

SECURING THE FUTURE



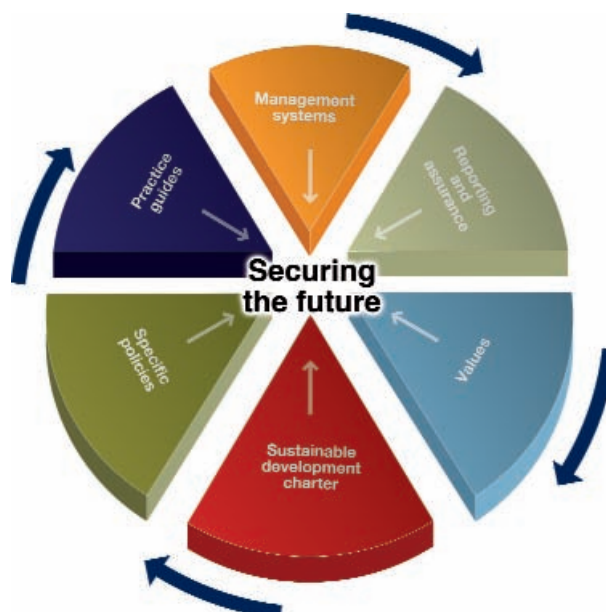
SUSTAINABLE DEVELOPMENT

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INTRODUCTION

Gold Fields' strategy remains to ensure the sustainable growth of its business by focusing on operational excellence and securing its long-term future, by maintaining both our social and legal licences to operate. During the past few years, we have sought to deepen our application of the core principles of sustainable development (SD) through direct and indirect projects and processes which had been achieved, for the most part, without reference to an integrated framework. During F2007, the board adopted the Gold Fields SD Framework. Under its broadened terms of reference, the board's Safety, Health, Environment and Community (SHEC) Committee is responsible for guiding the implementation of strategy, management and reporting systems across the Group. It creates the framework within which Group management and employees will

operate. In developing this, we have drawn extensively on the International Council on Mining and Metals (ICMM) Sustainable Development Principles and the Global Compact Principles as they most appropriately reflect the currently relevant thought process throughout the Group. Consequently, and because the ICMM and Global Compact principles present a well-tested and proven framework for our purpose, we have become a member of the ICMM and a signatory to the Global Compact. Both the Global Compact and the ICMM require members and signatories to endorse and implement the principles within the organisation in a structured manner and to audit and report performance against the principles. The text of ICMM and the Global Compact Principles along with implementation and administrative documents can be found at www.icmm.com/sd_framework.php and www.unglobalcompact.org/AboutTheGc/TheTenPrinciples/index.html respectively.



The current process is to translate these principles into key performance indicators within a formal management system. This framework system will consist of several interventions as detailed in the diagram on page 92.

To support this, we are currently creating a system of issue-specific internal peer groups, consisting of specialists and practitioners, who will drive the process of developing policy practice guides, overseeing the implementation worldwide and acting as thought-leaders in each specific field.

In moving towards third-party assurance, Gold Fields chose to focus on improving our internal data capture and monitoring systems, including the role of internal audit, to identify potential gaps in our eventual assurance process. It is our intention to seek third party assurance over material portions of the next report, including significant portions of our commitments to the South African Mining Charter, the Global Compact and the ICMM SD Principles.

In this report, we commence reporting against each principle, to the extent that it is practicable, using the Global Reporting Initiative (GRI) version 2 (G 2) indicators as a baseline and GRI version G 3 as an ideal reporting level. In F2008, Gold Fields intends consolidating the above within the organisation and to enable more comprehensive future reporting in accordance with G 3. This approach has been shaped by the increasing diversity of stakeholder feedback arising from the formalising of the AA 1000 systems, following its implementation, and the expansion of the Group into new operating environments.

Based upon feedback received we have tabled broad issues of stakeholder concern with page references at the beginning of each chapter.

During F2007, the JSE's Socially Responsible Investment (SRI) index did not update its ranking of companies. An update based upon a new assessment process is expected for F2008 and Gold Fields continues to support this initiative through input into the JSE's SRI advisory committee.



Stakeholder issues and management performance covered in this section:

| Material and relevant issues identified | Pages |
|--|---------------|
| • Engagement standards | 94, 129 |
| • Stakeholder identification and follow-up | 94-97 |
| • Partnerships | 127, 128, 134 |
| • Feedback mechanism/addresses | 96, 97 |

Central to securing the Group's future is ensuring its commercial sustainability. Sustained, transparent engagement is required to convince local stakeholders that mining can enrich their communities by providing more than just livelihoods. To this end, we seek open and long-term engagement with the broad range of our stakeholders, be they suppliers, employees, creditors or investors, regulators or communities.

We recognise that stakeholder needs and expectations in each region create different challenges which shape our responses. Our operational executives are attuned to responding to local stakeholder needs and keep the central office apprised of their programmes.

During F2007, the implementation of the AA 1000 Stakeholder Engagement Standard has been slowed by capacity constraints arising from the need to develop social and labour plans within the timeframe required by the South African government in order to acquire the new-order mining rights for our South African operations. However, the stakeholder engagement manual has been developed and tested with key site staff, and training and implementation at our South African operations commenced. Implementation at the international operations and exploration sites will be completed during F2008.

Broadening stakeholder engagement: Ghana

At the national level, Gold Fields continues its active involvement in the Ghana Chamber of Mines which

functions as the advocate of major mining policy positions such as an industry-wide approach to beneficiation of Ghanaian gold. In F2007, we participated in formulating an industry-wide policy on artisanal and small-scale mining that recognises the reality of small-scale mining. It seeks to engage a broad range of stakeholders to ensure that small-scale mining is progressively integrated into the local mining regulatory framework and complies with the basic occupational health, safety and environmental requirements to the benefit of all stakeholders. Accordingly Gold Fields, through the Chamber of Mines and the National Minerals Commission, is exploring the identification of properties suitable for small-scale mining and the promotion of the formal registration of miners operating on such properties. At mine level, engagement takes place mainly via the regular forums established to direct the SEED process (see Investing in Communities on page 127).

Indigenous Heritage Management: Agnew

Gaining the Miranda and Vivien tenements opened up a large area for exploration for Agnew. However, the Group initially lacked adequate information concerning previous indigenous heritage surveys for the area on which to base its heritage management, a matter of significant interest for the seven Native Title Claimant Groups among the mine's interested/affected parties.

A process of confirming previous surveys and undertaking site avoidance surveys began in August 2006 in consultation with these groups. The process of site avoidance surveys identifies areas of importance for exploration to avoid, with a more detailed, or site identification, survey required if geologists need to access those areas of importance.

Information from previous surveys was incorporated into an indigenous heritage management system database. The subsequent data capture resulted in three main datasets:

an archaeology survey layer, an ethnographic survey layer and a layer of heritage sites. By taking a 'whole of country' approach, staff at Agnew gained a better understanding of the mythological connections to natural features in the landscape and where, therefore, a high potential for finding archaeological artefacts exists. Without having information relating to specific sites, exploration teams can still anticipate potential constraints that may present themselves through a risk assessment which uses landscape units or topographical features. This heritage information is then integrated with other environmental information such as sensitive biological sites, presence of rare flora and distinctive landforms. This linkage will enable the development of constraints maps which may define zones of unrestricted access through to potential "no-go" zones in which more detailed survey is required.

By integrating this information and its use the geologists, together with the Environment and Land Access group, have been able to plan priority areas for heritage survey coverage to ensure access to the ground for drilling. The work going forward will involve linking personal information gained from Agnew's ongoing engagement with indigenous groups to the spatial database for recall and future reference.

Managing expectations: Venezuela

A key challenge for Gold Fields on acquiring Choco 10 was to manage community and government expectations. Choco 10 is not the highest-margin operator in the area, but due to it being a foreign owned company, the expectations of the surrounding communities, as well as the regulator were raised concerning, for example, social benefits.

In an effort to catalogue and understand community expectations, a stakeholder survey was started and will be completed in early F2008. Preliminary results indicate a wide divergence of expectations and differing levels of

understanding regarding the activities and impacts of mining. Due to the ongoing communication process, the local communities now realise and generally accept that local workers lack many of the required specialist mining skills, as Venezuela has a limited hard rock mining tradition. There is, however, an explicit understanding that the community will benefit from employment opportunities with any expansion of Choco 10. To this end, Gold Fields will support targeted training initiatives.

Listen more, talk less: Peru

During the exploration stage, Gold Fields staff, acutely aware of the poor history of mining/community relations in the area, had sought to build trust through their on-site conduct and open communication. As the construction of the Cerro Corona Project proceeded during F2007, Gold Fields continued to build on its established relationships with the project's stakeholder communities, most of whom live at altitudes between 2,500 and 4,000 metres above sea level and where 95 per cent of the community pursues various forms of agricultural activity.

The principal community concern raised was that Gold Fields' operations would simply add to the historical environmental impact, as had been their experience of mining in the past. Prior to project approval, Gold Fields therefore took concrete measures to address some of the water pollution consequences of earlier mining impacts. This was done at a cost of US\$1.0 million, so that the Group would leave a positive legacy, even in the event of the project not being approved.

Based on lessons learnt from, *inter alia*, stakeholder engagement in Ghana, Gold Fields' stakeholder engagement was driven and sustained by staff at managerial level, often requiring intensive and prolonged engagement sessions. The objective was to develop trust in individuals within the management structure that would be transferred to the Gold Fields organisation. Due to the

SUSTAINABLE DEVELOPMENT CONTINUED

STAKEHOLDER ENGAGEMENT

low literacy levels in the area, all meetings were open to the community and made extensive use of radio and visual aids such as photographs and scale models to illustrate the changes the Cerro Corona mine would bring. Any communication received, or agreement to be entered into, was treated as open and communicated verbally at general community meetings prior to any signing.

A Community Claims and Complaints Register has been established in the neighbouring and downstream communities of Hualgayoc, Bambamarca and in Cajamarca, with a formal commitment of a seven-day response time.

Feedback has indicated that educational support and transport are key issues for the community going forward. We are currently supplementing a portion of the local teachers' salaries and have completed the construction of additional classrooms at a school. Gold Fields also communicated very clearly that any support for social service infrastructure would be done only in partnership with government.

Resettlement

Over past years, community members were resettled at both Tarkwa and Damang to allow Gold Fields to access new areas. At all stages, this was done in a consultative, transparent manner and the Group has received no consequent complaints concerning the process or the level of compensation. This experience has stood Gold Fields in good stead.

In the course of constructing Cerro Corona, 63 extended families were relocated – a total of 345 people. Each family owned up to six houses at different altitudes. In this region the community owns land by custom. In consultation with community leaders and regulators, we negotiated a process whereby the relocated individuals could establish new dwellings and livelihoods within the area, thereby retaining their social networks as well as their position within the communities. Only six families chose to relocate to another area.

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 email us at:

www.goldfields.com or complete the fax reply form at the back of this report. The Gold Fields website is: www.goldfields.co.za

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WONDERFONTEIN SPRUIT: SOUTH AFRICA

Wonderfontein Action Group

During F2007, Gold Fields built on experience gained from the establishment of the Wonderfontein Action Group (WAG), as reported in the F2006 annual report. WAG was formed against the background of a confrontation with stakeholders over water impacts allegedly arising from Gold Fields' Kloof operations. Stakeholders' initial concerns were addressed following a transparent engagement process resulting in the establishment of WAG with a mandate to investigate water quality and quantity issues in the Wonderfontein catchment area. Gold Fields' implementation of AA 1000 also assisted in broadening the range of stakeholders involved in WAG to include municipalities, farmers' organisations, concerned citizens, manufacturing interests and other mining companies active in the catchment area.

In the past years, a number of scientific but often narrowly focused studies investigated aspects of pollution in the Wonderfontein catchment particularly regarding high metal concentrations in the sediment. Some stakeholders strongly expressed the view that the impact on Wonderfontein could only have originated with the gold mining industry. However, the spruit's headwaters reach as far north as the municipal area of Krugersdorp and a range of industrial, mining, agricultural and municipal activities had impacted the watercourse for over a century.

Building on the constructive engagement, Gold Fields took the initiative to identify a solution to the

strongly debated issue that would improve the water quality in the Wonderfontein Spruit. During a series of bi-monthly meetings during F2007, consensus was achieved on the scope and methodology of a sampling protocol, selection criteria to identify the technical consultant, and a laboratory to conduct the analysis. It was common cause that the Wonderfontein Spruit had been impacted by various activities. Gold Fields sought to focus the stakeholder engagement process on the quantification of these impacts.

As a dolomitic catchment, the Wonderfontein Spruit provided a series of complex challenges, not the least being the need to ensure that deep level groundwater and sediment sampling along the watercourse could be conducted in a manner to prevent the formation of sinkholes. Based on the risk-based approach, the area selected for sampling was the entire Lower Wonderfontein Spruit area, which was deemed by stakeholders to be most heavily impacted. The research was limited to determining only the nature and the extent of the pollution and its impacts on the spruit.

This sampling work, the first research in this area supported by a broad range of stakeholders, will be discussed at WAG meetings and, pending agreement on the validity of the results, the next research phase, to be funded by a broader range of stakeholders, will seek to determine the major sources of pollution on the riverine system.

SUSTAINABLE DEVELOPMENT CONTINUED

MINING CHARTER TABLE

In South Africa, the Broad-Based Socio-economic Empowerment Charter for the Mining Industry (the Mining Charter) was formally published in August 2004. Gold Fields' response to the Mining Charter is summarised on pages 98 to 102 of this report.

The table below reports on activities undertaken at Gold Fields' South African operations during F2007 pursuant to the 2009 Mining Charter targets.

HUMAN RESOURCES DEVELOPMENT

| Objective | Achieved F2007 | Targets F2009 |
|--|---|--|
| Has every employee been offered the opportunity to be functionally literate and numerate by 2005 and are employees being trained? | 4,200 employees participated in ABET in F2007 while maintaining a teacher:student ratio of 1:15. Total cost of ABET R18.3 million for the year under review. | 5,911 learners targeted for ABET per annum. |
| Have career paths and skills development plans been implemented for HDSA employees? | Workplace skills plans covering all HDSA employees were submitted individually by each operation to Mining Qualification Authority (MQA). | Continue providing a workplace skills plan and annual training report covering all HDSA employees as required by the MQA as well as alignment to any new legislative requirements as they come into force. |
| | Budgeted expenditure for skills programmes, bursaries, learnerships and in-service training R18.3 million: <ul style="list-style-type: none"> • 66 bursaries were provided: 55 HDSA and 11 white males • 235 learnerships were provided • 100 in-service training beneficiaries – graduates and skills programmes – 76 HDSA and 24 white males. | Continue providing bursaries, learnerships and scholarships at current budget levels in real terms. Bursaries will continue to be managed centrally through GFBLA. Individual operations will continue to manage study loans and study grants. |
| | Overall expenditure on skills development and training amounted to R154.3 million or 4 per cent of South African payroll. Direct expenditure on skills development and training for F2007, R108.3 million with a further R46.0 million provided for additional discretionary investment in special skills programmes and the team, management and leadership mobilisation project under the Gold Fields Operational Excellence programme. | Expenditure on skills development and training will be maintained at current levels in real terms. |

HUMAN RESOURCES DEVELOPMENT continued

| Objective | Achieved F2007 | Targets F2009 |
|---|---|---|
| Has the Group developed mentorship systems for empowerment groups? | Mentorship philosophy upgraded to take account of global best practice thinking, and a more formalised approach to mentor selection, mentor-protégé matching, mentoring methodology, measurement and administration. Ready for full rollout in F2008. It will be further embedded in the redesign of individual development plans as well as in the newly adopted Technical Assistant contract which is an accelerated empowerment programme. | All employees on succession plan and HDSA talent pools to be mentored. Succession plans and individual development plans available for all HDSA employees identified in talent pools as per workplace to be mentored. |

EMPLOYMENT EQUITY

| Objective | Achieved F2007 | Targets F2009 |
|--|---|---|
| Has the employment equity plan been published and has annual progress in meeting this plan been reported? | The 2007 employment equity plan has been 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 overseen 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? | Succession plans and individual development plans are available for those HDSA employees identified in talent pools. | Talent pool identification and fast-tracking programmes have supported meeting the labour plan to next level targets. |
| Has a plan been devised to achieve 10 per cent participation by women by 2009 and is this plan being implemented? | A women-in-mining steering committee has been established to guide the achievement of this target. Current levels have improved from 3.2 to 5.1 per cent with the inclusion of South Deep. A Women-in-Gold Fields committee has been established to especially address issues of women in leadership positions. | A strategy is in place and continues to aspire to the Mining Charter target for 2009. |

SUSTAINABLE DEVELOPMENT CONTINUED

MINING CHARTER TABLE

MIGRANT AND FOREIGN LABOUR

| Objective | Achieved F2007 | 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 F2007 | 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? | Gold Fields Foundation budgeted as per established formula for allocation to four key categories: Education, Community Development, Environment and Health. This allocated budget was R15 million. | Maintain capacity to develop projects through multi-stakeholder consultation and align them with the integrated development plans of the concerned communities. |
| | | Maintain GF Foundation funding according to existing production-based formula of 0.5 per cent of pre-tax profits and R1.00 for every ounce of gold produced in South Africa. |
| Has the Group engaged with local mining communities and those in labour-sending areas? | <p>Ongoing engagement with public and private sector stakeholders for both its mine host communities and labour source communities. Training on AA 1000 standard completed at the Beatrix and Driefontein operations.</p> <p>All approved social and labour plans are being implemented at the operations in consultation with the appropriate stakeholders.</p> | <p>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.</p> <p>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.</p> |

HOUSING AND LIVING CONDITIONS

| Objective | Achieved F2007 | Targets F2009 |
|--|---|--|
| Regarding Group-provided housing, has the mine, in consultation with stakeholders, established measures for improving housing, including the upgrading of hostels, conversions of hostels to family units and promotion of home ownership options among employees? | <p>Continue to provide a broader spectrum of accommodation options to a growing percentage of the workforce. Total spend on hostel upgrade and conversion for F2007 R38.7 million.</p> <p>Development of Gold Fields home ownership scheme which will support home ownership for employees in municipalities surrounding the mines as well as in the labour-sending areas from which our workforce comes.</p> | Agreements with organised labour entail that 50 per cent of the workforce will have a choice with regard to accommodation options (either accommodation or housing allowance) by 2009. Due to the time requirements of hostel conversion this will apply to 100 per cent only by 2013. |
| Have measures been established to improve the nutrition of mine employees? What has been done to improve nutrition? Show plan to progress this over time and demonstrate that plan is being implemented. | Ongoing monitoring and reporting by a full-time dietician to ensure compliance with national nutritional standards. Menu content has been formally linked to the employee wellness programme. | Ongoing reports from dietician to be submitted with recommendations for improvement in nutrition and cooking staff training requirements. Menu content to remain linked to employee wellness programme. |

PROCUREMENT

| Objective | Achieved F2007 | Targets F2009 |
|--|---|---|
| Have current levels of procurement from HDSA companies in terms of capital goods, consumables and services been identified? | By the end of F2007, HDSA spend accounted for R1.4 billion, 43 per cent of total working cost and capital materials spend. We have thus 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. | Achieve a more than 40 per cent HDSA procurement spend by 2009. Target has already been exceeded. |
| Has 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? | The spend has increased to 43 per cent which is above target, up from 9.7 per cent in 2003. | Maintain a more than 40 per cent HDSA procurement spend by 2009. HDSA supplier screening and accreditation system to remain in place. |

SUSTAINABLE DEVELOPMENT CONTINUED

MINING CHARTER TABLE

OWNERSHIP AND JOINT VENTURES

| Objective | Achieved F2007 | 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 2005 target by completing a transaction with Mvelaphanda Resources Limited, effective 1 May 2004, in terms of which Mvela Resources, through its wholly-owned subsidiary, Mvela Gold will acquire a 15 per cent interest in, Gold Fields' South African gold mining assets within five years for a cash consideration of R 4.1 billion. | Plan for 2014 target through various initiatives. |

BENEFICIATION

| | | |
|--|---|--|
| 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. | |
| 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? | Gold Fields, together with AngloGold Ashanti, SAAB and Standard Bank operates a gold advance scheme to facilitate the provision of advances of gold to the South African jewellery manufacturing industry. This 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 DME 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 F2007 | Targets F2009 |
|---|--|--|
| Does the company report annually on progress made in meeting its commitments? | To report, as part of its annual report, on progress made in terms of the guidelines set out by the Mining Charter Scorecard and to continue using the evolving Global Reporting Initiative guidelines in the compilation of our report. | To report as part of its annual report on progress made in terms of the guidelines set out by the Mining Charter Scorecard and to continue using the evolving Global Reporting Initiative guidelines in the compilation of our report. |

OCCUPATIONAL HEALTH AND SAFETY

Stakeholder issues and management performance covered in this section

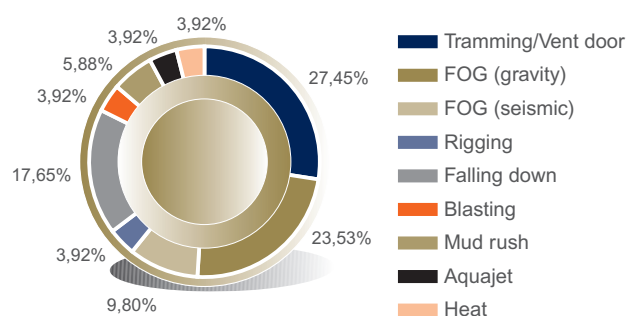
| Material and relevant issues | Pages |
|---|-------------|
| • Safety performance | 17, 103-104 |
| • Health and Safety Management | 103-114 |
| • Regional healthcare challenges | 110-114 |
| • HIV/Aids in the workplace and the community | 111-114 |

SAFETY

Gold Fields remains committed to the objective that no employee should suffer an injury or acquire a disease while in the employ of the Group, and that fatalities and injuries sustained at its operations should be reduced to zero. Regrettably, 29 of our colleagues (F2006: 39) were killed in mining-related accidents during F2007. This constitutes a fatal injury frequency rate of 0.19 per million hours worked (F2006: 0.29). All fatalities occurred at the Group's South African operations. The Australian

operations, Damang and Choco 10 have maintained their record of zero fatal accidents since being acquired by Gold Fields. Tarkwa has had two fatalities in ten years.

Falls of ground continue to represent 17 per cent of the fatal injuries. Of these, 12 per cent were gravity-related and the other 5 per cent due to seismic induced falls of ground. Although this constitutes an improvement over the previous year, any safety incident is unacceptable and we continue to work towards achieving our goal of zero fatalities.



CAUSES OF FATAL ACCIDENTS

| Operations | Fatal accidents | | | | LDIFR | | DLFR | | |
|---------------------------------|-----------------|-------------|-----------|-------------|--------------|--------------|------------|------------|--|
| | F2007 | | F2006 | | F2007 | F2006 | F2007 | F2006 | |
| | No. | Rate | No. | Rate | | | | | |
| Driefontein | 13 | 0.31 | 15 | 0.34 | 12.97 | 15.05 | 522 | 505 | |
| Kloof | 11 | 0.23 | 16 | 0.38 | 15.4 | 19.7 | 339 | 392 | |
| Beatrix | 4 | 0.13 | 7 | 0.24 | 5.5 | 5.9 | 289 | 322 | |
| South Deep | 1 | 0.13 | | | 14.36 | | 156 | | |
| South African Operations | 29 | 0.22 | 38 | 0.33 | 12.06 | 14.27 | 373 | 413 | |
| Ghana | 0 | 0 | 1 | 0.09 | 0.54 | 0.79 | 15 | 15 | |
| Australia | 0 | 0 | 0 | 0 | 1.93 | 0.7 | 0 | 3 | |
| Venezuela | 0 | 0 | | | 11.48 | 12.62 | 268 | 299 | |
| Peru | 0 | 0 | | | 0.15 | | 4 | | |
| International Operations | 0 | 0 | 1 | 0.05 | 1.36 | 1.07 | 12 | 20 | |
| Group | 29 | 0.19 | 39 | 0.29 | 10.47 | 12.36 | 322 | 356 | |

SUSTAINABLE DEVELOPMENT CONTINUED

OCCUPATIONAL HEALTH AND SAFETY

Days lost resulting from accidents in the Group were reduced by 9.5 per cent from 356 to 322 per million hours worked. The improvement was consistent throughout all operations and can be attributed to intensive treatment and rehabilitation to ensure that individuals can return to work after an injury and are physically fit to continue their normal work; this despite the fact that South African operational incidents continue to include hours during weekends and holidays during convalescence, thus raising the total. The lost day injury frequency rate for the Group improved from 12.36 to 10.47 per million hours worked. A significant improvement was recorded at all South African operations.

HEALTH AND SAFETY MANAGEMENT

OHSAS 18001 alignment

The Gold Fields Full Compliance Health and Safety Management system is designed to meet the legislative requirements of the countries where Gold Fields operates. In order to ensure compliance, this system is audited internally and externally bi-annually. OHSAS 18001:1999 is the international occupational health and safety management system standard against which management systems are assessed and certified.

Independent auditors, Bureau Veritas Certification (BVC), were engaged to conduct the F2007 audit of the South African mines Kloof, Beatrix and Driefontein. Certification was recommended at all three operations. Scheduled surveillance audits will ensure that continual improvement measures are implemented and maintained. South Deep will be audited for OHSAS 18001 in preparation for certification by June 2008.

The Ghanaian operations received OHSAS certification in July 2006, and both underwent a surveillance audit in June 2007. The South American operations are scheduled for audit in 2008.

The Australian operations' Health and Safety Management systems are certified to Australian Standards (AS/NZ 4801:2001). Agnew and St Ives continue to achieve re-certification on the completion of scheduled surveillance audits.

Targets and milestones

Gold Fields has committed its South African operations to a number of health and safety targets and milestones, agreed to by the Mine Health and Safety Council.

Mine Health and Safety Council milestones (South Africa)

| Objective | December 2008 | Target 2013 |
|-----------|--|--|
| Zero harm | Achieve, as a minimum, safety performance levels equivalent to current international benchmarks for underground metalliferous mines. | |
| Noise | The hearing conservation programmes implemented by industry must ensure that there is no deterioration in hearing greater than 10 per cent amongst occupationally exposed individuals. | The total noise emitted individually and collectively by equipment installed in any workplace must not exceed a sound pressure level of 110dB at any location. (The exposure limit stated in the MHSA is no more than 85dB over an eight-hour period.) |
| Dust | Ninety-five per cent of all exposure measurement results must be below the occupational exposure limit of 0.1 mg/m ³ for respirable crystalline silica (individual readings). | Using present diagnostic techniques, no new cases of silicosis will be tolerated among previously unexposed individuals (i.e. individuals unexposed to silica dust prior to 2008). |

Noise and vibration

Hearing conservation programmes in South Africa and Australia are monitored on a quarterly basis. The identification of noise sources and the demarcation of noise zones are ongoing in order to reduce the number of employees potentially exposed to high noise and vibration levels. Compliance with the Code of Practice for hearing conservation is 93.2 per cent for the Group. Compliance with the wearing of hearing protection devices for the Group was 96 per cent, with all mines achieving well above 90 per cent. Employees

found not wearing hearing protection are counselled immediately. Monitoring of lead indicators such as 'personal exposure' and 'machinery/equipment noise emissions' for consistency, as well as the enforcement of protective equipment measures, has begun and will be critical to ensure that the Group achieves its targets.

Personal noise dosimetry measurement began at the Ghanaian operations. Tarkwa has received equipment to begin vibration surveys on the mine and will commence training on the surveillance implementation plan.

Personal exposure dosimeter measurements

| Mine | Total dosimeter measurements | % readings < 85 dB(A) | % readings 85dBa – 105dB(A) | > 105dB(A) |
|----------------------|------------------------------|-----------------------|-----------------------------|------------|
| Kloof | 323 | 18.6 | 76.0 | 5.4 |
| Driefontein | 651 | 68.7 | 31.0 | 0.3 |
| Beatrix | 165 | 35.0 | 65.0 | 0.0 |
| South Deep | 121 | 57.3 | 42.2 | 0.5 |
| SA Operations | 1,260 | 44.8 | 53.6 | 1.6 |

The above table shows that 55.2 per cent of our workforce is exposed to greater than 85 db(A) which may result in hearing loss over time. These measurements indicate the importance of containing noise sources and providing the correct personal protective equipment (PPE).

To meet the second milestone objective, all equipment should emit less than 110 db(A) and, as part of this, all noise sources are reviewed throughout the year.

Noise Induced Hearing Loss (NIHL)

No new cases of NIHL were reported at Gold Fields' international operations in the past financial year. In South Africa, the legal diagnostic criteria for NIHL changed in F2004, resulting in a period of baselining between F2001 and F2004. This makes comparison of current case rates with that period difficult. In the past financial year, 94 cases of NIHL were reported at the South African operations, 22 of which were at South Deep in the last 2 quarters of the financial year. Even so, this was an improvement of 59.5% from F2005 for the historical SA

Machinery/equipment noise emissions

| Mine | Total measurements | % readings 85dBa – 110dB(A) | % readings > 110dB(A) |
|----------------------|--------------------|-----------------------------|-----------------------|
| Kloof | 104 | 60.5 | 4.6 |
| Driefontein | 105 | 63.0 | 9.0 |
| Beatrix | 928 | 53.0 | 4.3 |
| South Deep | 277 | 39.8 | 6.0 |
| SA Operations | 1,414 | 54.1 | 5.9 |

operations and 45.6% including South Deep. Due to the time taken to develop NIHL, the true effect of current hearing conservation programmes will become clearer within the next few years.

Dust suppression

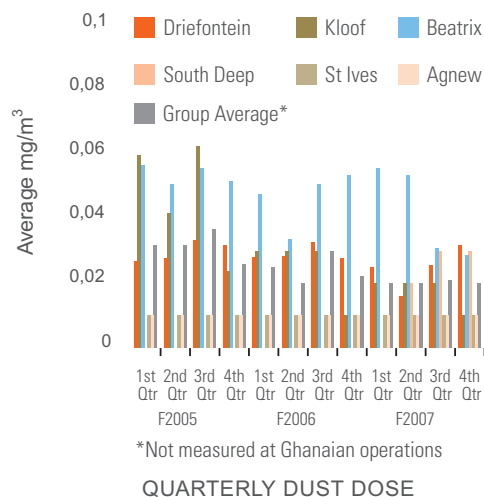
In F2007, the dose for silica dust in the South African operations was 0.020 mg/m³, a decrease from 0.032mg/m³ in F2006. The legal limit set by the South African Department of Minerals and Energy is 0.1 mg/m³. The data, however, is likely to increase marginally for F2008, as South Deep staff will be included in the statistics. Similarly, due to the introduction of Gold Fields' more stringent medical surveillance programme, we

Since TB is known to be predisposed to by HIV infection as well as silica dust exposure, the reason for this decrease is likely to be multi-factoral: decreasing silica dust exposure and improved active and passive case finding in the TB control programme and improved care of HIV-infected employees, are possible contributors to this. The rate of cardio-respiratory TB cases at South Deep (over the last two quarters, annualised) was much lower than the average at the other South African operations. Considering the seasonal variation in the incidence of cases and the previously outsourced treatment of TB cases by South Deep, more meaningful comparison will be possible once the diagnosis and treatment of cases becomes standardised in the next year.

Encouraging safe behaviour

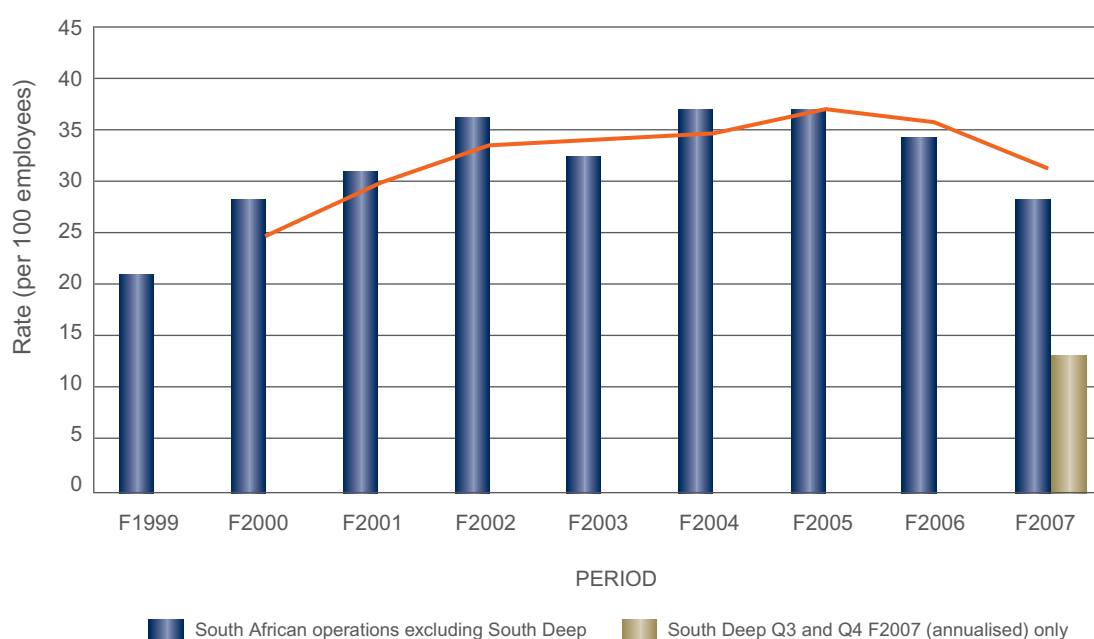
The Australian operations strive to create a workplace culture of 'zero injury'. Agnew runs a 'Let's make the Difference' safety campaign in conjunction with its pocket book risk management tool. St Ives has ZIP (Zero Incident Process) with which it strives to achieve zero incidents by empowering employees to take control of their personal safety. The South African operations have embarked on various behaviour-based interventions that include the mobilisation of teams in processes like Laphuma Ilanga, Bompodi, Eyethu and Courageous Leadership at Driefontein, Beatrix, Kloof and South Deep respectively. Specific high-risk hazards at Kloof and Beatrix are being addressed through the 'Snakes and Big Five', 'Wars on Falls of Ground' and Khuseleka campaigns which are reinforced through industrial theatre.

In Ghana, Damang's 'Touch Safety' campaign aims at rewarding employees for achieving set safety targets, and 'Safety Referee' rewards employees for identifying and warning of hazardous practices, promoting active employee involvement. Tarkwa is continuing with Ahwe Yie, a local version of the Full Compliance safety system.



expect an increase in the number of both silicosis and Chronic Obstructive Airways Disease (COAD) cases which will need to be submitted for compensation. The reason for this is the usually long latency periods of between ten and twenty years from the onset of exposure to the diagnosis of radiological silicosis. Hence, the cases in the graph reflect mainly past exposure.

**Gold Fields – South African operations new cardiorespiratory tuberculosis cases diagnosed
(excludes contractors)**



Fatigue management at St Ives

At St Ives, fatigue is recognised as a major hazard for all employees and a guideline has been developed to control the risks of fatigue, setting out a risk management approach:

Educate

Ensure that employees are informed of the risks associated with fatigue and how to control these risks.

Identify

Identify the risks associated with fatigue on an ongoing basis.

Assess

Assess the risks associated with fatigue.

Control

- Ensure that shift arrangements do not predispose an employee to fatigue;
- Ensure that work arrangements do not contribute to fatigue or interfere unreasonably with employees' capacity to meet family and social commitments;
- Provide training, information and supervision that supports effective management of fatigue;
- Ensure that work systems are flexible enough to deal with factors influencing fatigue, such as allowing supervisors to reschedule tasks if fatigue becomes a problem; and
- Provide conditions that are conducive to sleep and, where site accommodation is provided, supply a balanced diet.

Monitor

Monitor and review the effectiveness of these controls.

Underground emergency preparedness and response

Fire

Underground fire protection continues to be of vital importance in the South African mines. In F2000, the South African operations embarked on a campaign to inertise all hazards in the intake airways. Timber going underground is flame retardant and other materials such as conveyor belts, electrical cables and plastic pipes are carefully selected for safety criteria. A total of 29 fire incidents were reported in F2007, of which 18 occurred at the South African operations and 11 at international operations. Six of the incidents were classified as major incidents, but no fatalities were recorded as a result of fires.

Refuge chambers

The most significant challenges that contribute to underground emergencies are fire, gas and major falls of ground. All of these require comprehensive emergency evacuation plans, which are an established norm at Gold Fields underground operations. There are currently 861 equipped underground refuge chambers in the Group. In addition, all underground workers are equipped with self-contained self-rescuers and key personnel carry portable gas monitors. Regular escape drills were conducted during F2007 and 18 employees successfully escaped to refuge chambers during actual fire emergencies without any casualties or serious injury. Eight self-contained self-rescuers were successfully used during these incidents.

OCCUPATIONAL HYGIENE AND MEDICINE

Issue-based risk assessments are ongoing and a total of 220 hygiene-related risk assessments were conducted. The Thermal Stress Code of Practice was revised in F2007. Two employees at our Ghanaian mines completed their initial occupational hygiene training and are now assisting the Ghanaian operations in implementing occupational hygiene processes.

Thermal stress

Mining at our South African operations takes place at a mean rock breaking depth of 2,283 metres, with an average virgin rock temperature of 45.4°C. These high temperatures are countered through the increased use of refrigeration and the implementation of cooling and ventilation systems. In F2007, a total of 797 stope panels and 380 development ends were ventilated (F2006: 845 and 300 respectively). Of the total temperature readings in the stopes, less than 1 per cent were above 32.5°C. The average wet bulb temperatures for the South African operations for both stoping and development were 28.5°C and 28.4°C respectively. This was achieved despite the inclusion of South Deep, where average temperatures for stoping and development ends were above 30.0°C. In addition to these engineering measures, the Group is considering limiting the length of time spent in temperatures above 32.5°C, enforced rehydration protocols, and the identification of higher risk heat zones for remedial action.

A total of 66 heat illnesses were reported for the year, 27 occurred at Beatrix, 37 at South Deep and two at Driefontein. Twenty incidents could be linked to fan failures and other ventilation problems. The remainder of the cases were due to medical reasons or other causes e.g. over-exertion. Heat stress monitoring is ongoing at Tarkwa, and Damang recently received the necessary equipment to commence heat stress monitoring. All wet bulb temperatures measured at Agnew and St Ives in Australia were below 25.0°C.

Radiation protection

SA operations performs frequent monitoring of its effluent discharges to the environment as well as radiological exposures of its employees in order to keep exposures as low as reasonably practicable (ALARA) and to evaluate its compliance to both national and international radiation protection standards. In F2007 a public effective dose ranged from 0.028 to 0.141mSv/a which is slightly lower

than the prescribed dose constraint of 0.25Sv/a and also below the public dose limit of 1mSv/a. The main contributor to public exposures would be as a result of possible usage of surface water downstream from the mine operations. To maintain and continuously improve the status quo, controls would be re-enforced and continuously tested for effectiveness. Regarding radiological exposures of workers, the average worker dose ranged from 2.05 to 12.3mSv/a during the financial year which is less than 20mSv/a. The value of 20mSv/a is an average dose over a period of five years. Of the four operations, only one operation registered a maximum worker dose of 31mSv/a which is above the average dose limit referred to above but complies well with the nationally determined worker dose limit of 50mSv/a. Various actions, in terms of engineering and administrative controls, are currently in place to bring exposure levels from this operation to below both average and maximum dose limits. The rest of the operation recorded a maximum worker dose of between 13.17 and 19.8mSv/a. Here ALARA and Optimisation programmes are being prepared for implementation for continuous improvement. It is also worth mentioning that all radiation protection procedures for SA operations are governed by a Quality Management System currently in place and is approved by the National Nuclear Regulator as a national competent authority in Nuclear and Radiation Safety for South Africa.

Detailed radiation surveys are to be conducted at both mines in Ghana to determine whether there is a radiation risk. Similar surveys at the Australian operations have determined the absence of such a risk.

Medical surveillance

The Gold Fields occupational medical practitioners (OMPs) use the results from medical surveillance to feed back to occupational hygienists to review hygiene monitoring, and to management to inform of workplace design interventions. Such medical surveillance is done in accordance with legislation at the various operations.

For example, in Australia, statutory medical surveillance is conducted five-yearly in accordance with Western Australian legislation, whereas in South Africa and Ghana, such surveillance is conducted at least annually.

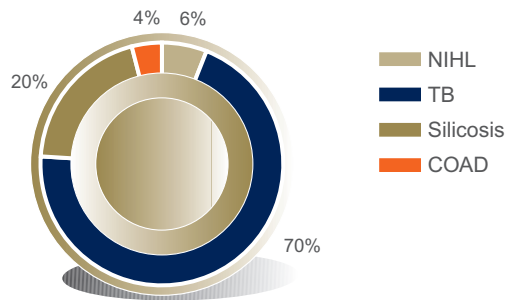
In South Africa, where the majority of our workforce is located, medical surveillance is conducted at occupational health centres (OHCs) at each of the operations, whilst in Ghana, Venezuela and Peru, these services are provided by external professionals. In Australia, medical surveillance is the responsibility of the Western Australian government.

Conventional medical surveillance is often reactive as information fed back to occupational hygienists and management about occupational diseases is historical in nature. Occupational health staff strive to focus on the early detection of diseases. These interventions will assist in further prevention of ill health. Similarly, the early identification of co-morbidities associated with occupational diseases is being targeted as a means of preventing ill health. To this end, screening for alcohol and drug dependency is undertaken in Australia and active and passive TB case detection remains a priority at the South African operations.

Occupational disease

The graph overleaf demonstrates that occupational lung disease accounts for the vast majority of occupational diseases occurring at the Group's South African operations and constitutes 94 per cent of occupational disease submissions in the past financial year, including the submissions by South Deep for the last two quarters. With this in mind, the occupational health and safety discipline is targeting co-morbidities of occupational lung disease, as well as factors which may predispose employees to these conditions. Cigarette smoking, for example, is known to predispose to both silica dust disease and TB. Smoking cessation amongst employees is therefore a major area of intervention. To this end,

OCCUPATIONAL HEALTH AND SAFETY



OCCUPATIONAL DISEASES SUBMITTED TO THE COMPENSATION AUTHORITIES BY GOLD FIELDS SOUTH AFRICAN OPERATIONS (SOUTH DEEP Q3 & Q4 ONLY) F2007

Gold Fields supported research into healthcare workers' knowledge, attitudes and practices regarding prevention of smoking in gold miners. With regard to the system of medical surveillance at the operations, Gold Fields continuously strives to identify and implement improvements to the prevailing systems. Medical surveillance is also required to screen out employees that are physically unable to meet stringent job requirements and are therefore at risk of endangering their lives and the lives of others. In order to objectively assess an individual's ability to perform arduous tasks, Gold Fields Occupational Health and Safety team has introduced the Functional Work Capacity test battery

Healthcare workers' knowledge, attitudes and practices regarding prevention of smoking among gold mine workers

Workplace smoking policies are based on progressive anti-tobacco legislation, but there are no formal smoking interventions to achieve the objectives of such policies. Dr Vanessa Govender, an occupational medical practitioner at Kloof Mine, undertook research to determine the knowledge, attitudes and practices of healthcare workers regarding the prevention of smoking amongst miners and to propose a framework for a smoking intervention programme on the mines.

The study indicates that while an overwhelming majority of healthcare workers (98.6 per cent) are aware that smoking is harmful to one's health and 84.1 per cent reported that they would routinely enquire about patients' smoking status, this was not done in practice. In fact, only half of nursing records and none of the doctors' records documented smoking history.

To this end, a Framework for Smoking Interventions on the Mines is being implemented which focuses on firstly, discouraging non-smokers from starting, and secondly, assisting smokers to quit. Apart from workplace education and awareness campaigns, the programme introduces a standard procedure requiring healthcare workers to enquire about smoking history during all patient visits. If the patient is a smoker and gives any indication of wishing to quit, his/her dependence is assessed and assistance is then offered through referral for behavioural therapy and/or pharmacotherapy as indicated.

REGIONAL HEALTHCARE CHALLENGES

In addition to 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 expands its operations. The most significant challenges that Gold Fields has been managing with efficiency and pragmatism for some time are HIV/Aids and TB in South Africa and malaria and HIV/Aids in Ghana.

At our operations in Venezuela and the Cerro Corona project in Peru, no comparable healthcare challenge exists at present and we are building up medical surveillance and employee wellness 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.

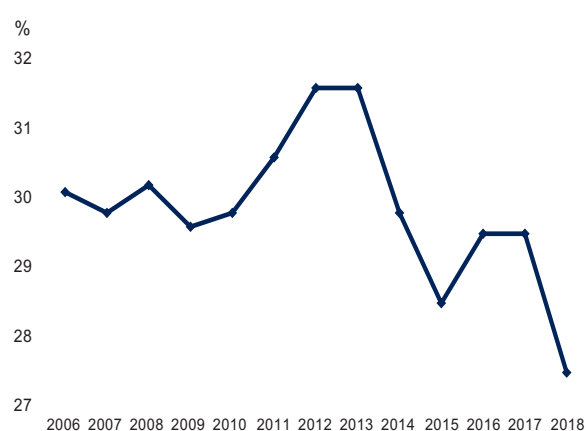
HIV/Aids and TB: South Africa

As has been reported annually since 2000, Gold Fields remains committed to managing HIV/Aids and TB. The Group's strategy continues to be one of prevention, treatment, care and support. Ongoing engagement with stakeholders, including trade unions, ensures that these initiatives are widely supported, that key interventions are audited to monitor and evaluate their efficacy; and that an assessment of the economic impact of the disease on the Group is updated annually.

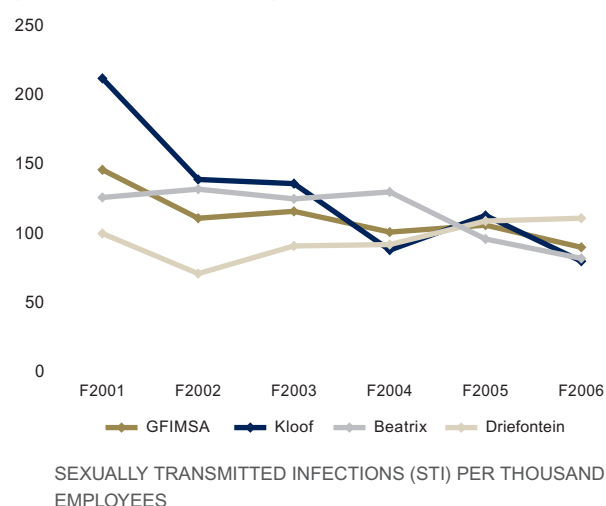
Prevention

The HIV prevalence rate among employees of the Group's South African operations is estimated to be 28.3 per cent and operating costs attributable to HIV/Aids are estimated at 2.3 per cent of payroll in F2007. The Group's actuarial advisors have projected these two indicators as outlined in the graph below. Gold Fields offers HIV prevention education and training to all employees through the use of induction courses, training events and peer education; and free condoms are provided in the workplace and in mine accommodation. Although other factors could play a role, we believe that a reduction in high-risk behaviour lies behind the reduced incidence of sexually transmitted infections (STIs) treated at Gold Fields Health Services: the rate has decreased from 147 cases per 1,000 employees in F2001 to a level of 98 infections per 1,000 employees in F2006. In F2007, it continued this downward trend as reflected in the annualised rate of 77 infections per 1,000 employees.

Projected HIV prevalence rates: Gold Fields South African operations



STI rates: Gold Fields' South African operations (excluding South Deep)



Testing

Voluntary counselling and testing for HIV (VCT) is offered at all GFHS facilities, and since F2004 16,639 employees have undergone VCT. VCT reinforces HIV prevention and encourages those who test negative to protect themselves. It alerts those that test positive to

OCCUPATIONAL HEALTH AND SAFETY

seek life-prolonging interventions. The Gold Fields VCT motto is 'Protect your HIV-free status with your LIFE'. During F2007, 6,599 additional employees opted for VCT, a 66 per cent increase in total employees tested to date in the Group. This dramatic increase is attributable to senior mine management who took full ownership of VCT targets, which are included in their key performance indicators. The benefit to employees and Group has been a doubling of the numbers enrolling for HIV care and treatment in the wellness and ART programmes in F2007.

HIV testing and treatment

| HIV/Aids | F2005 | F2006 | F2007 |
|---|-------|--------|---------------|
| No. employees that ever attended VRT | 6,578 | 10,040 | 16,639 |
| No. HIV positive employees ever started on wellness programme | 1,444 | 4,012 | 9,059 |
| No. HIV positive employees ever started on ART | 560 | 847 | 1,703 |

Treatment

Gold Fields offers antiretroviral therapy (ART) to employees diagnosed as HIV-positive. By April 2007, 1,703 employees had commenced ART since the inception of the programme. Of these 1,301, or 76 per cent, 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 witnessing an 89 per cent adherence to taking treatment, a level comparable to adherence rates in developed countries.

TB management

A robust TB control programme to deal with the escalation in TB cases is critical to the management of Aids-related diseases. Gold Fields' TB programme predates the HIV epidemic and was scaled up to meet the four-fold increase in new TB infections related to Aids. The challenges of managing TB are well entrenched at GFHS, that is:

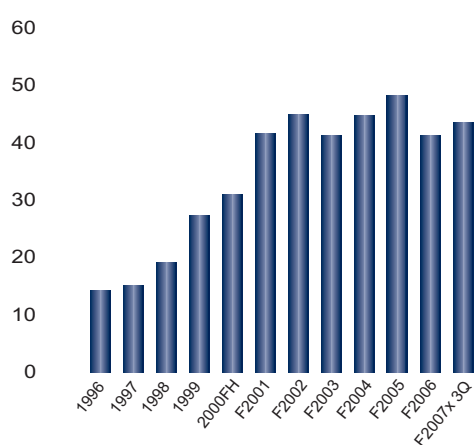
- Education on TB prevention and symptoms;
- TB preventive therapy for HIV-infected employees;
- Early detection of new TB cases;
- Directly observed therapy; and
- The ability to isolate and treat patients who, in future, may be diagnosed with highly infectious multi-drug resistant (MDR) TB.

In F2007, the incidence of new TB cases stabilised at 40.5 new infections per 1,000 employees, a slight decrease from F2006 (41.4), which can be attributed to improved surveillance at the occupational health centres and improved diagnostics at Primary Health Care Centres.

Extremely drug resistant tuberculosis (XDR TB)

GFHS works very closely with the Department of Health to monitor report and manage MDR (multi-drug resistant) and potential XDR TB cases. As yet, there are no confirmed cases of XDR TB amongst Gold Fields employees and, even where resistant TB is highly suspected, patients appear to recover slowly, as opposed to the rapid and deadly variety observed in other areas of southern Africa.

New TB cases per 1,000 employees per annum: Gold Fields



Care and support

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 the 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 F2007, approximately 20.9 per 1,000 employees retired due to ill health compared to 29.0 per 1,000 in F2006.

The company recorded eight deaths per 1,000 employees that were related to medical conditions (including Aids). The rate remains relatively unchanged from F2006 (10 per thousand) and that of the pre-Aids era when it was seven per thousand employees.

Research

Gold Fields continues to support South African Safety in Mines Research Council (SIMRAC) research projects, a tripartite initiative. Gold Fields' South African operations are involved in numerous research projects around

reducing diseases from noise and dust, including the Thibela TB research project, aimed at reducing the burden of TB disease, which is being conducted by the Aurum Institute for Health Research and co-funded by the Bill and Melinda Gates Foundation.

Gold Fields will be participating in and contributing 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 HIV clinicians in South Africa and are favourably regarded due to the potential for the vaccine to prove an effective early therapeutic intervention, potentially delaying the requirement to start ART by some years.

Malaria: Ghana

In its continued engagement with Ghanaian healthcare authorities and other mining companies operating in the country, Gold Fields continues to monitor and assess the effectiveness of malaria control programmes implemented by other roleplayers. We continue to see a gradual decline in malaria incidence amongst our workforce and their 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 long wait for test results and entails treatment generally being administered at an earlier stage, allowing more effective and less drug-intensive treatment. We remain satisfied that 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. These efforts include the widespread use of mosquito

nets, and the selective, targeted treatment with larvicide of temporary water bodies identified as mosquito-breeding hotspots.

Community health and HIV/Aids: Ghana

HIV/Aids in Ghana has persisted at levels lower than those in southern African countries. Nevertheless, Gold Fields continues to work actively with Ghanaian authorities to promote voluntary counselling and testing (VCT) as a tool for behavioural change. The HIV/Aids Policy agreement signed with the Ghanaian Mineworkers' Union and 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. Free treatment of sexually transmitted infections for employees and their immediate dependants continues. The awareness campaign conducted by the volunteer peer educators and community health facilitators also continues, having reached approximately 5,000 employees, dependants and contractors by the end of F2007. By year-end 60 per cent of employees at Tarkwa had undergone VCT compared with 13 per cent in F2006.

Gold Fields and AngloGold Ashanti jointly financed the construction of a US\$53,000 STI/VCT testing centre for the Tarkwa Government Hospital in January 2007 to serve the general populace including miners who opt for off-site testing and also would like to have access to ART therapy.

Drugs in the workplace: Australia

Recreational drug use remains the principal workplace challenge for most Australian employers. Gold Fields' Australian operations remain focused on employee fitness

for work, without judging what employees do in their personal time. In line with our 'three strikes and you are out' policy, we conducted a large-scale survey in May 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 workforce, 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.

Healthcare infrastructure: South America

Prior to the acquisition of Choco 10 by Gold Fields, mine employees relied on the public healthcare infrastructure for their non-occupational healthcare needs. During F2007, we put in place a comprehensive medical surveillance system to build a medical baseline of all employees. This initially covers regular aural, optical, cardio-vascular, respiratory and dental assessments on which the Group, over time, will build a database to respond to individual and general healthcare challenges more effectively. Gold Fields has funded the construction of a fully-equipped community hospital. To date, no non-occupational diseases reportable in terms of Venezuelan legislation have been diagnosed among our workforce or their families.

In Peru, our communities live at high altitudes and a common feature of almost all families living outside of towns is the absence of chimneys in homes due to the need to preserve heat. This, together with a tradition of using cow dung as a fuel source for indoor cooking of food, results in a relatively high level of respiratory conditions among rural people living in the high Andes. From the data gained from the project's medical induction procedure we are building an understanding of the medical challenges we are likely to encounter once the mine is fully operational.

ENVIRONMENTAL MANAGEMENT

Stakeholder issues and management performance covered in this section:

| Issues relevant and material | Pages |
|--|--------------|
| • Management system | 115-116 |
| • Incidents | 116-117 |
| • Water management | 117-118 |
| • Energy and climate | 118-121 |
| • Biodiversity and land-use management | 121-122 |
| • Materials and waste | 116, 122-124 |
| • Mine-life and closure planning | 125-126 |

Managing our environment

The core of Gold Fields' approach to environmental management is the operation of its certified ISO 14001 environmental management system, which we expect all operations to work towards and maintain. During F2007, Gold Fields' environmental management systems were recertified as complying with the requirements of the ISO 14001:2004 environmental management systems. Other than Choco 10 and South Deep, all operating mines were recertified. The certification process, which takes the form of a certification audit, identified only minor non-conformances at the South African, Ghanaian and Australian operations.

The non-conformities recorded by the external auditors are minor in their extent and do not represent any significant environmental impact. All were rectified and formally closed out to the satisfaction of the external auditors within six weeks of the audit, as required by the process.

At Choco 10, work associated with environmental permitting requirements and the water shortage delayed the implementation of the environmental management

system. In South Africa, South Deep Mine is on track for a certification audit during 2008. Although still under construction, Cerro Corona continues to make progress in the development of the procedures and monitoring protocols required to move its management system towards certification. We believe that we remain on target at the exploration sites we control for their environmental management systems to be certified to the ISO 14001:2004 standard. As this occurs, we will continue to expand the disclosure of our environmental data in line with materiality, operational needs and stakeholder input.

In the previous report we outlined, in some detail, how the ISO 14001 Environmental Management System (EMS), which seeks continued improvement across a broad range of issues, sets targets for practically every workplace activity and resource utilisation at business unit level.

The continual improvement imperative set by the EMS continues to drive a number of water-saving initiatives in our South African West Rand operations despite these operations being in a water surplus or water positive position. West Rand has maintained last year's lower water consumption rate of four tons of water per ton of rock mined. The benefits of such a reduction were manifested in a corresponding reduction in energy consumption due to reduced water pumping. Similarly, the EMS contributes considerably to a more holistic assessment of other, more conventional cost-saving initiatives that form part of Project 500 and Project Beyond, ensuring that short-term cost savings are not negated by increased environmental impact or risk.

The tables in this section reflect the Group's performance with regard to key consumables. The data represents a moving base line for evaluating continued improvement of key activities.

SUSTAINABLE DEVELOPMENT CONTINUED

ENVIRONMENTAL MANAGEMENT

| | F2007 | F2006 | F2005 |
|----------------------|--------|--------|--------|
| Timber (tons) | | | |
| Driefontein | 43,942 | 43,204 | 45,100 |
| Kloof | 37,574 | 55,735 | 39,900 |
| Beatrix | 42,587 | 43,259 | 46,100 |

**International operations excluded as they do not use timber in their process*

| | F2007 | F2006 | F2005 |
|-------------------------------|--------|--------|--------|
| Blasting agents (tons) | | | |
| Driefontein | 1,400 | 1,042 | 1,400 |
| Kloof | 1,160 | 1,415 | 1,300 |
| Beatrix | 5,185 | 4,607 | 4,600 |
| Tarkwa | 29,712 | 28,556 | 23,000 |
| Damang | 3,568 | 2,044 | 1,300 |
| St Ives | 4,256 | 4,928 | 4,000 |
| Agnew | 3,287 | 4,130 | 1,700 |

| | F2007 | F2006 | F2005 |
|-------------------|-------|-------|-------|
| HCL (tons) | | | |
| Driefontein | 710 | 1,967 | 2,690 |
| Kloof | 433 | 599 | 790 |
| Beatrix | 738 | 692 | 840 |
| Tarkwa | 1,267 | 1,444 | 1,100 |
| Damang | 173 | 232 | 200 |
| St Ives | 236 | 288 | 370 |
| Agnew | 192 | 140 | 150 |

| | F2007 | F2006 | F2005 |
|--------------------|--------|-------|--------|
| Lime (tons) | | | |
| Driefontein | 5,782 | 7,580 | 7,600 |
| Kloof | 3,589 | 4,916 | 9,100 |
| Beatrix | 3,422 | 3,033 | 3,900 |
| Tarkwa | 3,537 | 3,085 | 2,500 |
| Damang | 3,251 | 3,239 | 3,500 |
| St Ives | 11,820 | 9,786 | 18,300 |
| Agnew | 1,402 | 2,042 | 2,400 |

| | F2007 | F2006 | F2005 |
|---------------------------|--------|--------|--------|
| Cement (tons) | | | |
| Driefontein | 458 | 1,520 | 900 |
| Kloof | 1,770 | 4,032 | 4,200 |
| Beatrix | 587 | 762 | 1,100 |
| Tarkwa (Excl contractors) | 67,905 | 64,507 | 72,100 |
| Damang (Excl contractors) | 4.75 | 23 | 13 |
| St Ives | 8,674 | 8,386 | 11,500 |
| Agnew | 2,255 | 2,051 | 2,400 |

| | F2007 | F2006 | F2005 |
|----------------------------|-------|-------|-------|
| Caustic soda (tons) | | | |
| Driefontein | 359 | 592 | 650 |
| Kloof | 81 | 176 | 510 |
| Beatrix | 512 | 556 | 530 |
| Tarkwa | 749 | 619 | 300 |
| Damang | 336 | 347 | 330 |
| St Ives | 330 | 284 | 370 |
| Agnew | 274 | 297 | 280 |

ENVIRONMENTAL INCIDENTS

Incident reporting is mandatory at all our operations as a key indicator of the functioning of the EMS. The data generated through the incident reports allows root cause analysis and, following management approval, generates rectifying or remedial responses. The impact classification system, formally in place since 2002, classifies incidents from levels-1 to 5 as follows:

Level-1 – incidents of minor non-compliance that result in no or negligible adverse environmental impact.

Level-2 – incidents that result in short-term, limited and non-ongoing adverse environmental impact.

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.

Incident statistics trend

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

The rise in incident numbers during F2007 is due in part to improved recognition of level-1 incidents at the South African operations as well as the addition of Choco 10 and South Deep to the statistics. About 25 per cent of level-2 incidents related to spillages of slimes or tailings and process water discharges.

Level-3 incidents reported

Beatrix (1)

During the first quarter, the receiving water quality objective at a monitoring point in the Boschluis Spruit was exceeded. Following engagement with regulators, a number of seepage interception options were discussed. The remedial action agreed upon is a listed activity construction of a weir in the spruit, requiring a basic environmental impact assessment (EIA). This was completed during the second quarter of F2007 and regulator approval was given during the fourth quarter.

South Deep (1)

During November 2006, a lower production rate and plant failure caused an imbalance in the water volumes entering the return water dam, resulting in an overflow. No change in water quality in the public stream was observed. Ferrous sulphate bags were placed in the overflow of the dam to neutralise any cyanide levels should the overflow reoccur.

St Ives (1)

During November 2006, an overflow of the TSF3 return water dam occurred, causing the release of 1,300 cubic metres of saline process water into the receiving environment. The incident was reported to the authorities who, by year-end, had not concluded their investigations.

WATER MANAGEMENT

The management of water usage and the prevention of water pollution is a key objective of environmental management at all our operations and projects. By its very nature, the industry is a significant user of water and, therefore, all sites have infrastructure and systems in place to monitor their usage, to understand and measure their impacts on water quality, and to maximise recycling opportunities of this precious resource.

The ongoing administrative non-conformance, highlighted in previous reports, remains the updating of the water licences of our South African operations. All mines have submitted their applications and, while they await the issuing of the new licences, continue to operate under their old permit conditions. Their right to do so, as an interim measure, has been confirmed by the responsible regulator, the Department of Water Affairs. Only a minority of other South African mining companies have received new water licences required by the new dispensation.

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During previous years, the rains feeding the headwaters of the Volta River, the principal source of water for Ghana's Akosombo Dam, were considerably below average, dropping reservoir levels for Akosombo, Ghana's principal source of electrical power, to levels where load-shedding posed a risk to the ongoing production in the country's gold mining sector. Gold Fields Ghana, in a consortium with three other companies (Newmont, AngloGold Ashanti and Gold Star Resources), purchased an 80mw power plant to supplement the country's power requirements. The cost of the plant is US\$40 million which was evenly shared by the companies. The plant has been installed and was operational as of early F2007. Water shortages caused by unusually low rainfall have also significantly affected production at Choco 10.

| | F2007 | F2006 | F2005 |
|------------------------------------|------------|------------|------------|
| Total water withdrawal (m³) | | | |
| Driefontein | 16,416,000 | 17,450,000 | 18,200,000 |
| Kloof | 20,799,974 | 23,862,289 | 25,500,000 |
| Beatrix | 16,912,192 | 13,204,645 | 15,100,000 |
| Tarkwa | 5,596,000 | 2,539,527 | 5,200,000 |
| Damang | 594,376 | 673,439 | 800,000 |
| St Ives | 3,941,007 | 3,213,848 | 3,600,000 |
| Agnew | 192,612 | 2,128,000 | 2,100,000 |

Backfill of worked-out surface pits: Australia

Gold Fields' South African operations have been backfilling stoped-out areas of underground workings for decades to improve rock stability and optimise underground heat control through heat load reduction and ventilation air optimisation. Backfilling of surface workings is a relatively recent development on Gold Fields' operations and is currently only undertaken by the Australian operations.

The advantages of surface backfill to worked-out pits are that it removes the need to construct new mine waste disposal facilities like waste rock dumps, reducing rehabilitation and closure liabilities. For the long-term sustainability of water quality of closed mining areas, back-filling final pit voids has the considerable advantage of preventing the formation of final void lakes and the associated long-term impacts on post-mining void water quality. It also reduces the risk associated with an open void in the form of both public liability and risk to livestock and wildlife.

In determining whether a completed pit is suitable for backfill, detailed hydrogeological studies are undertaken (particularly for pits to be backfilled with tailings) to ensure that contaminants will not be mobilised from the backfill by percolating groundwater, potentially affecting downstream water users and ecosystems.

At Agnew, the decision to backfill the Redeemer pit with tailings avoided the requirement to build a new Tailings Storage Facility when the previous facility reached capacity. At St Ives, the land-based North Orchin and Orchin pits have been backfilled. In addition, the following lake-based pits were backfilled with waste rock and levelled to the lake surface: West Agamemnon, Intrepide, Redoubtable, South Delta and Minotaur. It is expected, with time, that lake sediments will encroach over the backfill and eventually the white salt crust characteristic of Lake Lefroy will be re-established.

ENERGY AND CLIMATE CHANGE

Since joining the International Council for Metals and Mining (ICMM), Gold Fields has committed itself to the ICMM's position on climate change, which recognises the significance of climate change as a global issue

requiring sustained reductions in greenhouse gas emissions (GHG) at a global level. (For full text see: www.icmm.com/publications/1200ICMMPositionStatementClimateChange.pdf) For Gold Fields, this commitment entails meeting or exceeding government emission standards, monitoring and reducing of GHG emissions and reporting such in a manner consistent with the Global Reporting Initiative format.

To date, Gold Fields has focused its efforts primarily on energy efficiency projects, many of which have grown from the continuous improvement requirements of our Project 100+, Project Beyond and the ISO Environmental Management System. During the year under review, we investigated a variety of less carbon-intensive energy sources for both opencast and underground operations, which could potentially allow us to diversify our energy mix and take advantage of the opportunities in the carbon market. As our understanding of the opportunities of this market deepens, we will report more fully on this issue. Moving forward we will seek a more comprehensive understanding of the emissions of our key suppliers in order to incorporate these into our monitoring, reduction and reporting efforts.

Energy consumption

In South Africa, Gold Fields has signed the Energy Efficiency Accord in terms of which signatories pledge to investigate the reduction of their energy usage by 15 per cent by 2015, using 2004 as a base. To meet this target, the Group is addressing its three principal areas of energy consumption: pumping, compressors and ventilation. The benefit to the Group arises from both reduced unit cost for electricity as well as reduced energy consumption. The national utility is partly funding these projects via the Demand Side Management Fund,

which was approved by the National Energy Regulator of South Africa.

As a result of this co-operation, Gold Fields has received an undertaking from Eskom that it will receive prior warning when load-shedding is to take place and the Group has contingency plans in place should power cuts occur. Based upon the results of its risk management system, we will also be installing more generation capacity at our South African operations.

Gold Fields is responding to Eskom's power supply constraints during the evening peak period by partnering with the national utility to implement 24 load-shifting projects with the potential to shift 120MW of electricity demand out of the peak period by 2009. Projects include improved management of hot and cold water systems, compressed air, ventilation fan control, thermal ice storage and energy-efficient lighting. One such project has been the cessation of pumping at Kloof 5 shaft, which is designed to allow the overall closure of 5 shaft. Water previously pumped from 5 shaft will now flow down to 10 shaft. This has delivered savings of R14 million for the year. The Group is also proceeding with the installation of three high-pressure water-pumping systems known as Three Chamber Pipe Feed Systems (3CPFS). These systems utilise the pressure of water pumped into the mine to displace water from underground, thereby assisting in dewatering the mine. The mine dewatering pumping requirements constitute more than 25 per cent of total energy usage in a deep level gold mine. The 3CPFS project is complemented by the Pump Efficiency Monitoring Project, which uses real-time efficiency monitoring to optimise pump maintenance. Initial monitoring results have exceeded expectations of power cost savings opportunities.

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The Group is also replacing its diesel-operated locomotives at the long-life shafts of the South African operations with battery-powered locomotives. South African operations have 949 locomotives: 750 diesel and 199 battery. This project replaces 268 diesel units at the long-life shafts, and replaces them with 176 battery units. The battery locomotives are safer, more efficient and cheaper to operate. All projects have been assessed not merely for their energy implications but also through a safety and operational continuity risk assessment.

During the early part of F2007, the lighting system at the Group's Parktown Corporate Office was changed to a more efficient system, which is managed by room occupied sensors. This has resulted in year on year energy savings of about 25 per cent or 312,036kWh or R119,222 equivalent.

Clean Development Mechanism: South Africa

Methane has been venting from the Free State goldfields since mining started in the area decades ago, with one of the highest emitters being our Beatrix Mine. Methane is a potent greenhouse gas whose contribution to global warming is 21 times higher than that of the most abundant greenhouse gas – carbon dioxide. Gold Fields is investigating the viability of a carbon credit project under the Clean Development Mechanism of the Kyoto Protocol for capturing and destroying methane naturally venting from old exploration boreholes and underground sources. A number of options are available for the destruction of the methane, and there is also the possibility that the methane could be burnt as a fuel, generating power for Beatrix. The results of this investigation should be known during F2008.

Gold Fields is also investigating a variety of passive solar heating technologies for both residential and industrial use, particularly with respect to the supply of hot water for new change houses.

We are in the process of assessing all our data and trends and are investigating normalisation factors that could facilitate performance management. A fundamental component of this process includes our GHG emissions. As a result of our Australian operations being part of the Australian Greenhouse Challenge Plus, their initiatives provide a good platform for extrapolation to all our operations.

| | F2007 | F2006 | F2005 |
|------------------------------|--------------|--------------|--------------|
| C0₂ (tons) | | | |
| Driefontein | Not reported | Not reported | Not reported |
| Kloof | Not reported | Not reported | Not reported |
| Beatrix | 13,436 | 17,520 | 18,000 |
| Tarkwa | 137,431 | 112,670 | 96,000 |
| Damang | 37,931 | 45,010 | 33,000 |
| St Ives | 853,840 | 993,427 | 160,000 |
| Agnew | Not reported | Not reported | 64,000 |

| | F2007 | F2006 | F2005 |
|--------------------------|-----------|-----------|-----------|
| Electricity (MWh) | | | |
| Driefontein | 1,904,075 | 1,910,100 | 1,874,000 |
| Kloof | 1,833,957 | 1,887,032 | 1,766,000 |
| Beatrix* | 863,460 | 931,533 | 953,000 |
| Tarkwa | 200,282 | 202,641 | 163,000 |
| Damang | 87,606 | 107,006 | 108,000 |
| St Ives | 192,248 | 187,037 | 148,000 |
| Agnew | 51,472 | 48,121 | 46,000 |

*In addition Beatrix used 50,000 tons of grade A coal

| | F2007 | F2006 | F2005 |
|-------------------------|-------|-------|-------|
| Electricity (TJ) | | | |
| Driefontein | 6,854 | 6,876 | 6,740 |
| Kloof | 6,602 | 6,793 | 6,360 |
| Beatrix | 3,108 | 3,353 | 3,430 |
| Tarkwa | 721 | 729 | 590 |
| Damang | 315 | 385 | 380 |
| St Ives | 696 | 672 | 530 |
| Agnew | 185 | 173 | 160 |

| | F2007 | F2006 | F2005 |
|--------------------|-------|-------|-------|
| Diesel (TJ) | | | |
| Driefontein | 85 | 160 | 66 |
| Kloof | 90 | 110 | 113 |
| Beatrix | 58 | 44 | 66 |
| Tarkwa | 1,855 | 1,519 | 1,300 |
| Damang | 1,166 | 583 | 370 |
| St Ives | 811 | 654 | 825 |
| Agnew | 367 | 361 | 271 |

| | F2007 | F2006 | F2005 |
|--------------------|-------|-------|-------|
| Petrol (TJ) | | | |
| Driefontein | 10.65 | 9.42 | 10.2 |
| Kloof | 5.35 | 5.45 | 4.8 |
| Beatrix | 5.82 | 5.43 | 7.3 |
| Tarkwa | 0.6 | 0.5 | 0.7 |
| Damang | 0 | 0 | 0 |
| St Ives | 3.0 | 4.0 | 3.6 |
| Agnew | 0.25 | 0.35 | 0.3 |

| | F2007 | F2006 | F2005 |
|-----------------|-------|-------|-------|
| LPG (TJ) | | | |
| Driefontein | 5.85 | 4.2 | 3.87 |
| Kloof | 3.0 | 3.2 | 2.4 |
| Beatrix | 0 | 0 | 0 |
| Tarkwa | 3.8 | 6.1 | 5.1 |
| Damang | 57 | 80.3 | 112 |
| St Ives | 33 | 39.1 | 37.6 |
| Agnew | 21.6 | 21.7 | 15.5 |

BIODIVERSITY AND LAND USE MANAGEMENT

Since engaging with ICMM, Gold Fields has recognised that our approach to biodiversity was driven too heavily by information derived from site and project EIAs, leading to wide differences in Group practice.

The ICMM's sustainable development principles, *inter alia*, commit its members to contribute to the conservation of biodiversity and integrated approaches to land use planning, and supporting the development and implementation of scientifically sound, inclusive and transparent procedures for integrated approaches to land use planning, biodiversity, conservation and mining. Our challenge is to develop a policy position applicable to the diverse settings of our operations, their diverse ecosystems and the differing levels of human impacts that already exist there.

Some of the first steps have already been taken, for example the regional fauna and flora survey undertaken by St Ives in Australia. This created a more robust set of regional data with which to support specific land-use decisions, which has proved superior to the narrowly focused EIAs conducted to date for specific portions of the tenement.

As part of the environmental management strategy for the Cave Rocks project, St Ives Gold Mine has committed A\$50,000 per year to a feral animal control project in the Kambalda region. Feral animals are an introduced species, which have established themselves in the wild and include cats, dogs and goats. They impact on native species by predation, for food and shelter, destroying habitat, and by spreading diseases. Feral goats were identified as a particular issue as they affect indigenous vegetation through soil damage and the overgrazing of indigenous herbs, grasses, shrubs and trees. For St Ives, this holds particular implications for mine site rehabilitation and end land use, as this is envisaged to return to pastoral use. Control of feral species cannot be practically undertaken on a site-by-site basis, and needs to be a regional initiative to be effective. The feral animal control programme is, therefore, being undertaken as a joint initiative between mining companies, the Department of Environment and Conservation and local pastoralists.

Alternative land use: Ghana

In 2004, Gold Fields Ghana embarked upon a programme to identify a project that would provide for sustained economic vitality in stakeholder communities in the vicinity of the Tarkwa and Damang Gold Mines after mine closure. Following a review, agribusiness was chosen as the focus area for the investigation of opportunities and the cultivation and production of oil palm was selected as the most suitable activity. As the feasibility on the potential for oil palm progressed, however, it was realised that the project required the displacement of existing but not formerly identified agricultural activity, particularly food production, on a large area within the stakeholder community. Concerned about displacing additional farms and settlements, it

was agreed in February 2007 that the project be scaled down and integrated into the ongoing SEED programme. Partially in response to continued community interest, Gold Fields Ghana is currently investigating the viability of the so-called smallholder system, which is quite common in local palm oil production companies. Gold Fields Ghana remains committed to identifying a larger, economically viable project, but will not proceed at the expense of unacceptable social or ecological impacts.

Agrihold: South Africa

In South Africa, the Living Gold project, which produces flowers under glasshouse conditions on land owned and formerly disturbed by Gold Fields on the West Rand, continues to operate despite fierce competition from growers in northeast and east Africa. Living Gold, the palm oil feasibility project and a range of other possible ventures involving the use of larger tracts of land owned, but not used, by Gold Fields mining operations in South Africa, have been grouped into a commercial entity titled Agrihold, a wholly-owned subsidiary of Gold Fields Limited.

As we further our understanding on how best to give effect to the ICMM principle of biodiversity and land use management, we will devise suitable indicators with which to measure progress and report on them.

WASTE MANAGEMENT

Gold Fields does not produce, transport, import or export any waste categorised as 'hazardous' under the terms of the Basel Convention, nor do we make use of any outside source of waste material in the mining and concentrating of gold.

Those wastes classified as hazardous by any of the jurisdictions within which we operate, such as oils, chemical containers and medical waste, continue to be disposed of through registered third parties in disposal sites permitted for that purpose. This activity forms part of our environmental management system. The principal waste products by volume are waste rock and tailings, which are generated as a by-product of mining and of the metallurgical extraction of gold from the ore. This material continues to be disposed of in permitted waste rock dumps and tailings storage facilities on mine property. For underground safety roof support, our South African operations continue to use a small percentage of the tailings generated as backfill underground.

Due to the presence of naturally-occurring low levels of uranium in the orebody mined by South African gold miners, the National Nuclear Regulator (NNR) monitors and audits the performance standards, conditions and procedures associated with the processing of ore and the deposition of the tailings on tailings facilities. Although Gold Fields produces no uranium, it remains subject to, and has throughout F2007 complied with, all the permit conditions of the NNR, which ensure occupational as well as public safety.

| | F2007 | F2006 | F2005 |
|--------------------------------|-----------|-----------|-----------|
| Tailings to dams (tons) | | | |
| Driefontein | 9,779,083 | 6,592,996 | 6,534,000 |
| Kloof | 3,710,101 | 3,681,623 | 5,128,000 |
| Beatrix | 3,590,000 | 3,540,324 | 4,118,000 |
| Tarkwa | 5,230,888 | 4,686,966 | 3,190,000 |
| Damang | 5,269,310 | 5,327,955 | 5,215,000 |
| St Ives | 4,669,446 | 4,567,611 | 3,753,000 |
| Agnew | 3,226,978 | 3,161,159 | 1,170,000 |

| | F2007 | F2006 | F2005 |
|----------------------------------|------------|------------|------------|
| Waste rock to dump (tons) | | | |
| Driefontein | 559,946 | 319,783 | 385,000 |
| Kloof | 1,120,821 | 473,371 | 625,000 |
| Beatrix | 934,439 | 731,738 | 722,000 |
| Tarkwa | 82,168,348 | 74,353,234 | 61,666,000 |
| Damang | 28,109,727 | 21,427,370 | 9,050,000 |
| St Ives | 5,210,789 | 17,028,304 | 20,360,000 |
| Agnew | 18,234,119 | 14,254,210 | 2,060,000 |

Product stewardship and materials management

The concept of product or materials stewardship has been defined by the ICMM as the range of activities that can be undertaken to ensure that all stakeholders work collectively toward the responsible use of metal and minerals resources. The scope of a company's materials stewardship will depend on the extent of their business throughout the product life cycle. We understand product stewardship as a natural extension of our inclusive approach to sustainable development in which mining companies, product designers and users, regulators, the recycling industry and NGOs should seek to co-operate to minimise the environmental, health and safety risks at all stages of the material cycle so that – to the largest extent possible – the value of the material is captured and recirculated throughout the economy, while any negative impacts are minimised.

Cyanide management

Cyanide is added to crushed ore in the metallurgical plant to create soluble gold, that is, cyanide complexes from which the gold can be recovered by a process of

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electro-winning. Cyanidation is the only commercially viable method of gold extraction and has been in use since the 1890s.

| | F2007 | F2006 | F2005 |
|-----------------------|--------|-------|--------|
| Cyanide (tons) | | | |
| Driefontein | 1,626 | 1,478 | 1,540 |
| Kloof | 946 | 937 | 1,380 |
| Beatrix | 955 | 972 | 1,100 |
| Tarkwa | 10,462 | 9,750 | 10,300 |
| Damang | 1,800 | 1,969 | 2,030 |
| St Ives | 3,419 | 2,770 | 2,890 |
| Agnew | 733 | 646 | 600 |

In November 2005, Gold Fields became a founder signatory to the International Cyanide Management Code (the Code), a voluntary industry initiative for manufacturers, transporters and consumers of cyanide in the gold sector. The Code commits operations to standards of practice in nine areas: cyanide production, cyanide transport to mine sites, the handling and storage of cyanide reagent, on-site use and management of cyanide, the decommissioning of cyanide facilities, worker safety, emergency response, training and stakeholder engagement. Companies have three years from date of signature to comply with the Code.

All Gold Fields' mines will be seeking certification under the Code with the following exceptions: The Cerro Corona project in Peru will generate a gold/copper concentrate by means of a process that does not use cyanide and, therefore, does not require certification. The Choco 10 project in Venezuela was acquired after November 2005 (when Gold Fields became a Code signatory) and is, therefore, not currently scheduled for certification. Gold

Fields acquired South Deep Mine in December 2006. Although both the previous operators of the mine were Code signatories, little progress towards Code implementation was made prior to acquisition. Nonetheless, this site will attempt to seek certification alongside our other South African operations.

In moving towards Code compliance, significant capital expenditure may be required for certain sites to become compliant with Code requirements, and provision for such capital work was budgeted for in F2007. An example is the review of tailings management strategies for the South African operations, which is also required to achieve compliance with the revised Regulation 704 of the National Water Act.

In terms of the Code, signatory mining companies are required to source and transport cyanide from companies who are certified to the Code.

The text of the Code, the list of operations covered by signatory company applications, along with implementation and administrative documents can be found at www.cyanidecode.org.

Through our membership of the World Gold Council and ICMM, Gold Fields will continue to gain a better practical understanding of the need for product stewardship for its business. Through these organisations we have also engaged with the Initiative for Responsible Mining (IRMA) a multi-sector effort, launched in Vancouver, Canada in 2006, to develop and establish a voluntary system to independently verify compliance with environmental, human rights and social standards for mining operations. IRMA seeks to build on the existing foundation of research, tools and initiatives. Participants include mining companies, jewellery retailers, NGOs and trade associations.

| Region | Supplier | Certification status |
|--------------------------|--|---|
| Ghana operations | Orica and Barbex Technical Services Limited (respectively supply and transport cyanide). | Underwent certification audits in June 2007 and are awaiting results. |
| Australian operations | Australian Gold Reagents Pty Limited (AGR). | Transport division was certified as being 'substantially compliant' in September 2006. AGR's cyanide production facility has yet to be certified to the Code. |
| South African operations | Sasol Polymers supplies and Sasol Infrachem transports cyanide for South African operations. | Sasol Infrachem was certified as being 'fully compliant' and Sasol Polymers was certified as being 'substantially compliant' with the Code in March 2007. |

We believe that in our capacity to act as stewards of the materials we produce, we need to adopt a partnership approach. For this purpose, we will explore the development of a set of guidelines to facilitate the incorporation of our principles into the value-added chain. To create an understanding of this issue within our procurement function, we will be working with key suppliers to ensure that, throughout our value chain, we can support our commitment to sustainable development through more informed choices. As our ability to do so evolves, we plan to report in more substantive detail in future.

MINE CLOSURE

By end F2007, the total closure cost for the South African operations was calculated over the current life-of-mine period to be R1,181 million. For the Ghanaian operations it amounts to US\$28 million, for the Australian operations to A\$87 million and for the Venezuelan operation unchanged at US\$5 million. The F2006 figures were R976 million for South Africa, US\$21 million for Ghana, A\$55 million for Australia and US\$5 million for Venezuela respectively.

For the Ghanaian operations, the changes stem from the expansion of mining infrastructure, while an external review of the liabilities for the Australian operations recommended increases based largely on the increased fuel and equipment hire costs associated with demolition and the costs of longer post-closure tenement lease periods. Although still at project stage, a conceptual closure plan with a liability of US\$20 million has been developed for Cerro Corona.

The stakeholder input received during the public consultations associated with the closure plan meetings for our South African operations held during F2006, has now been integrated into the revised closure planning estimates and schedules. A key benefit for stakeholders from this process has been greater clarity as to the timescale that Gold Fields remains committed to the area.

Guided by the feedback from our stakeholder engagement and insights gained from interaction with industry peers, we continue to explore opportunities for converting closure-related liabilities into potential assets for other land users. Our Living Gold project was partly motivated by this approach, as is our practice to allow the agricultural use of certain sections of rehabilitated areas

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on our Ghanaian properties by the community. In this way, we hope to reduce the pressure on as yet undisturbed land by our stakeholder communities.

FINES AND LEGAL ACTIONS

During F2007, no money was paid by the Group or its operations in fines or penalties resulting from environmental transgressions. Neither were any environmentally-related legal actions brought against the Group or its operations. However, the level-3 incident at St

Ives is being investigated by the regulator who will take a view during F2008 on whether to issue an administrative fine or to prosecute.

AWARDS

Building on the awards of 2004 and 2005, the Environmental Protection Agency of Ghana again awarded Abosso Goldfields (Damang) the 'Most Environmentally Committed Company Award for 2007' at a ceremony held on 5 June 2007.



INVESTING IN COMMUNITIES

Stakeholder issues and management performance covered in this section

| Issues relevant and material | Pages |
|---|---------------------|
| • Community engagement | 94, 100, 127 |
| • Education and skills development | 127 |
| • Socio-economic development of communities | 95-96, 100, 128-129 |
| • Relationships with regulators | 98-102, 127 |

APPROACH TO COMMUNITY INVESTMENT

Gold Fields finds that in all the diverse environments within which it operates or develops mines, the local governments, in various degrees, seek to persuade it to accept a role in providing social and economic services to the community. While we seek to play a role in the sustainable development of our host communities, we remain conscious that mining operations will, eventually, come to an end. Our community investment efforts, therefore, continue to favour longer term capacity-building interventions aimed at building human capital and overcoming specific infrastructural constraints to local economic development.

As set out in previous reports, all community investment activities are administered and co-ordinated by the Gold Fields Foundation or regional foundations that function autonomously but are guided by the common vision of community development adapted to local realities. The formula according to which the various regional foundations derive their funds from contributions by their regional operations remains unchanged. A different approach to community development projects is in place for Venezuela in accordance with its differing national regulations.

GOLD FIELDS FOUNDATION: SOUTH AFRICA

The Gold Fields Foundation continued to fund projects in the fields of education, community development, environment, local economic development and health,

and committed R15 million for the year under review. Notable among the projects supported are environmental education centres in partnership with the World Wildlife Fund (WWF), Rhodes University, United Nations Environmental Project (UNEP) and others. Gold Fields has invested in these infrastructure, training, curriculum development and environmental education initiatives that have helped formulate environmental issues in the South African National Curriculum for over 30 years.

INTEGRATING SOCIAL AND LABOUR PLANS: SOUTH AFRICA

During 2007, Gold Fields received its new-order mining rights for our South African operations, with South Deep's application in progress. As part of this process, Gold Fields and its individual operations submitted social and labour plans (SLPs) in which they set out the range of activities and targets designed to achieve the human resource development and socio-economic development objectives of the Mining Charter. The Foundation played a major role in the development of the various SLPs and this absorbed much of its capacity during the year. Accordingly, the work of the Foundation in South Africa is shifting towards addressing the priorities identified in the Integrated Development Plans relating to poverty alleviation, water and sanitation and the fight against HIV/Aids.

In future, the Foundation will identify the correct agencies within municipal and local government structures with whom to partner to drive specific projects as identified in the Integrated Development Plans. The Foundation's track record of supporting multi-year projects and interventions will make this shift in its focus gradual and will continue to be based on ongoing stakeholder feedback, leading to a closer integration of the Foundation's work with that of mine-based staff.

DELIVERING ON SEED: GHANA

In Ghana, the five-year sustainable community development programme known as SEED (Sustainable Community Empowerment and Economic Development programme) whose origins and development were set out in the previous annual report, entered its second year. The specific goal of SEED is to improve the livelihood and the quality of life of the 30,000 men, women and children of the 16 primary stakeholder communities of our operations by 2010. The SEED process is also designed to prevent ongoing dependence on the Foundation by maximising the participation of other stakeholders and requiring the beneficiary community to formally allocate land and labour contributions to approved projects.

Improved access to basic education was identified as a critical developmental need in Gold Fields' primary stakeholder communities. In consultation with the Ghana Education Service, and with the financial support of three of Gold Fields Ghana's major business partners – Caterpillar, Shell, and Sandvik – the Foundation funded the construction of three schools with associated early childhood development centres, office blocks, store rooms, teachers' quarters and toilets. At the University of Mines and Technology at Tarkwa, the Foundation also funded the installation of a satellite-based wireless Internet access system to facilitate the University's access to Internet-based information. The scholarship programme for children in primary stakeholder communities was also expanded during the year by supporting 50 students in senior secondary, tertiary and vocational schools.

The Foundation also expanded its livelihood programmes in its primary stakeholder communities by continuing the training of farmer groups. During the year, 2,411 farmers were assisted with training in oil palm farming, vegetable farming, cocoa growing and livestock rearing.

All-weather roads stimulate economic activity by facilitating more efficient transportation of agricultural goods to market from rural communities, as well as improving access to healthcare facilities and other public services. During 2007, access roads to four primary stakeholder communities were upgraded and two new access roads constructed at a total cost of US\$135,000. The Foundation also partnered with the government's rural electrification programme and funded the supply of electricity pylons to two communities to facilitate the establishment of a basic power distribution system.

IDENTIFYING SUSTAINABLE PROJECTS: SOUTH AMERICA

Following project approval for Cerro Corona, the identification and piloting of sustainable CSI projects was added to the objectives of the stakeholder engagement process. Feedback from this predominantly agrarian community, in which non-cash exchange still plays a significant role, also suggested that projects aimed at enhancing features of the local agrarian economy would be the most successful. Thus, Cerro Corona embarked on a programme of stimulating milk-production through artificial insemination of livestock and combined this with agricultural extension work to improve pasture yields. Over 300 families from the surrounding stakeholder communities participated in the agricultural training. The introduction of hardier, more resistant corn and potato varieties to the area was also piloted. Results from these pilot-level interventions should be available during the course of F2008 and, following further community engagement, one or both aspects of the support programme may be scaled up to a level where additional interventions aimed at reducing access barriers to the market of Cajamarca will follow.

EARLY COMMUNITY ENGAGEMENT: PROJECTS AND EXPLORATION

The principal challenge faced by our exploration projects is the temporary nature and limited scale of most of our projects, within which it is often difficult to identify interventions whose effect will continue beyond the Gold Fields presence. Nonetheless, we are acutely aware that future relationships with stakeholders will be formed by their experience with the exploration project and the conduct of our staff and contractors. Therefore, in line with AA 1000 guidance, all projects begin with the identification of the local leaders and stakeholders.

At Essakane, Burkina Faso, stakeholder engagement revealed community expectations for support in the rehabilitation and expansion of all forms of social services. Mindful of the project status, support was extended in a manner that did not create open-ended expectations. However, as the project moved into its third

year, the areas where assistance was given were: the repair of defective water pumps, HIV/Aids awareness and malaria training for 73 community members.

The project also sought to contribute a positive legacy through the contribution of materials for the construction of nine additional classrooms in two villages, support to a school canteen by the creation of a school garden for vegetable production, the opening of three literacy centres for adults with 77 participants, women and men.

At Kisenge, in the Katanga Province of the Democratic Republic of the Congo (DRC), project staff identified the rehabilitation of the local hospital and the repair of key elements of the local transport infrastructure as priorities. Given the remote location and the level of under-development, such interventions can provide practical contributions to local infrastructure from which both the project and the community benefit.



Stakeholder issues and management performance covered in this section

| Issues relevant and material | Pages |
|--|----------------|
| • Workplace diversity | 98-99, 131-132 |
| • Human rights | 130-131, 135 |
| • Non-discrimination | 100, 131-132 |
| • Freedom of association, collective bargaining and labour standards | 130-131 |

Gold Fields continues to grow as a major international employer with a total global workforce of 58,726, including full-time contractors but excluding 2,179 capital project contractors in South Africa. It provides direct permanent employment to over:

- 52,454 permanent employees in South Africa (including 8,634 contractors);
- 4,300 permanent employees in Ghana (including 2,334 contractors);
- 1,154 permanent employees in Australia (including 799 contractors);
- 675 permanent employees in Venezuela (including 154 contractors);
- 85 permanent employees in Peru; and
- A further 58 (not including temporary staff contractors) active in project development and exploration activities across the globe.

A notable feature of the South African workforce is that about 40 per cent continue to be nationals from neighbouring countries, principally Lesotho and Mozambique.

EMPLOYEE RELATIONS

In line with our Human Rights Policy which can be found on the company website, Gold Fields continues to engage

with all representative unions of its global workforce. At the end of F2007, 76.6 per cent of the permanent employees of the South African operations were members of one of three recognised trade unions. Approximately 67.2 per cent belong to the National Union of Mineworkers (NUM), 5.9 per cent are members of the United Association of South Africa (UASA), and 2.4 per cent belong to Solidarity.

During F2007, the South African operations experienced no strikes, and only three operations – Kloof, Beatrix and Gold Fields Health Services – experienced several employees participating in one day of political protest action. Consequently, we lost only 0.1 per cent of working time to (non-negotiated) protest action, and 99.9 per cent of shifts were worked.

Legal strikes by recognised trade unions are a legitimate instrument of employer/employee engagement and relations with organised labour have remained constructive. During the year, a number of collective agreements were concluded in respect of wages, accommodation, healthcare, end of year breaks, agency shops and the outsourcing of the IT Department.

Management and unions engage in a number of forums to discuss policies such as HIV/Aids, Adult Basic Education and Training, accommodation, employment equity, job grading and the social plan (job retention). A joint union/management umbrella body called the Gold Fields Plenary monitors progress in these forums, and the constructive engagement contributes positively to relations between management and organised labour. Gold Fields has continued discussions with the International Federation of Chemical, Energy, Mining and General Workers Unions (ICEM) regarding the possible conclusion of an agreement or accord providing for dialogue relating to Gold Fields' compliance with the Global Compact.

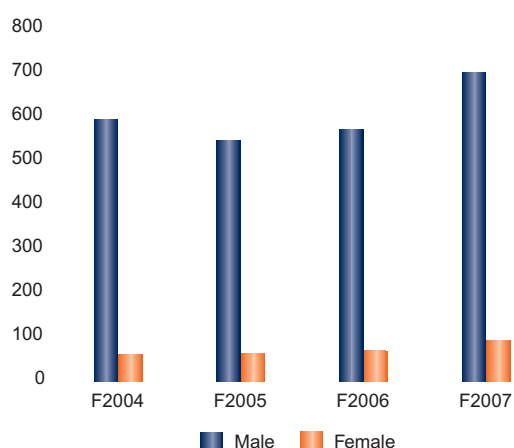
The number of finalised dismissal-related disputes for the South African operations declined marginally to 222 (F2006: 258). Of these, 10.5 per cent were settled, 10.4 per cent were lost while 79.2 per cent of the findings were in favour of the Group. This data suggests a positive trend towards fewer disputes in the company.

In Ghana, just over 1 per cent of our full-time workforce consists of expatriates. About 40 per cent of the workforce is represented by the Ghana Mine Workers Union (GMWU). Engagement with the GMWU focused on training and the provision of meals during working hours. Our operations reported 13 terminations due to dismissal or misconduct.

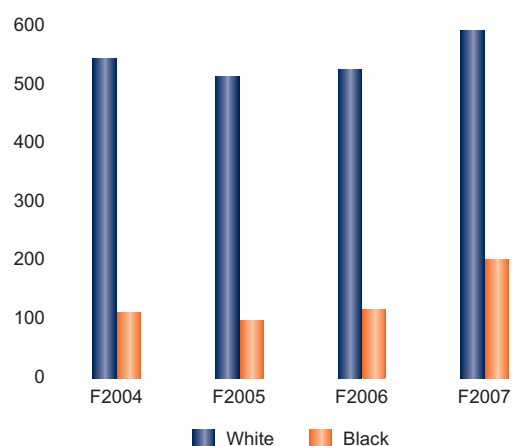
Our Australian operations experienced no industrial action. However, five members of staff were dismissed.

In Venezuela, Choco 10 was twice affected by industrial action, and 3 per cent of the workforce consists of expatriates, mostly from South America.

MANAGEMENT PROFILE BY GENDER
IN SOUTH AFRICA



MANAGEMENT PROFILE BY RACE
IN SOUTH AFRICA



WORKPLACE EQUITY AND DIVERSITY

The Gold Fields human resources objective remains the attraction, development and retention of high-quality people, to develop them to their full potential and to reward them for their achievement, commitment, innovation, and teamwork. At the South African operations, there is significant congruence between the employee initiatives pursued by Gold Fields and the requirements of the Mining Charter, with the Charter providing the socio-economic context for these initiatives. The Mining Charter and our agreements with organised labour set specific goals in the areas of human resource development, employment equity, migrant labour, housing and employee living conditions. Despite increased demand for skilled labour created by the commodities boom, we remain confident of our ability to meet the challenging goals set by the Charter.

We have made steady progress in promoting diversity in the workplace, with the aim of ensuring that our operations are representative of the communities in which we operate. This is especially relevant at our South African operations as we address the inequalities of the

past and strive to create a transformed Gold Fields, reflecting South African demographics.

Our employment equity strategy in South Africa is to identify HDSAs with the required potential, and to consciously prepare them for appointment to management positions through structured individual development programmes. At the South African operations, significant HDSA representation in the C-band augurs well for progressing such candidates to the next level. Gender equity poses a particular challenge and continuous work to eliminate conditions mitigating against the employment of women in core mining positions is done at each operation.

All our operations are committed to developing local management. In Ghana, the localisation programme has continued from a position where in 2004, 14 Ghanaians

were employed in management positions. By the end of F2007, the number had risen to 94.

Continued challenges in the competitive market for skills

The economic expansion of China, India and the Middle East continued to drive a global commodities' boom, which increasingly tightened demand for mining-related and technical skills in general, making it one of the bottlenecks for mining expansion. To combat the continued poaching of skilled personnel by other sectors able to offer improved employment packages, especially on short-term contracts, Gold Fields has responded with a multi-tier strategy, whose main focus areas are:

- Large-scale training partnership initiatives at GFBLA to reduce specific skills shortages at a national level in South Africa;

Table: Percentage targets and actuals for HDSAs in South Africa

| Occupational category | June 2007* Actual | June 2006 Actual | June 2005 Actual | June 2004 Actual | June 2003 Actual | June 2002 Actual | June 2007 Target | June 2008 Target |
|--|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Senior management | 26 | 26 | 15 | 16 | 14 | 8 | 30 | 40 |
| Professionals | 54 | 50 | 57 | 56 | 56 | 47 | 56 | 57 |
| Technicians and associated professionals | 48 | 48 | 50 | 48 | 45 | 37 | 47 | 50 |
| Clerks | 86 | 97 | 96 | 96 | 97 | 96 | 95 | 96 |
| Service and sales | 82 | 96 | 96 | 96 | 97 | 99 | 96 | 96 |
| Craft and related trades | 40 | 50 | 57 | 55 | 53 | 44 | 52 | 53 |
| Plant and machine operators | 50 | 97 | 100 | 100 | 100 | 100 | 97 | 97 |

*Data for F2007 includes South Deep

- The standardisation and alignment of production bonuses, retention bonuses and artisan market allowances across the South African operations;
- Re-engineering of skilled employee work flow to refocus skills of individuals on primary function as opposed to ancillary roles;
- Re-investing in employee benefits infrastructure such as housing and sports facilities on mines to support the branding of Gold Fields as an employer of choice; and
- Exploring a wider range of mentoring support and development opportunities to support skilled employee career development.

At a corporate level, the human resources function has, therefore, reviewed its role and capacity in supporting operational excellence by implementing systems that support a performance culture. During F2007, this led to a review, standardisation and alignment of production bonuses across the South African operations, the resolution of wage equalisation and grading issues in the Category 3-8 workforce, and the integration of the South Deep human resources and payroll systems. At a purely financial level, the Group has responded to the challenge of attracting and retaining skilled staff with a range of salary adjustments for particularly critical skilled work grades, the use of retention bonuses and artisan market allowances, as well as broadening the range of job grades eligible for share options.

In order to improve the utilisation of the scarce skills at our disposal, Gold Fields has reassessed line activities of skilled individuals to refocus them on the core tasks for which their skills are required. For example, some functions were found to be devoting up to 40 per cent of work time to ancillary and administrative tasks not requiring their specialist skills. Therefore, Gold Fields has embarked on a process of re-engineering many mid-level line functions and developing new scales for particular jobs within each grade where the market places a premium on the skills.

To derive greater benefit from the range of partnerships in which the Group participates, the mentoring infrastructure is being refocused to increase the range of development opportunities for skilled employees beyond scholarships, educational support and conference attendance to include offshore and strategic project exposure. While the initial focus of these initiatives has been on the South African operations, human resources will roll out these

initiatives and the lessons learnt to assist the international operations with country-specific employment frameworks for local and expatriate staff and support structures will be applied to facilitate the movement and advancement within Gold Fields.

In Australia, the resources sector, its specialised contractors and service providers continue to experience across the board high levels of staff turnover. Gold Fields' operations are also affected by this, except at senior level. To mitigate the negative effects of staff turnover, Gold Fields Australia has adopted a variety of staff retention measures aimed at older, more experienced staff concerned about pensions, healthcare and their children's education. These measures include greater flexibility on cashing in long-service leave and company contributions to pension and private healthcare costs. We readily accept that these measures cannot address some of the drawbacks inherent in our operations, such as the remoteness of the site and the perceived lack of advancement opportunity due to the limited scale of the operation, but we are encouraged by the initial responses to our measures. Over the longer term, we also seek to secure access to future skills through an increased engagement with vacation students seeking first-time employment. We experienced 93 voluntary resignations equivalent to 25 per cent of permanent staff.

In Ghana, where we experienced 56 voluntary resignations, we continue to engage with employees about ways in which to structure their total package, including non-financial benefits, education and training support, in a more effective way.

At the same time, companies like Gold Fields are confronted by a growing number of unskilled candidates. This situation is particularly acute in developing countries

where poverty and unemployment present major social challenges. The company responds at three levels: reaching out to skilled candidates, increasing its internal training capacity through the GFBLA, and improved pre-selection screening of candidates for unskilled and semi-skilled positions to minimise safety and health-related incidents among the new recruits.

Gold Fields Business and Leadership Academy

As outlined in the previous report, Gold Fields, in 2005, consolidated all mine-based training, education development and leadership infrastructure under the brand of the Gold Fields Business and Leadership Academy (GFBLA). The Academy has programme approval from the majority of Setas, and provides accredited training in the following main categories: Mining, Metallurgy, Engineering, Construction, Mineral Resource Management, Social Plan Development, Nursing, ABET, Business Management, Competency Development, Change Management and Asset Risk Management. To support the Group's meeting of Mining Charter targets, the administration of all Gold Fields bursary schemes was centralised in a dedicated function within GFBLA.

With the acquisition of South Deep, GFBLA's focus will remain on South Africa and, during F2008, concentrate on the integration of the South Deep capacity and infrastructure into the GFBLA portfolio. During F2007, the external client base expanded beyond mining clients to include local government, parastatals, public utility companies and a range of small and medium enterprises.

Via the GFBLA, Gold Fields is also at an advanced stage of negotiations with the South African government-launched Joint Initiative on Priority Skills

Acquisition (JIPSA) and the Accelerated and Shared Growth Initiative for South Africa (ASGISA) to help train several thousand artisans over the next five years. This would not only benefit Gold Fields but help meet the needs of other companies and benefit skills supply generally in the South African economy, thus reducing poaching levels.

Gold Fields Ghana Management Development Programme

The University of Stellenbosch Business School runs an eight-month management development programme (MDP) as part of Gold Fields Ghana's senior level personnel development. Twenty-five senior GFG employees successfully completed the programme during F2007.

Employees who participated in the programme found it demanding as they had to meet its demands while meeting their equally challenging regular work schedules. While highly demanding, this form of training plays a key and integral role in the achievement of Gold Fields' goals. Most participants commented favourably on the insights gained into a range of practical issues facing the company and the manner in which team members from diverse backgrounds were able to meet the challenges and come up with realistic and workable solutions.

The programme focused on action learning, especially in its strategic areas of operational excellence, growth, and future security. The MDP promoted an understanding of GFG and leadership in a global context, thereby assisting participants to interpret strategies and translate them into operational objectives.

ADULT BASIC EDUCATION

Over the years the Adult Basic Education and Training (ABET) programmes supported by the Group have been successful in that some shift bosses who started with ABET 1 have risen through the ranks. Overall, however, other learner progression data has generally remained below expectations, despite financial incentives for graduation.

The Group recognises that employees not residing on the mine were significantly under-represented on courses, primarily due to the transportation constraints of attending after-hours classes. In response, the Group ABET Corporate Committee, in which the NUM participates as a steering partner, decided to establish ABET centres that would cater primarily for stakeholder communities. This resulted in a material increase in the number of participants from around 1,790 in F2006 to about 4,200 in the year under review. In order to maintain its teacher:student ratio of 1:15, the Group increased the programme's resources.

Mindful that the extension of the course to the broader community brings its own challenges, the Group has focused on the programme's exit level outcomes and the programme now accepts functionally illiterate individuals who progress through the ABET 1 – 4 modules. Upon completion, they gain entrée to the national qualifications framework level 1 which, in turn, makes them eligible for further education and training at more advanced educational institutions. The MQA conducted a learner verification audit on the GFL ABET programme during F2007.

ACCOMMODATION AND NUTRITION

At the South African operations, Gold Fields continues to provide single accommodation and catering to some 28,000 employees, approximately 40 per cent of whom

are migrants from neighbouring countries and 40 per cent from within South Africa. In F2005, Gold Fields initiated a series of single accommodation upgrades and conversions aimed at accommodating 20,000 of the 28,000 strong workforce in hostels at room densities below two. However, current feedback reveals a number of challenges associated with the conventional hostel conversion model, as it does not adequately separate the family units from the single sex setting of the hostel. Thus, we have shifted the programme objective from de-densification to normalisation. This will entail replacing hostel accommodation with new residential developments for families that will be supported by adequate access to social services infrastructure. Consequently, the Group is exploring partnering with municipalities to upgrade certain social services infrastructures such as classrooms, sport facilities and park areas in order to normalise the setting of the new employee family units.

Following the re-engineering of menus during F2006, Gold Fields is undertaking the standardisation of its hostel kitchens, which should result in greater choice and quality of food. A full-time dietician continuously monitors the nutritional qualities of the hostel menu to ensure it remains aligned to government nutritional information requirements. Training of kitchen staff was widened to include various aspects of the hospitality industry requirements but high staff turnover has affected this programme.

Stakeholder issues and management performance covered in this section

| Issues relevant and material | Pages |
|------------------------------|--------------|
| • Employment | 130, 136-137 |
| • Economic empowerment | 136-137 |
| • Preferential procurement | 101, 137-139 |
| • Capital investment | 136-137 |
| • Beneficiation | 102 |

Contributing to sustainable development requires Gold Fields to consider financial performance more broadly than the traditional financial indicators and shareholder returns. Sustainable societies require strong foundations: a stable social order, impartial legal systems, housing, health and educational infrastructures, freedom of the media and association and a well-protected biophysical environment. This is financed by taxes and other revenues governments usually derive from companies and individuals and redistributed by governments for the benefit of the whole society. The taxes that Gold Fields pays as a company and collects from employees on behalf of its host governments, therefore constitute an important contribution to the creation of wealth and wellbeing in the countries within which we operate.

We recognise that Gold Fields' total economic contribution comprises direct and indirect impacts. Direct impacts are the monetary flows between the organisation and its material stakeholders measured in conventional monetary indicators. Indirect impacts are the intangible benefits that do not appear in our financial statements but flow from our commercial interactions with suppliers, the payment of wages and payroll taxes, and the downstream effects that mine development generates for other businesses.

To gain a better understanding of localised value added by our operations, we closely monitor the ICMM's development of a methodology which will more accurately reflect the direct and indirect benefits of a natural resource endowment to a local community. As other ICMM members begin piloting this methodology, we hope to recognise and eventually report these benefits for our own operations.

Gold Fields employed 46,747 people globally and their earnings contributed directly to their local economies. Our total wages and salaries (including all age-related costs such as pension and medical aid) amounted to R4.3 billion. Our procurement spend on supplies and services amounted to R2.7 billion, with R1.5 billion being spent in South Africa and R1.2 billion internationally.

Our long-term commitment to the countries in which we operate mines makes Gold Fields a reliable source of tax revenue for them. In F2007, Gold Fields paid a total of R665 million in taxes, R301 million in South Africa, R296 million in Ghana, and R68 million in Australia.

TRANSPARENCY

Organisations such as ICMM can also help ensure that the extractive industries can become an important engine for economic growth and social development in developing and transition countries including through the tax revenues which they generate for governments. However, a lack of accountability and transparency in the way in which these revenues are managed can exacerbate poor governance and contribute to corruption, conflict and poverty. We, therefore, through the WGC and ICMM recognise and support the contribution the Extractive Industries Transparency Initiative (EITI) can make to the fight against corruption, to improving governance and to the debate about how extractive revenues can be used most sustainably.

ECONOMIC CONTRIBUTION

| | South Africa | Ghana | Australia | South America |
|-----------------------------------|--------------|--------------|-------------|---------------|
| Total employees | 43,820 | 1,966 | 355 | 606 |
| | Rm | US\$m | A\$m | US\$m |
| Net sales | 12,154 | 564 | 569 | 36 |
| Total payroll and benefits | 4,115 | 34 | 44 | 12 |
| Community investment | 15 | 1.2 | 0.2 | 0.3 |
| Taxes paid | 268 | 41 | 13 | 1.7 |
| Investment in capital expenditure | 2,467 | 139 | 133 | 23* |

*This amount excludes US\$234 million capital expenditure at Cerro Corona project in Peru

During F2007, R295 million (US\$41 million) was spent on exploration. This represents a 14 per cent increase on the F2006 figures of R248 million or US\$39 million.

Across our operations we invested approximately R6.1 billion in capital expenditure to secure the future of our existing operations. This includes the ongoing spend on building new long-life shafts in our South African operations. The Group has one of the largest project pipelines of gold mines globally and an exploration programme that is active in 11 countries.

An amount of R27 million was spent on CSI globally to support educational and community development initiatives during F2007. In addition, an amount of R1,131 million was paid in dividends to shareholders.

PROCUREMENT

Gold Fields Project Beyond set out in F2005 to achieve cumulative contracted cost benefits of R300 million over a three-year period which it achieved by year-end F2007. Against a background of global commodity cost pressures reaching double digit level increases, Project Beyond succeeded in lowering our cost baseline which resulted in real input inflation coming off a lower

baseline, leading to Gold Fields experiencing cost increases substantially below South African inflation levels. Global integrated supply chain initiatives also delivered benefits through tendering negotiations, and multi-year carry over cost optimisations for Australia, and import duties savings for the Cerro Corona project.

The Gold Fields BEE Procurement Policy was adopted in 2003 when procurement from HDSAs stood at 9.7 per cent. We recognised that to raise this percentage significantly, engagement with new HDSA suppliers and the expansion of agreements with existing contractors would have to be commercially driven with considerations such as quality, cost, reliability, occupational health and safety standards remaining central requirements. As outlined in the F2006 report, Gold Fields partnered with the South African Mining Preferential Procurement Forum (SAMPPF) to formalise the accreditation of suppliers and actively investigates suppliers to guard against fronting.

By the end of F2007, HDSA spend stood at R1.4 billion, 43 per cent of the total working cost and capital materials spend. We have thus achieved our Mining Charter target of having more than 40 per cent of our working cost and

capital materials spend provided by accredited HDSA suppliers. We have a 30-day payment policy in place to which we have substantially adhered. The HDSA vendor database has increased from 308 vendors in June 2006 to 510 vendors in June 2007.

The adherence to specified payment terms is critical if we are to grow the list of SMMEs on our supplier base. To this end, we engage with existing and prospective suppliers to learn their needs and, in some cases, assist them with accelerated payment terms to stabilise their cash flows.

In addition, the Shared Services Thusanang Entrepreneurial Support Centre, in collaboration with GFBLA, embarked on a pilot training project to provide skills development to members of local communities. To date, 98 people drawn from the Merafong, West Rand municipalities and the Lejweleputswa municipality in the Free State, have received training in life skills, computers and entrepreneurship. Course participants include individuals who approached Shared Services to gain supplier or service provision opportunities, existing SMME suppliers and their staff as well as aspiring entrepreneurs referred by the municipalities. A key component of each of the five-day training programmes is the follow-up of participants to monitor the impact of the acquired skills on their lives, with a view to improving the courses and identifying additional training needs among our SMME supplier base.

Three of Gold Fields Ghana's major business partners – Caterpillar, Shell, and Sandvik – made substantial contributions to the GFG SEED programme's educational projects, by providing scholarships and financial contributions towards the construction of teachers' quarters and early childhood development centres.

Gold Fields continues to engage with all its business partners to ensure collaboration of efforts in assisting our communities to a more sustainable future.

In Australia, the remoteness of Agnew Gold Mine and the closed town of Leinster impose considerable practical constraints on local procurement efforts. It constrains even combined procurement initiatives at a national level. Short mine-life plans also constrain the ability to negotiate long-term contracts for most commodities at Agnew and St Ives.

Developing local suppliers: Peru

A challenge to optimal local sourcing in Peru is posed both by the opposition of some regional downstream communities to mining, as well as the fact that 95 per cent of the stakeholder population comprises farmers. As a result, there are few immediate opportunities to source skilled labour and service providers locally. In addition, our needs for employment levels and service providers vary considerably depending on the project phase.

After extensive engagement, Gold Fields provided or facilitated access to capital and limited training for a number of local start-up service providers to work as contractors for the project during the construction phase. From the outset, the owners of these local companies were explicitly advised that the opportunities existing during the construction phase of the project would not automatically continue into the operational phase of the mine. To help minimise the risks associated with the transition, Gold Fields ensured that all local service providers underwent a supplier certification process to improve their ability to meet the changed needs of the project once it became an operational mine.

By the end of F2007, there were 60 locally-owned service providers, working for the project many as owner-drivers, mainly in the earth-moving, road-building and general construction roles. In order to overcome the stigma of working for a contractor, Gold Fields made it a condition of contract that contractors paid their staff at a level commensurate with what they would have received as Gold Fields employees performing these roles. In addition, contractor safety incidents are included in the project's safety statistics. In order to ensure adherence to these requirements and to continue general support for these operators, Gold Fields procurement and community relations staff hold a fortnightly meeting with

each community contractor company to monitor progress and deviations.

Going forward, Gold Fields believes that the way to sustain healthy margins and buffer real inflation pressures will be through a combination of continued cost control measures and sustained margin optimisation initiatives. In F2008, South Deep will receive specific spend optimisation attention. With Cerro Corona coming into operation during F2008 there will be increased focus on establishing optimal input cost baselines and exploring larger group and regional synergies across the South American operations.



The Group's Risk Policy (refer to Gold Fields website www.goldfields.co.za) guides the consistent and systematic assessment of risk, the procedures for reporting risk and risk mitigation measures across the Group. The board, via the Audit Committee, is ultimately responsible for the overall system of risk management and continues to monitor measures to mitigate existing risks and identify new risks on an ongoing basis.

During F2006 the risk management structures, systems and capacity were expanded to reflect the increasingly globalised nature of the Group's operations. The intention was to broaden the development of a risk management culture at Group operations. Internal feedback led to the amalgamation of the risk management system into the strategic planning process to avoid possible gaps between the two processes and ensure their integration. This consolidates the risk management system's role as a management decision-making rather than an administrative tool.

In order to assess progress made in implementing risk mitigating strategies, an internal review was conducted of all risk mitigating strategies contained in the risk registers that were submitted during the last quarter of F2007. The process was designed to judge the extent to which the risk mitigating strategies were being implemented. As Gold Fields already applies a range of auditing processes to other risk areas, this review took the form of a complementary gap analysis to avoid duplication of the work done by processes such as the Sarbanes-Oxley audits, internal audit and ISO 14001 and OHSAS 18001 certification audits. The results of this review suggested that international operations had embraced the need to mitigate risk actively to a greater extent than their South African counterparts. This does not reflect poorly on South African operational management but rather indicates the increased complexity of these deep-level operations that require more effort in dealing with their risk profile.

During F2007 Gold Fields also commissioned an external benchmarking exercise to compare its risk management approach and management's attitude to risk with that of its global mining peers and global enterprises. Gold Fields management at all operations was asked to identify those factors that contribute most or least to successful risk management practices. In general the survey suggests that while risk management in Gold Fields is very much in line with global enterprises, it sometimes diverges from its global mining peers. Respondents indicated that the Gold Fields attitude to risk is less tolerant than that of the global mining average but more in line with the global corporate average, and that the consistent application of the risk management strategy contributes greatly to the successful risk management practice at Gold Fields. The responses also indicate there is greater accountability, involvement and focus on risk among the Gold Fields board, chief executive officer, chief financial officer and line management, than that perceived at the global mining and corporate companies. More than 75 per cent of respondents believe that Gold Fields has a risk awareness culture that is embedded throughout the organisation.

Gold Fields' risk management strategy and the cascading of an understanding throughout the organisation, especially at site management level, are indicated as the initiatives that Gold Fields does particularly well compared to its global peers. Similarly, the identification process to identify risks to corporate objectives and the Gold Fields appetite for risk-taking are also some of the successes identified by respondents. Nearly all respondents identified the challenge of retaining the skills and expertise of staff members in key roles as the major challenge faced by the industry. We are, therefore, comfortable that although risk management remains a dynamic process, our approach to risk is appropriate to that of a growing global company.

Risk mitigation responses

In determining key risks, the Group utilises conventional risk assessment methodologies. During F2007, no material new risks were identified and existing risks were re-evaluated in line with a revised financial severity rating system. Despite often being multi-dimensional, risks are grouped to fall in line with the headings contained in the strategic planning process. 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 materially affect the Group's results. All risk information contained in this section should therefore be considered in conjunction with any forward-looking statements in this document.

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 Gold Fields to the extent that it 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 to recruit available skills, Gold Fields adopts a multi-tier approach aimed at generating, attracting and retaining skills. To this end the Group restructured its training infrastructure into the Gold Fields Business and Leadership Academy (GFBLA) 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-control initiatives and productivity drives do not impair our ability to meet the high operational standards

we commit ourselves to. 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 while relationships and communication with organised labour at operational level are receiving focused attention. As a result, the industrial relations and employee benefits functions have been separated to improve the situation.

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 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, could adversely affect the Group's ability to retain its new-order mining rights in South Africa.

Financial

Like all gold producers, Gold Fields is subject to the volatility of the gold price and exchange rates. This volatility could adversely impact on the Group's earnings, assets and cash flows. Marginal operations and long-term investment decisions relating to mine-deepening projects are particularly impacted by such fluctuations. 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 and better grade selection aimed at improving quality volumes (Project 400) and initiatives designed to achieve considerable savings (Project 100, Project 100+ and Project Beyond). Capital projects, such as the mine-deepening projects, are structured on a modular basis to allow for the suspension of the project should market conditions change which could adversely affect the feasibility of the project. At the same time, these projects are designed not to adversely affect the Group's adherence to, and compliance with regulation, industry standards and adopted voluntary codes. Gold Fields believes the way to sustain healthy margins and buffer real inflation pressures is through effective cost management and investment in continued margin optimisation initiatives. As a result Gold Fields continues to drive various initiatives through its global integrated supply chain and strategic sourcing optimisation programme which seeks to reduce procurement costs through centralised buying, standardised usage of inputs and better inventory management. Where appropriate, the Group 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.

Political

Mining operations are physically bound to the location of their orebody. As a result, 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 AA 1000 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.

Ore reserves

Gold Field's operations confront a range of uncertainties when estimating ore reserves and delivering forecast grades due to the inherent risky nature of mining. As new information or technology becomes available, reserve estimates may change significantly over time and product price or currency fluctuations may cause lower ore grades to significantly affect its economic viability. Any significant restatement in the ore reserve may impact on the company's profitability and cash flow over time. To manage this risk, Gold Fields maintains access to world-class in-house and external geological, mineral and resource management capacity.

This capacity has expanded over time to take account of the increasingly diverse orebodies the company exploits, with highly experienced staff familiar with diverse geological settings constantly monitoring pertinent geological assumption changes.

Health

The 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 put the necessary capacity in place 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.

Environmental and social

As its global footprint expands, Gold Fields is subject to an ever-growing range of national environmental laws, regulations and 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 within the law. Through the implementation of the AA 1000 stakeholder engagement system, the Group builds and maintains inclusive, constructive, long-term relationships with its stakeholder communities. In addition, the company environmental management system has since 2003 been certified to the international ISO 14001:2004 standard by external auditors. 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.

Risk financing

In response to its growing global presence, the Group appointed an insurance service provider in F2006 capable of servicing the Group's insurance needs at the national, regional and global level. Despite Gold Fields' track record of excellent risk profile, the addition of South Deep Mine, with its history of major claims, led to an increase in the Group's overall insurance policy limits and insurance costs for F2007. The Group continues to insure on a standing charges only (fixed cost) basis of business interruption cover in an effort to contain costs. In the event of the Group suffering a major loss, future earnings could be affected.

INTRODUCTION

Gold Fields is committed to upholding sound principles of corporate governance.

Gold Fields endorses the principles contained in the South African Code of Corporate Practices and Conduct as recommended in the Second King Report (the 2002 King Report) and believes that it complies with its provisions. Adherence to sound principles of corporate governance will remain both a board and a management priority.

Gold Fields' shares are listed on the JSE Limited, South Africa (the JSE) as a primary listing. As such, the company is required to comply with the listings requirement of the JSE (JSE Listings Requirements) in respect of the 2002 King Report. Gold Fields shares also trade in the United States of America (USA) on the New York Stock Exchange (NYSE) and are registered with the United States Securities and Exchange Commission (SEC). As such, 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.

BOARD OF DIRECTORS

Gold Fields is governed by a unitary board which may not, in terms of its articles of association, comprise fewer than four nor more than 15 directors.

The board currently comprises two executive directors and 11 non-executive directors.

The office of the chairman and that of the chief executive officer are separate from one another and are currently

filled by an independent non-executive director (Mr AJ Wright) and an executive director (Mr ID Cockerill) respectively.

The Gold Fields board comprises a significant 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 the share options detailed in the Directors' Report on pages 175-186 of this annual report.

Ms G Marcus was appointed as non-executive director of the company by the board with effect from 14 February 2007. The credentials of the new board member were reviewed by the board prior to her appointment and she has received induction material and information relevant to her obligations as director as well as the company's history, activities, and business.

The board reviews the status of its members on an ongoing basis and, based on its deliberations, currently considers at least 10 of the current complement of 11 non-executive directors to be independent, as defined in the JSE Listings Requirements. The board, therefore, comprises a majority of non-executive directors who are also independent.

In its deliberations, the board determined that Mr Sexwale could not be categorised as independent by virtue of the contractual arrangements in place between Gold Fields Group companies and Mvelaphanda Resources Limited (of which Mr Sexwale is an executive director) which might, in certain circumstances, be significant enough to interfere with the categorisation of this non-executive director as independent.

Details of the directors and their status as executive, non-executive or independent appear on pages 10 and 11 of this annual report.

BOARD CHARTER

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

In accordance with a formal board charter, the board of directors seeks to promote the pursuit of this mission while upholding sound principles of corporate governance, the interests of communities that it affects, responsible citizenship and the best interests of its shareholders. Ultimately, the board seeks to create enduring shareholder value in a responsible and ethical manner.

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 Group'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;
- Monitoring the performance of the Group, including operational performance and management performance against the Group's strategic plans;

- The overall system of risk management and monitoring risk exposures and controls;
- Developing and setting disclosure and reporting practices to best serve the needs of its shareholders;
- Regularly monitoring and appraising its own performance;
- Seeking to ensure ethical behaviour and compliance with relevant laws, regulations, audit and accounting principles/practices, the Group's own governing documents and code of ethics; and
- Providing counsel and advice to the chief executive officer and his team on all critical and sensitive matters.

STAGGERED ROTATION OF DIRECTORS

One-third of directors must retire from office at each annual general meeting of the company, 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.

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 10 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 overleaf:

CORPORATE GOVERNANCE

| Director name | Number of meetings attended |
|------------------------|-----------------------------|
| AJ Wright | 10 |
| ID Cockerill | 10 |
| NJ Holland | 10 |
| JM McMahon | 10 |
| RL Pennant-Rea | 8 |
| PJ Ryan | 9 |
| TMG Sexwale | 6 |
| CI von Christerson | 7 |
| K Ansah | 10 |
| A Grigorian | 10 |
| JG Hopwood | 10 |
| DM J Ncube | 9 |
| GJ Gerwel ¹ | 3 |
| G Marcus ² | 4 |

¹Retired effective from 10 November 2006

²Appointed effective from 14 February 2007

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 Compensation Committee, the Health, Safety and Environment 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 web site (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.

NOMINATING AND GOVERNANCE COMMITTEE

The Nominating and Governance Committee is chaired by the chairman of the Group, Mr AJ Wright. Dr PJ Ryan, Dr A Grigorian and Mr RL Pennant-Rea 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 a successor to the chairman and chief executive officer and make recommendations in this regard to the board as a whole;
- 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 three occasions during the year under review. The record of attendance by members at such meetings is contained in the tables below.

| Director name | Number of meetings attended |
|----------------|-----------------------------|
| AJ Wright | 3 |
| A Grigorian | 3 |
| RL Pennant-Rea | 2 |
| PJ Ryan | 2 |

AUDIT COMMITTEE

The Audit Committee was reconstituted on 8 May 2007. The Audit Committee, as reconstituted, comprises Mr JG Hopwood (Chairman), Messrs RL Pennant-Rea, DMJ Ncube and JM McMahon, and is required to meet at least quarterly every year 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 SEC;
- The accounting policies of the Group and any proposed revisions 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 and its chairman and the board and its chairman, 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 following non-audit services: accounting advice and taxation services. In consideration for rendering these services, the Group has paid the independent auditor an amount of R2.9 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.

CORPORATE GOVERNANCE

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

| Director name | Number of meetings attended |
|------------------------|-----------------------------|
| JG Hopwood | 7 |
| K Ansah ¹ | 7 |
| GJ Gerwel ² | 2 |
| JM McMahon | 7 |
| RL Pennant-Rea | 4 |
| DMJ Ncube ³ | 0 |

¹Resigned effective from 8 May 2007

²Resigned effective from 10 November 2006

³Appointed effective from 8 May 2007

COMPENSATION COMMITTEE

The Compensation Committee was reconstituted on 8 May 2007. The Compensation Committee, as reconstituted, comprises independent non-executive directors namely, Mr Cl von Christierson (Chairman), Messrs JM McMahon, DMJ Ncube, JG Hopwood and AJ Wright and is required to meet at least twice a year. This committee, which has adopted its own formal terms of reference, has established and reviews, on an ongoing basis, the Group's compensation 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 page 181 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 Compensation Committee met on five occasions during the year under review. The record of attendance by members at such meetings is contained in the table below.

| Director name | Number of meetings attended |
|--------------------------|-----------------------------|
| Cl von Christierson | 3 |
| JM McMahon | 3 |
| DMJ Ncube | 4 |
| TMG Sexwale ¹ | 0 |
| AJ Wright | 5 |
| JG Hopwood ² | 1 |

¹Resigned effective from 8 May 2007

²Appointed effective from 8 May 2007

HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

The Health, Safety and Environment Committee was reconstituted on 8 May 2007. 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 Health, Safety and Environment Committee plays a pivotal role in assisting the board in its oversight of the effectiveness of the Group's environmental, health and safety programmes and to keep 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 committee, as reconstituted, comprises Dr PJ Ryan (Chairman), Mr K Ansah, Dr A Grigorian and Ms G Marcus.

The Health, Safety and Environment Committee met on four occasions during the year under review. The record of attendance by members at such meetings is contained in the table below.

| Director name | Number of meetings attended |
|-------------------------|-----------------------------|
| PJ Ryan | 3 |
| K Ansah | 4 |
| A Grigorian | 4 |
| JG Hopwood ¹ | 4 |
| DMJ Ncube ¹ | 3 |
| G Marcus ² | 0 |
| AJ Wright ² | 1 |

¹Resigned effective from 8 May 2007

²Appointed effective from 14 February 2007

BOARD SUB-COMMITTEE FOR WESTERN AREAS OFFER

A special, ad hoc committee for the Western Areas offer was established by the board to assist it in considering and evaluating the bid for the South Deep Mine. This committee was dissolved following the successful acquisition.

The committee comprised Messrs JG Hopwood, ID Cockerill, NJ Holland, JM McMahon and AJ Wright. This committee met on two occasions during the year under review. The record of attendance by members at such meetings is contained in the table below:

| Director name | Number of meetings attended |
|---------------|-----------------------------|
| JG Hopwood | 2 |
| AJ Wright | 1 |
| JM McMahon | 2 |
| ID Cockerill | 2 |
| NJ Holland | 2 |

BOARD SUB-COMMITTEE FOR THE EQUITY RAISING

A special, ad hoc committee was established by the board to assist with the final terms of the equity raising and the committee was dissolved following the successful placement.

The committee comprised Messrs JG Hopwood, ID Cockerill, NJ Holland and AJ Wright. This committee met on two occasions during the year under review. The record of attendance by members at such meetings is contained in the table below:

| Director name | Number of meetings attended |
|---------------|-----------------------------|
| JG Hopwood | 2 |
| ID Cockerill | 2 |
| NJ Holland | 2 |
| AJ Wright | 2 |

EXECUTIVE COMMITTEE

The Gold Fields Executive Committee comprises the two executive directors and 11 executive officers.

This 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 of Gold Fields 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 in place designed to ensure that the Group's commitment to sound practices and standards of corporate governance is maintained on a Group-wide basis. At least one of the Group's executive directors serves on the board of each operating subsidiary of the Group.

Details of the members of the Executive Committee appear on pages 12 to 13 of this annual report.

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.

GROUP 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.

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.