a solution to the issue in engagement with all relevant stakeholders.

On a much greater scale, we are internationally involved through the International Council on Mining and Metals in developing approaches and solutions to artisanal and illegal mining. To this end, a representative of our company chairs the working group of the ICMM on artisanal mining and the Group is actively working on developing positions and approaches to artisanal mining.