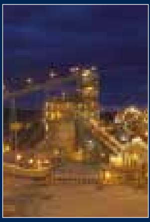
Integrated Annual Report
for the year ended 31 December **2014**

Gold Fields

About Gold Fields

Gold Fields Limited is an unhedged, globally diversified producer of gold with eight operating mines in Australia, Ghana, Peru and South Africa. In February 2013, Gold Fields unbundled its mature underground Beatrix and KDC mines in South Africa into an independent and separately listed company, Sibanye Gold Limited. It also expanded its presence in Australia, acquiring the Darlot, Granny Smith and Lawlers mines (known as the Yilgarn South Assets) from Barrick Gold in October 2013.

Gold Fields has attributable annual gold production of approximately 2.2 million ounces, as well as attributable Mineral Reserves of around 48 million ounces and Mineral Resources of around 108 million ounces. Attributable copper Mineral Reserves total 620 million pounds and Mineral Resources 1,001 million pounds. Gold Fields has a primary listing on the JSE Limited, with secondary listings on the New York Stock Exchange (NYSE), NASDAQ Dubai Limited (NYX) and the Swiss Exchange (SWX).



COVER PICTURES

The processing plant at Gold Fields' Granny Smith mine in Western Australia

Revegetation of the tailings dam at Gold Fields' South Deep mine in South Africa

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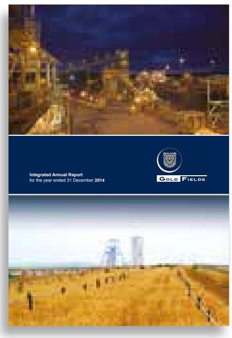
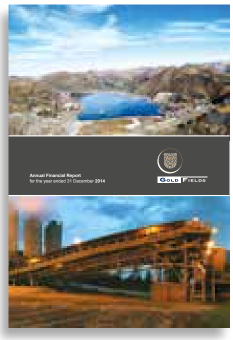
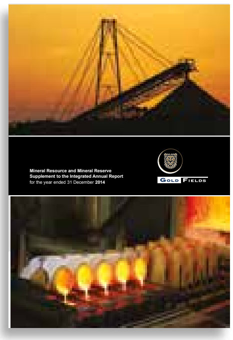






Our 2014 Integrated Annual Report comprises the following three volumes:

- The Integrated Annual Report (IAR) 2014, which examines the integrated nature of our operational, financial and sustainability performance
- The Annual Financial Report 2014, which fulfils our statutory financial reporting requirements
- The Mineral Resources and Mineral Reserves Overview 2014, which provides detailed technical and operational information on our mines and growth projects

The aim of our integrated approach is to enable investors and other stakeholders to make a more informed assessment of the value of Gold Fields and its prospects. The IAR also forms part of our Communication on Progress to the United Nations Global Compact. A summary of our adherence to the Global Reporting Initiative (GRI), the 10 Principles of the United Nations Global Compact and the 10 Principles of the International Council on Mining & Metals (ICMM) and its mandatory requirements of the position statements are presented online.

Forward looking statements

Gold Fields' forward looking statements which apply to this Integrated Annual Report, can be found on our website at www.goldfields.com.

Scope and boundaries of this report

This is Gold Fields' 2014 Integrated Annual Report. It covers the reporting period from 1 January 2014 to 31 December 2014. The previous IAR was published in March 2014 and covered the financial reporting period from 1 January 2013 to 31 December 2013.

This Integrated Annual Report provides an overview of Gold Fields' eight global operations in Australia, Ghana, Peru and South Africa, as well as our exploration and business development activities. Detail on the exact location of each operation can be found on the global map on p4 – 5, while growth and exploration projects can be found on page 89.

We use an integrated approach to reporting that examines our operational, financial and sustainability performance. All non-financial data for 2013 exclude the newly-acquired Yilgarn South Assets, unless otherwise indicated. All 2014 non-financial data are inclusive of the Yilgarn South Assets. The existing Agnew and newly acquired Lawlers operations were combined in Q4 2013 and it is therefore not possible to separate out the data for the Yilgarn South Assets in 2014 to allow for a year-on-year comparison with 2013. Furthermore, all 2012 data, where stated, cover only the continued operations of Gold Fields, i.e. they exclude the contributions from the Sibanye Gold assets. This report has been compiled in accordance with the GRI's G4 Guidelines and the International Integrated Reporting Council <IR> Framework. Gold Fields also references a broad range of additional codes, frameworks and standards in compiling the report, the full list of which can be found on p48. We believe the Integrated Annual Report, together with additional documents held online, complies with the GRI G4 Core Reporting Guidelines.

An average exchange rate for 2014 of R10.82 and A$1.11 to the US$ have been used in this report.

Assurance

Our auditors, KPMG, have provided reasonable assurance on selected sustainability information in this report, which is prepared in accordance with the G4 guidelines. As a member of the ICMM we are committed to obtaining assurance in line with the ICMM Sustainable Development Framework: Assurance Procedure. KPMG has provided assurance on the four subject matters of the ICMM (ICMM subject matter 5 is not applicable due to Gold Fields' transition to GRI G4 Core). The key sustainability performance data for assurance by KPMG in 2014 can be found on p123 – 124.

Board approval

The Gold Fields Board of Directors considers that this Integrated Annual Report complies in all material respects with the relevant statutory requirements of the various regulations governing disclosure and reporting by Gold Fields and that the annual financial statements comply in all material respects with the South African Companies Act No 71 of 2008, as amended, as well as with International Financial Reporting Standards. As such, the Board approves the content of the Integrated Annual Report 2014, including the Annual Financial Report 2014.

Cheryl Carolus
Chairperson of the Board

23 March 2015

1 OUR BUSINESS

Tailings storage facility at Cerro Corona in Peru

1.1 Our DNA

OUR STRATEGIC PILLARS

Operational excellence

- Safe and productive teams
- Cost discipline in support of sustainable cash generation
- No marginal mining – not "ounces for ounces' sake"
- To structure our business such that the Group will generate a 15% free cash flow margin at a gold price of US$1,300/oz
- A dividend-first policy – we pay out 25% to 35% of normalised earnings

Growing Gold Fields

- Prioritisation of low-risk, high-return assets
- Assets in regions where we already have a presence
- Growth of reserves per share and cash flow per ounce and per share
- Prioritisation of cash flow, profitability and return on investment – not ounces
- Active portfolio management "backing only franchise assets"

Securing our future

- Attraction and retention of critical employees
- Employee development
- Employee health
- Shared Value
- Stakeholder relations
- Human rights and ethics
- Responsible environmental management
- Energy and carbon

OUR STRATEGIC PRIORITIES

- Focus on a 15% free cash flow margin at a gold price of US$1,300/oz
- Proactive portfolio management – clean up portfolio and divest non-core assets
- Growth through value accretive acquisitions and near-mine exploration
- Strengthen the balance sheet by reducing debt
- Pay dividends of between 25% and 35% of normalised earnings
- Deliver South Deep
- Focus on safety and maintaining our social licence to operate

OUR COMMITMENTS TO STAKEHOLDERS

Employee Charter

- To be a company of which employees can be proud
- To celebrate achievement
- To treat employees with respect and to work with them to ensure their health and safety
- To provide the right development and support for employees to succeed
- With employees' help, to make Gold Fields the best place to work

A safe, winning and productive team

Investor Charter

- To build a quality portfolio of productive mines
- To provide superior returns
- To deliver on our commitments

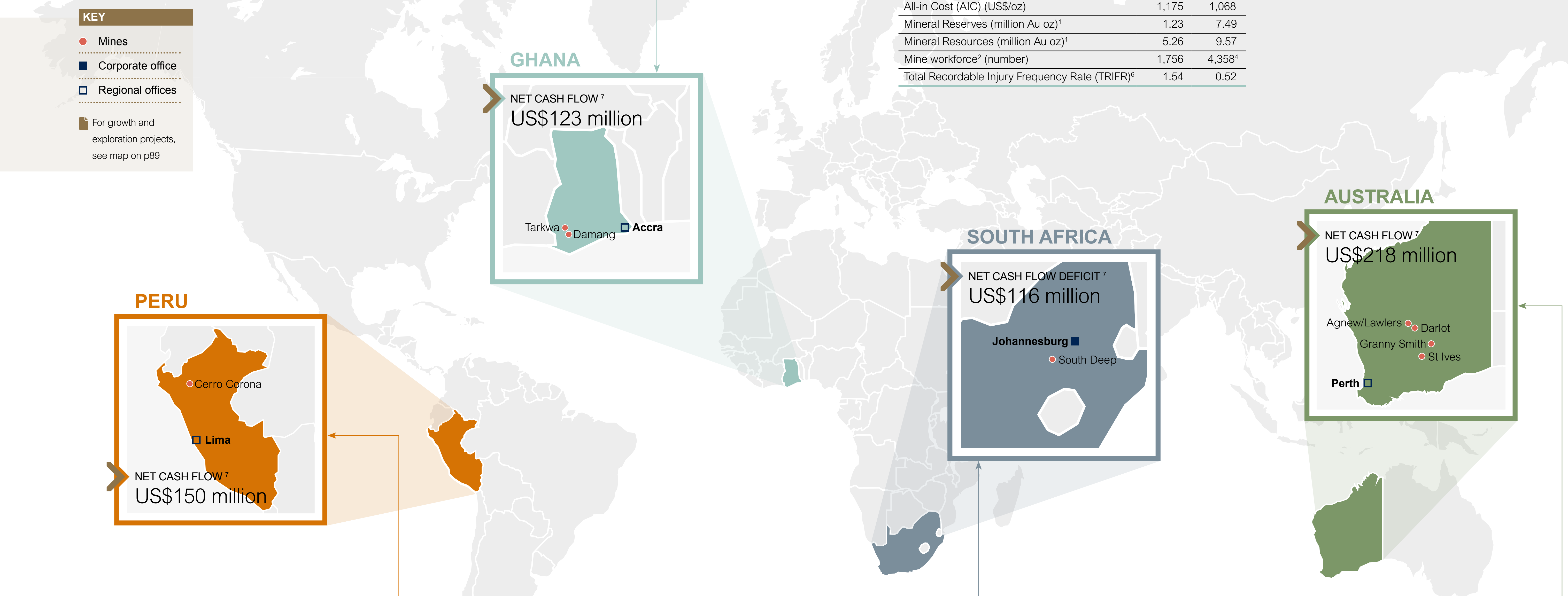
A quality portfolio of assets, providing superior returns on gold

Society and Community Charter

- To build strong relationships and trust
- To create and share value
- To measure our actions and impact
- To deliver against our commitments

The most trusted and valued mining partner

1.2 Our global footprint – 2014 in perspective



West Africa region

Mine	Damang	Tarkwa
Managed production (Au '000oz)	178	558
All-in Cost (AIC) (US$/oz)	1,175	1,068
Mineral Reserves (million Au oz)[1]	1.23	7.49
Mineral Resources (million Au oz)[1]	5.26	9.57
Mine workforce[2] (number)	1,756	4,358[4]
Total Recordable Injury Frequency Rate (TRIFR)[6]	1.54	0.52

Americas region

Mine	Cerro Corona
Managed production (Au-eq '000oz)	327
All-in Cost (AIC) (US$/oz)	316
Mineral Reserves (million Au oz)[1]	1.76
Mineral Resources (million Au oz)[1]	3.02
Mine workforce[2] (number)	1,710
Total Recordable Injury Frequency Rate (TRIFR)[6]	0.38

South Africa region

Mine	South Deep
Managed production (Au '000oz)	201
All-in Cost (AIC) (US$/oz)	1,732
Mineral Reserves (million Au oz)[1]	34.90
Mineral Resources (million Au oz)[1]	69.80
Mine workforce[2] (number)	5,246[3]
Total Recordable Injury Frequency Rate (TRIFR)[6]	4.65

Australia region

Mine	Agnew/Lawlers	Darlot	Granny Smith	St Ives
Managed production (Au '000oz)	271	84	315	362
All-in Cost (AIC) (US$/oz)	990	1,222	809	1,164
Mineral Reserves (million Au oz)[1]	0.87	0.09	0.87	1.80
Mineral Resources (million Au oz)[1]	2.57	0.26	3.70	3.51
Mine workforce[2] (number)[5]	580	263	574	741
Total Recordable Injury Frequency Rate (TRIFR)[6]	18.13	13.17	9.30	22.39

[1] Managed Mineral Reserves and Resources
[2] Employees and contractors
[3] Excludes Corporate office (82 people)
[4] Excludes Accra office (18 people)
[5] Excludes Perth office (112 people)
[6] TRIFR includes the total number of Fatalities, Lost Time Injuries, Medically Treated Injuries and Restricted Work Injuries (for both employees and contractors). Gold Fields believes that TRIFR – which is aligned with the health and safety metrics of the International Council on Mining and Metals (ICMM) – is the most useful overall measure of safety performance.
[7] Net cash flow from operating activities after taking account of net capital expenditure and environmental payments

1.3 Gold Fields' annual performance dashboard

- 🔴 2014 performance drop against 2013
- 🟡 2014 performance on a par with 2013
- 🟢 2014 performance improvement on 2013 **OR** achievement in line with strategy

1 Optimising our operations

p54

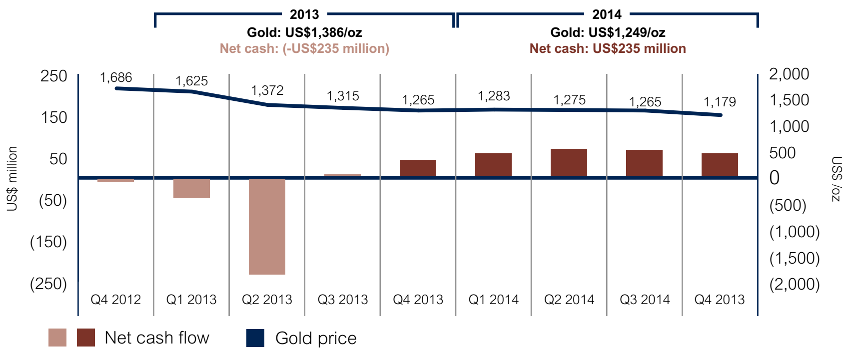
Category	PERFORMANCE 2014		2013	2012
Total workforce[1]	**15,440**	🟢	16,852	n/a
• Total employees	**8,954**	🟢	10,167	9,684
• Contractors	**6,486**	🟢	6,685	8,961
Gold produced – attributable ('000 oz)	**2,219**	🟢	2,022	2,031
Revenue (US$)	**2,869**	🔴	2,906	3,531
All-in-Cost (US$/oz)[2]	**1,087**	🟢	1,312	1,537
Gold price received (US$/oz)	**1,249**	🔴	1,386	1,656
Net cash-flow (US$)	**235**	🟢	(235)	(280)
Free cash-flow (FCF) margin (%)	**13**	🟢	n/a	n/a
Headline earnings/(loss) (US$m)	**27**	🟢	(81)	350
Dividends declared – SA cents per share[3]	**40**	🟢	22	235
Total assets (US$m)	**6,858**	🔴	7,296	8,691
Fatalities	**3**	🔴	2	0
TRIFR (rate per million)[4]	**4.04**	🟢	4.14	n/a
Energy consumption (TJ)	**10,466[6]**	🟢	10,569	10,818
CO_2 emissions ('000 tonnes)[5]	**1,694**	🟢	1,731	1,831
Environmental incidents (Level 3)	**4**	🔴	3	6
Water withdrawal (Mℓ)	**30,207**	🟡	30,302	23,688
Water intensity (Kℓ withdrawn/oz gold produced)	**13.16**	🟢	15.01	n/a

[1] Employees and contractors, including head offices
[2] AIC include all cash costs plus costs related to sustaining and growing production of a company, excluding taxes
[3] Excludes dividends in specie
[4] Per million hours worked, including employees and contractors
[5] Scope 1, 2 and 3
[6] The sum of direct and indirect energy consumption reflects a conversion factor used by the Granny Smith power station for comparability to other operations. If the conversion factor is not applied total energy consumption is 10,997 TJ

AWARDS

- Ranked fifth in EY Excellence in Integrated Reporting Awards
- 96% score in SA CDP CDLI Index
- Platinum award in Ghana-Africa Business Awards

Net cash flow by Gold Fields operations[7]



[7] Net cash flow from operating activities after taking account of net capital expenditure and environmental payments.

🔴 2014 performance drop against 2013
🟡 2014 performance on a par with 2013
🟢 2014 performance improvement on 2013 **OR** achievement in line with strategy

2 Growing Gold Fields

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Category	PERFORMANCE 2014		2013	2012
Attributable Gold Mineral Resources (Moz)	**108.843**	🟡	113.393	125.499
Attributable Gold Mineral Reserves (Moz)	**48.123**	🟡	48.608	54.856
Attributable Copper Mineral Resources (Mlb)	**1.001**	🟢	1.119	1.284
Attributable Copper Mineral Reserves (Mlb)	**620**	🟢	708	1,024
Resource delineation and project holding costs[2] (US$m)	**36**	🟢	122	202
Brownfields exploration (US$m)	**58**	🟢	32	51
Brownfields exploration – metres drilled	**349,511**	🟢	250,138	n/a
Number of growth projects in portfolio[1]	**2**	🟢	5	5

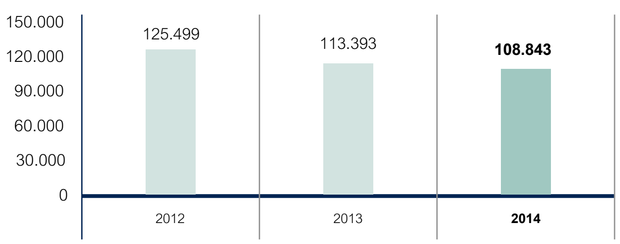
[1] Advanced growth projects (excludes those that have been put up for disposal)
[2] No greenfields exploration spend in 2014. This figure refers to resource delineation and holding costs for Salares Norte and Far Southeast

NEAR-MINE EXPLORATION SPEND
US$58m

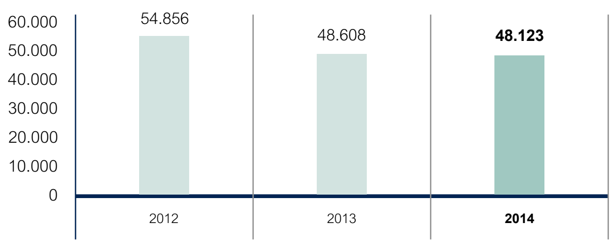
RESOURCE DELINEATION[2]
US$36m

SOUTH DEEP LIFE-OF-MINE
70 years+

Gold Mineral Resources (attributable Moz)



Gold Mineral Reserves (attributable Moz)



AWARDS

- IAS-SAMREC Award for best Mineral Reserve and Resource reporting

- 🔴 2014 performance drop against 2013
- 🟡 2014 performance on a par with 2013
- 🟢 2014 performance improvement on 2013 **OR** achievement in line with strategy

3 Securing our future responsibly

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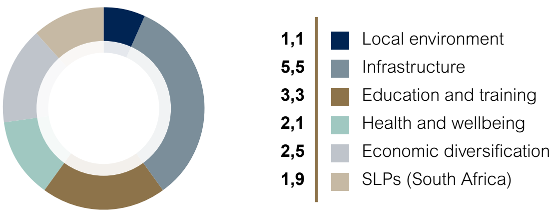
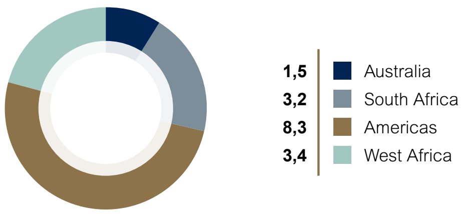
Category	2014	PERFORMANCE	2013	2012
National value distribution (US$m)[1]	**2,650**	🔴	2,980	3,768[3]
Socio-economic development spend (SED) (US$m)[1]	**16**	🟡	16	10
Payments to businesses (US$m)[1]	**1,835**	🟢	1,817	2,529[3]
Payments to capital providers (US$m)[1]	**137**	🔴	172	435[3]
Payments to governments (US$m)[1]	**194**	🟢	380	458[3]
Employee wages and benefits (US$m)[1]	**468**	🟢	595	336[3]
Minimum wage ratio[2]	**1.7**	🟢	3	3
Ratio of basic salary of men to women	**1.1**	🟢	1.2	1.4
Average training per employee (hours)	**181**	🟢	97	142

[1] Details on p106 of this report
[2] Entry level wage compared to local minimum wage restated, where applicable
[3] Excludes Corporate and GIP expenditure

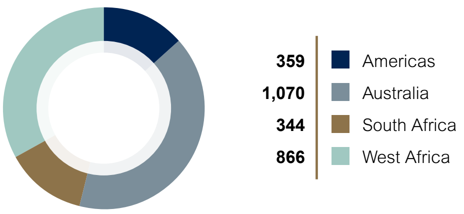
SED contributions by type 2014 (US$m)



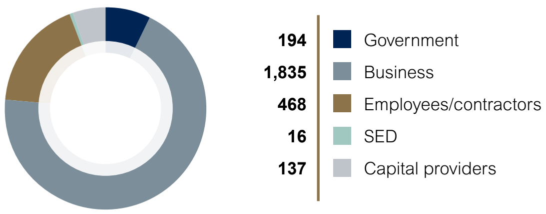
SED contributions by region 2014 (US$m)



Total value distribution by region 2014 (US$m)



Total value distribution by type 2014 (US$m)



AWARDS

- Silver Award in 2015 Sustainability Yearbook
- Top SA Mining Company in 2015 Sustainability Yearbook
- 81% performance rating on Dow Jones Sustainability Index
- Gold Fields Peru wins Peru 2021/CEMEFI Socially Responsible Company Distinctive Award

1.4 Our business model – Unlocking the value of gold

The untapped value inherent in a gold-containing ore body can only be accessed through the input and collaboration of a number of different stakeholders. While Gold Fields has the expertise, the financial and human resources as well as the technical experience to mine gold, we recognise that we cannot do so without the financial backing of investors, the relevant licences from governments, the consent and buy-in from neighbouring communities, sufficient access to water and energy, the services of a range of suppliers and contractors, and the skills and manpower of our people.

Only when all of these fundamentals are in place, is accessing the ore body feasible. It is at this point that Gold Fields' expertise really comes into play. As experts in mechanised gold mining, we are best positioned to extract maximum value from what we recognise to be national assets and deliver it to our stakeholders.

The mining cycle – from exploration right through to mine closure – is made optimally effective by the business' strategic imperatives that seek to deliver maximum value through safe gold extraction. Our 2014 strategic focus areas were:

1. Drive safety and the goal of Zero Harm
2. Focus on a 15% free cash flow margin at a gold price of US$1,300/oz
3. Proactive portfolio management – clean up portfolio and divest non-core assets
4. Growth through value accretive acquisitions and near-mine exploration
5. Strengthen the balance sheet and reduce debt
6. Pay dividends of between 25% and 35% of normalised earnings
7. Deliver South Deep
8. Maintain social licence to operate.

In mining our assets we also take into account a range of local and global risks. The top 10 risks for the year were (further detail can be found on p50 – 51):

1. South Deep – Failure to deliver the business plan and loss of investor confidence
2. Lower gold price and volatility
3. Non-achievement of a 15% free cash flow margin at a gold price of US$1,300/oz
4. Replacing mineral resources and reserves at international operations
5. Loss of "social licence" to operate
6. Regulatory uncertainty and litigation
7. Security of power supply and cost of energy
8. Non-compliance with the Mining Charter in South Africa and its Social and Labour Plans (SLPs)
9. Labour relations/wage negotiations
10. Safety and health of our employees

We remain acutely aware of our responsibilities to our investors, our communities and our employees. Our commitment to these three critical stakeholder groups is upheld in our Investor, Society and Community and Employee Charters. By adhering to the Gold Fields Values of Safety, Responsibility, Honesty, Respect, Innovation and Delivery we seek to honour these commitments. Living the Gold Fields Values also ensures that we achieve our goal of causing Zero Harm to people, the environment and communities, while delivering maximum value to shareholders. (See Our DNA on p2 – 3).

The extraction of gold – and the generation of cash – is the end result of all our efforts. From this flows a number of outcomes that deliver value to a broad range of stakeholders. On the financial side, shareholders receive dividends, governments benefit from royalties and taxes, and banks earn interest on the debt funding they provide. The economy benefits from the jobs we have created and sustained, the payments we have made to our contractors and supply chain partners, and the raw material – gold – that we send to the refineries and that they distribute to the downstream jewellery industry or financial institutions for investment purposes. Employees receive salaries and, where appropriate, bonuses, and benefit from skills development and training. They also derive job security from working for a strategically fit-for-purpose, sustainable company with a strong balance sheet. Our host communities benefit from the investments we make in infrastructure, education, sanitation, housing and healthcare as well as our Shared Value projects.

This value, extracted from a previously untapped ore body and delivered to such a broad group of beneficiaries, is considerable. However, we recognise that not all of the outcomes of gold mining are value-adding. Mining waste and CO_2 emissions represent the consequences of mining and can have a potentially negative impact on people, communities and the environment. These need to be actively managed and reducing the negative impact of these outcomes is a key component of ensuring that we deliver net value through the extraction of gold.

The end-to-end Gold Fields business model is captured in the infographic on the two pages that follow.

INPUTS

SKILLS AND EXPERTISE
We draw on the manpower, experience and intellectual capital of our people.

EQUITY AND DEBT CAPITAL
The financial capital provided by banks, shareholders and bond holders delivers necessary funding.

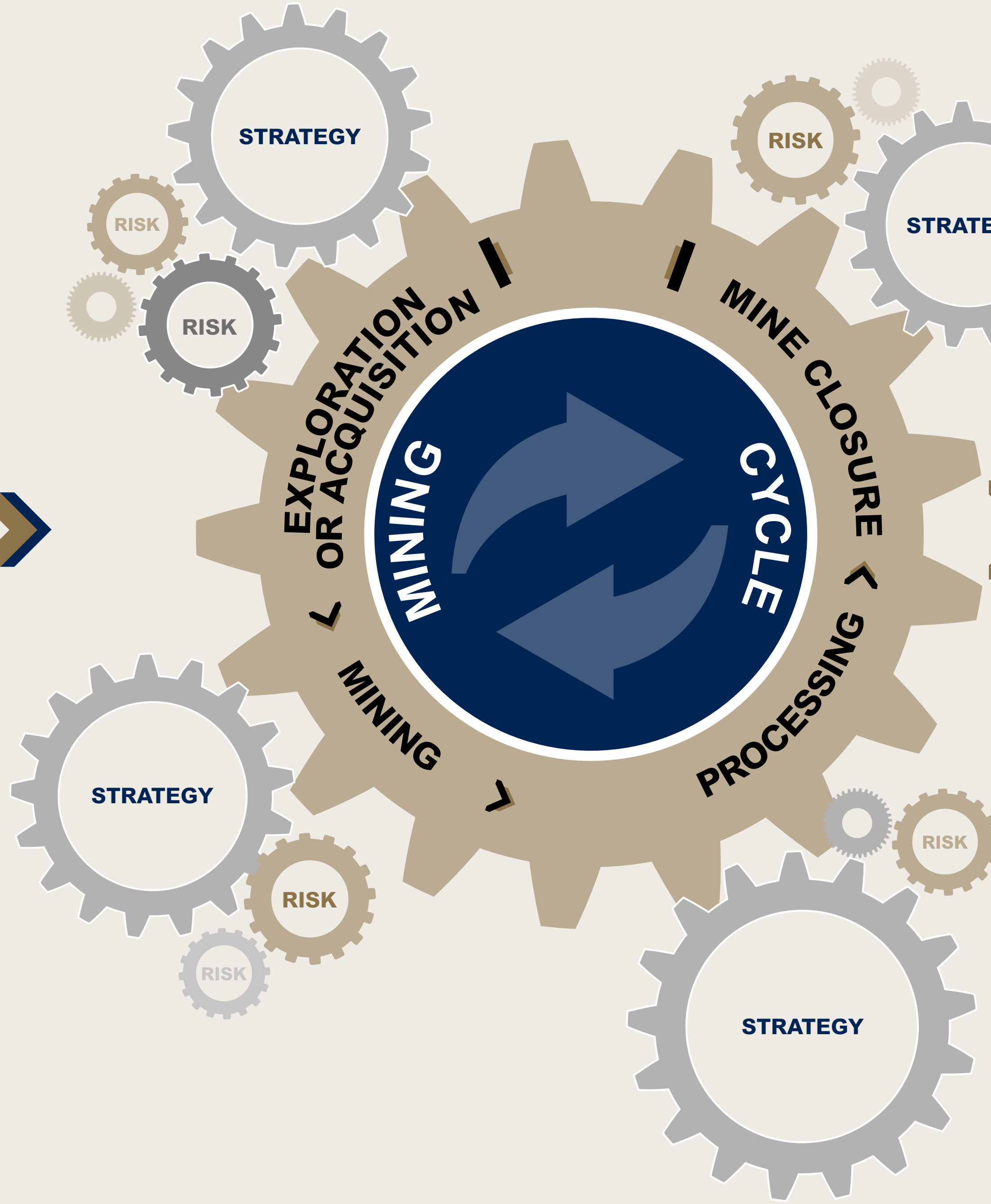
WATER, ENERGY AND LAND
These natural capitals are critical to support the mining process.

CONTRACTOR AND SUPPLIER SERVICES
These partners supply the manufactured capital (goods and services) for the development and maintenance of our mines.

GOVERNMENT LICENCES
We are required to meet the regulatory, legal and fiscal requirements of our host governments.

COMMUNITY CONSENT
Community consent – or social capital – ensures we secure and maintain our social licence to operate.

OUR BUSINESS



OUTPUT

US$235 million net cash generated in 2014

OUTCOMES

US$194 million
Taxes and royalties paid to governments

15 440
Total workforce

US$13 million
Training and development

US$1.84 billion
Payments to businesses and suppliers

US$105 million
Interest paid to financial institutions

R0.40/share
Dividends declared to shareholders

US$16 million
Community investment

139Mt
Mining waste

1,69Mt
CO_2 emissions

30,207Mℓ
Water withdrawal

VALUE DELIVERED, IMPACTS MANAGED

2

LEADERSHIP and performance

2.1 Vision of the Chairperson

"We would not be in this business if we did not have confidence in the long-term value of gold"

Cheryl Carolus – Chairperson

Dear Gold Fields Stakeholders,

Gold Fields has achieved a notable turnaround in its financial performance during 2014. It has strengthened its balance sheet by significantly reducing its debt and returned to a positive cash generating position despite a lower gold price in the year under review.

Since 2012 the Company has reduced its cost base – as measured by All-in Costs (AIC) per ounce – by 35%, while at the same time achieving a US$470 million swing in net cash generation from operations – from an outflow of US$235 million in 2013 to an inflow of US$235 million in 2014. Our seven international mines in Ghana, Australia and Peru managed to meet or even better their production and cost guidance for the second year running despite the continued decline in the gold price.

These achievements contributed to 2014 being a year in which Gold Fields' shareholders and other stakeholders derived significant benefits from the wide-ranging restructuring of the Group, which commenced in mid-2012. The restructuring had been brought upon by the disenchantment of investors in the gold sector, long before the sharp fall in the gold price from April 2013 onwards, which underpinned the need for change in the industry.

I believe that the impact of the Company's transformation has not been fully appreciated by many commentators, particularly as it was achieved in a weakening gold price environment.

It is therefore worth reflecting on some of the measures taken by Gold Fields' management, which, I believe, make Gold Fields a leader in the gold sector. Many of these were instituted well before our peers were forced to act amid the decline in the gold price during 2013. They include:

- The formulation and strict implementation of the strategy to move away from a focus largely on production to a focus on sustainable cash delivery and achieving a 15% free cash flow margin at a gold price of US$1,300/oz
- A strategic shift from the capital and time-intensive greenfields exploration-led growth to brownfields (near-mine) exploration and opportunistic, value-accretive acquisitions
- The restructuring of all corporate, regional and operational structures to be fit-for-purpose. Gold Fields' head office costs are now amongst the lowest in the industry
- The acquisition of the Yilgarn South Assets in Australia, which is undoubtedly one of the most value-accretive deals in the industry. Gold Fields is likely to recoup its investment in the transaction by the end of this year, a mere two years after they were acquired

GOLD FIELDS' VALUE DISTRIBUTION

US$2.7bn

COSTS BELOW GUIDANCE

7%

Gold Fields has achieved a notable turn-around in its financial and operational performance over 2014

- The unbundling of the Sibanye Gold assets from Gold Fields. The share prices of both companies performed well last year, buoyed by the clearer management focus and access to dedicated resources that the split enabled. An investor in Gold Fields, who held on to both shares after the unbundling, would have outperformed the share prices of most of our major peers in the industry during 2014

It is pleasing to reflect on the Company's achievements, but risks and challenges remain. Now is not the time to grow complacent, particularly when it comes to the safety and wellbeing of Gold Fields' employees. Tragically, we had three fatalities – all at our South Deep mine in South Africa – during the year. My heartfelt condolences go out, once again, to the relatives, friends and colleagues of Dirk Coetzee, Max Lehihi and Olimpio Langa. It is in their memory, and those who died at our mines before them, that this Board continues to drive the achievement of Zero Harm as a reality at all our operations. Similarly, reducing the exposure of our employees to occupational and non-occupational diseases such as Silicosis, Tuberculosis, HIV/AIDS, Noise-Induced Hearing Loss and Malaria must remain a priority.

Communities around the world are finding their voice and are, rightfully, demanding to see greater social and economic benefits from the mines that they host. During 2014 Gold Fields' total value distribution – as measured by World Gold Council standards – was almost US$2.7 billion in the form of payments to capital providers, business suppliers and employees, as well as in tax, royalty and dividend payments to governments. These are substantial contributions, but unfortunately not much of this value is necessarily channelled back to our host communities. In order to maintain its social licence to operate, the industry needs to build closer relationships with the communities in which it operates. Gold Fields has taken a significant step forward in putting its community contribution on a more sustainable footing by using the Shared Value framework to structure its investments – but undoubtedly more needs to be done.

On the operational front, Gold Fields improved production and costs against previous year and against 2014 Group guidance as a result of strong performances by all its seven international mines. The successful integration of the Yilgarn South Assets with our existing mines in Australia ensured that the Australia region now accounts for almost half of our total production with a significantly reduced cost base. The Company has also invested significantly in brownfields exploration at its mines in Australia to extend their Mineral Reserves and Resources.

The South Deep mine, however, again posed some significant challenges. The implementation of a safety-critical, ground support remediation programme underground halted the bulk of the mine's production for four months. However the programme had the full backing of the Board, in line with our absolute commitment to ensuring the safety of our people.

More fundamentally, many of the challenges at South Deep are related to the shortage of mechanised mining skills in South Africa. Gold Fields has started to address this by putting in a strong senior management team with underground mechanised mining experience gained in the platinum industry. The Board has given management the mandate to determine the way forward. As a consequence, long-term targets have been taken off the table. We have full confidence that the South Deep team will set the mine up for long-term sustainable delivery – though it will require more time than we had originally anticipated.

Globally, our operations are confronted by a range of external regulatory, political, labour and price dynamics that will impact on their future business performances. Gold Fields' approach is to deal with these issues in open and honest engagement with its key stakeholders. We can report some success in this regard, such as the commencement of talks around a tax stability agreement with the Ghanaian government and stable labour relations at all our operations in the year under review.

In South Africa, December 2014 was the deadline for targets set under the 2010 Mining Charter. We feel that we have substantially complied with the elements of the Charter, ownership included, and are actively engaging with the South African Department of Mineral Resources to achieve common ground.

2.1 Vision of the Chairperson (continued)

Furthermore, the gold sector in South Africa is bracing for its bienniel wage talks with the trade unions, scheduled to start in April 2015. Gold Fields is considering not participating in these centralised wage talks but is planning to move to company-level negotiations with its recognised trade unions to reflect the different skills-levels of the South Deep mine when compared with legacy gold mines in the country (p101).

The industry around the world is also facing other cost pressures, particularly high electricity tariffs, which are exacerbated by regular power outages. This is most acute at our Ghanaian and South African mines and we have implemented measures to limit the impact of power shortages at our operations.

As a committed corporate citizen, Gold Fields is more than willing to play its role in addressing these challenges and finding solutions that benefit all stakeholders. But I fear that we have not yet found the shared mutual interests with our key partners in the sector – the governments and communities that host us, and our trade unions. This can only be done through open dialogue and genuine partnerships and not by additional regulatory, fiscal and cost imposts, which will be difficult to absorb by the embattled gold industry, particularly in South Africa.

The wider global economic environment in which Gold Fields operates remains a challenge, as the gold price continues to languish at levels of between US$1,100/oz – US$1,300/oz. Despite continued strong demand for the physical metal in the East, current global macro-economic circumstances mean that the gold price is unlikely to return to its 2012 levels in the short term. Investors have started to return to the gold equities sector – Gold Fields' share price has risen from its low of R31.40 in December 2013, but remains volatile and largely follows the movements of the gold price. Overall though the markets have shown that those companies that do the right things will be rewarded, as Gold Fields has over the past year.

That said, Gold Fields believes in gold and the metal's medium- to long-term price fundamentals remain strong. This means we will continue to focus on gold mining and will not hedge. In the short term, and given the current low-price environment, the Company will continue the course on which it has embarked with a clear emphasis on sustainable cash generation. This will ensure the sustainability of our operations even if gold falls further and will deliver considerable upside when the price recovers, as it inevitably will. All other things being equal, I believe that Gold Fields' good performance in 2014 has provided a sound platform for 2015.

Appreciation

As part of the rightsizing of the Company, the number of directors was reduced from twelve to nine in 2013. The onus on the remaining directors to guide Gold Fields and ensure adherence to sound governance standards therefore took on even greater significance last year. I believe they carried out their duties and responsibilities with enthusiasm and great competence. I want to express my sincere appreciation for their continued commitment to the Company and the considerable experience and guidance they offered in the Board's deliberations.

Finally, I would like to thank Nick Holland, our CEO, his management team and all Gold Fields employees for continuing on the path that the Group has embarked upon since mid-2012. It is the correct path to take as it helped reduce the cost base to a level where Gold Fields can operate sustainably even at the current low gold price. However, it has not been an easy one for our employees, who have seen many of their valued colleagues leave over the past two years. In light of this, our employees are to be commended on their resilience and ongoing dedication to the implementation of our business strategy. I have the utmost confidence that they will continue to deliver results that will benefit them as well as all our other stakeholders.

Cheryl Carolus
Chairperson

Blast hole drill rig at the Tarkwa mine in Ghana

2.2 CEO report

A new strategy that is firmly focussed on cash generation – and providing investors with superior leverage to the price of gold

Nick Holland – CEO

Dear Shareholders

2014 was the second full year in Gold Fields' journey of strategic transformation to turn the Group into a focussed, lean and globally diversified gold mining company that generates meaningful free cash flow and provides investors with superior leverage to the price of gold. We have made significant progress in this regard, which is critical to our Vision of being the global leader in sustainable gold mining.

Key to the continued success of this journey is further embedding the Group's overarching strategic objective at all its operations:

Gold Fields seeks to generate a sustainable free cash flow margin of at least 15% at a planning gold price of US$1,300/oz, without compromising the long-term sustainability of its ore bodies.

Financial highlights for 2014

Gold Fields exceeded its guidance for 2014 with attributable gold equivalent production of 2.22 million ounces (2013: 2.02 million ounces) and a significantly reduced cost profile.

Tight cost control across all of its operations ensured that unit costs were lower than guidance for the full year:

	Actual 2014 costs	Feb 2014 guidance	Actual 2013 costs
All-in Sustaining Costs (AISC)	US$1,053/oz	US$1,125/oz	US$1,202/oz
All-in Costs (AIC)	US$1,087/oz	US$1,150/oz	US$1,312/oz

If one strips out South Deep, which is a mine in development, the rest of our mines at an AIC of US$1,020/oz are in the lower quartile in the gold sector and are amongst the most cash generative in the industry.

Other financial highlights included:

- The Group's free cash flow (FCF) margin for 2014 was 13% despite the fact that, at US$1,249/oz, the actual annualised gold price received was 4% lower than the planning price of US$1,300/oz. If the price received for the year was normalised to US$1,300/oz, then the free cash flow margin would have been 14%.
- Notwithstanding a 10% decline in the average gold price from US$1,386/oz in 2013 to US$1,249/oz in 2014, cash flow from operating activities – after taking account of net capital expenditure and environmental payments – improved from an outflow of US$235 million in

The strong cash generation during 2014 enabled the Group to reduce its net debt by US$282 million

2013 to an inflow of US$235 million in 2014, a positive swing of US$470 million.

- The strong cash generation during 2014, together with the sale of non-core assets, enabled the Group to reduce its net debt by US$282 million to US$1,453 million at the end of 2014.
- Debt reduction, together with agreements reached with our group of bankers to restructure our debt has significantly improved the Group's solvency and liquidity.

In addition, the strong cash generation during 2014 has enabled the Group to declare a final dividend for 2014 of R0.20 per share which, together with the interim dividend of R0.20 per share declared on 21 August 2014, brings the total dividend for 2014 to R0.40 per share. This is equal to 34% of normalised earnings and in line with our policy of paying out between 25% – 35% of normalised earnings to shareholders.

Our strategic journey

The transformation of Gold Fields has its roots in my keynote address to the Melbourne Mining Club in August 2012. In this speech, I challenged the gold-mining industry to re-invent itself with a more credible case for gold mining equities, by addressing investor perceptions prevailing at the time, that, collectively, we were not offering sufficient leverage to the then high gold price.

Our response to this challenge in the second half of 2012 was the adoption of an ambitious and ongoing transformation process aimed at turning Gold Fields into a focussed, lean and globally diversified gold mining company that generates significant free cash flow (FCF) and provides investors with superior leverage to the price of gold. At the same time our ability to generate cash enables us to meet the legitimate socio-economic demands of many of our other stakeholders, in line with our vision of leadership in sustainable gold mining.

At its core, the transformation process entails a shift away from a focus on the pursuit of production growth and reserve ounces at any cost, and the adoption of a new focus on growing the margin and improving FCF per ounce. This fundamental shift in strategy was embodied in our overarching objective of a 15% FCF margin at a gold price of US$1,300/oz, which has become the guiding principle for what we do in Gold Fields, and is germane to the progressive transformation that we have seen in the Group over the last two-and-a-half years.

The early adoption of our focus on improving cash flow proved prescient by providing Gold Fields with a built-in safety cushion able to withstand lower gold prices, especially when the gold price declined dramatically early in 2013 and again in 2014.

The trade-off between production volumes and production quality inherent in our strategy has resulted in the Group adopting a number of supporting and complementary programmes, first reported on in our 2013 Integrated Annual Review. Progress on these is outlined below.

FOCUS ON WHAT WE ARE GOOD AT

The philosophical orientation guiding the Gold Fields' transformation journey is to focus on those activities that we are good at. Following a process of serious analysis and introspection, we came to the conclusion that our core competencies are the operation of mechanised mines, mergers and acquisitions (M&A) and brownfields (or near-mine) exploration.

One area in which we have been less successful is greenfields exploration and in taking projects from initial discovery, through construction into production. Despite having spent in excess of US$1 billion on greenfields exploration since the founding of the modern Gold Fields in 1998, and having some of the best exploration professionals in the business, Gold Fields has never taken a single project through this entire process. This shows how elusive greenfields exploration success is.

In fact, Gold Fields' entire portfolio of current operating assets has been acquired. In contrast to our lack of success in greenfields exploration, we have been very successful at brownfields exploration, in particular at our orogenic-style assets in Australia and at Damang in Ghana. As a consequence of this outcome we made

2.2 CEO report (continued)

the hard decision to stop greenfields exploration as the key driver of growth, and to rather focus on acquisitions and brownfields exploration. We therefore disbanded our Growth and International Projects (GIP) division in late 2013, and refocussed our growth efforts on M&A and brownfields exploration. Our growth strategy and philosophy is discussed in more detail in the Growing Gold Fields section on p80.

As far as operating mines are concerned, we concluded early in 2012 that our core competency lies in the operation of mechanised mines rather than in hard-rock, deep level, labour-intensive mining that characterised the KDC and Beatrix mines in South Africa, which at that stage formed part of the Gold Fields portfolio. In late 2012, we therefore decided to separate those assets from Gold Fields by creating Sibanye Gold under a new, focussed management team. Gold Fields' remaining portfolio is one of mechanised operations throughout the world.

FIT-FOR-PURPOSE CORPORATE, REGIONAL AND OPERATIONAL STRUCTURES

The transformation of Gold Fields, combined with our relentless focus on cash generation, necessitated the implementation of fit-for-purpose corporate, regional and operational structures in which managers and employees are encouraged to act as dynamic, engaged owners – and are rewarded for doing so.

In response we devolved full operational accountability for sustainable cash generation to our regions, supported by appropriate resourcing of our management teams at the different levels in the organisation. Inevitably there was a corresponding rationalisation of our corporate office functions, mainly housed at the Group head office in Johannesburg, which now only focusses on a relatively narrow set of strategic and Group activities.

During 2014 the new corporate, regional and operational structures were further bedded down and entrenched throughout the Group, including in the South Africa region. As a result Gold Fields now enjoys a cost-effective, focussed, flexible and fit-for-purpose management structure that is appropriate to both our size and strategic priorities.

FOCUS ON CASH GENERATION AND FREE CASH FLOW MARGIN, NOT OUNCES FOR OUNCES' SAKE

Cost containment is a critical pillar of Gold Fields' cash-generating strategy and the Group made considerable progress as reflected in the 17% decline in AIC per ounce during 2014. This was on top of a 15% decline in AIC during 2013, bringing cumulative cost reductions between 2012 and 2014 to 29%. A number of initiatives were pivotal in achieving the lower cost base:

- The cessation of marginal mining at various operations
- The restructuring and rightsizing of our corporate, regional and operational structures
- An 8% reduction in our global workforce – equivalent of 1,309 employees and contractors – during 2014, which is in addition to the 711 employees and contractors that left the Group in 2013
- The rationalisation and prioritisation of capital expenditure and the deferral of non-essential capital, while not effecting the sustainability of our mines
- The cancellation of near-mine growth projects that demonstrated inadequate returns
- The disbandment of the Group's GIP division
- General cost savings driven by ongoing business process re-engineering

During 2014 these efforts continued apace with a view to protecting the Group's margins in the current low-gold price environment. Effective cost management will also prove beneficial to our margin when the gold price eventually recovers, as it will.

In addition to the focus on operational cost containment, we took the decision to scale down our involvement in activities which are typically the domain of larger, industry-leading companies. We no longer aspire to be pioneers of research and development in areas such as technology, but to be fast-adopters of best practice. This has helped us to reduce the costs of developing and applying cutting-edge practices, while still ensuring that we are able to leverage their benefits. A noticeable exception is at South Deep, where Gold Fields is continuing to invest heavily in the training of mechanised mining skills, of which there is a critical shortage in South Africa.

Furthermore, we have scaled back our participation in a wide range of professional and industry bodies which in the past inflated our corporate costs and general and administrative expenditure. One example of this is our suspension of our membership of the World Gold Council. During 2014 we reduced our overall corporate costs to approximately US$10/oz, which is amongst the lowest in the industry.

PROTECTING THE LONG-TERM SUSTAINABILITY OF OUR ORE BODIES

One of the serious risks in a low gold price environment and the attendant rationalisation, prioritisation and deferral of scarce capital, is that producers may be tempted to engage in practices that may have a short-term beneficial impact on cash flows, but have a potentially devastating effect on the long-term sustainability and integrity of their ore bodies. Regrettably evidence of this is starting to emerge throughout the industry in the form of high-grading as well as excessive cutbacks in brownfields exploration, stripping and ore reserve development.

To ensure that our business has a strong future, we have made continued exploration and development of our underground and surface ore bodies a strategic priority. These are amongst the last activities we would cut in a sustained low gold price environment.

In addition, Gold Fields' strategic objective of generating a sustainable FCF margin of at least 15%, at a planning gold price of US$1,300/oz, provides the Company with a built-in safety cushion able to withstand a further drop in gold prices. Included in this price are the costs associated with maintaining the integrity of our ore bodies. Should prices go down to levels of around US$1,100/oz or lower for a sustained period of time, we would be looking at a new operating and planning protocol for these lower prices to protect the integrity of our ore bodies.

Our strategic guidance to all of our mines is to mine at or below the reserve grades of their ore bodies and, when prices again recover, to maintain and grow the margin rather than to be lured by incremental ounces.

A NEW PARADIGM IN GROWTH – PROACTIVE PORTFOLIO MANAGEMENT

Gold Fields' new strategy has a direct bearing on our approach to growth. Not only does it mean that we must scrutinise every dollar spent on growth, but it also defines the quality of the assets that we seek to acquire.

In essence it means that we can no longer afford the capital and time-intensive greenfields exploration-led growth strategy of prior years, hence the disbandment in 2013 of our GIP division; the closing down of our greenfields exploration portfolio; and the disposal of the projects in the portfolio that were not aligned with our Group objective (including the Chucapaca and Yanfolila projects in Peru and Mali respectively).

The projects remaining in the portfolio are the Woodjam Project in British Columbia, Canada, and the Arctic Platinum Project in Finland, which are earmarked for disposal. The Far Southeast Project in the Philippines and the Salares Norte Project in Chile will be retained in the portfolio, as we recognise the embedded value in these assets (p88 – 89).

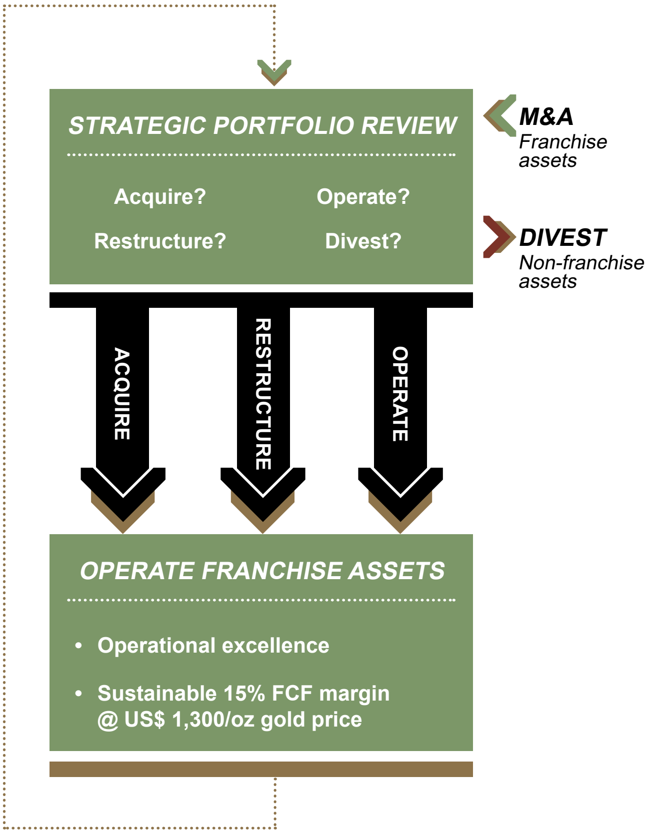
To replace our previous exploration-led approach to growth we have adopted a more opportunistic acquisition approach, with the main criteria being:

- that all new opportunities must be in production and improve the quality of our portfolio on a FCF per ounce basis
- are located in or near our existing regions, in well-understood, stable countries that offer favourable regulatory regimes – and offer near-mine growth potential and/or synergies with our existing operations or regional structures.

These criteria mean that in future our growth portfolio will be premised on a larger number of smaller, higher quality and lower cost mines that offer immediate cash flow benefits. Our acquisition in October 2013 of the Yilgarn South Assets in Western Australia provides the benchmark in this regard.

Central to our new growth strategy is the adoption of an Active Portfolio Management approach.

This requires an ongoing strategic review of all existing assets as well as potential acquisition targets with a view to improving the quality of our overall portfolio. It implies that we are prepared to trade existing assets for better, new assets, if they will improve the quality of the portfolio. The process is captured in the diagram below.



Gold Fields is comfortable with its corporate structure defined by limited red tape and without too many levels of hierarchical responsibilities. We believe that our size makes us more flexible and nimble. We currently have eight operating mines and conceptually we would ideally like to add two more mines to our portfolio in the short to medium term.

INNOVATION, UPSKILLING AND MECHANISATION

The transformation of Gold Fields into a mid-tier producer has clearly had a profound impact on the profile of our workforce. The most obvious, and painful, has been the need to reduce the number of employees to bring down the cost base to a more sustainable level. This process started in 2013, when just over 711 employees were made redundant, and continued in 2014 with 1,309 retrenchments (8% of our total workforce), mostly at our Ghanaian mines and at South Deep. With 8,954 employees and 6,486 contractors on our books at the end of 2014, we believe our human resource base is now close to where it should be in terms of numbers.

2.2 CEO report (continued)

However, Gold Fields' transformation has also required a different skills set. The profile of our employees at our Australian, Peruvian and Ghanaian operations by and large meets our skills requirements, supported by the continued development and training of the workforce. At South Deep, Gold Fields is pioneering mechanised gold mining on a scale and depth not previously seen in South Africa, and the success of the operation is largely dependent on its people. Our strategy is to grow our own people through focussed internal training efforts and to recruit the best local mechanised mining skills to supplement the existing talent pool. During 2014 Gold Fields globally spent over US$13 million on training and developing its employees.

A significant effort has been made to introduce international best practice standards at South Deep. In addition to our existing mechanised mining training centre, we brought over an experienced team from our Australian mines to transfer skills and we are starting to collaborate with the South African platinum industry in setting training baselines for mechanised mining. We have also recruited new leadership from the successful Two Rivers mechanised underground platinum mine.

COLLABORATIVE VALUE-CREATION AT NATIONAL- AND COMMUNITY-LEVEL

Mining, executed responsibly, is a significant force for sustainable growth. Our investment has significant multiplier effects on employment, livelihoods and the national economy. This value creation impacts a wide range of stakeholders, including employees, host governments, host communities, businesses and suppliers as well as the providers of risk capital (p106).

I believe though that the mining industry's ability to create and distribute value could be significantly enhanced if we worked more closely with governments, trade unions and communities in boosting mining economies. In 2013 I alluded to efforts to grow the mining pie, thus enabling all stakeholders to receive a greater share of the wealth created by mining.

We remain of the view that this will only be achieved through strong partnerships with all stakeholders, supported by stable fiscal, legislative and regulatory environments and underpinned by recognition of the full costs and benefits of mining. As a committed corporate citizen in all our jurisdictions we continue to play our role in maintaining and developing these partnerships.

Whole communities are directly and often exclusively dependent on the sustainability and growth of the mining sector and one of the biggest challenges facing mining companies is addressing what is known as 'the social licence to operate' – building relationships and trust with our host communities. While the consequences of not obtaining this social licence will not always be dramatic, there is potential for operational disruption or even project delays and cancellations.

It takes substantial time, effort and resources to establish and maintain a strong social licence to operate and, once it is lost, it is very hard to regain. Furthermore, our ability to grow Gold Fields through the expansion of existing mines and the development of new projects will – as and when deemed appropriate – be determined by our ability to win the trust of communities in our areas of interest.

While we have always invested heavily in communities through our corporate social investment programmes, in 2013 we committed to a different strategy for community-level value creation, namely the creation of Shared Value. This means pursuing mine-level business strategies that not only generate positive socio-economic impacts but also enhance the value of our business. Last year we commenced with the implementation of a number of Shared Value projects (p114 – 115), focussing on local procurement and enterprise development, mathematics and science skills and water supply and quality. A range of new, value-creating projects is currently being rolled out.

OUR STRATEGIC PRIORITIES FOR 2015

During the current financial year Gold Fields will continue to build on the strategies that it has implemented and rolled-out over the past two years. The five strategic priorities for 2015 reflect this continued focus:

- South Deep – the top priority
- Cash flow and margin – making money at current prices
- Dividend payments of between 25% – 35% of normalised earnings
- Balance sheet – reducing the net debt to EBITDA ratio to 1.0 times by end-2016
- Growth – brownfields exploration and opportunistic, value-accretive acquisitions

These priorities support our long-term Vision for Gold Fields, namely global leadership in sustainable gold mining. The sustainability of our business is ensured by understanding the linkages between all of the inputs and outputs of our operations, enabling us to maximise the benefits for all stakeholders and reduce the risks to the business.

Integrated thinking, which is defined by the SA Institute of Chartered Accountants as "ensuring the long-term sustainability of organisations through the sustained creation of value for all stakeholders", underpins this approach. While integrated thinking, integrated management and integrated reporting are embedded into the business, not all the linkages are as yet formalised through defined management processes and systems.

Nevertheless, we believe that the four key performance areas the Group will be focusing on in the years ahead, will ensure that integrated thinking is further entrenched in the business. These four key performance areas are:

- Business optimisation
- People
- Finance
- Social licence to operate

These broad performance areas will inform how we measure the business performance of our senior managers and will determine their annual bonus payments.

The diagram below depicts the Group performance scorecard for 2015. It illustrates specific key performance indicators, which are approved on an annual basis by the Remuneration Committee of the Board of Directors.

The Gold Fields Group performance scorecard filters down to Group executive, regional, operational and individual scorecards. The 2015 CEO scorecard and how I performed against my 2014 scorecard can be found in the Remuneration Report in the Annual Financial Report on p32 – 45.

FIGURE 2.1: Group Performance Scorecard for 2015

2.2 CEO report (continued)

Operational overview for 2014

Detailed overviews of all our mines are provided online and in the Optimising our Operations section in this Integrated Annual Report (p54), but I would like to comment on some key operational aspects of our portfolio.

AUSTRALIA

The Group's Australian operations, in aggregate, exceeded guidance for 2014 both in terms of costs and ounces produced. The four mines in the portfolio (St Ives, Agnew/Lawlers, Granny Smith and Darlot) reported gold production of 1,031,000 ounces at an AIC of US$1,015/oz against guidance for the full year of 975,000 ounces at an AIC of US$1,130/oz. The region reported a net cash inflow of US$218 million during 2014.

Central to this performance has been the Yilgarn South Assets (Granny Smith, Lawlers and Darlot), acquired from Barrick Gold in October 2013. After initial criticism the acquisition is now being widely lauded. This change in perception is largely attributable to the rapid integration of the Yilgarn South Assets into the Gold Fields portfolio and the application of Gold Fields' operating model to the acquired assets. We are likely to pay off the cost of the acquisition this year.

During the year, the Australian legislature repealed the controversial carbon tax laws which will bring welcome tax relief to the gold mining sector in particular. The savings to the mines in the Gold Fields portfolio are approximately A$15 million (US$13 million) per annum.

PERU

Our Cerro Corona mine increased gold equivalent production by 3% to 326,600 ounces in 2014 at an AIC of US$316/oz. This was against guidance of 290,000 gold-equivalent ounces at an AIC of US$490/oz. The mine reported a net cash inflow of US$150 million.

GHANA

The Group's operations in Ghana, West Africa, exceeded guidance for 2014 both in terms costs and ounces produced. The two mines in the West Africa portfolio (Tarkwa and Damang) reported gold production of 736,000 ounces at an AIC of US$1,094/oz against a combined guidance of 685,000 ounces at an AIC of US$1,134/oz. The region's net cash inflow during 2014 was US$123 million.

At Tarkwa the expansion of the Carbon-in-Leach (CIL) plant from an annual throughput of 12.3 to 13.3 million tonnes per annum was completed by the end of December 2014. The expansion is expected to enable Tarkwa to increase its future production profile to a steady state level of approximately 550,000 ounces per annum.

During 2014 Damang consolidated its return to profitability with a strong performance after having been loss-making during 2013, and is expected to continue to deliver steady performances for the foreseeable future. The main focus at Damang remains the identification of additional ore sources below our existing pit and along the 27km of strike between Damang and Tarkwa, where historical open pits were last drilled and mined when the gold price was between US$300/oz and US$400/oz. This strategy could contribute to an appreciable addition to Mineral Reserves and Mineral Resources over the next three years.

SOUTH AFRICA

The South Deep mine in South Africa represents a key opportunity for the Group to create long-term value for shareholders. Indeed, with the rest of the Group's portfolio performing to expectations, the successful delivery of South Deep – which accounts for 59% of the Group's Mineral Resources and 73% of Mineral Reserves – has taken on much greater urgency for 2015 and beyond.

2014 has been a challenging year for South Deep with the project's build-up interrupted by an unplanned four-month long ground support remediation intervention, necessitated by safety considerations, as well as three fatal accidents.

During 2014 production decreased by 34% to 200,500 ounces (2013: 302,100 ounces) and AIC dropped by 2% to US$1,732/oz (2013: US$1,763/oz). Guidance for the year was 360,000oz at an AIC of US$1,350/oz. Destress mining fell 46% during the year from 53,694m^2 to 29,071m^2. However, despite the lower production levels, South Deep made significant progress with the restructuring of its cost base, with operating costs reduced by 14% to R2.66 billion (US$246 million).

Management utilised the unplanned four-month hiatus in production to fast-track a number of critical interventions aimed at setting South Deep up for long-term success:

- A programme was implemented to address the surplus of people and old, high-cost equipment on the mine, to improve the safety culture and productivity, and deemed critical to de-risk the mine's build-up to full production
- The process of rationalising the equipment entailed the removal of surplus and redundant equipment as well as the limited introduction of more appropriate, specialised new equipment in certain areas
- A voluntary separation process was implemented which was accepted by 529 people (representing 14% of employees)
- In addition, management and the trade unions reached agreement on changes to the shift roster to facilitate the optimal re-deployment of employees to further improve productivity
- The South Africa regional office was closed and regional management, under a new Executive Vice-President, Nico Muller, firmly embedded at South Deep. Mr Muller, who has extensive mechanised mining experience in the South African gold and platinum industry, has strengthened the South Deep management team by recruiting a number of experienced mechanised mining executives from the platinum sector.

South Deep is almost fully capitalised. Since 2007, Gold Fields has built most of the infrastructure needed to support the build-up to full production. Of the initial project capital expenditure of approximately R9 billion approved in 2009, 85% has been spent. Approximately R1.2 billion in 2009 money terms (R1.7 billion in 2015 terms (US$170 million)) remains to be spent over the next 10 years.

The current impediments to the build-up of South Deep do not relate to the integrity of the ore body or the installed infrastructure but rather to the mining and production processes. The focus during 2015 and 2016 will be the adoption of a 'getting the basics right' programme aimed at addressing the key obstacles that have prevented South Deep from realising its full potential. The key components of this programme, which is discussed in more detail on p59 – 61, are:

- A prioritised focus on delivering short-term objectives instead of long-term build-up targets
- The adoption of specific key deliverables for 2015, the most important of which is to urgently address the critical shortage of mechanised mining and supervisory skills
- Achieve cash breakeven during the latter half of 2016

STRENGTHENING OUR BALANCE SHEET

As previously stated, our priorities in terms of cash generation are to:

- reward our shareholders with dividends;
- improve our balance sheet by further reducing net debt; and
- pursue accretive acquisitions, ideally of 'in-production ounces'.

Despite the robustness of our balance sheet, we focussed in 2014 on further strengthening it by adjusting the maturity schedule of our outstanding debt, reducing the absolute amount of our debt, as well as improving our net debt to EBITDA ratio.

The strong cash generation during 2014, together with the sale of non-core assets, enabled the Group to reduce its net debt by US$282 million to US$1,453 million at the end of 2014. The Group's net debt to EBITDA ratio improved from 1.5 times in December 2013 to 1.3 at the end of December 2014. The medium-term objective is to reduce the net debt to EBITDA ratio to about 1.0 times by 2016.

The net debt reduction, together with the agreement reached with our group of bankers to amend and extend the maturity date of commitments, totalling US$715 million, by two years on the same terms, has significantly improved the Group's solvency and liquidity.

WATER, ENERGY AND CARBON

Responsible water management remains a vital component of Gold Fields' licence to operate and social licence at all our operations and projects. Managing current and future anticipated water security risks, which include both quantity and quality of supply as well as costs, is also essential to ensure sustainable production for existing operations and the future viability of projects.

In 2014 we implemented a Group water management guideline with a focus on water stewardship, which includes identifying opportunities to enhance water reuse, recycling and conservation practices at all Gold Fields operations. This remains a key group objective for 2015 and beyond – enhancement of these practices can deliver multiple benefits including cost savings, reduced impact in water scarce areas, improved regulatory compliance and enhancing Gold Fields' social licence to operate.

Energy remains a major performance driver at 21% of Group operating costs in 2014, having risen from 18% in 2013. This trend will continue in future amid increasing energy demand and supply constraints in all of our operating regions, unless we act to find more efficient and alternative energy sources. As part of the Integrated Energy and Carbon Management strategy, each of our regions has set energy reduction targets (apart from South Deep, which is in a ramp-up phase), which cumulatively should reduce our energy costs by more than 8% by 2016, delivering about US$20 million in savings per year.

At the same time the regions have been tasked with ensuring security of access to future energy sources. This is amid an increasing shortage of energy supplies and rising energy costs in many of the regions in which we operate. In Ghana, where our mines have been asked by the government to reduce their electricity consumption by 25% – 30% this year, the operations have reached an agreement with a private utility which will deliver the bulk of their energy requirements within the next two years. In Peru and Australia new long-term supply agreements have been signed with utilities, while South Deep has reached agreement with the state-owned Eskom to implement load-curtailment programmes that will have a limited impact on the mine's production and development in the short term.

A critical component of energy security and cost efforts will be to find renewable sources of energy. We have set a goal of 20% renewable energy generation on average in all new mine developments, and renewable energy should be considered as a component of the energy mix for new projects. Greater use of renewables has the added benefit of reducing our carbon footprint, which is one of Gold Fields' key environmental priorities.

Growing Gold Fields

As mentioned, our new strategic focus has meant that we could no longer pursue the capital and time-intensive greenfields exploration-led growth strategy of prior years, resulting in the closure of our GIP division as well as the greenfields exploration portfolio. We also disposed of the vast majority of growth projects in the portfolio.

In contrast to our lack of success in greenfields exploration, we have been very successful at brownfields (near-mine) exploration, in particular at our orogenic-style assets in Australia and at Damang in Ghana. Our future growth strategy will therefore focus primarily on brownfields exploration and accretive acquisitions.

NEAR-MINE EXPLORATION IN AUSTRALIA

All of Gold Fields' mines in Australia are orogenic in nature. Orogenic deposits are generally attractive because they are

2.2 CEO report (continued)

well understood, they can be large and of good grade, and they tend to occur in clusters at different scales. Together this provides a good deal of flexibility and optionality on large tenement packages. Orogenic deposits are a Gold Fields' core competency. We know how to find them, how to define them and how to mine them.

St Ives and Agnew are good examples of the longevity of operations leveraging off orogenic gold camps. In 2002 when Gold Fields acquired St Ives, it had reserves of 2.3 million ounces and a six-year Life-of-Mine. Ten years of production later, during which time St Ives has produced 6.1 million ounces, reserves and the Life-of-Mine remained similar at 2.2 million ounces and seven years. Agnew has provided a similar example of successful reserves replacement.

Gold Fields is now leveraging off its understanding of the orogenic systems by putting it to use at the Yilgarn South operations, acquired in October 2013.

Against this backdrop, the key strategic objective of the Australia region is to make significant investment in near-mine exploration to extend the life of its mines. In this context, Gold Fields invested a total of A$60 million (US$54 million) in near-mine exploration at its Australian mines last year, aimed principally at improving the Mineral Resource and Reserve positions of these mines over the next two to three years. In 2015 a further A$85 million (US$77 million) is in the process of being invested in near-mine exploration at all our mines in Australia.

Discovery of orogenic-style ore bodies requires consistent funding and is by nature episodic, as targets are either retired when deemed unattractive or progressed through exploration milestones as their prospectivity becomes better defined. The results of this significant investment in realising tenement endowment will hopefully start to show in 2015.

The new high-grade Invincible open-pit at St Ives represents a very significant discovery and is testament to the prospectivity of the Speedway Corridor which is one of the areas prioritised for exploration in 2015. Open-pit infrastructure and bunding has commenced with a view to first production from mining at Invincible, which is located on Lake Lefroy, during the June 2015 quarter. At Agnew an elevated focus on defining new ore sources at Waroonga and New Holland is also being supported by near-mine exploration outside of current mining areas. At Waroonga infill drilling has further delineated the Fitzroy, Bengal, Hastings (FBH) deposit, which will provide a take-over mining front to supplement reduced mining from the maturing Kim lode. First production is expected in Q2 2015.

At Granny Smith exploration during 2014 provided further support for the replication of numerous deeper lodes in the Wallaby underground deposit. These results are early indications of the potential for significant Mineral Resource and Reserve replenishment potential at the Wallaby deposit. At Darlot near-mine exploration during 2014 has delineated sufficient ore reserves to secure stable production in 2015.

DIVESTMENT OF MARGINAL PROJECTS

In 2014 we significantly accelerated the disposal programme of the projects in the portfolio that were not aligned with our overarching group objective. These include:

- Chucapaca in Peru
- Yanfolila in Mali
- Talas in Kyrgyzstan
- Asosa in Ethiopia

The Arctic Platinum Project in Finland and the Woodjam Project in British Columbia, Canada, are earmarked for disposal.

In October 2014 the Group sold its 51% stake in Chucapaca for US$81 million in cash, plus a future production royalty of 1.5%, to its joint venture partner in the project, Buenaventura, Peru's largest mining company, which previously owned 49%.

Similarly, Gold Fields will retain an indirect interest in the Yanfolila project as London-listed Hummingbird Resources funded the US$20 million acquisition price through the issue of shares in June 2014. We now have a 25.1% stake in Hummingbird, which also holds the Dugbe asset in Liberia.

Securing our future

KEEPING OUR PEOPLE SAFE AND HEALTHY

Safety will always be management's first priority in running our operations and it is critical that we continuously emphasise that our first value is "if we cannot mine safely we will not mine".

It is with deep regret therefore that I have to report three fatal accidents at the South Deep mine during 2014:

- In May, Dirk Coetzee, an engine specialist sub-contracting for Sandvik, was fatally injured when a reversing dump truck struck him at the entrance to the workshop.
- Also in May, Max Lehihi, a diesel mechanic, was struck on the head by a drill rig boom while walking past a drill which was in the rig service bay.
- In July, Olimpio Langa, a lube utility vehicle operator, was fatally injured when the lube vehicle he was operating ran over him while he was refuelling a drill rig.

Subsequent to year-end South Deep reported another fatality. In March Kennedy Katongo, a boilermaker, was injured at a station tip. He succumbed to his injuries in hospital three days later.

My sincere condolences go out to the families, friends and colleagues of the deceased.

These were industrial-type accidents associated with workshops and equipment, and precipitated the issuing of a Section 54 order by the Department of Mineral Resources in May and July, placing a moratorium on all workshop-related activities across the mine and effectively stopping production for a total of about two weeks.

The management team at South Deep also conducted a comprehensive mine-wide review of all safety protocols, procedures and standards in line with its mandate to improve the mechanised mining culture. As a result of the safety review, it was determined that legacy ground support in some of the ramps in the older part of the mine were below the international best practice standards. Despite the fact that 70% of South Deep's output was sourced from these areas all production and destress activities in the affected areas were stopped for about four months so that a ground support remediation programme could be implemented. The programme contributed significantly to de-risking South Deep's build-up and, more importantly, made the mine safer.

The three fatalities we recorded were an undoubted setback on our path to Zero Harm. However our Total Recordable Injury Frequency Rate (TRIFR) saw a slight improvement across the Group, up 3% on the previous year.

The Group has also intensified operation-specific health and wellness programmes, focussing on improving the physical and mental health of our employees.

VALUE-CREATION AT NATIONAL AND COMMUNITY LEVEL

Despite a second year of adverse market conditions in 2014, Gold Fields continued to distribute value to a wide range of stakeholders, including employees, host governments, host communities, businesses and suppliers as well as the providers of risk capital.

In 2014 our total value distribution – as reported according to World Gold Council methodology – was US$2.65 billion (2013: US$2.98 billion), with 69% going to businesses and suppliers (2013: 61%), 7% to governments (2013: 13%), 18% to employees (2013: 19%), 5% to capital providers (2013: 6%) and 1% on Socio-economic Development programmes (1%) – mostly in host communities.

Our contribution to communities is on a much more sustainable footing now that we are using the Shared Value framework to structure our investments in community projects with a focus on social and economic impacts rather than just social spend. We are gaining valuable experience with each Shared Value project that we are undertaking. They range from the promotion of mathematics and science teaching among South Deep's host communities to multilateral water management projects at Cerro Corona and increased sourcing from community suppliers.

I have repeatedly stressed the need for stakeholder partnerships across all our geographic jurisdictions to improve the value creation potential of the mining sector. The appeal to our trade union partners and government is particularly urgent in South Africa, where a review of the Mining Charter and the gold industry's two-yearly wage talks are taking place in 2015. These are critical events that will determine the longer-term prosperity of the mining sector, and its approximate 500,000 workers.

Gold Fields has dedicated substantial human and capital resources towards meeting the targets of the 2010 revised Mining Charter in our firm belief that the principles of the Charter support the true empowerment of the industry. We believe that we have complied with the key targets set out in the Charter (p104 – 105), including the equity empowerment target of 26% ownership and housing one worker per room at our South Deep hostels.

Clearly we must not waiver in continuing to transform the sector to make it truly representative of the South African population, upskilling and educating our workforce and host communities and providing business opportunities to emerging entrepreneurs and companies. But true transformation will take time and cannot come at the expense of investors, who have fled the sector over the past few years amid poor returns on their capital.

As the South African government considers new conditions for an extension to the existing Charter for mining, we appeal to it to meet the industry in an open and honest engagement so that a framework can be established that ensures the longer-term prosperity of the sector.

Similarly, the trade unions operating in the gold industry need to realise that continued wage increases without associated productivity-linked packages are becoming unaffordable to most mining companies. This will ensure the survival of many marginal gold operations and provide employees with an upside to improved profits when the industry emerges from its current downturn, as it has started to do.

Message of thanks

I would like to express my gratitude to my fellow directors on the Board, led by our Chairperson, Cheryl Carolus. Their sound experience and guidance to the executive management team ensured that we remained on track with our ambitious restructuring agenda, despite the extensive time and resources this demanded from directors.

There were some changes to the executive team at Gold Fields during 2014. Nico Muller and, in January 2015, Avishkar Nagaser joined the Executive Committee. They and the rest of the Exco team have provided the renewed energy necessary to see the Group through the sometimes difficult and painful restructuring. Lucy Mokoka has also joined our management team as Company Secretary. I want to personally thank Kgabo Moabelo and Willie Jacobsz (who has returned to his role as Senior Vice-President, Investor Relations, for North America) for their steadfast support and the valuable advice they offered me.

Most critically, I would like to express my sincere gratitude to all the employees of Gold Fields who have demonstrated enormous resilience and dedication in what has been the second year of the transformation of the Group, exacerbated by difficult economic conditions. This is now a lean team, which I believe can rival any of our peers in terms of experience, technical ability and energy. They have risen to the difficult challenge and the results are there for all to see. Gold Fields is in the best of hands.

N Holl

Nick Holland
CEO

2.3 CFO report

> Debt reduction ... has significantly improved the group's solvency and liquidity

Paul Schmidt - CFO

> 2014 was a year of change to the structure of Gold Fields and the nature of our business.

The year 2014 consolidated the transformation of Gold Fields and the nature of its business. These developments are reflected in the financial performance of the Company with the cash position, its balance sheet and debt position significantly strengthened during the year.

A detailed analysis of our 2014 financial performance is provided in the 'Management's discussion and analysis of the financial statements' of the 2014 Annual Financial Report. The consolidated income statement, statement of financial position and cash flow statement – extracted from the Annual Financial Report 2014 – are provided here together with additional commentary.

I also want to remind shareholders that our cost reporting is based on the World Gold Council cost metrics of All-in Sustaining Cost (AISC) and All-in Cost (AIC) introduced in 2013. We believe these metrics help investors, governments, local communities and other stakeholders to better understand the 'true cost' of producing and selling an ounce of gold.

From this financial year onwards Gold Fields will also report in US Dollars only, as it is now the dominant currency in the Company's portfolio.

The Group achieved a number of notable financial highlights during 2014:

- The strong cash generation during 2014, together with the sale of non-core assets, enabled the Group to reduce its net debt by US$282 million to US$1,453 million at the end of 2014
- Debt reduction, together with agreements reached with our group of bankers to extend the maturity dates of certain of our debt has significantly improved the Group's solvency and liquidity
- Capital expenditure decreased from US$739 million in 2013 to US$609 million in 2014
- The Group declared a final dividend for 2014 of R0.20 per share which, together with the interim dividend of R0.20 per share declared on 21 August 2014, brings the total dividend for 2014 to R0.40 per share (2013: R0.22 per share). This is equal to almost 34% of normalised earnings and in line with our policy of paying out between 25% – 35% of normalised earnings to shareholders

Paul Schmidt
CFO

Consolidated income statement

for the year ended 31 December 2014

Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
CONTINUING OPERATIONS		
Revenue	**2,868.8**	2,906.3
Cost of sales	**(2,334.4)**	(2,277.8)
Net operating profit	**534.4**	628.5
Investment income	**4.2**	8.5
Finance expense	**(99.2)**	(69.5)
Loss on financial instruments	**(11.5)**	(0.3)
Foreign exchange gains	**8.4**	7.3
Other costs	**(62.5)**	(97.2)
Share-based payments	**(26.0)**	(40.5)
Long-term incentive plan expense	**(8.7)**	–
Exploration expense	**(47.2)**	(65.9)
Feasibility and evaluation costs	**–**	(47.7)
Share of results of equity accounted investees after taxation	**(2.4)**	(18.4)
Restructuring costs	**(42.0)**	(39.4)
Impairment of investments and assets	**(26.7)**	(809.5)
Profit on disposal of investments	**0.5**	17.8
Profit on disposal of Chucapaca	**4.6**	–
(Loss)/profit on disposal of property, plant and equipment	**(1.3)**	1.6
Profit/(loss) before royalties and taxation	**224.6**	(524.7)
Royalties	**(86.1)**	(90.5)
Profit/(loss) before taxation	**138.5**	(615.2)
Mining and income taxation	**(118.1)**	20.1
Profit/(loss) from continuing operations	**20.4**	(595.1)
DISCONTINUED OPERATIONS		
Profit from discontinued operations, net of taxation	**–**	287.9
Profit/(loss) for the year	**20.4**	(307.2)
Profit/(loss) attributable to:		
Owners of the parent	**12.8**	(295.7)
– Continuing operations	**12.8**	(583.6)
– Discontinued operations	**–**	287.9
Non-controlling interest holders	**7.6**	(11.5)
– Continuing operations	**7.6**	(11.5)
– Discontinued operations	**–**	–
	20.4	(307.2)
Earnings/(loss) per share attributable to ordinary shareholders of the Company:		
Basic earnings/(loss) per share from continuing operations – cents	**2**	(79)
Basic earnings per share from discontinued operations – cents	**–**	39
Diluted basic earnings/(loss) per share from continuing operations – cents	**2**	(79)
Diluted basic earnings per share from discontinued operations – cents	**–**	39

NET EARNINGS

US$12.8 million

Net earnings from continued operations reported a significant turnaround – in 2013 the net loss was US$584 million

2.3 CFO report (continued)

Consolidated statement of financial position

at 31 December 2014

Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
ASSETS		
Non-current assets	**5,764.9**	6,234.7
Property, plant and equipment	**4,895.7**	5,388.9
Goodwill	**385.7**	431.2
Inventories	**132.8**	93.8
Equity accounted investees	**252.4**	237.5
Investments	**5.5**	7.5
Environmental trust funds	**30.4**	23.9
Deferred taxation	**62.4**	51.9
Current assets	**1,092.8**	1,061.4
Inventories	**368.3**	404.5
Trade and other receivables	**226.5**	272.7
Cash and cash equivalents	**458.0**	325.0
Assets held for sale	**40.0**	59.2
Total assets	**6,857.7**	7,296.1
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent	**3,538.8**	3,851.4
Share capital	**57.9**	57.8
Share premium	**3,412.9**	3,412.9
Other reserves	**(1,636.5)**	(1,340.8)
Retained earnings	**1,704.5**	1,721.5
Non-controlling interest	**124.5**	193.8
Total equity	**3,663.3**	4,045.2
Non-current liabilities	**2,481.3**	2,627.4
Deferred taxation	**387.0**	399.4
Borrowings	**1,765.7**	1,933.6
Provisions	**320.3**	294.4
Long-term incentive plan	**8.3**	–
Current liabilities	**713.1**	623.5
Trade and other payables	**509.7**	462.4
Taxation and royalties	**58.2**	34.6
Current portion of borrowings	**145.2**	126.5
Total equity and liabilities	**6,857.7**	7,296.1
Net debt	**1,452.9**	1,735.1

Consolidated statement of cash flows

for the year ended 31 December 2014
Figures in millions unless otherwise stated

	UNITED STATES DOLLAR	
	2014	2013
Cash flows from operating activities	**808.5**	467.1
Cash generated by operations	**1,061.3**	970.2
Interest received	**3.6**	8.0
Dividends received	**0.1**	–
Change in working capital	**83.7**	10.0
Cash generated by operating activities	**1,148.7**	988.2
Interest paid	**(103.8)**	(89.4)
Royalties paid	**(88.8)**	(99.9)
Taxation paid	**(105.3)**	(298.2)
Net cash from operations	**850.8**	500.7
Dividends paid	**(42.3)**	(64.5)
– Ordinary shareholders	**(29.8)**	(61.2)
– Non-controlling interests holders	**(10.6)**	(1.1)
– South Deep BEE dividend	**(1.9)**	(2.2)
Cash generated by continuing operations	**808.5**	436.2
Cash generated by discontinued operations	**–**	30.9
Cash flows from investing activities	**(530.9)**	(914.6)
Additions to property, plant and equipment	**(608.9)**	(739.3)
Proceeds on disposal of property, plant and equipment	**4.9**	10.4
La Cima non-controlling interest buy-out	**–**	(12.8)
Yilgarn South Asset purchase	**–**	(135.0)
Payment for Bezant	**–**	(10.0)
Proceeds on disposal of Chucapaca	**81.0**	–
Purchase of investments	**(4.4)**	(3.5)
Proceeds on disposal of investments	**6.4**	35.0
Environmental trust funds and rehabilitation payments	**(9.9)**	(4.5)
Cash utilised in continuing operations	**(530.9)**	(859.7)
Cash utilised in discontinued operations	**–**	(54.9)
Cash flows from financing activities	**(125.9)**	253.0
Equity contributions from non-controlling interest holders	**2.0**	6.8
Loans raised	**463.9**	3,177.7
Loans repaid	**(591.8)**	(2,971.3)
Proceeds from the issue of shares	**–**	0.8
Cash (utilised in)/generated by continuing operations	**(125.9)**	214.0
Cash generated by discontinued operations	**–**	39.0
Net cash generated/(utilised)	**151.7**	(194.5)
Cash transferred on unbundling of Sibanye Gold	**–**	(106.4)
Effect of exchange rate fluctuation on cash held	**(18.7)**	(29.7)
Cash and cash equivalents at beginning of the year	**325.0**	655.6
Cash and cash equivalents at end of the year	**458.0**	325.0
Cash generated by operations[1]	**235.0**	(234.9)

[1] Net cash flow from operating activities after taking account of net capital expenditure and environmental payments

NET CASH

US$851 million

Net cash generated by our operations improved markedly due to lower taxes paid during the year and higher working capital releases

CASH BALANCE

US$458 million

The cash balance at the end of 2014 had improved strongly from US$325 million to US$458 million

2.4 Corporate governance

Achieving our Vision of global leadership in sustainable gold mining, and our ability to fulfil our stakeholder promises (p3), requires corporate governance of the highest level. This means a governance framework that actively supports the proactive and effective management of those strategic dynamics that will ultimately determine our long-term sustainability, whether operational, economic, social, environmental or otherwise.

Our management approach is underpinned by our commitment to sound and robust corporate governance standards, which is essential to our ultimate operational and strategic success. The Group Compliance Officer plays a pivotal role in this area by ensuring that the Company complies with all laws, regulations and the highest levels of corporate governance.

2.4.1 Board of Directors

The Board is the highest governing authority of the Company. The Board of Directors' Charter articulates the objectives and responsibilities of the Board. Likewise, each of the Board subcommittees operates in accordance with its written terms of reference, which are reviewed on an annual basis by the Board. The Board takes ultimate responsibility for the Company's adherence to sound corporate governance standards and sees to it that all business decisions and judgements are made with reasonable care, skill and diligence.

In terms of the Memorandum of Incorporation (MOI), the number of directors shall not be less than four and not more than 15. The Board currently comprises nine directors, two of whom are executive directors and seven of whom are independent non-executive directors. Advised by the Nominating and Governance Committee, the Board ensures that the election of independent directors falls on reputable persons of well-known competence and experience, who are willing to devote a sufficient part of their time to the Company. The committee also ensures that the Board has adequate diversity in respect of race, gender, business, geographic and academic background.

The role of non-executive directors, who are independent of management, is to protect shareholders' interests, including those of minority shareholders. They are also intended to ensure that individual directors or groups of directors are subject to appropriate scrutiny in their decision-making.

The roles of the Chairperson of the Board and the CEO are kept separate. Non-executive director Cheryl Carolus was the Chairperson of the Board and Nick Holland the CEO of Gold Fields for the entire period under review. Rick Menell was appointed to the Social and Ethics Committee in April 2014.

The Board is kept informed of all developments at the Company, primarily through the executive directors, executive management and the Company Secretary. The Board is also kept informed through a number of other mechanisms, including employee climate surveys, newsletters and internal staff communication, among others.

The Board is required to meet at least four times a year. It convened eight times during 2014.

The Board of Directors is satisfied that the Company Secretary has the necessary competence, qualifications and experience. The Company Secretary is a full-time employee of the Company.

The full Directors' Report is contained on p24 – 31 of the Annual Financial Report.

MONITORING OF PERFORMANCE

The Chairperson is appointed on an annual basis by the Board, with the assistance of the Nominating and Governance Committee, following a rigorous review of the Chairperson's performance and independence. In line with recommendations by the King III Code, the Board carries out a rigorous evaluation of the independence of directors who have served on the Board for nine years or more. The Nominating and Governance Committee assesses the independence of non-executive directors annually.

ROTATION AND RETIREMENT FROM THE BOARD

In accordance with the MOI, one-third of all directors (including executive directors) shall retire from office at each Annual General Meeting. The first to retire are those directors appointed as additional members of the Board during the year, followed by the longest serving members. Retiring directors can be re-elected immediately by the shareholders at the Annual General Meeting. The Board, assisted by the Nominating and Governance Committee, recommends the eligibility of retiring directors (subject to availability and their contribution to the business) for re-appointment. In addition to the requirement that one-third of directors retire each year, directors who have served on the Board for more than three years since their last election or appointment are required under the MOI to retire at the next Annual General Meeting.

BOARD OF DIRECTORS' CHARTER

The Board reviewed and approved the Board of Directors' Charter to align it to the recommendations of King III. The Board Charter was amended during the year to include a provision that allows the retirement age of directors of 72 years to be extended by a further period of 12 months, effective from the end of the year in which a director turns 72, at the discretion of the Board. The Charter compels directors to promote the Vision of the Company, while upholding sound principles of corporate governance. Directors' responsibilities under the Charter include:

- Determining the Company's Code of Ethics and conducting its affairs in a professional manner, upholding the core values of integrity, enterprise and transparency
- Evaluating, determining and ensuring the implementation of corporate strategy and policy
- Determining compensation, development, skills development and other relevant policies for employees
- Developing and setting best-practice disclosure and reporting practices that meet the needs of all stakeholders
- Authorising and controlling capital expenditure and reviewing investment capital and funding proposals
- Constantly updating the risk management systems, including setting management expenditure authorisation levels and exposure limit guidelines
- Reviewing executive succession planning and endorsing senior executive appointments, organisational changes and general remuneration policies. In this the Board will be guided by the Remuneration Committee as well as the Nominating and Governance Committee

BOARD COMMITTEES

The Board has established a number of standing committees with delegated authority from the Board. The committee members are all independent non-executive directors and the CEO is a permanent invitee to each committee meeting. Each Board committee is chaired by an independent non-executive director.

Committees operate in accordance with written terms of reference and have a set list of responsibilities. These can be found online at www.goldfields.com/au_standards.php for the following committees:

- Audit Committee
- Nominating and Governance Committee
- Remuneration Committee
- Safety, Health and Sustainable Development Committee
- Capital Projects Control and Review Committee
- Social and Ethics Committee

In addition, the committees are required to evaluate their effectiveness and performance on an annual basis and to report the respective findings to the Board for consideration.

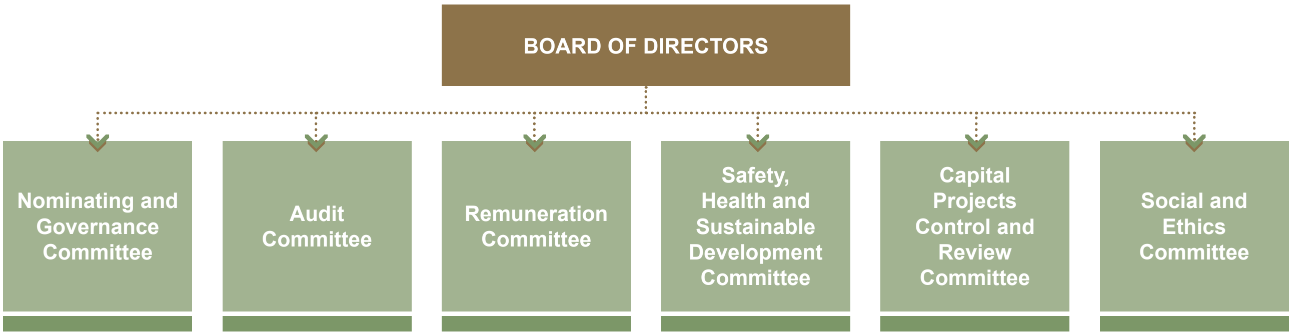


FIGURE 2.5: Summary attendance table of Board and Board committee meetings

	Board	Special Board	Audit[5]	SHSD	Capital Projects	Remcom	Nominating and Governance	Social and Ethics
Number of meetings per year	**4**	**4**	**6**	**4**	**4**	**4**	**4**	**4**
CA Carolus[1]	3	4	–	3	–	3	3	3
K Ansah[2]	4	3	–	4	–	–	4	–
AR Hill[3]	4	3	–	3	4	4	–	4
NJ Holland	4	4	–	–	–	–	–	–
RP Menell[4]	4	3	6	4	4	–	–	3
DN Murray	4	4	–	4	4	–	–	4
DMJ Ncube	4	4	6	–	–	4	4	4
PA Schmidt	4	4	–	–	–	–	–	–
GM Wilson	4	4	6	–	4	4	–	4

1 Apologies tendered for Board and sub committee meetings held on 10 February 2014 and 11 February 2014
2 Apologies tendered for Special Board Meeting held on 04 June 2014
3 Apologies tendered for Special Board Meeting held on 04 June 2014 and the SHSD meeting on 18 August 2014
4 Apologies tendered for Special Board Meeting held on 11 June 2014
5 Two Risk meetings were held during 2014 and were attended by all Audit Committee members

2.4 Corporate governance (continued)

DIRECTORS

1. Cheryl A Carolus (56)
Chairperson
BA Law; Bachelor of Education, University of the Western Cape

Ms Carolus was appointed a director of Gold Fields on 10 March 2009 and was appointed as the Chairperson on 14 February 2013. She is Executive Chair of Peotona Group Holdings. She is a director of a number of other public and private companies, including Investec and De Beers, and she also serves pro bono on non-profit organisations including WWF and The British Museum. She served as South Africa's High Commissioner to the United Kingdom from 2001 to 2004; Chairperson of the South African National Parks Board for six years and Chairperson of South African Airways from 2009 to 2012. She was awarded an honorary doctorate in law from the University of Cape Town for her contribution to freedom and human rights. In 2014, she was awarded the French National Order of Merit by the Government of France.

2. Kofi Ansah (70)
BSc (Mechanical Engineering), UST Ghana; MSc (Metallurgy), Georgia Institute of Technology

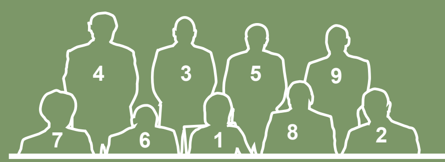
Mr Ansah was appointed a director of Gold Fields in April 2004. He is also a director of Ecobank Limited (Ghana).

3. Alan R Hill (72)
BSc (Hons); MPhil (Rock Mechanics), Leeds University

Mr Hill joined the Board on 21 August 2009. On 2 October 2010, he was appointed the CEO and Executive Chair of Teranga Gold Corporation and was appointed non-executive Chair in 2013. After graduating, Mr Hill worked for a number of mining firms before joining Barrick Gold in 1984. He spent 19 years with Barrick from which he retired in 2003 as Executive Vice-President: Development.

4. Richard P Menell (59)
BA (Hons), MA (Natural Sciences Geology), Cambridge; MSc (Mineral Exploration and Management), Stanford University, California

Mr Menell was appointed a director of Gold Fields on 8 October 2008. He also became a member of the Board of Sibanye Gold Limited with effect from 1 January 2013. Mr Menell has over 36 years' experience in the mining industry, including service as President of the Chamber of Mines of South Africa, President and CEO of Teal Exploration & Mining, as well as Executive Chair of Anglovaal Mining and Avgold. He is a director of Weir Group Plc and Rockwell Diamonds Inc, as well as Senior Advisor to Credit Suisse. He also serves as a director of a number of unlisted companies and non-profit organisations.



5. David N Murray (70)
BA (Hons) Econ; MBA, University of Cape Town

Mr Murray was appointed a director of Gold Fields on 1 January 2008. He has more than 39 years' experience in the mining industry and has been CEO of Rio Tinto Portugal, Rio Tinto Brazil, TVX Gold Inc, Avgold and Avmin. He also served as a non-executive director of Ivernia Inc.

6. Donald MJ Ncube (67)
BA (Economics) and Political Science, Fort Hare University; Postgraduate Diploma in Labour Relations, Strathclyde University, Scotland; Graduate MSc (Manpower Studies), University of Manchester; Diploma in Financial Management; Honorary Doctorate in Commerce, University of the Transkei

Mr Ncube was appointed a director of Gold Fields on 15 February 2006. Previously, he was an alternate director of Anglo American Industrial Corporation and Anglo American Corporation, a director of AngloGold Ashanti as well as non-executive Chairperson of South African Airways. He is currently Executive Chair of Badimo Gas and Managing Director of Vula Mining Supplies.

7. Gayle M Wilson (70)
BCom; BCompt (Hons); CA(SA)

Mrs Wilson was appointed a director on 1 August 2008. She was previously an audit partner at Ernst & Young for 16 years, where her main focus was on listed gold and platinum mining clients. She was lead partner on the global audit of AngloGold Ashanti and other mining clients during her career included Northam Platinum, Aquarius Platinum, Anglovaal Mining (now ARM) and certain Anglo Platinum operations.

8. Nicholas J Holland (56)
Chief Executive Officer (CEO)
BCom, BAcc, University of the Witwatersrand; CA(SA)

Mr Holland was appointed an executive director of Gold Fields in 1997 and became CEO on 1 May 2008. Prior to that he was the Company's CFO. Mr Holland has more than 35 years' experience in financial management, of which 25 years were in the mining industry. Prior to joining Gold Fields, he was Financial Director and Senior Manager of Corporate Finance at Gencor.

9. Paul A Schmidt (47)
Chief Financial Officer (CFO)
BCom, University of the Witwatersrand; BCompt (Hons), Unisa; CA(SA)

Mr Schmidt was appointed CFO on 1 January 2009 and joined the Board on 6 November 2009. Prior to this, he held the positions of acting CFO from 1 May 2008 and Financial Controller from 1 April 2003. He has more than 19 years' experience in the mining industry.

2.4.2 Internal and external standards and principles

Internal standards and principles

Gold Fields has developed a comprehensive set of internal standards and principles that underpin how we do business. These include:

Our Vision and Values: Everything that we do to achieve our Vision of becoming the global leader in sustainable gold mining is informed by our Values. These are applied by our directors, as well as employees at every level of the Company

Board of Directors' Charter: This articulates the objectives and responsibilities of the Board. Likewise, each of the Board committees operates in accordance with written terms of reference which are regularly reviewed

Sustainable Development Framework: Gold Fields' Sustainable Development Framework is based on good practice, as well as our operational requirements. The framework, which is governed by an overall Sustainable Development Policy, is made up of the following pillars:

- Energy and carbon management
- Communities
- Environment
- Ethics and corporate governance
- Human rights
- Material stewardship and supply chain management
- Occupational health and safety
- Risk management
- Stakeholder engagement

The Group has developed a range of guidelines (https://www.goldfields.com/au_standards.php) in how it conducts business in those areas

Code of Ethics: The Gold Fields Code of Ethics commits and binds every employee, officer and director within Gold Fields to conducting business in an ethical and fair manner. The Board's Audit and Social and Ethics Committees are tasked with ensuring the consistent application of, and adherence to, the Code. The Code is on our website at (https://www.goldfields.com/au_ethics.php)

Listings requirements

Our primary listing is on the JSE Limited (JSE) – meaning we are subject to the **JSE Listings Requirements**

We have implemented South Africa's **King III Code on Corporate Governance,** King III principles and recommendations across Gold Fields.

We have secondary listings on NASDAQ Dubai Limited, Euronext in Brussels and the SWX Swiss Exchange – meaning we are subject to each exchange's disclosure requirements

Our shares are traded on the New York Stock Exchange NYSE – meaning we are subject to relevant NYSE disclosure and corporate governance requirements, such as those of the **US Securities and Exchange Commission**, as well as the terms of the **Sarbanes-Oxley Act (2002)**

Sustainability standards

Our Sustainable Development Framework is guided by the **International Council on Mining and Metals'** (ICMM) 10 principles on sustainable development, their supporting position statements and external assurance thereof

We are guided by the 10 principles of the **UN Global Compact** (in which we are a participant), including their implementation in our business activities, and the annual submission of the Communication on Progress report

All of our eligible operations are in conformance with the **World Gold Council** Conflict-Free Gold Standard. A copy of our Conflict-Free Gold Report, our Statement of Conformance, together with the independent limited assurance opinion can be viewed online at www.goldfields.co.za/sus_reporting.php

Our reporting is guided by the internationally recognised **Global Reporting Initiative** (GRI) G4-Core Sustainability Reporting Guidelines, including the Mining and Metals Sector Supplement

Management system standards

ISO 14001 environmental management system standard: all operations certified

OHSAS 18001 safety management system standard: all operations certified

AA 1000 stakeholder engagement principles: we are guided by these principles

International Cyanide Management Code: all eligible operations are compliant

Business ethics standards

Our **Code of Ethics** is aligned with national and international business ethics and anti-corruption standards, including: The **UN Convention against Corruption** (2003) and the **OECD Convention** on Combating Bribery of Foreign Public Officials in International Business Transactions (1997)

We support the principles and processes of the **Extractive Industry Transparency Initiative** (EITI), through our membership of the ICMM. Ghana and Peru are the EITI-compliant countries in which we operate

South Africa's **King III Code on Corporate Governance**, as well as the Prevention and Combating of Corrupt Activities Act (2004)

The United States' Sarbanes-Oxley Act (2002), **Dodd-Frank Act (2010)** and the **Foreign Corrupt Practices Act (1977)**

2.4.3 Board committees

The Board has established a number of standing committees with delegated authority from the Board. The committee members are all independent non-executive directors and the CEO is a permanent invitee to each committee meeting. Each Board committee is chaired by an independent non-executive director.

Committees operate in accordance with written terms of reference. In addition, the committees are required to evaluate their effectiveness and performance on an annual basis and to report the respective findings to the Board for consideration.

NOMINATING AND GOVERNANCE COMMITTEE

During 2014, the Nominating and Governance Committee re-affirmed its terms of reference. It is the responsibility of this committee, which has three independent directors, among other things, to:

- Develop the Company's approach towards corporate governance, including recommendations to the Board
- Identify successors to the posts of Chair and CEO, and make appropriate recommendations to the Board
- Consider the mandates of the Board committees, the selection and rotation of committee members and chairs, and the performance of each committee on an ongoing basis
- Evaluate the effectiveness of the Board, its committees and management, and report the findings of this evaluation to the Board itself

The Committee assessed its performance and effectiveness during the period under review and was found to be functioning satisfactorily and discharging its duties.

AUDIT COMMITTEE

The Audit Committee has formal terms of reference which are reviewed annually and set out in its Board approved Charter. The Board is satisfied that the Committee has complied with these terms and with its legal and regulatory responsibilities as set out in the Companies Act No 71 of 2008, as amended, the King Report on Governance Principles for South Africa 2009 (King III) and the JSE Listings Requirements.

The full duties and responsibilities of the Audit Committee and the Audit Committee statement appear in the Annual Financial Report on p3 – 4. The Committee assessed its performance and effectiveness during the period under review and was found to be functioning satisfactorily and discharging its duties.

REMUNERATION COMMITTEE

It is the responsibility of this committee, which consists of four independent directors, among other things, to:

- Establish the Company's remuneration philosophy
- Establish the terms and conditions of employment for executive directors and other senior executives (which currently includes a short-term performance-linked bonus scheme and a long-term share incentive scheme)
- Review remuneration policies on a regular basis

The Company's remuneration policies, as well as details of directors' fees and equity-settled instruments, are contained in the Remuneration Report on p32 – 45 of the Annual Financial Report 2014.

SAFETY, HEALTH AND SUSTAINABLE DEVELOPMENT COMMITTEE

It is the responsibility of this committee, among other things, to assist the Board in its oversight of the Company's environmental, health and safety programmes, as well as its socio-economic performance. In particular, this includes the monitoring of the Company's efforts to minimise health, safety and environment-related incidents and accidents, and to ensure its compliance with relevant regulations around health, safety and the environment. All members of the committee have been selected on the basis of their considerable experience in the field of sustainable development.

The committee assessed its performance and effectiveness during the period under review and was found to be functioning satisfactorily and discharging its duties. The committee consists of five independent directors and continues to monitor performance by management in relation to the Group's policies and guidelines, as well as the implementation of any recommendations made by the committee.

CAPITAL PROJECTS CONTROL AND REVIEW COMMITTEE

It is the responsibility of this committee, which consists of four independent directors, among other things, to:

- Satisfy the Board that the Company has used correct, efficient methodologies in evaluating and implementing capital projects in excess of R1.5 billion or US$200 million
- Ensure that adequate controls are in place to review such projects from inception to completion, and make appropriate recommendations to management and the Board

The committee assessed its performance and effectiveness during the period under review and was found to be functioning satisfactorily and discharging its duties. The committee continues to review the results attained on completion of each project against the authorised work undertaken.

SOCIAL AND ETHICS COMMITTEE

It is the responsibility of this committee to ensure, among other things, that:

- Gold Fields discharges its statutory duties in respect of section 72 of the Companies Act No 71 of 2008, as amended, dealing with the structure and composition of Board subcommittees
- Gold Fields adequately embeds the 10 Principles on Sustainable Development of the International Council on Mining and Metals (ICMM) and the 10 Principles of the United Nations Global Compact
- Gold Fields upholds the goals of the Organisation of Economic Cooperation and Development (OECD) recommendations regarding corruption

- Gold Fields complies with the Employment Equity Act, as amended, the Broad-Based Black Economic Empowerment Act, as amended, and the provisions of the 2014 Mining Charter
- Gold Fields directors and staff comply with the Company's Code of Ethics
- Gold Fields practises labour and employment policies that comply with the terms of the International Labour Organization (ILO) protocol on decent work and working conditions
- Gold Fields ensures the continued training and skills development of its employees
- Gold Fields performs its responsibilities in respect of social and ethics matters and that these policies are reviewed on an annual basis, or as required

Non-executive director Rick Menell was appointed a member of the Committee in April 2014.

The committee also has oversight over the South Deep Education Trust, the South Deep Community Trust and the Westonaria Community Trust through the South African Transformation Committee (previously known as the BEE Sub-committee), a sub-committee of the Social and Ethics Committee. The members of the South African Transformation Committee are Rick Menell (Chair), Cheryl Carolus and Don Ncube.

The Social and Ethics Committee comprises the chairs of the Audit Committee, Remuneration Committee, the Safety, Health and Sustainable Development Committee, Nominating and Governance Committee and the Capital Projects Committee.

EXECUTIVE COMMITTEE

The Executive Committee (Exco) is not a committee of the Board. It is primarily responsible for the implementation of Company strategy, as well as carrying out the Board's mandates and directives. Exco meets on a regular basis to review Company performance against set objectives and develops Company strategy and policy proposals for consideration by the Board. Exco also assists the Board in the execution of the Company's disclosure obligations. A series of guidelines on disclosure has been disseminated throughout the Company. The Executive Committee consists of the principal officers and executive directors of Gold Fields – 11 members in total.

Each of Gold Fields' regional operating subsidiaries has established Board and Executive Committee structures to ensure sound corporate governance practices and standards. At least one of the Company's executive directors serves on the boards of the operating subsidiaries.

2.5 Summarised Remuneration Report

This is a summarised version of the Remuneration Committee's Remuneration Report, the full version of which can be found on p32 – 45 of the Annual Financial Report (AFR).

The key principles of Gold Fields' remuneration policy are to:

- support the execution of the Group's business strategy
- provide competitive rewards to attract, motivate and retain highly skilled executives
- motivate and reinforce individual, team and business performance
- provide a safe productive and respectful working environment

The remuneration strategy is underpinned by sound remuneration management and governance principles, and comprises the following key elements:

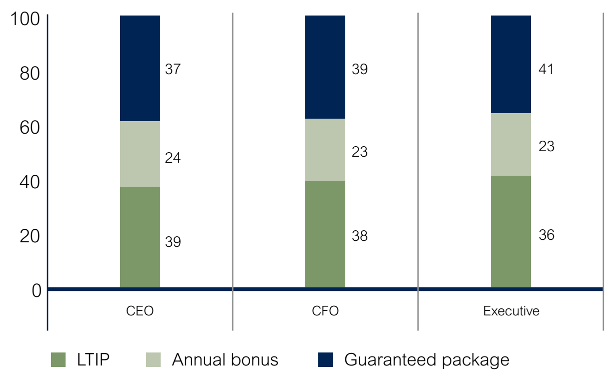
- Guaranteed pay
- Benefits
- Short-term incentives (STI), i.e. annual performance bonuses
- Long-term cash incentive instrument i.e. as detailed in the Long-Term Cash Incentive Plan (LTIP)

Gold Fields' remuneration philosophy aims to attract and retain motivated, high-calibre employees, whose interests are aligned with those of our shareholders. This is achieved through a balance of guaranteed and performance-based remuneration (variable pay).

The 2015 paymix for our executives is displayed in the graphic below.

FIGURE 2.2: Paymix for on-target total remuneration in 2015

%



2.5.1 Guaranteed pay and benefits

As a global company with the majority of our operations now outside South Africa, we compete for talent in a global marketplace, and our approach to remuneration takes account of the need to be competitive throughout the various jurisdictions in which the Group operates.

Gold Fields also provides, where appropriate, additional elements of compensation, including retirement savings, health-care assistance, life and disability insurance, housing and personal accident cover.

In 2014, the average increase for employees was 6.875% and that of its senior management 5% on average. This took effect in March 2014.

The 2014 annual gross remuneration packages, or GRP, payable to the CEO, Nick Holland, and the CFO, Paul Schmidt, as determined the Remuneration Committee, were as follows:

- Nick Holland: R8,757,442 (US$809,375) plus US$348,000
- Paul Schmidt: R5,524,238 (US$510,588) plus US$94,000

In addition to the GRP, each executive director is entitled, among other things, to benefits that comprise participation in the Gold Fields Long-Term Cash Incentive Plan; consideration of an annual incentive bonus based on the fulfilment of certain targets set by the Board of Directors; and an expense allowance.

In 2014 the ratio of average executive director compensation vs average employee compensation was 25.02.

2.5.2 Short-Term Incentive (annual performance bonus)

Executive directors are eligible to earn performance bonuses of 60% of GRP for the CFO and 65% of GRP for the CEO for on-target performance, which comprise both individual and strategic performance objectives as well as wider Group objectives. The annual bonus could increase above 60% and 65% respectively if the stretch target is achieved.

Targets for annual bonuses are set by the Remuneration Committee. In the case of the CEO and CFO, 65% of the performance bonus is based on Group objectives and the remainder is based on individual strategic objectives. For the regional EVPs, bonuses are judged against Group, regional and operational objectives.

GROUP PERFORMANCE TARGETS

For the year ended 31 December 2014, the Group performance targets, and how senior executives performed against these targets, were as follows:

FIGURE 2.3: Group performance targets and executive performance

	Weight	2013 Actual	2014 Actual	Threshold +0.0%	2014 Target +100%	Maximum +200%	Achieved
Safety improvement – TRIFR	20%	4.66	**19%[3]**	**+0%**	**+10%**	**+20%**	167%
Gold (equivalent) production[1] – ’000 oz	20%	2,104	**2,294**	**2,162**	**2,242**	**2,322**	165%
All-in Cost US$/oz	40%	1,312	**1,074**	**1,195**	**1,138**	**1,081**	200%
Development and waste mined unit[2]	20%	1.8%	**1.0%**	**+0%**	**+5%**	**+10%**	20%
	100%						150%

1 Managed equivalent ounces converted from copper production at the planned gold/copper price ratio to eliminate price differences

2 Development comprises the following: South Deep – Destress 20%, Reef tonnes 20% and International operations – Open-pit waste 30%, Underground metres 30% – improvement relative to target.

3 The TRIFR percentage change is based on the improvement in 2014 against 2013 (includes Yilgarn South Assets during Q4 2013)

South Deep’s safety performance measurement was reduced by 75% in view of the three fatalities at the mine during 2014. The bonus parameter objectives and their weightings for 2015 are unchanged from 2014. Targets for these objectives are in line with the operational plans and guidance given to the market.

INDIVIDUAL PERFORMANCE TARGETS

The CEO and CFO were also assessed on individual, strategic objectives (the CEO’s performance scorecard is included in full in the Remuneration Report). These objectives were built around three strategic pillars: Operational Excellence, Growing Gold Fields and Securing our Future.

The CEO received a personal performance score of 3.5 out of 5 for 2014 and the CFO received a personal performance score of 4.5 out of 5. The aggregate bonus paid to members of the executive team in February 2015 was 70% of guaranteed remuneration. For the CEO it was 93% and the CFO 98% of guaranteed remuneration. For the CEO the bonus accounts for 65% of GRP, for the CFO it is 60%.

2.5.3 Long-term incentives

The Company operates a long-term cash incentive plan (LTIP) designed to encourage senior and key employees to identify closely with the long-term objectives of Gold Fields and allow them to participate in the future financial success of the Company.

In particular the LTIP is designed to:

- reward key senior managers for their performance and contribution to long-term sustainable financial results that drive shareholder value; and
- increase the alignment of executives and shareholders with the future growth and profitability of Gold Fields.

Salient features of the LTIP:

- The LTIP is a three-year performance plan.
- Each performance cycle starts on January 1 of the first year and ends on December 31 of the third year.
- Annual awards will be made to eligible participants
- Allocations will be based on the formula: Annual salary x applicable % by grade x personal performance
- Vesting will be based on two corporate performance conditions equally being met:
  - Free Cash Flow margin (FCFM) 50% weighted
  - Total Shareholder Return (TSR) 50% weighted

Threshold must be achieved for pay-out of any portion of the award to be triggered

The LTIP replaces the Gold Fields 2012 Share Plan to align it with the restructuring of Gold Fields.

2.5.4 Guaranteed pay adjustments

The annual remuneration review takes place in March. All eligible employees received a salary increase on 1 March 2014 and the average increase for executives during 2014 was 5%. The overall increase in labour costs was positioned within the approved mandate of the committee.

2.5.6 Executive directors’ and prescribed officers’ remuneration

The table below provides details of the remuneration of executive directors and prescribed officers in 2014. The equivalent table, providing the remuneration and fees in US dollar terms can be found in the full Remuneration Report in the AFR.

FIGURE 2.4: Directors and prescribed officers’ remuneration and fees

Non-executive directors' fees, executive directors' and prescribed officers' remuneration
The directors and officers were paid the following remuneration for the year ended 31 December 2014

	Board fees										
All Figures Stated in R'000	Directors Fees	Committee fees	Salary[1]	Pension Scheme Contribution	Annual Bonus[2]	Sundry[7]	Severance	Sub-total	Pre-tax Share Proceeds for shares awarded in previous years[8]	Total realised earnings for the 12 Month Period Ended 31 December 2014[3]	For the 12 Month Period Ended 31 December 2013[9]
Executive Directors											
Nicholas Holland	–	–	10,668.4	1,731.0	11,384.3	65.0	–	**23,848.7**	4,320.7	**28,169.4**	**24,932.8**
Paul A. Schmidt	–	–	5,785.7	682.2	6,363.6	61.4	–	**12,892.9**	4,448.8	**17,341.7**	**16,358.4**
Prescribed officers	–	–					–				
Ernesto Balarezo	–	–	7,521.3	–	7,753.3	4,328.0	–	**19,602.6**	1,716.6	**21,319.2**	**18,009.0**
Alfred Baku	–	–	7,967.3	1,495.9	6,465.8	2,705.0	–	**18,634.0**	1,806.5	**20,440.5**	**7,539.0**
Richard Weston	–	–	7,028.5	802.8	6,264.7	–	–	**14,096.0**	2,200.9	**16,296.9**	**14,635.0**
Willie Jacobsz	–	–	5,107.8	–	3,758.5	–	–	**8,866.3**	2,325.6	**11,191.9**	**10,558.8**
Naseem Chohan	–	–	3,160.0	590.0	3,005.4	–	–	**6,755.4**	1,105.7	**7,861.1**	**5,609.2**
Brett Mattison	–	–	3,656.3	406.2	3,713.4	–	–	**7,775.9**	1,436.2	**9,212.1**	**7,524.9**
Lee-Ann Samuel	–	–	3,450.0	383.3	3,685.0	–	–	**7,518.3**	1,214.0	**8,732.3**	**5,321.5**
Taryn Harmse	–	–	2,763.4	659.7	3,011.3	1.3	–	**6,435.7**	855.0	**7,290.7**	**3,358.2**
Nico Muller[4]	–	–	1,181.3	131.3	553.7	2,500.0	–	**4,366.3**	–	**4,366.3**	**–**
Michael Fleischer[5]	–	–	397.8	62.5	–	–	5,063.5	**5,525.6**	–	**5,525.6**	**14,171.6**
Kgabo Moabelo[6]	–	–	2,392.1	326.2	–	–	4,526.7	**7,245.0**	622.3	**7,867.3**	**7,719.8**
Non-Executive Directors											
Cheryl A. Carolus	2,513.6	–	–	–	–	–	–	**2,513.6**	–	**2,513.6**	**2,403.0**
Alan R. Hill	825.4	533.9	–	–	–	–	–	**1,359.3**	–	**1,359.3**	**1,213.0**
David N. Murray	825.4	417.4	–	–	–	–	–	**1,242.8**	–	**1,242.8**	**1,325.0**
Richard P. Menell	825.4	553.8	–	–	–	–	–	**1,379.2**	–	**1,379.2**	**1,531.0**
Gayle M. Wilson	825.4	648.4	–	–	–	–	–	**1,473.8**	–	**1,473.8**	**1,416.0**
Donald M. J. Ncube	825.4	572.5	–	–	–	–	–	**1,397.9**	–	**1,397.9**	**1,150.0**
Kofi Ansah	825.4	233.1	–	–	–	–	–	**1,058.5**	–	**1,058.5**	**1,017.0**
Total	7,466.0	2,959.1	61,079.9	7,271.1	55,959.0	9,660.7	9,592.0	**153,987.8**	22,052.3	**176,040.1**	**145,793.2**

1 The total US$ amounts paid for 2014, and included in Salary above, were as follows: Mr NJ Holland US$348,000, Mr PA Schmidt US$94,000, Mr JW Jacobsz US$290,045 and Mr MD Fleischer US$6,442

2 The annual bonus accruals for the 12 month period ended 31 December 2014, paid in February 2015

3 These amounts reflect the full directors' emoluments in Rand for comparative purposes. The portion of executive directors' emoluments payable in US$ is paid in terms of agreements with the offshore subsidiaries for work done by directors' offshore for offshore companies

4 Nico Muller – Appointed on 1 October 2014

5 Michael Fleischer resigned effective 31 January 2014. As per employment contract Mr Fleischer was eligible for a total severance package of R5,0m. R2,7m was paid in February 2014

6 Kgabo Moabelo – Voluntary retrenchment due to restructuring effective 31 July 2014. As per employment contract a total severance package of R4,5m was paid

7 Sundry includes a special bonus for Mr N Muller of R2,5m, Mr A Baku of R2,7m and Mr E Balarezo of R4,3m

8 Includes dividend payments

9 Comparatives have been restated by R1,6m to exclude travel reimbursements


Fire assaying of gold samples at Granny Smith in Australia

3 STRATEGIC analysis

3.1 Strategic trends

Investment demand has played *the key* role in influencing the gold price for the last decade and more

Like other companies, Gold Fields is subject to a range of external strategic dynamics that inform decision-making, and influence both current and future business performance.

Analysis of four of these key strategic issues is set out below.

3.1.1 Gold supply and demand

ISSUE

Investment demand has played *the* key role in influencing the gold price for more than the last decade. Such demand has largely been driven by:

- The need for a safe haven asset in advance of – and during – the 2008 financial crisis
- The subsequent need to hedge against feared hyperinflation as governments applied large-scale quantitative easing – pushing the gold price to a record high in 2011

In 2012, investor demand eased as it became apparent that many of the feared 'economic worst case scenarios' were unlikely to materialise. The gold price subsequently retreated to sub-2011 levels – just as the equity and real estate markets started to offer stronger returns. As a result, many investors sold their physical gold holdings in 2013 – resulting in a sharp drop in the gold price. Gold demand continued to decline in 2014 by 4% year-on-year according to the World Gold Council, while total supply was little changed. On balance, the negative supply and demand trends have seen the average gold price received by Gold Fields decline to US$1,249/oz in 2014, from US$1,386/oz in 2013 and US1,656/oz in 2012.

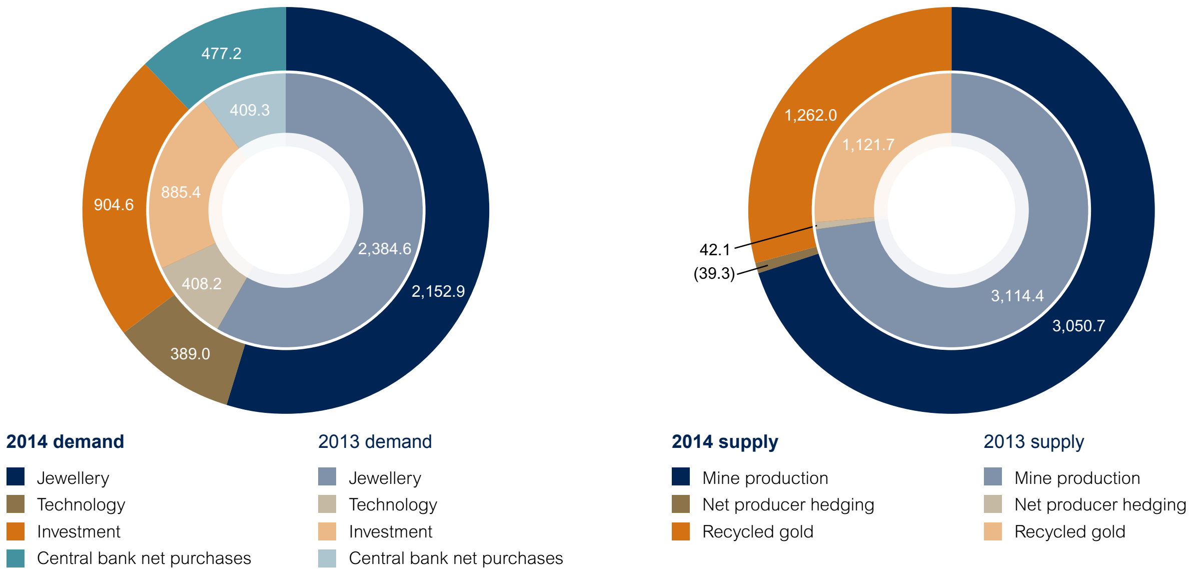
Nonetheless, the world continues to face a number of long-term issues which could position gold as a continued attractive investment option. According to commodity analysts CPM Group the total gold supply is set to fall after 2017. This is due to:

- Successive year-on-year reductions in supply from existing mines, which exceeded the significant amount of new production that has come online between 2011 and 2013 (driven in part by the high gold price). Similar year-on-year increases in new output are predicted to continue until around 2017 (as existing projects start up) – with more incremental changes thereafter. These new incremental ounces will be insufficient to offset parallel falls in supply from maturing mines that were in production up to the end of 2013
- A retreat from marginal mining projects by operators who had previously pursued a strategy of 'production growth at any cost' – driven by the previous high gold price. Many of these projects are now economically unsustainable, and it is inevitable that rationalisation will take place
- A significant drop in gold exploration budgets since the gold price fell between 2011 and 2012. This accentuated the longer-term trend of declining exploration activity in evidence since the mid-1990s and is likely to inhibit the longer-term ability of gold producers to increase supply
- A decline in gold scrap recycling in response to the lower gold price. According to the World Gold Council gold recycling hit a seven-year low in 2014 and shows few signs of recovery in 2015
- A decline in average grades at most gold operations around the world

These supply trends are likely to take place amid short- and medium-term investor concern about macroeconomic and geopolitical fragility in key regions of the world. In the longer term, key demand fundamentals may again assert themselves due to:

- Ongoing growth in emerging market demand for physical gold – in China, India and other countries, although China showed a slight decline in 2014 from its high levels of the previous year
- A continued build-up of gold reserves by the world's central banks (or at least maintaining their current holdings) amid economic and political uncertainty. In 2014 central bank purchases totalled 477 tonnes, the second highest for 50 years

FIGURE 3.1: Gold demand and supply in 2014 and 2013 – World Gold Council (WGC) (tonnes)



RESPONSE

Gold Fields believes in gold. This means the Company will continue to focus on gold mining and will not hedge, on the basis that we believe:

- The supply and demand fundamentals support a medium- to long-term recovery in the gold price
- The Company's portfolio approach and strategic and mining expertise should provide returns for gold investors now and in the future

Gold Fields' ability to maximise value can be attributed to its strategic shift to cash flow generation by:

- De-prioritising production volume
- Setting specific cash flow targets and margins and linking short- and long-term management incentives to key deliverable criteria
- Closing marginal mining operations at existing mines and selling non-strategic growth assets
- Stopping all greenfields exploration

This strategy, conceived *before* the price of gold experienced a serious drop – means Gold Fields now enjoys a high degree of resilience in the face of current market conditions.

For example, all production is being planned around the delivery of a 15% free cash flow margin at a gold price of US$1,300/oz. This means the Company will – compared to many of its peers – be in a relatively strong position to weather a sustained low gold price and/or further falls in the price of gold (should they occur). It also means Gold Fields will be particularly well-positioned to capture future upside and deliver superior leverage to investors when the gold price recovers. In such circumstances, Gold Fields is committed to maintaining discipline when the market becomes more buoyant, and to avoiding the temptation of producing incremental ounces. The generation of free cash flow will remain Gold Fields' priority – irrespective of market conditions.

This builds on Gold Fields' existing commitment to avoid 'high-grading' – due to the obvious negative impact this would have on the sustainability of its ore bodies. As such, Group guidance requires all operations to mine at or below their reserve grade. Gold Fields is also continuing to invest in the future of its mines. This includes the ongoing development of its ore bodies – and proactive near-mine exploration. These are strategic essentials that will in no way be compromised by the current price environment.

Beyond this, the company's Active Portfolio Management strategy (p80) is 'locking-in' commercial sustainability and cash-generation into the long-term business. This strategy includes:

- A focus on low-risk, cash-generative near-mine exploration and acquisition opportunities
- An end to all greenfields exploration activity
- The disposal of non-aligned and/or marginal growth projects

3.1 Strategic trends (continued)

3.1.2 Shareholder and investor expectations

ISSUE

When the price of gold was high, investors showed signs of frustration with the inability of mining operators to offer sufficient leverage to the price of gold – instead opting for gold exchange-traded funds (ETFs). Now that the price of gold has fallen, many investors have abandoned the sector altogether. This has not only been due to the 'push' of lower gold prices – but also the 'pull' of more buoyant equity markets and other resurgent asset prices in key jurisdictions. This poses a significant risk to the sector as a whole – in terms of its value, liquidity and ability to finance future growth.

Only those gold mining companies that can demonstrate their ability to deliver strong cash-generation and investor returns – even with an historically low gold price – will be able to avoid the potentially serious consequences of this dynamic. The gold price will no longer support complacent strategies based on the maximisation of production volumes – strategies that had previously been embedded into the 'DNA' of many companies following the last gold price boom. Instead, only the decisive rationalisation of production and asset portfolios, severe cost-controls and a ruthless focus on cash-generative production will provide succour. Whilst many companies have implemented incremental measures to improve productivity and reduce costs, more dramatic forms of transformation are needed to earn back investor trust and guarantee commercial sustainability.

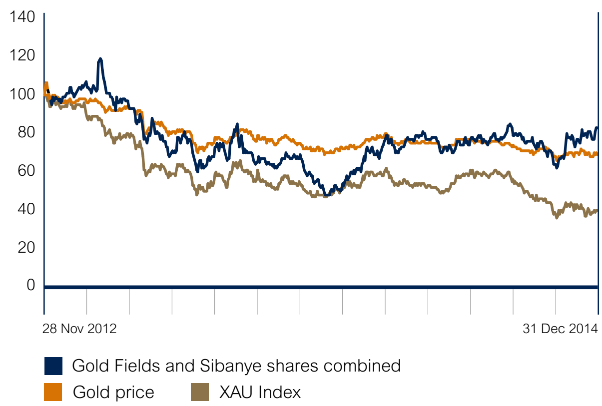
RESPONSE

Gold Fields offers one of the most positive examples of what can be achieved when Company strategy is fully aligned with investor interests. The transformation of Gold Fields was first described in its 2012 Integrated Annual Report – before the sharp drop in the price of gold in 2013. Although the 2013 unbundling of Sibanye Gold was one of the most 'visible' actions taken in this respect – it was just one of many measures (a significant number of which are ongoing) to redefine the Company. This not only included the avoidance of marginal production, the reform of Group management structures and a withdrawal from greenfields exploration – but also more positive, growth-orientated measures such as the acquisition of the cash-generative Yilgarn South Assets in 2013. This was part of an overall effort to:

- Benefit from simplified, disciplined and nimble management structures – pursuing a strategy (and associated, centrally-defined KPIs) that is fully aligned with investor interests
- Focus the Company on 'what it is good at' – i.e. core gold mining operations, as demonstrated by the strong post-acquisition performance achieved at the Yilgarn South Assets
- Improve the overall quality of the Group's production portfolio – and pursue low-risk, disciplined growth that is fully aligned with Company strategy

These efforts have paid off. Gold Fields was one of the best performing gold mining companies on the Johannesburg Stock Exchange (JSE) in 2014 – outperformed only by Sibanye Gold, which was itself unbundled from the Group in February 2013. The price of Gold Fields' shares increased by 60% over this period – albeit from a relatively low starting point caused by the low gold price.[1] Those investors who held on to their shares in both Gold Fields and Sibanye Gold clearly benefited from the unbundling and the implementation of Gold Fields' decisive, cash-generative strategies. Whilst the current low gold price means that such benefits can only be framed in relative terms, these actions helped protect shareholder value – and means Gold Fields is well-placed to deliver more absolute benefits once the gold market rebounds.

FIGURE 3.2: Return on investment in Gold Fields' shares
Indexed from 28 Nov 2012 (=100) to 31 Dec 2014



The graph shows the performance of Gold Fields' shares since 28 November 2012, the day before the unbundling of Sibanye Gold was announced. For the purposes of showing a total return, the share prices of Gold Fields and Sibanye have been combined after the official unbundling took effect in 11 February 2013 (this excludes dividends). The share price performance is compared to the gold price and the Philadelphia Gold (XAU) Index over the same period.

Nonetheless, Gold Fields still needs to deliver on its key portfolio asset – South Deep. If South Deep is excluded from Gold Fields' portfolio, then the Company is one of the most cash-generative in the sector. The mine remains cash negative, however, and continues to pose a number of notable challenges – in terms of underground mechanised engineering and mining skills specifically. It was in recognition of these challenges that Gold Fields undertook a major mining review – with the aim of 'rebasing' production there. The current priority is for South Deep to become financially self-supporting as soon as feasible without undermining its long-term build-up.

Nonetheless, the long-life of the mine – and its massive cash-generating potential – means it is also important to invest time, energy and money now to optimise its value over the long term. Gold Fields is committed to balancing these needs – for the benefit of both current and future investors. A more flexible and realistic approach towards the development of South Deep is essential both in terms of short-term investor sentiment and long-term value optimisation (p59 – 61).

[1] Miningmx, Gold Fields Claws its Way Back, 19 December 2014

3.1.3 Social licence to operate

ISSUE

The nature of the extractive sector means the industry must pay particular attention to its social licence to operate. Unlike other companies, mining companies are physically 'tied' to their mineral deposits – and cannot simply relocate their investments and activities to new locations when facing deteriorating local and/or national operating environments. Furthermore, many mines' lifecycles can span decades – making it essential for mining companies to be able to navigate inter-related social, economic and political dynamics over time.

This can leave mining projects vulnerable. For example, research from Harvard University suggests that major projects facing community conflicts can incur costs of up to US$20 million a week in lost value. Furthermore, advanced exploration projects can lose up to US$50,000 per day when community conflicts force their suspension.[1]

As such, mining companies need to maximise their positive local impacts, minimise their negative local impacts and make sure that this is communicated to – and recognised by – host community stakeholders. Whilst many companies generate significant value for their host societies and governments – including through the generation of public revenues – this does not always benefit those host communities who otherwise bear the brunt of any negative impacts. As such, additional and targeted efforts need to be made to ensure host communities directly benefit from the presence of mining operators – and have a direct interest in their continued and profitable operation.

RESPONSE

Gold Fields recognises that while it must satisfy immediate shareholder requirements for cash generation and navigate the implications of the current low gold price – it also needs to secure the longer-term value of its assets. As a result, it also recognises that the long-term generation of value for shareholders will ultimately be supported by:

- Responsibility: ongoing investment in the maintenance of responsible operational standards – and the avoidance and mitigation of the Company's negative social and environmental impacts. This includes ongoing investment in effective water management – something that is an increasingly material issue for most mining companies and can, if poorly managed, have a serious impact on local communities (p73 – 76)
- Trust: frank, two-way communication about potentially sensitive issues, realistic management of expectations and the visible honouring of Company commitments. This includes ongoing engagement on issues such as indigenous rights (p108 – 109), employment opportunities (p111 – 112) and social transformation. In this context, it is not enough to maximise Gold Fields' positive impacts and minimise its negative impacts. What the Company achieves in this regard needs to be honestly and effectively communicated to host communities, so that such efforts are fully understood, contextualised and recognised by local people
- Shared Value: the pursuit of cost-effective, mine-level business strategies that enhance not only the value of our own business, but also generate positive social impacts. This helps to ensure that interactions with local stakeholders are firmly based on mutual interest from the start. Gold Fields currently has five Shared Value pilot projects (p115) – including a multilateral water management project at Cerro Corona; the promotion of mathematics and science teaching at South Deep; increased sourcing from local community suppliers at both mines; and an innovative quarrying programme at Damang to generate local employment and reduce mine costs. These are further supported by Gold Fields' broader, ongoing efforts to recruit employees and contractors from local communities – and to source goods and services from local companies (p106 – 107)

These efforts are particularly important in the context of the low gold price, which has significant impacts in terms of the retrenchment of local employees and on the ability of the Company to invest in community development projects.

In terms of growth, new mining projects are particularly susceptible to the loss (or non-achievement) of a social licence to operate – due to the introduction of new impacts, the testing of new relationships and the untested nature of new investments. In this context, Gold Fields is also applying a new growth strategy that is likely to reduce its risk exposure in this respect considerably. This includes:

- Refocussing on near-mine exploration – with local communities likely to actively support mine expansion and Life-of-Mine extension due to the economic opportunities these represent
- The disposal of non-aligned greenfields projects in higher-risk operating environments – and a focus of expansion efforts on well-established, lower-risk and cash-generative mining projects. This includes the acquisition of the Yilgarn South Assets in 2013 – as well as a current focus on mergers and acquisition opportunities in lower-risk regions (p80 – 81)

[1] Rachel Davis and Daniel Franks, Cost of Company-Community Conflict in the Extractive Sector, 2014

3.1 Strategic trends (continued)

3.1.4 Political drivers

ISSUE

Mining companies have long had to navigate political criticism over their perceived lack of contributions to the societies in which they operate. In part, this is due to the nature of mineral deposits which are both finite – and which are perceived to be 'national' assets. As such, certain governments have been active in their attempts to maximise the value that they can extract from mining companies – usually in the form of tax.

On the face of it, this is right and proper – but such efforts can be counter-productive if carried out in a way that:

- ignores the broader, less tangible benefits that mining companies deliver to host societies – in terms of (for example) local employment, skills transfers and local procurement. These are rarely factored into the equation – meaning fiscal decisions are taken that can ultimately undermine host countries' own interests; and
- places too much emphasis on the short-term value that can be extracted from mining companies – often as a result of immediate budgetary and/or social pressure. This can compromise companies' longer-term value generation, reducing the overall value accruing to host countries – including investment in, and the development of new and existing ore bodies.

Part of the reason the gold sector has faced significant resource nationalism in recent years is due to the historically high gold price. This gave rise to perceptions that gold mining companies were making windfall profits – whilst host countries gained little additional benefit. Such analysis ignored the high input costs that tempered the ability of gold mining companies to generate large profits. Now that the gold price has fallen significantly, many mining operators are *particularly* sensitive to additional government imposts and/or fiscal and regulatory uncertainty. Indeed, investment in growth and development is already shrinking as a result of current market conditions.

Finally, there can be less dramatic yet still impactful challenges relating to permitting. This is often due to the sometimes limited resources available to local regulators – and, in a small number of cases, attempts to use permitting as a form of leverage to force engagement on unrelated issues. Environmental regulation is both necessary and valuable – but delays in processing (and associated uncertainty over mine development) can potentially undermine the development and growth of existing operations – and thus attendant value for host communities and societies.

RESPONSE

Gold Fields is a strong proponent of economic transparency. This includes its proactive support of the Extractive Industries Transparency Initiative (EITI), as well as its own efforts to report its wider economic contributions to host communities and societies. Gold Fields believes that once the *full* picture is made available to stakeholders – both at community- and national-level – it will become more apparent that value creation is not a zero-sum game. Instead, if maximisation of value for host communities and host countries is the ultimate aim – governments, communities, unions and other interested stakeholders are more likely to achieve this through constructive and positive cooperation with the mining sector, rather than through unilateral imposts.

In 2014 our total direct value distribution was US$2.65 billion (2013: US$2.98 billion), apportioned as follows:

- US$1.84 billion to business and suppliers (2013: US$1.81 billion)
- US$194 million to host governments (2013: US$380 million)
- US$468 million to employees and contractors (2013: US$595 million)
- US$137 million to providers of capital (2013: US$172 million)
- US$16 million on Socio-Economic Development programmes in our host countries (2013: US$16 million)

Gold Fields is in the process of developing a better understanding of its indirect economic impacts – and these are believed to be substantial. For example, the World Gold Council estimates that for every employment position directly created by the gold mining sector – another employment position is indirectly created. This number is even higher in many African countries. Similarly, it is estimated that each employee in the industry in southern Africa has (on average) a total of eight dependants who ultimately rely on them for support.[1]

Furthermore, Gold Fields also supports broader economic development through:

- The recruitment, training and development of people in its host countries – many of which suffer from high levels of unemployment and limited skills pools – as technically skilled artisans, operators, engineers, managers and in other roles
- The utilisation of – and engagement with – national and host community suppliers. This includes the long-term encouragement and development of local economic capabilities – and support for the development of viable local economic hubs

In this context, Gold Fields is working with its peers – through the Minerals Council of Australia and the Gold Royalty Response Group – to challenge plans to increase the royalty rate on gold production in Western Australia (p103). These plans appear to be driven by current budget shortfalls caused by a marked decline in public revenues generated by the iron ore sector. Similarly, Gold Fields is in ongoing, direct engagement with the Government of Ghana around the potential introduction of a common taxation framework to apply to all gold mining companies – creating a level-playing field for both Gold Fields and other operators (p103).

Gold Fields also hopes to work in partnership with regulators to ensure that permitting is carried out in a timely and effective way to limit the negative impact that project delays are likely to have on the Company.

[1] World Gold Council 'Goldfacts' website – www.goldfacts.org

3.2 Risk and Materiality

Gold Fields uses a set of four well-defined processes to assess its risks, opportunities and material issues:

1. Key risks – and mitigating actions – are identified using an Enterprise-wide Risk Management (ERM) process.
2. The Company takes into account the views and concerns of a wide group of stakeholders through direct and indirect stakeholder engagement processes.
3. As part of the Integrated Reporting process, the Company conducts comprehensive interviews with key management, collects operational, financial and sustainability data, and analyses the short-, medium- and long-term strategic trends affecting the business.
4. Material sustainability issues are assessed and prioritised according to the GRI G.4 Guidelines, and comprehensive internal and external stakeholder interviews conducted to determine the relative ranking of material issues.

The outputs from these four processes have informed the identification of the risks, opportunities and material issues contained in this Integrated Annual Report. Key elements of the four processes are set out below.

3.2.1 Internal assessment: Enterprise-wide Risk Management

Gold Fields' mature ERM process is aligned with the ISO 31000 international risk management standard, as well as the risk management requirements of South Africa's King III Code.

The ERM process – which prioritises risks on the basis of probability and severity – is based on the following process:

1. Workplace risk assessments: Managers carry out ongoing workplace risk assessments in accordance with international standards (for example, ISO 31000 and the SAMREC guideline)
2. Mine/region reviews: Each regional and mine Executive Committee conducts a review of the top risks and mitigating strategies on a quarterly basis
3. Presentation to the Group Executive Committee (Exco): Each Mine Manager presents the top 10 risks and mitigation actions to Exco during quarterly business reviews – and mitigating actions are assessed for relevance and effectiveness
4. Compilation of Group Risk Register: The Group Risk Manager extracts the top risks from the regional and operational registers in line with the tolerance levels set by the Board, and compiles the Group Risk Register
5. Assessment and moderation: The risks are assessed and moderated at a Group-level by relevant risk owners and Exco members
6. Exco risk meeting: Exco reviews the top risks and sets/monitors Group-wide mitigation strategies. This takes place every six months
7. Audit Committee review: The Audit Committee reviews the top risks and mitigation strategies twice a year
8. Internal audit review: The Internal Audit function assesses progress against – and adherence to – mitigation strategies on a regular basis

The Group Heat Maps on p50 – 53 set out:

- The Group's top 10 risks as well as top 5 regional risks, as identified through the ERM process (i.e. the Group's top operational and strategic risks at the end of 2014)
- Key movements in the top 10 Group risks between 2013 and 2014
- Key mitigating strategies to avoid and/or mitigate the top 10 Group risks for 2014, and the top 5 risks per region

3.2.2 External assessment: Stakeholder engagement

Proactive and frank stakeholder engagement plays a vital role in helping Gold Fields identify its material issues. All stakeholder engagement activities are informed by the AA 1000 principles of:

- Inclusivity
- Materiality
- Responsiveness

Gold Fields' engagement activities fall into two categories:

- **Direct engagement**, including organised dialogues, roundtable discussions, one-to-one meetings, internal surveys and regular engagement with local communities at each operation and project
- **Indirect engagement**, including the use of external benchmarks and standards (such as the UN Global Compact) that are designed to reflect and address societal expectations

OPERATIONAL ENGAGEMENT

At an operational-level, all mines identify, prioritise and directly engage stakeholder groups that have the potential to affect their operational, sustainability or financial performance. This includes, for example, ongoing engagement of:

- Employees and their representatives by our human resources teams and general managers
- Local communities by our community relations teams and general managers

3.2 Risk and materiality (continued)

- Regulators by our discipline heads and general managers
- Key contractors and suppliers by our procurement teams, health and safety managers and operational personnel

STRATEGIC ENGAGEMENT

At a strategic-level, Gold Fields' corporate and regional management teams implement an ongoing programme of direct and indirect engagement. This includes ongoing engagement of:

- In-country peer companies by the regional Executive Vice-Presidents (EVPs)
- Central, regional and local governments by the Company's corporate affairs teams and legal teams, as well as members of the Group Exco and regional EVPs
- Shareholders and potential investors by the Group investor relations team, CEO, CFO and regional EVPs

The outcomes of stakeholder engagement are integrated into Gold Fields' internal reporting processes – including its quarterly regional board reports, sustainable development reports and other documents. In addition, they inform Gold Fields' ERM process, and external reporting processes.

3.2.3 Integrated Reporting process

The outputs of the ERM and stakeholder engagement processes are analysed alongside the information collected for the Integrated Annual Report. This includes:

- Gold Fields' operational, financial and sustainability data generated through our data management systems
- The output of dedicated integrated reporting interviews with managers and executives at operation-, region- and Group-level
- Short-, medium- and long-term strategic analysis of the external environment

This is with the aim of:

- Gaining greater insight into the Group's material issues
- Identifying and assessing the management actions taken in response to each material issue – as well as the effectiveness of such actions
- Defining the content of this Integrated Annual Report

The Integrated Annual Report is prepared on the basis of this process and is subject to a rigorous internal assurance process. The Board – through the Audit Committee – is ultimately responsible for the contents of this Integrated Annual Report.

3.2.4 Materiality assessment

Gold Fields has carried out a formal process to assess and prioritise its material sustainability issues. It has done so using criteria aligned with those set out in the GRI G4 Guidelines:

- The actual or potential impact of Gold Fields on stakeholders
- The actual or potential impact of stakeholders on Gold Fields

This G4 assessment has been carried out in parallel to – and integrates aspects of – the ERM and stakeholder engagement processes described above.

MATERIALITY PROCESS

Gold Fields' G4 materiality process is based on a series of iterative assessments using a common, quantitative scoring framework. It draws on a range of internal and external sources, as outlined below:

1. Legislation: national and international

2. Standards

   a. Internal: Gold Fields' Vision and Values; Sustainable Development Framework; Stakeholder Charters; and Code of Ethics
   b. External: 10 Principles of the UN Global Compact; UN Guiding Principles on Business and Human Rights; ICMM 10 Principles on Sustainable Development; and ISO 14001 (environment) and OHSAS 180001 (safety) management standards

3. Documentation

   a. Internal: Gold Fields Board reports; Safety, Health and Sustainable Development reporting; and ERM output documents
   b. External: Media reports; NGO commentary; and sector analysis

4. Engagement

   a. Internal: G4-specific engagement of Exco and the Board – including final confirmation of Gold Fields' material sustainability issues' G4-specific engagement of Group- and regional-level discipline experts; and general internal engagement
   b. External: G4-specific engagement of Group- and regional-level stakeholders; general external engagement; and the Open Working Group proposal for post-2015 Sustainable Development Goals.

Each step of the G4 materiality process is outlined below with the final outcome shown in the table on this page.

FIGURE 3.3: Steps in the G4 materiality process

1	**Initial research and engagement**	• Review of current sustainability issues facing the gold mining sector and Gold Fields 'footprint' countries • Preliminary engagement with internal discipline experts • Review of ERM system outputs
2	**Development of initial results**	• Prioritisation of all GRI G4 Aspects – in line with the G4 materiality assessment criteria
3	**Integration of feedback**	• Presentation of initial results to key internal stakeholders • Presentation of initial results to key external stakeholders • Collation and adjustment of results
4	**Development of the final materiality results**	• The setting of 'boundaries of impact' for each G4 Aspect • Categorisation and consolidation of G4 Aspects into higher-level, Gold Fields-specific 'issues' • Sign-off of the final assessment results by Exco

These steps involve detailed engagement to determine the ranking of Gold Fields' material sustainability issues. Senior executives at the Company, including its regional operations, and representatives of external stakeholders – including industry, government and environmental organisations – were briefed on the GRI process and asked to evaluate all G4 aspects in terms of importance to Gold Fields and its stakeholders. This took the form of a ranking with 1 being the most critical to Gold Fields and its stakeholders, and 10 considered not material at all.

Once these rankings had been made they were averaged and a score reached for each aspect. A score between 1 and 5 means that these issues are material to Gold Fields. Scores between 5 and 10 suggest that internal and external stakeholders consider these issues of less material importance to Gold Fields and its stakeholders. However, this does not mean that they will not be addressed by our management team when the issues arise.

The final step in determining the key material aspects was to cluster those aspects that cover similar areas, for example, 'closure planning' and 'environmental compliance' were clustered under 'managing environmental issues'.

The outcome – depicted in the table alongside – ranks 'health and safety', 'industrial relations', 'water management', 'total value distribution' and 'employee development' among the key GRI aspects that internal and external stakeholders consider most material to Gold Fields and its wider stakeholder base. These are also the non-operational issues that confront our operational management teams on a daily basis.

Step 4: PRIORITISED MATERIAL ISSUES

Cluster	Score
Health and safety	1.8
Industrial relations	1.9
Water management	2.9
Total value distribution	2.9
Employee development	3.0
Managing environmental issues across the lifecycle	3.3
Compliance	3.4
Community value distribution	3.4
Government relations	3.6
Energy and carbon management	4.0
Workforce	4.0
Human rights	4.5
Social licence to operate	4.6
Human rights due diligence on investments	5.2
Resettlement	5.2
Materials	5.2
Biodiversity	5.2
General grievance mechanisms	5.6
Supply chain management	5.6
Equal remuneration	5.7
Child/forced labour and freedom of association	7.8
Product impacts	8.5
Market regulation	8.9

3.2 Risk and materiality (continued)

FIGURE 3.4: Gold Fields – Top 10 risks

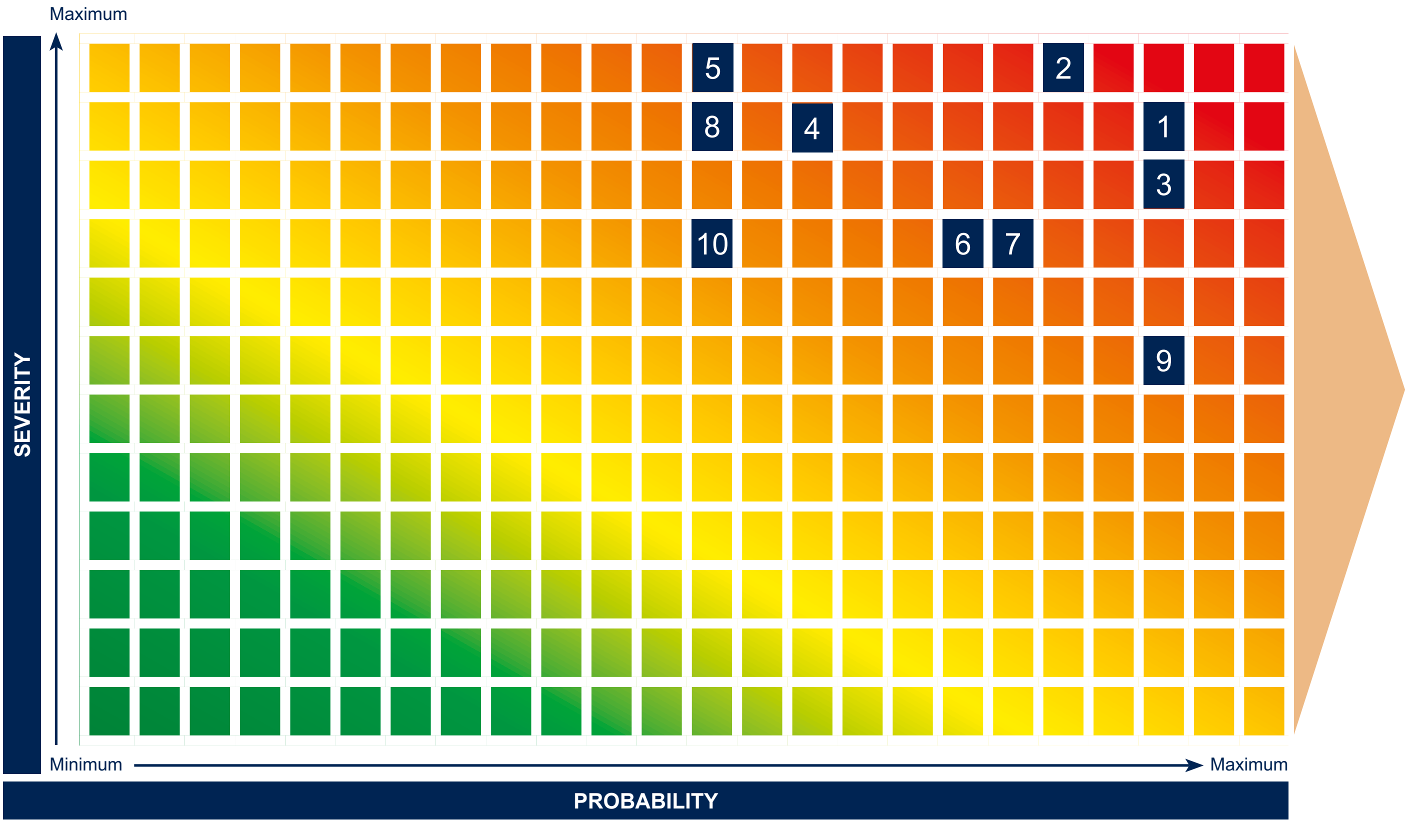
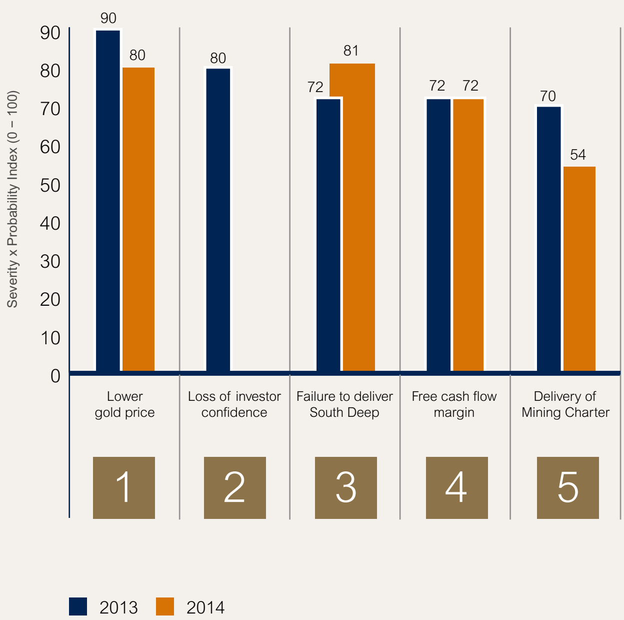


FIGURE 3.5: 2013 risks – how we performed in 2014



PERFORMANCE EXPLANATION

1	2013's No 1 risk is the second highest risk in 2014. The improvement is due to the fact that Gold Fields has shown in 2014 that it can operate in a low gold price environment
2	The 'loss of investor confidence' risk, the No 2 risk in 2013, was removed as a risk in 2014 and recorded as an implication of the South Deep and gold price risks
3	Investor focus on Gold Fields' management of South Deep increased as a risk in 2014 amid the declining production of South Deep between 2014 and 2013
4	The possible failure to deliver a 15% free cash flow margin at US$1,300/oz remains a high risk due to the continued decline in the gold price
5	Since Gold Fields has met most of the 2010 Mining Charter targets the risk associated with non-compliance has significantly diminished. The results of the South African government's audit of mining companies' Charter performances had not been published by March 2015

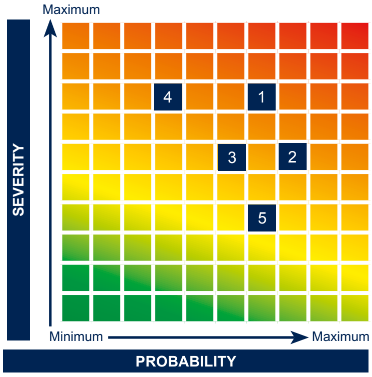
FIGURE 3.6: Top 10 risks – Mitigating strategies

RISK	DESCRIPTION	MITIGATING STRATEGIES	
1 2013: 3	South Deep - Failure to deliver the business plan	• Revised business plan set for 2015 by a new management team with strong mechanised mining experience • Trial application of two alternative mining methods with the potential for a step-change in destress mining • Implementation of the South Deep turnaround strategy	SEVERITY PROBABILITY
2 2013: 1	Lower gold price and volatility	• Ongoing portfolio optimisation to ensure cash-generation • Increase in geographical and currency diversification • Application of a strict stage-gate process to ensure the cash generation potential of future growth projects	SEVERITY PROBABILITY
3 2013: 4	Non-achievement of 15% free cash flow margin at US$1,300/oz.	• Effective portfolio management to improve the free cash flow per ounce • Implementation of comprehensive recovery plan at Damang and St Ives • Business process re-engineering and continuous focus on cost control and cash generation	SEVERITY PROBABILITY
4 2013: 20	Replacement of Mineral Resources and Reserves outside of South Africa	• Comprehensive near-mine exploration plans in all other regions • Examination of potential M&A opportunities • Approval of further capital to support drilling at the Salares Norte Project in Chile	SEVERITY PROBABILITY
5 2013: 16	Loss of 'social license' to operate	• Ongoing targeting of M&A opportunities in lower risk mining jurisdictions • Ongoing application of effective community relations structures in place in all regions as well as societal value proposition strategies	SEVERITY PROBABILITY
6 2013: 6	Regulatory uncertainty and litigation	• Continued engagement, together with peer companies, with all stakeholders on finding a comprehensive and sustainable solution to address issues relating to compensation and medical care for occupational lung disease in the gold mining industry in South Africa. • Pro-active litigation/investigation management and defence.	SEVERITY PROBABILITY
7 2013: 12	Energy security and costs	• Application of Energy and Carbon management strategies, plans and targets at all operations • Investigation of renewable energy options for all projects • Major new agreement with Genser Energy for the supply of power to the Damang and Tarkwa mines • Favourable renewal agreements with power providers in Australia and Peru • New load curtailment agreement with Eskom at South Deep without impacting production • Five-year energy security plans required for each region in 2015	SEVERITY PROBABILITY
8 2013: 5	Non-compliance with South Africa's Mining Charter and Social & Labour Plans	• Ensure continued compliance with SA's Mining Charter and its SLP • Continued engagement with the Department of Mineral Resources and other key stakeholders • Compliance with South Deep's commitments and implementation of Shared Value project, including mathematics and science-focussed education initiatives	SEVERITY PROBABILITY
9 2013: 11	Disruptive labour relations	• Plans to move to mine-level negotiation with organised labour at South Deep • Implementation of an enhanced union engagement strategy at South Deep	SEVERITY PROBABILITY
10 2013: 13	Employee health and safety	• Ongoing implementation of safety strategies in all regions – including behaviour-based safety programmes • Comprehensive first-pass support programme at South Deep • Continuously engaging to reinforce a robust health and safety culture on-mine	SEVERITY PROBABILITY

2013 figure shows the ranking of each risk in the previous year

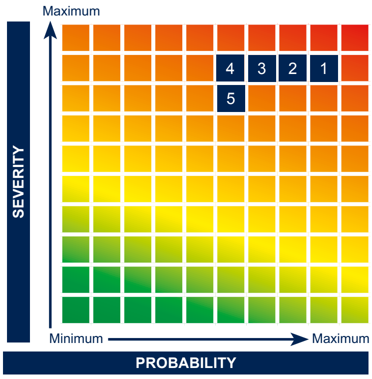
3.2 Risk and materiality (continued)

FIGURE 3.7: Top 5 risks – Australia region



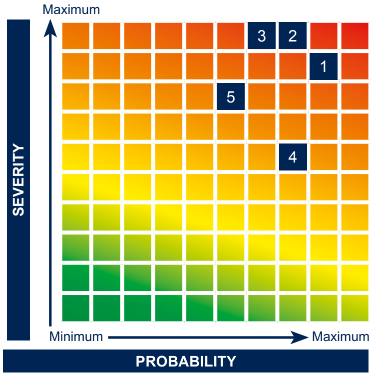
RISK	DESCRIPTION	MITIGATING STRATEGIES
1	Reserve life at all operations	• Significant near-mine exploration to delineate further reserves and spend, commensurate with 1 million ounce production profile • Ongoing business improvement to achieve cost savings and productivity gains necessary
2	Native title at Kambalda	• Proceedings heard in March 2014, decision handed down in July 2014. Appeal lodged in December 2014 • Legal team engaged to advance appeal to full Federal Court on the strongest possible basis
3	Failure to achieve delivery against operational plans	• Annual strategic planning process to generate realistic mine plans • Weekly, monthly and quarterly monitoring of performance
4	Australian gold price	• Target to be in lower quartile of Australian gold producers • Monitor relationship between Australian Dollar and US gold price
5	Turnover of key personnel and impact on operational performance	• Review and improvement of employee development programmes • Employee Value Proposition implementation • Maintain current remuneration market position

FIGURE 3.8: Top 5 risks – West Africa region



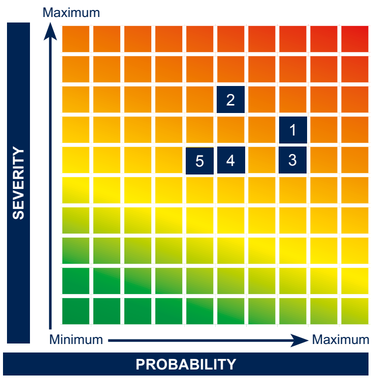
RISK	DESCRIPTION	MITIGATING STRATEGIES
1	Gold price volatility and increasing operating and capital costs	• Ongoing implementation of business process re-engineering initiatives • Cost leadership and cost containment • Fit-for-purpose structure • Renegotiate supplier contracts
2	Erratic power supply and load shedding	• Independent Power Purchase Agreement with Genser Energy • Ongoing consultations with national electricity utilities • Increase generation capabilities from back-up generators
3	Tightened fiscal policies – pressure on government to reduce revenue shortfall	• Investment Agreement negotiation and implementation • Frequent and direct engagement with government via Chamber of Mines • Public awareness and communication campaigns • Successful tax audits by external auditors
4	Loss of environmental and social licence to operate	• Enhanced Community Relations structures provided at operations • Frequent stakeholder engagement/relationship • Community awareness campaigns • Preparation for Akoben (environmental) audits • Comprehensive environmental turnaround plans implemented
5	Increased stakeholder expectations	• Working with employees to improve productivity and provide a basis for real wage increases as a trade-off • Working with key suppliers to mitigate payment delays when they occur • Shared Value projects rollout

FIGURE 3.9: Top 5 risks – South Africa region



RISK	DESCRIPTION	MITIGATING STRATEGIES
1	Failure to achieve the mine plan	• Establish organisational discipline and performance management systems • Mine plan for 2015 revised to more achievable target • Critical enabling projects identified with project leaders in place
2	Primary and secondary support	• One-pass support system to be introduced on completion of the underground trials • 4.5 x 4.5m destress cut pilot project in progress to facilitate mechanised support • Full plant tailings (FPT) infrastructure and commissioning
3	Training & skills deficit at South Deep	• Review of mechanised mining artisan requirements • On-the-job operator training to advance competency levels, including upgraded simulator training • Accelerated training for managers and supervisors • On-going management and supervisory leadership development programmes • Targeted technical skills training programmes aligned to mechanised mining needs
4	Union and labour relations	• Develop and implement a new wage strategy • Improved management engagement process with labour • New communication structures and channels introduced
5	Lack of Heavy Mobile Equipment (HME) skills, availability and utilisation	• Appoint HME manager to implement a new strategy • Commission the new 93L workshop • Implement fleet performance management system • Implement maintenance management strategies, policies and procedures • Implement priority projects – short term gains to optimise operations

FIGURE 3.10: Top 5 risks – Americas region



RISK	DESCRIPTION	MITIGATING STRATEGIES
1	Erosion of free cash flow, price volatility and cost inflation	• Ensure continued delivery of the production plan • Strict cost containment and reduction measures implemented
2	Poor conditions of some local houses	• Participation in government plan to repair damaged houses • Priority repair for houses in very poor condition • Ongoing monitoring of condition and maintenance programme
3	Increased social pressures, conflicts and community expectations due to change in authority	• Anticipation of community conflict through intensive engagement • Properly planned contingencies in place for conflict • Stringent follow up and feedback on all commitments made to communities • Focussed and strong engagement with local authorities
4	Increase in regulatory scrutiny, sanctioning process and inspections	• Aggressive process in place to challenge sanctions and penalties • Strict compliance with regulations through internal auditing and constant monitoring
5	Maintaining throughput	• SAG (Semi-autogenous grinding) mill analysis and eliminating motor restrictions • Implement process plant optimisation project

Plant at Darlot in Australia

OPTIMISING OUR operations

4.1 Ensuring our mines deliver

In 2014, Gold Fields consolidated its position as a more focussed, leaner business by continuing with the restructuring commenced during 2013. The most obvious manifestation of this transformation was the 2013 unbundling of the Company's conventional, deep-level underground mines in South Africa to create Sibanye Gold.

Gold Fields' portfolio is now characterised by modern, fully mechanised open-pit and underground mining – with diversified production spread across three continents.

This supports our broader strategy focused on cash-generation rather than 'ounces for ounces sake' – enhancing the Company's ability to generate free cash flow and delivering investors superior value over the price of gold during 2014 through its dividend policy and share price performance. As a result of this proactive strategy, Gold Fields is in a favourable position to weather current low gold prices – particularly when compared to many of its peers.

In this context, Gold Fields continued to focus on improving the cash-generation performance of its existing operations. During 2014, this included:

- The avoidance of marginal mining – including the cessation of all heap leach production at Tarkwa – whilst protecting the commercial sustainability of its mines by eschewing high-grading and investing in ore development on an ongoing basis
- Enhanced cost-efficiency at all of its operations
- Brownfields exploration for Life-of-Mine extensions
- Production and strategic planning based on the delivery of a 15% free cash flow margin at a gold price of US$1,300/oz

4.1.1 Group operational performance

FIGURE 4.1: Group operational performance

Key operating statistics	2014	2013	2012
Gold produced – attributable ('000oz)	**2,219**	2,022	2,031
Revenue (US$m)	**2,869**	2,906	3,531
All-in Sustaining Cost (US$/oz)	**1,053**	1,202	1,310
All-in Cost (US$/oz)	**1,087**	1,312	1,537
Gold price (US$/oz)	**1,249**	1,386	1,656
Operating profit (US$m)	**1,191**	1,239	1,879
Operating costs (US$m)	**1,685**	1,679	1,674
Headline earnings (losses) (US$m)	**27**	(81)	350
Normalised earnings (US$m)	**85**	58	409
Cash flow (outflow) (US$m)	**235**	(235)	(280)
Free cash flow margin (%)	**13**	n/a	n/a

Tailings facility at Cerro Corona in Peru

PRODUCTION

- What Gold Fields said it would achieve in 2014: **2.20 million attributable gold equivalent ounces**
- What Gold Fields did achieve in 2014: **2.22 million attributable gold equivalent ounces**

In 2014, attributable gold production increased 10% to 2.22 million ounces (2013: 2.02 million ounces). This reflected:

- Higher production in Australia, following the integration of the Yilgarn South Assets
- Improved production performance at Damang
- Higher production at Cerro Corona, as a result of increased plant throughput and improved copper grades leading to higher gold equivalent ounces

The improved production performance was achieved despite:

- A four-month production slowdown at South Deep, as a result of secondary ground support remediation work (p60)
- Lower production at Tarkwa following the closure of its heap leach facilities

The addition of the Yilgarn South Assets to Gold Fields' portfolio means the Australia region is now Gold Fields' largest source of production. During 2014 production was distributed as follows (2013 numbers are for Q4 2013 annualised):

- Americas: 15% (2013: 13%)
- Australia: 46% (2013: 43%)
- South Africa: 9% (2013: 13%)
- West Africa: 30% (2013: 31%)

Gold Fields' production guidance for 2015 is around 2.20 million ounces.

COSTS

- What Gold Fields said it would achieve in 2014:
  - **AISC of US$1,125 per attributable gold ounce**
  - **AIC of US$1,150 per attributable gold ounce**
- What Gold Fields did achieve in 2014:
  - **AISC of US$1,053 per attributable gold ounce**
  - **AIC of US$1,087 per attributable gold ounce**

In 2014, the All-in Cost (AIC) of US$1,020/oz at Gold Fields' seven international mines was well below the year's historically low average gold price of US$1,249/oz (2013: US$1,386/oz) – producing a free cash flow margin of 14%. This compares favourably to the Group goal of a 15% free cash flow margin at a gold price of US$1,300/oz. This performance reflects:

- The robust nature of Gold Fields' leaner, more focussed portfolio – including the 2013 unbundling of its mature, conventional mines in South Africa
- The 2013 acquisition of the Yilgarn South Assets, their successful integration and subsequent operational cost and production improvements, helped lower the Group's average production costs
- Greater cost-efficiencies at all of the Group's mines

At South Deep, however, AIC was US$1,732/oz. This reflected the fact that the mine is still in development – as well as a number of short-term production disruptions (including the four-month secondary support remediation programme).

Overall, Group AIC was US$1,087/oz (2013: US$1,312/oz), while Group All-in Sustaining Cost (AISC) was US$1,053/oz (2013: US$1,202/oz). This places the Company amongst the lowest-cost producers in the industry – and reflects the successful execution of the following key policies:

FIGURE 4.2: Attributable gold production
'000oz

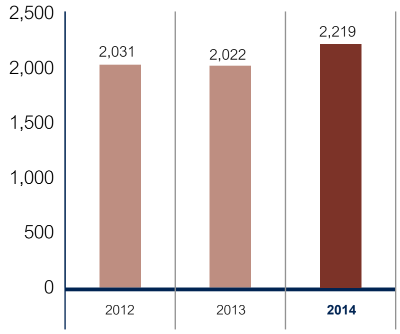


FIGURE 4.3: All-in Costs
US$/oz

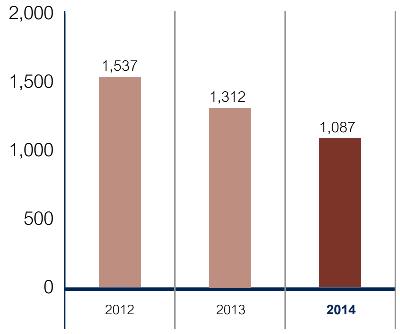
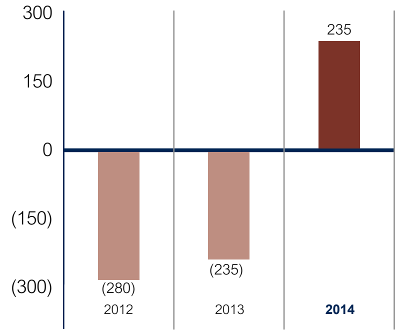


FIGURE 4.4: Net Cash Flow
US$ million



4.1 Ensuring our mines deliver (continued)

MANAGEMENT OF CAPITAL EXPENDITURE

Gold Fields rationalised and prioritised capital expenditure without undermining the sustainability of its operations and ore bodies – and despite an increase in the near-mine exploration expenditure of its Australian mines during the year. As a result, actual capital expenditure was US$609 million – 12% below planned expenditure for the year (US$695 million) and 18% below actual capital expenditure in 2013 (US$739 million). South Deep experienced a sharp drop in capital spending from US$202 million in 2013 to US$92 million in 2014 as most of the infrastructure investment at the project was completed by 2013.

FOCUS ON CASH FLOW MANAGEMENT

The continued prioritisation of cash-generation over production volumes supported a reduction in marginal mining across the Group. Specific actions in 2014 included:

- Closure of Tarkwa's marginal North Heap Leach facility
- Increased focus on the mining of higher-grade deposits – without compromising the long-term sustainability of each mine

WORKFORCE RESTRUCTURING

Gold Fields continued to optimise its low-cost operating model during 2014 – including through reductions in labour costs. Specific actions included:

- The implementation of voluntary retrenchments at South Deep – resulting in 529 redundancies
- Retrenchments in Ghana following the closure of Tarkwa's heap leach facilities and the transition to a two-shift system at Damang – with 628 people affected at both mines
- Continued rightsizing of our Australian operations, following the Yilgarn South acquisition, affecting 98 employees at the four mines

Overall, the size of the workforce decreased 8% to 15,440 employees and contractors (2013: 16,852). Despite the regretful impact on those who have been retrenched, the restructuring has helped to deliver a leaner, more efficient workforce – as well as fit-for-purpose regional management teams.

RATIONALISATION OF GOLD FIELDS' GROWTH PORTFOLIO

Gold Fields applied a strategy of Active Portfolio Management through which it continued to divest itself of growth assets that are not aligned to its long-term financial and strategic objectives. In 2014, this included:

- The sale of its 85% stake in the Yanfolila Project in Mali to Hummingbird Resources (p88 – 89)
- The sale of its 51% stake in the Chucapaca Project in Peru to Buenaventura (p88 – 89)
- The sale of the Talas Project in Kyrgyzstan and the Asosa Project in Ethiopia (p88 – 89)
- The decision to dispose of the Arctic Platinum Project in Finland and the Woodjam project in Canada (p88 – 89)

Furthermore, almost all greenfields exploration has been halted – with focus instead being placed on near-mine growth. As a result, growth-related expenditure dropped by 70% to US$36 million (2013: US$122 million). The 2013 disbandment of the Group-level Growth and International Projects (GIP) team – and the devolution of responsibilities for growth and exploration to the regional level – has also had a material impact on Group costs. The Group also raised US$107 million through the disposal of assets (p80).

For 2015 Gold Fields has provided guidance for AISC of US$1,055/oz and an AIC of US$1,075/oz – reflecting a continued decline in capital expenditure at South Deep, as most of the infrastructure investment has been completed, as well as further cost-efficiencies across the Group. Total capital expenditure for 2015 is forecast at US$660 million (2014: US$609 million).

Causeways onto Lake Lefroy, at the St Ives gold mine

4.1.2 Regional operational performance

This section provides a summary of the 2014 performance at each of Gold Fields' regions. Further details can be found in the online operational overviews.

AMERICAS

Production at Cerro Corona increased 3% – to 326,600 gold equivalent ounces (2013: 316,700 gold equivalent ounces). This performance was primarily due to:

- An increase in the overall amount of ore processed, helped by a lower strip ratio
- Improved copper grades treated at the mill

Nevertheless, higher production was partially offset by the presence of secondary copper, leading to a decrease in copper recovery.

Cerro Corona remained the Group's lowest-cost operation, with an AIC per ounce of gold sold of US$316/oz (2013: US$206/oz). AIC, gross of copper credit per equivalent ounce of gold sold, was US$702/eq-oz (2013: US$713/eq-oz).

AUSTRALIA

All four mines in Western Australia – Agnew/Lawlers, Darlot, Granny Smith and St Ives – reported stable or improved production, while reducing their operational costs. This demonstrates the ability of these mines to significantly enhance the overall quality of Gold Fields' production portfolio.

In 2014, regional production increased 47% – to 1,031,000 ounces (2013: 700,200 ounces). The increase was largely attributable to:

- The inclusion of the Yilgarn South Assets for the full year of operation as opposed to only one quarter in 2013
- Ongoing operational optimisation at Agnew/Lawlers and Darlot
- An outstanding production performance from Granny Smith through reduced dilution, higher in-situ grades and greater mining recoveries. The enhancement of Granny Smith's process plant recovery from around 88% to 93% through improved process flow controls and replacement of larger cyclones with smaller cyclones – in line with the lower volumes – also contributed to improved output from the mine
- Integration of the Agnew and adjacent Lawlers mines to realise processing synergies – including the channelling of ore from Lawlers to Agnew's processing plant, and the placing of Lawlers' own processing plant into care and maintenance. Merging the two mines also allowed on-site overheads to be reduced
- The rightsizing at Darlot with reduced tonnage at higher grades than previous years

Nonetheless, higher production in Australia was partially offset by disruptions at St Ives, including higher-than-average rainfall in Q1 2014, which inhibited open-pit operations at the Neptune operation, the closure of the underground Argo operation in Q1 2014 and a lower underground head grade.

In 2014, the Australia region's AIC improved by 7% to US$1,015/oz (2013: US$1,094/oz). This was mainly due to:

- A strong cost performance by Granny Smith with both mining costs and processing costs lower than in previous years
- Lower capital expenditure at St Ives
- Staff redundancies across all four mines

SOUTH AFRICA

The South Deep mine in South Africa, which has one of the largest known gold ore bodies in the world, represents a key opportunity for the Group to create long-term value for shareholders. Indeed, with the rest of the Group's portfolio performing to expectations, the successful delivery of South Deep – which accounts for 59% of the Group's Mineral Resources and 73% of Mineral Reserves – is Gold Fields' top priority.

2014 has been a challenging year for South Deep with the project's build-up interrupted by an unplanned four-month long ground support remediation intervention, necessitated by safety considerations – as well as three fatal accidents.

To enable the delivery of South Deep, Gold Fields has adopted a focussed 'getting the basics right' programme aimed at addressing the key obstacles that have prevented South Deep from realising its full potential. Mechanised mining at depth has limited industry precedent globally and by necessity the operating model continues to evolve as mining processes and practices are refined. The key components of this programme, which is discussed in more detail below, are:

- A prioritised focus on delivering short-term objectives instead of long-term build-up targets
- The adoption of specific key deliverables for 2015, the most important of which is to urgently address the critical shortage of mechanised mining and supervisory skills
- Achieve cash breakeven during the latter half of 2016

2014 Operating performance

During 2014 production decreased 34% to 200,500 ounces (2013: 302,100 ounces) and AIC dropped 2% to US$1,732/oz, against guidance for the year of 360,000 ounces at an AIC of US$1,290/oz. The significant drop in production was mainly attributable to:

4.1 Ensuring our mines deliver (continued)

- The introduction, late in May, of the extensive safety-related ground support remediation intervention, effectively limiting access to 70% of the current mining areas, from which a significant proportion of current production is sourced. This intervention led to the deferral of approximately 48,225 ounces of production and will have a knock-on effect for production in 2015.
- The tragic death of three employees in May and July 2014 (p26) led the Department of Mineral Resources (DMR) to impose Section 54 stoppages to investigate the causes of the fatalities. This led to the deferral of about 16,000 ounces of production. Gold Fields also instituted comprehensive reassessments of working practices to ensure that these type of accidents are avoided in future.

As a result of the ground support remediation intervention and the Section 54 orders:

- In aggregate 64,225 ounces of production was deferred during 2014
- Destress mining fell by 46% during 2014 from 53,700m^2 to 29,000m^2
- The opening up of long-hole open stopes was delayed, as was the ancillary backfill programme

Both production and the level of destress mining recovered again during Q4 2014 by 16% and 200% respectively.

Despite the lower production during 2014, South Deep made significant progress with the restructuring of its cost base, with operating costs reduced by about 14% to R2.66 billion. The cost savings were driven primarily by:

- A voluntary separation programme – agreed to with the trade unions – through which 529 employees (or 14% of the workforce) opted for voluntary retrenchment
- Rationalisation of the underground fleet by removing surplus equipment and vehicles, leading to lower maintenance costs, consumables and contractor costs

Other developments during 2014 and Q1 2015 included:

- A revision of South Deep's shift roster to improve productivity and safety performance, following an agreement with the trade unions. This led to the reinstitution of the 7-2/7-5 (seven days on, two days off followed by seven days on, five days off) work roster
- Completion of the centrally located mega-workshop on 93-level during Q1 2015, which will help to improve equipment availability and reduce maintenance-related transit times in future
- Upgrading of underground haulage roads
- The completion of a new ore pass from 95-level down to 100-level
- A comprehensive review of the regional support pillar configuration to ensure appropriate mine design and layouts
- Modelling of pilot mining projects to assess the potential future application of the 4.5m x 4.5m destress and incline slot mining methods.

2014 Intervention

Late in 2013 Gold Fields, supported by a team of mechanised mining experts from Australia and a Canadian engineering firm specialising in mechanised mining, concluded a comprehensive mine-wide review of all aspects of the mine, including all safety protocols, procedures and standards.

The key finding of the review was that, while the ore body was well understood and the physical infrastructure on the mine was of high standards, the transition of the mine from the development phase to the operational phase was being impeded by:

- A lack of specialised mechanised mining and supervisory skills in South Africa
- The inadequate availability and utilisation of the mining fleet
- Ore handling and logistical constraints underground

The review concluded that significant short term interventions were required to achieve long term production targets.

Following the review South Deep implemented a comprehensive transformation process aimed at addressing the shortcomings identified during the review.

In order to address the immediate skills shortage at South Deep, the following three-pronged strategy was adopted:

- The appointment of a new management team, supported by 26 mechanised mining specialists from Australia in training and mentorship roles in various mining-related disciplines.
- A medium-term strategy of recruiting skills from the limited mechanised mining skills pool in South Africa, was adopted.
- Adoption of an intensive mechanised mining training programme to address the mine's long-term skills requirements

The Australian intervention had a number of positive outcomes, in particular the rationalisation of the mining fleet; the rightsizing of the employee complement; and the identification of the need for the safety-related ground support remediation programme. Its success, however, was limited by a lack of acceptance of the Australian team by South Deep's various stakeholder groups.

It was therefore decided to accelerate the recruitment of leadership skills from South Africa's mechanised mining skills pool. By the end of 2014 a new management team, with extensive mechanised mining experience in the South African platinum sector, was recruited, headed by Nico Muller as Executive Vice-President of the South Africa region. In addition, we have retained a small part of the Australian team to assist with ongoing training and skills transfer.

A compelling business case

The South Deep mine remains a strategic imperative for Gold Fields. Since obtaining full ownership of South Deep in April 2007, Gold Fields has significantly advanced its understanding of and confidence in the ore body.

In addition, South Deep is almost fully capitalised. Since 2007, Gold Fields has built most of the infrastructure needed to support the build-up to full production. Of the initial project capital expenditure of approximately R9 billion approved in 2009, 85% has been spent. Approximately R1.2 billion in 2009 money terms (R1.7 billion in 2015 terms (US$170 million)) remains to be spent over the next 10 years.

The impediments to the build-up of South Deep therefore do not relate to the integrity of the ore body or the installed infrastructure, but rather to the mining and production processes. The focus during 2015 and 2016 will be on fixing the inputs to these processes, such as the availability of adequate mechanised mining skills and the improvement of front-line supervision.

This will in turn feed into improved production systems and processes such as fleet maintenance and availability, destress mining, and opening up of the ore body. Once these basic building blocks have been put in place and are performing to standard, we will have better resolution on what is possible in terms of the medium to long-term build-up. Until then though South Deep will not provide any production forecasts beyond a one-year guidance.

The key performance indicators for the mine management team for 2015 are the following:

- *Production*: A 15% increase in production to approximately 230,000 ounces and reducing the AIC by 15% from US$1,732/oz to about US$1,470/oz. This guidance for 2015 does not assume any productivity improvements beyond what was realised in 2014.
- *Cash burn reduction*: During 2014 South Deep had a negative cash flow of US$116 million. By achieving the above production and cost targets, the cash burn for 2015 is expected to reduce, assuming rand gold prices in early 2015 continue to prevail for the remainder of the year. The objective is to work towards cash breakeven in the latter part of 2016.
- *Short-term skills recruitment*: With the senior leadership team now in place, South Deep will seek to hire middle management and supervisory skills with the appropriate mechanised mining skills and experience
- *Medium to long-term skills pipeline*: Establish industry-leading training capacity to provide a pipeline of appropriate skills, which will also be impacted by the growing competition for mechanised mining skills in South Africa
- *Mining discipline*: Instil a disciplined mechanised mining culture with greater understanding of and adherence to the appropriate systems and processes

WEST AFRICA

In 2014, production at Gold Fields operations in Ghana decreased 6% to 736,000 ounces (2013: 785,300 ounces). This performance reflected further restructuring of the Tarkwa and Damang mines during 2014, to maximise cash generation by focussing on lower volume, higher-margin mining and processing.

Strict cost control measures and retrenchments at both operations helped reduce AIC in the West Africa region. In 2014, AIC improved 19% to US$1,094/oz (2013: US$1,343/oz).

Crushed ore stock pile at Damang Gold Mine in Ghana

4.1 Ensuring our mines deliver (continued)

Optimising production at Tarkwa

During 2014, production at Tarkwa – the largest gold producer in the Group – decreased 12% to 558,300 ounces (2013: 632,200 ounces). This reflected:

- The cessation of all heap leach operations at the mine – with all ore now being processed through Tarkwa's existing, high-recovery Carbon-in-Leach (CIL) plant
- Higher-than-average rainfall during Q1 2014, which reduced total tonnes mined from Tarkwa's open-pits
- A shortage of blasted ore at Tarkwa due to poor drill rig availability between Q1 and Q3 2014 – with performance recovering in Q4 2014

This was partly offset by an overall improvement in process plant performance – including throughput of 13.4 million tonnes against a plan of 12.3 million tonnes, and an increase in recovery to 97.2%.

In 2014, AIC at Tarkwa dropped by 17% to US$1,068/oz (2013: US$1,291/oz). This was mainly due to optimisation of the CIL plant, enhanced contractor management and effective cost controls.

Sustained recovery at Damang

Damang experienced a significant improvement in operational performance during 2014, following extensive restructuring at the mine to ensure its commercial sustainability. As a result, production at Damang increased 16% to 177,800 ounces (2013: US$153,100 ounces), while AIC decreased 25% in 2014 to US$1,175/oz (2013: US$1,558/oz). This was mainly due to:

- A focus on high-quality mining
- A higher head grade, which was up from 1.3 g/t to 1.5g/t, as a result of improved mining and reduced dilution
- Improved recovery as a result of the installation of an additional CIL tank
- Transition from a three-shift mining system to a two-shift mining system – with a commensurate reduction in the workforce by around 130 employees
- Lower capital expenditure

In 2014, mining activity at Damang was focussed on areas with a lower-strip ratio – while production levels were maximised by reducing dilution and focussing on the optimum cut-off grades over the lifespan of the mine. Despite these interventions, in 2014 Damang's mine grade was still below the estimated reserve grade. In addition, production was affected by unplanned mill stoppages in Q2 and Q3 2014, resulting in the temporary shutdown of all processing at the mine for seven days.

Despite these challenges, Damang consolidated its return to profitability in 2014 – following a loss-making position in 2013. It is now expected to generate cash flow at current gold prices for at least the next few years.

4.1.3 Energy and carbon management

Total Group energy cost increased to US$361 million in 2014 (2013: US$305 million), comprising 21% of Group operating costs in 2014 (2013: 18%). This proportion is likely to rise in a global context of increasing energy demand and constraints on supply. As such, energy management remains a top priority – in terms of controlling both costs and carbon emissions as well as ensuring security of supply.

INTEGRATED ENERGY AND CARBON MANAGEMENT STRATEGY

Gold Fields integrates energy and carbon management into all aspects of its business through its Integrated Energy and Carbon Management Strategy. This strategy seeks to ensure energy security; decrease carbon emissions; explore immediate- and long-term energy efficiency opportunities; and investigate viable sources of alternative energy.

Gold Fields remains committed to renewable energy solutions at both its operations as well as new mine developments. For the latter, we have set a target of an average of 20% renewable energy generation for all new mine developments.

Energy and carbon performance was integrated into the balanced scorecards of senior and line management in 2014, while energy security – including the evaluation of renewable energy – is contained in the Group Scorecard for 2015 (p23).

During 2014, each region was required to:

- Establish energy and carbon baselines
- Set targets for reducing energy consumption and carbon emissions until 2016 and develop strategies to achieve those targets
- Integrate performance indicators based on energy and carbon performance into the balanced scorecards of management

In line with these requirements, the regions finalised new energy and carbon emission baselines in 2014 – as well as associated energy and carbon reduction targets (with defined strategies to achieve them). The regions' 2014 energy performances, as well as their targeted reductions (which were subject to an external review), are set out below:

- **Americas:** During 2014, Cerro Corona achieved a reduction in diesel consumption intensity of 12% (TJ/MT mined) against a target of 12% and a reduction in electricity consumption intensity of 6% (TJ/MT processed) against a target of 8%, leading to savings of US$4.3 million in energy costs. Actual diesel consumption (in TJ) was reduced by 24% to 357 TJ and electricity consumption (in MWh) by 3% to 143,441 MWh. A total reduction in carbon dioxide emissions of 13.6% was achieved against a target of 15.5%. All targets are against a baseline year of 2013.
- **Australia:** As a result of the acquisition of the Yilgarn South Assets in October 2013, net diesel consumption increased by 129% in 2014 to 2,696 TJ and electricity consumption by 27% to 296,989 MWh.

But the elimination of marginal mining at the Australian operations and campaign milling at Granny Smith have already led to significant improvements in energy efficiency. A 9% (GJ) reduction in energy (electricity and diesel) consumption and a 7% reduction in carbon emissions by 2016 have been targeted for the region (using a 2012 baseline year for St Ives and a 2013 baseline year for Agnew/Lawlers, Granny Smith and Darlot). Energy savings of A$10 million were achieved for 2014. Of this A$6 million was a result of mine optimisation while A$3.9 million resulted from specific energy efficiency projects.
- **West Africa:** At our two Ghanaian mines net diesel consumption declined by 21% in 2014 to 2,926 TJ and electricity consumption dropped by 6% to 420,878 MWh. Targets for an 8.5% (GJ/oz) reduction in energy (electricity and diesel) consumption and a 5% reduction in carbon emissions have been set for the Tarkwa and Damang mines for 2016 (using a 2014 baseline year). Energy savings in 2014 amounted to US$4.7 million as a result of energy efficiency initiatives.

As South Deep is still in development, the project has not yet set reduction targets under the strategy. Nonetheless, as production ramps up:

- The energy consumption and the carbon emissions are likely to increase by a compound annual growth rate (CAGR) of 4% from a 2013 actual to a 2016 forecast.
- Over the same period the intensity per ounce is likely to decrease by 12% and intensity per ton mined/milled by 6%, while emissions per ounce are likely to decrease by 13% and per ton mined/milled by 7%.

Actual electricity consumption last year declined by 13% to 476,767 MWh as a result of lower production at the mine.

REGIONAL ENERGY EFFICIENCY INITIATIVES

The combination of the lower gold price, rising energy costs in most regions and the implementation of carbon taxes in some countries means it is imperative for Gold Fields to reduce its long-term energy consumption. In 2014, each of Gold Fields' regions implemented a range of energy efficiency initiatives – in line with the Integrated Energy and Carbon Management Strategy.

Cerro Corona was particularly successful in reducing its overall energy consumption and associated costs, with the mine's strong performance being driven by a number of initiatives, including the replacement of some of its heavy mining fleet with smaller trucks and excavators and the reduction in the amount of ore, waste rock and quarry material being moved at the mine. Nevertheless, Cerro Corona's future energy consumption is expected to rise due to increased ore hardness and greater hauling distances.

The Australia region also delivered a strong performance in 2014 in term of reducing energy consumption, which was largely the result of a reduction in energy demand at St Ives' processing plant due to more efficient dilution processes – as well as improved energy efficiency at Granny Smith due to campaign milling.

Meanwhile, the implementation of a fuel management system helped to reduce diesel consumption in the West Africa region. This involved the modification of pit water pumps and pit lighting plants, the collection and utilisation of fuel data, and the implementation of new diesel flow meters.

REGIONAL ENERGY SECURITY

Given the relatively energy-intensive nature of mining and processing, it is essential that each of Gold Fields' mines benefits from a stable and affordable supply of power. This is explicitly recognised in Gold Fields' Integrated Energy and Carbon Management Strategy. Energy security is a particular challenge in more remote locations – and where operations compete with other commercial and domestic users for finite supplies.

Each region has been tasked with submitting a five-year energy security plan during 2015. The potential for renewable energy generation at each operation will again be reviewed as part of these plans, as renewable energy is becoming more cost-effective and an increasingly competitive alternative to conventional power sources. The use of renewable energy is also considered a key aspect of reducing the Group's carbon emissions.

FIGURE 4.5: Group direct and indirect energy consumption
TJ (terajoules)

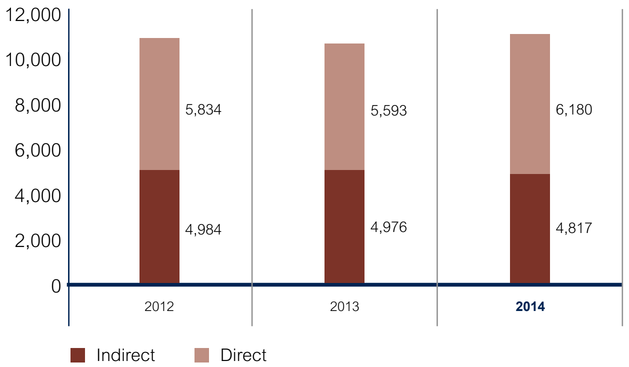
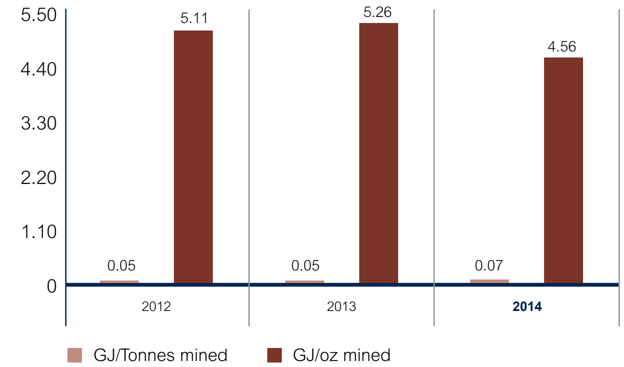


FIGURE 4.6: Group energy intensity
GJ (Gigajoules)



4.1 Ensuring our mines deliver (continued)

The Americas

In 2014, Gold Fields extended its electricity supply agreement with private utility Kallpa to supply power to the mine until 2027 – significantly increasing Cerro Corona's long-term energy security.

Australia

The remoteness of Gold Fields' Australian operations means they have limited power supply options. In June 2014, a power purchasing agreement (PPA) was finalised with BHP Nickel West for Agnew/Lawlers – which will guarantee the energy supply until 31 May 2019.

St Ives has a 10-year PPA with BHP Nickel West – which will guarantee the energy supply of the mine until 2023. Under the PPA, Gold Fields purchases power from BHP Nickel West at a higher price than that set previously, reflecting higher natural gas prices. The structure of the PPA allows for the pursuit of cost efficiencies through a reduction in the fixed demand charge. It also provides flexibility in terms of connecting additional points of supply. This includes, for example, the Cave Rocks operation at St Ives, which currently uses diesel generators.

The PPAs at St Ives and Agnew/Lawlers are based on gas-generated electricity, which will help reduce the carbon intensity of these mines. This is also the case for Darlot. Meanwhile, Granny Smith is expected to receive its future energy supply from a new gas pipeline, which has been constructed by the nearby Tropicana mine to supply gas to its operations. Access to this pipeline is subject to the construction of a gas power station, successful negotiations on gas supply and regulatory approval. This is scheduled to be completed by mid-2016 and will significantly reduce costs and carbon emissions relative to the current diesel generators on site.

South Africa

South Deep remains reliant on public energy utility Eskom for 100% of its power supply. However, Eskom continues to face power supply constraints, due to:

- Historical under-investment in generating capacity
- A maintenance backlog on the ageing generation fleet of power stations
- Delays in the construction of the Medupi and Kusile coal-fired power stations

In this context, Eskom carries out load-shedding across the national grid whenever their available generation capacity cannot meet national demand. South Deep has entered into a load-curtailment programme with Eskom (rather than being subject to load-shedding). This requires South Deep to reduce demand by up to 25% – depending on the severity of the shortage – for a specified period of time when the national grid is unable to maintain its load. As South Deep is not operating at full capacity it delays rock hoisting by storing ore underground and delays milling until after those load curtailment periods. As such the mine managed to maintain essential mining activities without interruption and the impact on production and development was limited.

Eskom is expected to increase its energy prices by around 13% in 2015. South Deep will seek to mitigate the impact of any such price rise through further energy efficiency improvements and investigating the long-term feasibility of renewable and other alternative energy sources. This will form part of its five-year energy security plan that will be developed during 2015.

West Africa

Tarkwa and Damang continue to source their power from the Volta River Authority (VRA) and the Electricity Company of Ghana (ECG). Power supply in Ghana remains constrained due to several factors. These include:

FIGURE 4.7: Group CO_2 emissions - Scope 1, 2, 3
Tonnes

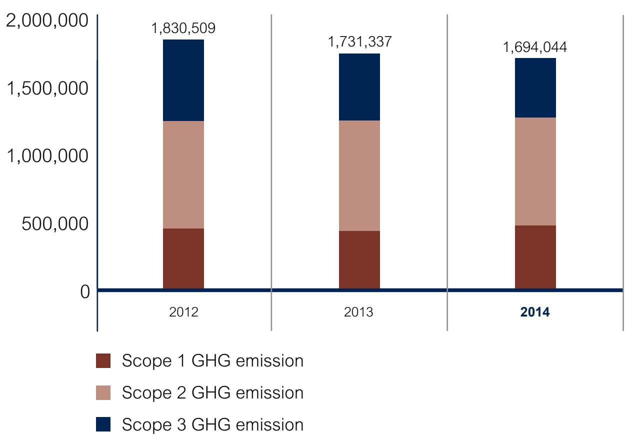
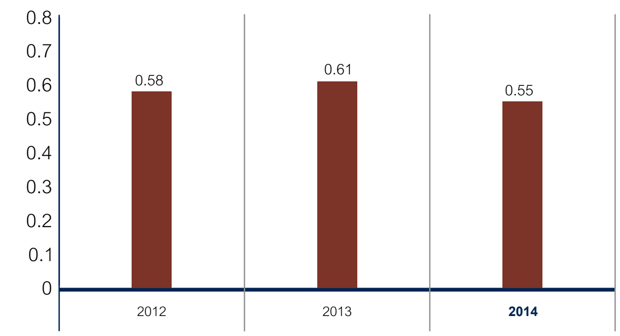


FIGURE 4.8: Emission intensity (Scope 1 and 2 only)
Tonnes CO_2-e/oz



- Rising demand for electricity from industry in southern Ghana
- Seasonal fluctuations in rainfall, which can disrupt hydro-electric power generation
- Delays in the completion of Ghana's planned Atuabo natural gas processing plant
- Reduced gas imports via the West African Gas Pipeline due to growing domestic demand in Nigeria
- Maintenance challenges at thermal power plants

In this context:

- Daily load-shedding of between 25% – 30% of the mines' electricity consumption was introduced during Q4 2014 and could persist well into 2015
- Both the VRA and ECG are expected to impose further increases to the electricity tariff
- The ECG has implemented controlled load-shedding, requiring Damang to use on-site diesel generators during specific periods

Such challenges are likely to grow in the medium term, given that electricity demand in Ghana is expected to surpass national generation capacity by 2020.

To address the current load-shedding requirements Tarkwa and Damang initiated a number of actions:

- Securing additional surplus power (5 – 7MW) from Unilever
- Making more extensive use of generators, amid lower diesel prices
- Implementing a load-shedding schedule to optimise power consumption

In the medium to long term Gold Fields has entered into a 10-year PPA with independent US-based power producer Genser Energy. Under the PPA, Genser will commission a near-site clean coal power-generation facility at Tarkwa in 2016. The delivery of power will begin in Q2 2015 from an alternative Genser plant while the new facility is being completed. It will eventually replace all or a significant proportion of Tarkwa and Damang's current supply from the VRA and ECG. During the first two years of operation, Genser will supply 51MW of power, representing Gold Fields' total electricity demand in Ghana. Over the 10-year contract, the PPA could potentially save around 47% on the cost of power currently supplied by the VRA and ECG. The PPA will, however, increase the Company's carbon emissions, by replacing electricity currently generated through hydropower with coal-generated electricity.

CARBON EMISSIONS AND CLIMATE CHANGE

Carbon emissions and climate change represent a material issue for Gold Fields. This is due to:

- The long-term risks posed by climate change both to its own operations and to wider society
- Growing efforts to regulate carbon emissions in a range of jurisdictions
- The taxes increasingly attached by governments to non-renewable energy consumption

Historically, the company's South African operations accounted for the bulk of its carbon emissions. This was due to its previous ownership of the power-intensive, deep-level underground Beatrix and KDC mines – as well as Eskom's reliance on carbon-intensive coal generation.

Following the unbundling of Beatrix and KDC – as well as the acquisition of the Yilgarn South Assets – the Group has a lower, more 'balanced' carbon profile. Gold Fields is undertaking a number of carbon and climate change management and reporting initiatives – in addition to its broader efforts to reduce its overall energy consumption and carbon emissions (p62 – 63).

Carbon disclosure and renewable energy

Gold Fields responds on an annual basis to the international Carbon Disclosure Project's (CDP) climate change and water questionnaires. This information – along with that of other organisations – is aggregated to produce the Carbon Disclosure Leadership Index (CDLI) and Carbon Performance Leadership Index (CPLI).

In 2014, Gold Fields achieved a disclosure score of 96% in the CDLI and obtained a 'B' rating in the CPLI. The rating represents a decline from previous years – including an 'A' rating in 2013. This decline in performance is due to:

- The 2014 rebasing of energy and carbon management targets due to Group restructuring in 2013 – as well as temporary delays to associated energy efficiency projects
- The loss of the Beatrix methane project and the biomass-to-energy project at KDC following the Sibanye Gold unbundling
- The discontinuation of a planned 30MW biomass power plant project at Tarkwa for economic reasons

Gold Fields continues to examine potential renewable energy opportunities, in light of:

- Challenges posed by remote, off-grid growth projects, such as Salares Norte in Chile
- Improving renewable energy economics, which are being driven by technological advances – as well as growing economies of scale within the sector
- The ability of a diversified energy mix to enhance operational energy security
- The potential for offsetting future carbon taxes and/or generating carbon credits
- The ability of renewable energy projects to offer positive legacies to local communities and create Shared Value

Carbon taxes

Governments around the world are considering the benefits of increased carbon regulation and taxation, as demonstrated in Australia and South Africa.

4.1 Ensuring our mines deliver (continued)

Australia

In July 2014, Australia's new coalition government repealed the Carbon Pricing Mechanism (CPM) – which had been implemented under the previous administration in 2012. Under the CPM, the Agnew/Lawlers, Granny Smith and St Ives mines had faced reductions of their diesel rebates – which would have significantly increased their energy costs. Darlot exceeded the 25 000 tonne CO_2 emission threshold for 2014. As such Gold Fields will offset that liability through the purchase of carbon units at a total cost of A$608 555. Although the carbon tax legislation is no longer applicable, we need to settle our account for the period July 2013 to June 2014. Although Gold Fields supports efforts to reduce global carbon emissions, it believes that more economically sustainable approaches to carbon management in Australia are appropriate.

South Africa

The South African government continues to pursue plans to impose a carbon tax on mining and other carbon-intensive industries, but has not provided a detailed plan to date. Under the government's draft Carbon Tax paper, the tax will be implemented in early 2016 at a starting price of R120 (US$11) per tonne, but offers as yet unspecified relief measures. Based on our analysis of the draft bill, if South Deep is liable to pay carbon tax, this is expected to be done over 40% of the mine's Scope 1 emissions (direct emissions that are the result of its operations). On this basis the potential tax liability in 2016 is estimated at R335,000 (US$30,000). The industry continues to engage with government on alternative ways to positively address carbon emissions.

Laboratory testing of metal concentrations at Granny Smith in Australia

4.2 Pursuing Zero Harm

Gold Fields continues to uphold its promise, "if we cannot mine safely, we will not mine". This reflects the need to minimise any potential negative impact on people, maintain operational continuity and protect the Company's reputation. Gold Fields' Group annual performance bonus contains a 20% safety component. Furthermore, maintaining safe and healthy working conditions is a key compliance issue for the Company.

As stated in its Occupational Health and Safety Policy, Gold Fields strives for 'Zero Harm' at all of its operations – and to minimise occupational health and safety hazards. All of the Group's operations are now certified to the OHSAS 18001 international health and safety management standard. This follows the 2014 certification of Granny Smith and Darlot – both of which were acquired from Barrick Gold in Q4 2013. The Lawlers mine, also acquired from Barrick, was certified through its merger with Agnew. In addition, all Gold Fields operations are now fully compliant with the requirements of the International Cyanide Management Code (ICMC).

All of Gold Fields' regional operations are required to implement health, safety and wellness strategies, together with associated action plans. These address:

- Occupational safety
- Occupational health
- Employee wellness
- Community health and wellbeing

In addition, these strategies and action plans define relevant management structures, resource allocations and reporting requirements.

4.2.1 Health and safety performance

MEASURING PERFORMANCE

In 2014, Gold Fields continued to focus on implementing its Group Safety Reporting Guideline, which is based on the International Council on Mining and Metals (ICMM) guidelines.[1] Since 2013, Gold Fields has aligned its health and safety metrics with those of the ICMM, headed by the total recordable injury frequency rate as a key metric (TRIFR). Gold Fields' peer companies tend to use the TRIFR metric, which assists with benchmarking Group performance against the wider sector.

GROUP SAFETY PERFORMANCE

FIGURE 4.9: Group safety performance

	2014	2013
TRIFR[1]	**4.04**	4.14
Fatalities	**3**	2
Lost Time Injuries[2]	**75**	52
Restricted Work Injuries[3]	**84**	73
Medically Treated Injuries[4]	**38**	54
Total Recordable Injuries	**200**	181
Man-hours	**49,456,833**	43,767,818

[1] *Total Recordable Injury Frequency Rate (TRIFR) Group safety metric was introduced in 2013. TRIFR = (Fatalities + Lost Time Injuries + Restricted Work Injuries + Medically Treated Injuries) x 1,000,000/number of man-hours worked.*

[2] *A Lost Time Injury (LTI) is a work-related injury resulting in the employee or contractor being unable to attend work for a period of one or more days after the day of the injury. The employee or contractor is unable to perform any of his/her duties.*

[3] *A Restricted Work Injury (RWI) is a work-related injury sustained by an employee or contractor which results in the employee or contractor being unable to perform one or more of their routine functions for a full working day, from the day after the injury occurred. The employee or contractor can still perform some of his/her duties.*

[4] *A Medically Treated Injury (MTI) is a work-related injury sustained by an employee or contractor which does not incapacitate that employee and who, after having received medical treatment, is deemed fit to immediately resume his/her normal duties on the next calendar day, immediately following the treatment or re-treatment.*

During the reporting period, the Group's overall TRIFR improved 3% to 4.04 per million man-hours (2013: 4.14). This reflected:

- Improved safety performance at South Deep (although this was partly linked to slowdown in production during the four-month remediation programme)
- Improved safety performance in Australia following the implementation of a behavioural-based health and safety strategy
- Improved safety performance in West Africa, following the implementation of a range of interventions (p68 – 69)

4.2.2 Safety management

Details of specific regional safety initiatives implemented in 2014 are set out below.

THE AMERICAS

In 2014, Cerro Corona placed particular focus on improving contractor safety. This followed the death of a contracted worker at the mine in 2013. As a result, Cerro Corona extended its employee Behaviour Change Programme to include contractors. Relevant initiatives applied in 2014 included a review of

[1] See ICMM, January 2014, Health and safety performance indicators – www.icmm.com/publications/safety-data

4.2 Pursuing Zero Harm (continued)

contractors' safety programmes and improvement of the safety induction process for contractors. The mine's TRIFR rose slightly in 2014 to 0.38 per million man-hours (2013: 0.34).

AUSTRALIA

During 2014, the Australia region implemented a safety strategy focussing on best practice tools, programmes and processes. It also focussed on achieving OHSAS 18001 international health and safety certification at its Yilgarn South Assets. This resulted in the successful certification of both Granny Smith and Darlot to OHSAS 18001. Lawlers was certified in Q4 2014 under Agnew's certification.

The region implemented an innovative behaviour-based safety programme called 'Vital Behaviours' for all employees and contractors. Vital Behaviours engages the workforce through participatory workshops aimed at promoting safe workplace behaviour. Participants share experiences (on a confidential basis), whilst analysing and reflecting on past cases where they may have acted in an unsafe or non-compliant way. In parallel with this process, the Australia region rolled out the 'Visible Felt Leadership' programme in 2014. This involves training senior managers to engage with their teams on safety issues.

The implementation of these two programmes appears to have played a role in the dramatic improvement of the region's safety performance in 2014 – with the TRIFR decreasing to 17.04 per million man-hours (2013: 23.47[1]). This represented the region's best performance to date – and took place at the very time that the region was integrating the Yilgarn South Assets.

SOUTH AFRICA

In 2014, two employees and one contractor at South Deep were tragically killed in workplace accidents (p15; 26). These deaths – all of which occurred underground – related to two workshop accidents and a machinery incident. On 27 May 2014, the DMR imposed a Section 54 notice on the mine, following a review of the circumstances surrounding the first two fatalities. The notice placed a moratorium on all workshop-related activities, effectively bringing production to a halt.

The notice was lifted on 30 May 2014 after Gold Fields filed a report to the DMR confirming compliance with the Mines Health and Safety Act (Section 11(5)). Simultaneously, South Deep implemented a wide range of safety-based remedial actions, including the completion of secondary support in older parts of the mine – as prompted by the February 2014 review (see p60). This secondary support work was completed in October 2014.

A fatality in July 2014 also led to a Section 54 stoppage being imposed for about a week in the affected areas, before being lifted.

Gold Fields remains committed to eradicating residual safety risks at South Deep by instituting further safety management initiatives. In 2014, these included:

- The integration of a Health and Safety Management System into the new induction processes introduced at South Deep, following the major review process – as well as the standard induction process. The system is being audited on a quarterly basis, with the first audit completed in Q1 2015
- The mine reverted to a 7-2/7-5 roster system – in part, to address concerns about fatigue-related safety risks caused by the recently introduced 24/7, 12-hour shift system. This transition was supported by a five-day training programme for each new roster cycle to ensure employees and contractors were sufficiently trained to work safely within the new roster system
- Workers were provided with general refresher safety courses as they returned to work following the Section 54 safety shutdowns – as well as role-specific modules. This also included training on the new roster system
- The installation of proximity detection systems, which help personnel avoid danger zones when working near heavy mining equipment
- The installation of new rail-bound equipment, including the Rovic auto-coupler which eliminates the need for personnel to manually couple and uncouple rolling stock

In addition, the mine continued to carry out substance testing. A total of 5,127 employees and contractors were tested for the use of cannabis, with 99 of those tested found to be positive (2% of the total). A total of 51,500 alcohol tests were carried out among employees and contractors, of which 57 yielded positive results. The positive cases were referred to Gold Fields' Employee Assistance Programme (EAP) – where first offenders received counselling and other assistance to address substance use. Repeat offenders were dismissed due to the potential safety risks they posed to the workplace.

In 2014, South Deep's TRIFR improved by 10% to 4.65 per million man-hours (2013: 5.19).

WEST AFRICA

Despite already achieving some of the best safety performances across the Group, West Africa instituted a number of enhanced safety measures following a lost time incident in September 2014 at Tarkwa's CIL plant. These included:

Tarkwa

- The drive to reduce vehicle-related incidents continued with 74,970 breathalyser tests conducted
- The 100 Injury Free Day Challenge safety campaign was re-energised
- Senior managers' night and dawn visits to selected working sites commenced to create safety awareness during the Festive season

[1] The relatively high TRIFR for Australia is partly due to higher number of restricted work injuries (RWI) reported relative to other regions. This reflects more conservative injury classifications being employed by local medical practitioners, who are concerned about the possibility of injury severity escalations

Damang

- The Safety Referee Policy, which involves the issuance of colour-coded cards to offenders of safety rules, was also revised and is now being implemented to boost the overall safety performance of the mine
- Simulation drills were conducted to test the readiness of the emergency response team
- 13,684 employees were randomly tested for alcohol

The implementation of these safety initiatives helped improve the region's TRIFR, which decreased 20% to 0.75 per million man-hours (2013: 0.94).

4.2.3 Health and wellness management

All operational employees are subject to entry and exit medical assessments – and in certain operations, employees also undergo annual medical assessments that aim to prevent, identify and treat occupational diseases. These assessments, which are – at a minimum – aligned with the legal requirements of each operating jurisdiction, focus on operation and role-specific health risks. Employees are also offered quantitative, confidential health risk assessments. These not only address occupational diseases, but also general health and lifestyle issues such as hypertension, diabetes, cholesterol, diet and mental health.

In 2014, the number of occupational health cases submitted for compensation was as follows:

- 13 cases of Noise-Induced Hearing Loss (NIHL) (2013: 8)
- 15 cases of Silicosis (2013: 12)

We await a final outcome of the assessments that are conducted as a matter of course by the Medical Bureau for Occupational Disease (MBOD) and the Rand Mutual Association (RMA), which will determine the final number of cases accepted.

In 2014, 49 new cases of cardiorespiratory tuberculosis (CRTB) (2013: 42) were recorded. This increase can be attributed to the fact that during the year South Deep enhanced its efforts to identify CRTB cases. There was therefore an increase in the total number of patients screened, and the final number of CRTB cases identified.

Wellness is a material issue given the location of Gold Fields' mines, the nature of employees' working patterns and the lifestyle challenges associated with the sector. All of Gold Fields' regions run dedicated wellness programmes, tailored to both the national and local context of each mining operation. These programmes aim to identify and manage chronic medical conditions within the workforce – whilst also maximising its productive capacity and reducing absenteeism.

OCCUPATIONAL HEALTH

Gold Fields is committed to reducing the exposure of its employees to occupational health risks – including those associated with air quality, Silicosis, tuberculosis and hearing loss. As such, each region has implemented management plans for diesel particulates, silica dust, radiation and noise. These provide for ongoing and regular monitoring of exposure levels at all operations. Particular emphasis is placed on managing the underground working environments in Gold Fields' Australian and South African operations – due to the heightened health risks that underground mining poses to workers.

Noise

We remain committed to further reducing noise levels at South Deep. New targets have been set by the national Mine Health and Safety Council (MHSC), which were adopted in November 2014 and require that total noise emitted by all mining equipment should not exceed 107 (A-weighted) decibels (dB(A)) by 2025. Throughout 2014, the mine met the current MHSC target of not more than 110 dB(A). Silencing of underground fans and the application of noise management measures to the underground mining fleet played a key role in helping the mine meet this target.

Nurse at medical station at South Deep in South Africa

4.2 Pursuing Zero Harm (continued)

To further reduce employee exposure to noise levels exceeding the statutory requirements of 85 dB(A) over an eight-hour shift, the mine piloted new moulded hearing protection devices in 2014. These are custom fitted for each employee's ear and were distributed to all 500 identified high-risk employees. It should be noted that the measurement of exposure levels above 85 dB(A) do not take into account the protection afforded by hearing protection devices, which are issued to all employees working in high exposure areas.

Silica dust exposure

South Deep continued to implement improved dust control measures, in accordance with MHSC requirements. Examples of actions taken in 2014 include:

- Real-time dust monitoring
- The fitting of water mist sprays at dust sources
- Dust management controls on footwalls and internal tips
- Installation of manually controlled water blasts in all working areas

Throughout 2014, South Deep stayed within the 5% threshold for the proportion of individual silica dust measurements exceeding the occupational exposure limit (OEL) of 0.1mg/m^3 – as set by the MHSC. The average percentage sample above the OEL at the mine in 2014 was 4.9% (2013: 3.8%).

Gold Fields is continuing its efforts to eliminate the incidence of Silicosis and tuberculosis through improved underground dust management and a number of other measures.

In November 2014 Anglo American South Africa, AngloGold Ashanti, Gold Fields, Harmony and Sibanye formed an industry working group to address issues relating to compensation and medical care for occupational lung disease in the gold mining industry in South Africa. The companies intend to engage all stakeholders to work together to design and implement a comprehensive solution that is both fair to past, present and future gold mining employees, and also sustainable for the sector. The companies are already engaging with a number of stakeholders as part of an intensive engagement process during 2015 intended to lead to a comprehensive solution.

The companies believe that fairness and sustainability are necessary to any comprehensive solution. The companies are among respondent companies in a number of lawsuits related to occupational lung disease. The five companies do not believe that they are liable in respect of the claims brought, and they are defending these. They do, however, believe that they should work together to seek a solution to this South African mining industry legacy issue.

The companies active in gold mining have been working for many years to try to eliminate the incidence of occupational lung disease. These efforts continue.

Diesel particulate matter

Gold Fields undertakes regular monitoring and analysis of the concentration of diesel particulate matter at all of its operations. This issue is particularly material at Gold Fields' underground mines in Australia and South Africa – due to the potential concentration of particulates in specific working areas.

While there are no regulatory limits, the Australia region implemented a strategy in 2014 designed to reduce exposure to Diesel Particulate Matter (DPM) with a focus on fitting filters to equipment, refining maintenance schedules, ensuring the correct levels of ventilation and to provide appropriate procedural controls. Sampling programmes have indicated the success of this initiative with a dramatic decline in DMP levels underground, to a point where only 2% of samples have exceeded the internal target of 70ug/m^3. This is in line with targets recommended by the Australian Institute for Occupational Hygienists.

In South Africa, the DMR has developed a draft regulatory framework to establish a DPM OEL. This proposal, published in February 2014, recommends a four-year 'step-in-approach' starting at 350ug/m^3 – and systematically decreasing to 160ug/m^3 by January 2018. In response, Gold Fields carried out a study to establish current exposure levels at South Deep, which found that in a number of areas the 2015 exposure levels were exceeded by 4.5% and the 2018 levels by 26%. As such, Gold Fields recognises that more work is needed for South Deep to comply with the proposed OEL for DPMs.

Q3 2014 saw the finalisation of a new fuel supply contract with Sasol through which South Deep now receives only ultra-low sulphur content diesel (10 ppm). Sampling suggests this has helped reduce airborne DPMs by up to 45% depending on location.

Gold Fields will continue to research the benefits of exhaust treatments at South Deep – including diesel particulate filters. Furthermore, it is likely that the mine's DPM performance will automatically improve with time due to the ongoing acquisition of more advanced engine technology. Indeed, the introduction of ultra-low sulphur diesel extends the range of engines that can be employed at the mine.

Radiation

Underground mining – including that carried out at South Deep – has the potential to expose workers to latent radiation. South Africa's National Nuclear Regulator Act stipulates that the maximum permissible personal exposure from ionising radiation is 100 millisievert (mSV) in aggregate per five consecutive years – and may not exceed 50mSV in a single year over a five-year period. Occupational monitoring at South Deep showed that the annual exposure limit of 50mSV was not exceeded at any point in 2014 and that average exposures were between 3 – 6mSV between 2010 and 2014.

HIV/AIDS AND TUBERCULOSIS

HIV/AIDS management is integrated into Gold Fields' mainstream health services to improve worker participation and minimise stigmatisation. Voluntary Counselling and Testing (VCT) takes place during regular employee health assessments. This has the added benefit of directly addressing the interaction of HIV/AIDS with related health issues such as tuberculosis (TB) and sexually transmitted infections (STIs).

Gold Fields' workforce in South Africa faces a particular risk of exposure to HIV/AIDS, in a national context where an estimated 19.1% of adults (aged 15 to 49) live with the disease (latest available data).[1] Gold Fields is committed to lowering the HIV/AIDS prevalence rate at its South African operations, which is around 12% as 152 employees of 1,320 tested positive in 2014. The region's integrated HIV/AIDS, STI and TB Strategy (HAST Strategy) directly addresses interactions between these diseases. It is based on four key pillars:

- Promotion: This includes regular publicity campaigns and condom distribution at all workplaces
- Prevention: VCT is provided to all employees, contractors, their partners and family members on a confidential basis. In 2014, the region's VCT participation rate was 25% (2013: 16%)
- Treatment: Free Highly Active Anti-retroviral Treatment (HAART) is provided to HIV-infected employees through onsite, doctor-staffed clinics. In 2014, 58 employees joined the South Africa region's HAART programme (2013: 53). This takes the total number of active participants to 262 (2013: 253) – with 435 cumulatively enrolled since the HAART programme began in 2004. Employees' dependants can also receive HAART via the Company's medical aid schemes
- Support: This includes doctor-based primary healthcare, psychological counselling and social services for all employees and contractors

In addition – and in recognition of the potentially close relationship between HIV/AIDS in the workplace and local communities – South Deep supports a number of community-based HIV/AIDS projects.

Gold Fields' workforce also faces exposure to HIV/AIDS in Ghana, where an estimated 1.3% of adults (aged 15 to 49) live with the disease (latest available data).[2] All employees and contractors have access to a confidential VCT programme which employees receive free of charge. This programme had a 45% participation rate in 2014 among employees and contractors, while the employee participation rate on its own was 78%. Anyone testing positive is provided with free treatment in line with the government's national HIV treatment programme which supplies drugs free of charge. Gold Fields also implements community-based HIV/AIDS programmes in Ghana – including awareness-raising (via radio and trained community health educators) and condom distribution.

FIGURE 4.10: Occupational disease in the South Africa region

(Rate per 1,000 employees)

	2014	2013	2012
Noise-induced Hearing Loss (NIHL)[1]	**0.15**	0.06	0.07
Cardio-respiratory tuberculosis (CRTB)	**0.93**	0.65	0.48
Silicosis[1]	**0.27**	0.19	0.21
Chronic obstructive airways disease (COAD)[1]	**0.08**	0.00	0.04
SA workforce	**5 246**	6 466	8 286

[1] Based on the number of cases submitted for compensation

MALARIA

The workforce in Ghana faces a high risk of exposure to Malaria. In 2012, for example, Ghana recorded 3.76 million Malaria cases country-wide (latest available data).[3] Furthermore, Gold Fields' Ghanaian mines are in an area of elevated Malaria exposure.[4] In 2014, there were 681 workplace Malaria cases that tested positive at the Ghanaian operations (2013: 708), none of which proved fatal.

Gold Fields has a comprehensive Malaria strategy in place in Ghana, that incorporates education, prevention, prophylaxis and treatment. This includes spraying accommodation (both on-mine and within the community), fitting anti-mosquito screens in mine accommodation, support for community health facilities and rapid diagnosis and treatment.

EBOLA

Although no Ebola cases were recorded in Ghana in 2014, Gold Fields took proactive steps to prepare for potential infection. This included the development of a formal Ebola Management Strategy and Plan, which addresses:

- The monitoring of infections across West Africa
- Capability-building for members of the Employee Wellbeing team, staff at the Tarkwa Mine Hospital and local volunteers
- Additional resourcing to support potential control protocols – including screening, isolation and treatment

[1] UNAIDS, 2014, South Africa: HIV and AIDS estimates (2013)
[2] UNAIDS, 2014, Ghana: HIV and AIDS estimates (2013)
[3] World Health Organization, 2014, Global Health Observatory Data Repository
[4] See Malaria Atlas Project, 2014, Ghana – www.map.ox.ac.uk/explore/countries/GHA/

4.3 Promoting environmental stewardship

The potential environmental risks associated with industrial mining are obvious – both for the environment and for local stakeholders. Furthermore, environmental incidents can materially impact Gold Fields' reputation – as well as its ability to comply with its contractual and regulatory obligations. As such, Gold Fields remains committed to the continual improvement of its environmental performance. Key areas of focus include water stewardship (p74); Acid Mine Drainage (AMD) management (p74); Tailing Storage Facilities (TSF) management (p76); a proactive approach to mine closure; the reduction of carbon emissions and energy consumption; energy security; and climate change (p62 – 66).

4.3.1 Managing impacts across the lifecycle

Gold Fields' approach to environmental management is defined by relevant local legislation and regulations, its sustainable development framework, as well as the ISO 14001 international environmental management standard, the ten principles of the ICMM and the UN Global Compact. Following the successful certification of Granny Smith and the inclusion of Lawlers in the Agnew certification process in 2014, all the Group's operations are now certified to ISO 14001. During 2014, the Group spent US$27 million on environmental management (2013: US$32 million). Total gross closure liabilities in 2014 were estimated at US$391 million (2013: US$355 million), broken down as follows:

- Americas: US$57 million (15% of total)
- Australia: US$213 million (54% of total)
- South Africa: US$32 million (8% of total)
- West Africa: US$89 million (23% of total)

The funding methods used to make provision for the required portion of the mine closure cost liabilities, in accordance with in-country legislation, are:

- Ghana: reclamation bonds underwritten by banks, and restricted cash
- South Africa: contributions into environmental trust funds and guarantees
- Australia: due to legislative changes in Western Australia becoming effective in July 2014, companies are now required to pay an annual levy to the State of 1% of the total mine closure liability. This levy goes into a State-administered fund known as the Mine Rehabilitation Fund which will be used to rehabilitate legacy sites or sites that have been prematurely closed or abandoned.
- Peru: bank guarantees

Amendments to South Africa's National Environmental Management Act in 2014 further broadened the scope of Gold Fields' potential liability exposure. These amendments stipulate that directors could potentially be held personally liable for their company's negative environmental impact.

FIGURE 4.11: Group environmental performance

Group	2014	2013	2012
Environmental incidents (Level 2)	**58**	49	43
Environmental incidents (Level 3)	**4**	3	6
Water withdrawal (Mℓ)[1]	**30,207**	30,302	23,688
Water discharge (Mℓ)	**11,620**[2]	2,526	6,229
Gross closure costs (US$m)	**391**	355	249
CO_2 emissions (scope 1 and 2) ('000 tonnes)	**1,258**	1,235	1,233
CO_2 emissions (scope 3) ('000 tonnes)	**436**	496	597
Carbon intensity (tonnes CO_2-e/oz)[3]	**0.55**	0.61	0.58
Electricity (MWh)[1]	**1,338,074**	1,382,105	1,384,459
Diesel (TJ)[1]	**6,065.94**	5,509.48	5,697.59
NOx, SOx and other emissions (tonnes)	**5,176**	5,504	5,692
Cyanide consumption (tonnes)	**10,660**	13,660	16,226
Mining waste ('000 tonnes)	**138,522**	190,007	176,272
Waste materials ('000 tonnes)	**144**	176	217

1 The numbers disclosed only include our operations, as head offices are not considered to be material

2 Granny Smith discharges water into Lake Carey and Tarkwa treats and discharges the water from its heap leach facilities into the environment

3 Scope 1 & 2 only

In 2014, Gold Fields implemented several new Group guidelines to ensure the effective and coherent management of key environmental issues across the Group – whilst allowing for a degree of local flexibility. These issues include:

- Water management
- Mine closure management
- Energy and carbon management
- Community relations and stakeholder engagement

A summary of the corporate guidelines can be found on the Gold Fields website.

Corporate guidelines: www.goldfields.com/sus_guide.php

ENVIRONMENTAL INCIDENTS

Gold Fields reports environmental incidents using an internal scale ranging from Level 1 (the most minor) to Level 5 (the most serious).[1] No Level 4 or Level 5 incidents were recorded across the Group in 2014. However, South Deep experienced four Level 3 environmental incidents (2013: 3), all of which were reported to the relevant regulatory authorities. Details of these are set out below:

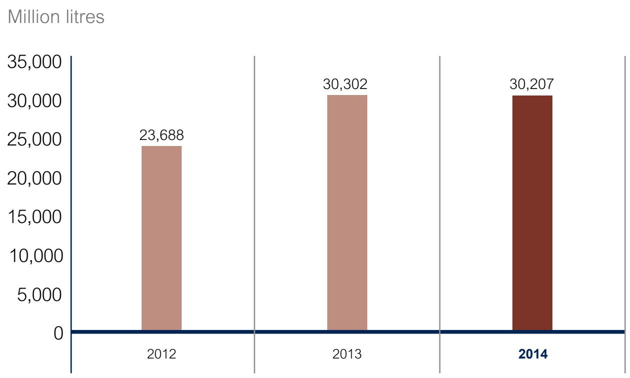
- February 2014: A surface portion of an underground hydraulic pipe transporting oil burst, spilling about 2,000 litres of oil. The damaged piece of pipe was replaced and the spill completely cleaned up
- March 2014: The pollution control dam and the return water dam overflowed into adjacent rivers after excessive average rainfalls and amid lower production levels, which raised the mine's water balance. The mine's water management plan contains medium-term solutions that seek to minimise the potential for dam overflows
- June 2014: Discharges of process water occurred via an unauthorised installed pipeline at the backfill plant. The pipeline was closed and there have been no further unauthorised discharges from this area
- July 2014: Water seepage was identified at the Doornpoort return water dam. The mine is currently conducting a blast curtain trial – in addition to the existing seepage collection trenches – to contain future seepages at the dam

The increase in serious water-related environmental incidents at South Deep in the first half of 2014 prompted a thorough review of key water management issues at the mine, leading to a comprehensive water management action plan that was rolled out in Q3 and Q4 2014. (See details on p75 – 76.) Following the roll-out of the plan, no further water-related Level 3 incidents were recorded between July 2014 and 31 December 2014.

Gold Fields' grievance mechanism allows stakeholders to address environmental issues and complaints.

4.3.2 Water management

FIGURE 4.12: Group water withdrawal



Water management is a critical long-term issue for the mining industry as a whole. In part, this is because:

- Water is an important vector for the potential spread of pollution (whether as a result of an immediate incident or the gradual build-up and movement of contaminants over time) – making it a key compliance issue
- Mining can require large volumes of water – and often takes place in locations that are already water-stressed
- Poor water management can have significant social and political consequences, where local communities are affected by, for example, water scarcity, high levels of agricultural activity and a lack of effective water infrastructure

In this context, Gold Fields remains committed to responsible water stewardship – both for the benefit of host communities and for its own operations. In practice, this means:

- Measuring and reporting on water management performance
- Integrating water management into mine planning
- Leaving an enduring, positive legacy

Reflecting these commitments, each operation implements an Environmental Management System (EMS), through which it assesses, manages, monitors and reports on water use and the quality of its discharges (where these occur).

In 2014, water withdrawal across the Group fell marginally to 30.207Mℓ (2013: 30.302Mℓ), despite the integration of the Yilgarn South Assets. This decrease was largely due to:

1. Significant decrease at St Ives in pit dewatering during 2014
2. Tarkwa sent the rainfall on the heap leaches directly to the reverse osmosis (RO) plants for discharge, rather than allowing the water to enter the mine circuit
3. Installation of RO plants at South Deep to reduce Rand Water Board consumption

[1] Levels 1 and 2 involve minor incidents or non-conformances, with negligible or limited impact. A level 3 incident is a limited non-conformance or non-compliance with a limited environmental impact (often a repeat of the same incident). Level 4 and 5 incidents include major non-conformances or non-compliances, which could result in long-term environmental harm, with company or operation-threatening implications and potential damage to company reputation

4.3 Promoting environmental stewardship (continued)

MANAGING EACH MINE'S WATER BALANCE

Effective water management requires a full understanding of the inflow into and outflow from each operational area. This involves quantifying:

- Water inflows, including rainfall
- Operational water requirements
- Onsite water storage capacity
- Water use and discharges

Whether mines are water-positive, water-balanced or water-negative depends on a number of dynamic variables. These include climatic variables such as seasonal rainfall and evaporation rates, the volume of water entering underground workings or open-pits (e.g. via aquifers and surface run-off respectively) and the type of processing employed (e.g. heap leach or Carbon-in-Leach processing).

Gold Fields applies the following measures to manage the water balance at its mines, and to promote water stewardship:

- Regional application of the new Corporate Water Management Guideline (a summary is available online at www.goldfields.com/sus_guide.php) – including the development and implementation of well-defined Water Management Action Plans
- Implementation of physical measures to manage stormwater run-off – and keep clean water and mine water separate
- Maintenance of water containment capacity (including the containment of inflow surges)
- Water treatment – including reverse osmosis
- Water reuse and recycling
- Dynamic and predictive water modelling to support short-, medium- and long-term water-related risk and opportunity management

ACID MINE DRAINAGE

Gold Fields implements a range of measures to prevent or contain Acid Mine Drainage (AMD) at its operations – and takes effective remedial action where incidents are identified. There were no material cases of AMD reported in 2014.

Nonetheless, South Deep has – in the context of broader historical AMD legacy issues in the Gauteng area – taken a proactive approach to long-term AMD management through its comprehensive water management plan. This involves ongoing water monitoring, containment of any AMD generation on the old tailings facilities and water-treatment solutions that purify surplus fissure and process water to a potable standard. In 2015, additional technical studies are planned to develop a solution for managing AMD generation in the underground workings at mine closure. Underground AMD generation is well managed during the operational phase by ongoing pumping to surface of the underground water.

Cerro Corona's tailings and waste rock facilities were designed to avoid and mitigate the risks of AMD. In addition, the mines closure plan contains various strategies, which are updated at least every two years as new technical information becomes available.

Although Gold Fields has commissioned various technical studies to identify the steps required to prevent or mitigate the potentially material AMD impacts at its Cerro Corona and South Deep operations, none of these studies has allowed Gold Fields to generate a reliable estimate of the total potential impact on the Company.

Immaterial levels of AMD have been identified at the Tarkwa, Damang and St Ives mines.

4.3.3 Regional water initiatives

AMERICAS

Water security poses a significant long-term challenge at Cerro Corona due to its remote, high-altitude location. Furthermore, the mine operates in a national context of poorly developed water infrastructure, water quality degradation and serious water-related activism at both a local and regional level. Although Cerro Corona has not as yet been materially affected by such activism – this has had a serious impact on other operators in the Cajamarca region. As such, Cerro Corona has proactively implemented a range of responsible water management initiatives, including:

- Rainwater storage and reuse: Rainwater is stored at Cerro Corona's TSF within a closed-circuit water system, treated and reused by the operation. This enhances the mine's own water supply, whilst also minimising both the amount of water discharged and the amount of local groundwater abstracted
- Community water supplies: Cerro Corona has committed to providing local communities with additional, potable water during the dry season and has completed a number of projects focussed on water provision to nearby communities as well as improving existing municipal water systems (p115)
- Water monitoring: Cerro Corona works closely with community-elected representatives to monitor water quality and quantity at the Las Tomas Spring. Iron and manganese levels at the spring – which sits inside the 'final' future footprint of Cerro Corona's TSF – have improved since the mine began operating

Such approaches have – in combination with effective community engagement practices and the generation of shared local value – played a key role in protecting Cerro Corona from the kinds of social tensions affecting other nearby mining operations.

AUSTRALIA

In 2014, the Australia region implemented a new water management strategy to support the integration of the Yilgarn South Assets. This also involved extensive analysis of the water balances at Agnew and St Ives. The strategy is based on:

- The integration of water management into business objectives
- Sound water management planning and practices
- The measurement and reporting of the water impacts of each operation and associated mitigation measures

Nevertheless, water security poses a potentially significant challenge for the region's mines – all of which are based in arid areas of Western Australia. In Q3 2014, Gold Fields commenced legal proceedings against Nickel West, operated by BHP Billiton.

These proceedings relate to the supply of potable water to the St Ives operations, which was agreed when Gold Fields acquired the St Ives assets in 2001. Late in Q4 2014, St Ives reached an in-principle agreement with Nickel West to settle all outstanding disputes relating to the ongoing supply of water (including the proceedings), and will continue working towards finalising these arrangements in early 2015.

SOUTH AFRICA

Water management remains a sensitive public issue in South Africa. Significant parts of the country suffer from water stress, whilst the Gauteng area (in which South Deep is situated) suffers from the historical environmental legacy of more than a century of intensive, deep-level gold mining. This legacy means that there are high-levels of AMD in and around Johannesburg – most of it caused by now-defunct companies and operations. Whilst not contributing to local AMD, there are concerns that South Deep's long life will mean that the mine is the 'last man standing' as Gauteng's AMD issues become more acute – and social as well as regulatory pressure to act on the issue grows.

Furthermore, South Deep experienced four Level 3 environmental incidents (p73), of which three related to water issues. This prompted a comprehensive review of water management issues at the mine and the implementation of a number of water stewardship initiatives as part of the mine's water management plan. Key initiatives included:

- RO plants: This project uses two RO plants, installed in 2014, to purify surplus fissure and mineralised service water to a potable standard. This is then reused by the mine. In 2014 the amount of water treated by the RO plants improved from 8Mℓ/month in January to 40Mℓ/month in December. In 2015 it is envisaged that the RO plant capacity at South Deep will increase to about 150Mℓ/month. This approach:
  - Cuts the mine's water purchase costs by an estimated R300,000/month from July 2015
  - Increases overall supply for other local water users
  - Reduces the overall amount of water in the mine's water system – reducing the risk of overflows from the mine's dams during periods of heavy rain
- Stormwater management plan: In 2014, South Deep commenced with the implementation of a stormwater management plan that included the construction of concrete channels to separate clean stormwater in the surrounding catchment from water running off the backfill plant area and surrounding areas. This project is scheduled for completion by Q2 2015 and will help to minimise the risk of unplanned, off-footprint water discharges from the old return water dams during the rainy season due to the diversion of clean stormwater away from the dams. The project, together with the installation of the RO plants, is already demonstrating success – during the heavy rains experienced in Q4 2014, no overflows were recorded from our return water dams into the environment.

  The next phase of the project is the construction of a new, lined return water dam at the old TSFs, which is scheduled for completion in early 2016. The new dam has been sized to accommodate the inflows of any excess stormwater from the backfill plant area as well as the run-off from the old TSFs. Until the construction is complete, any overflows from the backfill plant during storms will be collected in a concrete sump, which has already been constructed, and will be pumped back into the mine water circuits. Any overflow from the sump will be channelled via the newly installed concrete trenches to the old return water dam, via a new attenuation dam.
- AMD and water quality management: As part of its ongoing efforts to manage AMD and prevent pollution, South Deep implemented a number of additional measures in 2014 regarding its waste rock dumps and old TSFs. These included:
  - Revision of plume movement models around the old TSFs.

Gold Fields is committed to responsible water stewardship – for the benefit of its own operations as well as for host communities

4.3 Promoting environmental stewardship (continued)

During 2015, plume movement mitigation measures will be initiated
- Removal of the old South Shaft Waste Rock Dump (to be completed during 2015)
- Initiated further rehabilitation of the mine's onsite TSFs (through re-vegetation)
- Ongoing surface and groundwater monitoring
- Blast curtain trials at Doornpoort TSF

During 2014, South Deep spent around R19 million (US$2 million) on water-related initiatives, and has allocated R60 million (US$6 million) capital expenditure which is estimated to be spent during 2015 and 2016 on the new lined return water dam. This is in addition to other planned capital and operational water management-related expenditure.

WEST AFRICA

Gold Fields' Ghanaian operations – and Tarkwa in particular – face a number of challenges with respect to water management, including:

- Intense periods of precipitation, particularly during southern Ghana's two rainy seasons (March to July and September to November)
- The significant footprint of the Tarkwa mine, meaning that there is a large watershed to manage
- The extensive surface area of Tarkwa's North and South Heap Leach facilities. While both facilities are now closed, a significant amount of interaction continues to take place between rainwater and the stacked ore. This will only be addressed once the facilities are fully rehabilitated through the application of a soil layer and revegetation
- Production of concentrated brine, an unintended consequence of the operation of RO water treatment plants at the heap leach facilities (established at the behest of Ghana's Environmental Protection Agency). The treated water is discharged into the local water system, while the concentrated brine is collected by each plant and temporarily stored onsite in the TSFs

Gold Fields is looking at the potential feasibility of two options – with a decision expected during 2015 – for processing the concentrated brine produced by the RO plants:

- Installation of an industrial-scale treatment plant
- The processing of the brine to produce nitrate solutions that can be used to irrigate and fertilise rubber and oil palm trees. An area south of Tarkwa is being used for an irrigation trial, with 750 trees planted in 2014

4.3.4 Materials and waste management

The most significant output materials of Gold Fields' operations are tailings, waste rock, chemical waste and hydrocarbon waste, all of which are responsibly managed. Gold mining requires large volumes of blasting agents, hydrochloric acid, lime, cyanide, cement and caustic soda (sodium hydroxide), all of which it uses on an ongoing basis. Of these, cyanide represents the most potentially hazardous substance. All Gold Fields operations are fully compliant with the requirements of the International Cyanide Management Code (ICMC). ICMC certification also extends to Gold Fields' transport providers.

All Gold Fields' operations have Life-of-Mine tailings management plans. All TSFs and associated pipeline and pumping infrastructure are subject to ISO 14001 certification, external tailings audits, as well as regular inspection and formal annual reporting. TSFs are also subject to inspection for technical integrity by independent experts at least once every three years – or more frequently where required by local circumstances or regulations. A Group-wide tailings facility audit – which included all 15 operational and 10 dormant TSFs – was undertaken during the latter half of 2014. Ordinarily, these audits are conducted on a three-yearly basis. However, mining companies globally increased their commitment to ensuring the safety of their tailings facilities following a major breach of Imperial Metals' copper and gold tailings pond at Mount Polley in British Colombia in August 2014. Gold Fields therefore initiated its Group-wide TSF audit earlier than usual.

The audit, which was conducted by Golder Associates, reviewed all key aspects of tailings facility management, with a focus on TSF stability, compliance and environmental management. All TSFs were found to be well-managed and are either already aligned with global leading practice, or have concrete plans in place for alignment. In general the Gold Fields TSFs are within the top quartile of industry leading practice in terms of design, operation, and management.

Specific measures to minimise the risks posed by TSFs to the environment include:

- Pollution containment facilities to capture run-off water from the TSF surfaces, together with solution trenches to capture shallow groundwater seepage
- Recycling systems to allow the reuse of tailings water in metallurgical processes
- Monitoring of groundwater plume quality and migration (where applicable) and, where pollution is detected, installing measures to contain plumes
- Planting vegetation, installing netting and applying chemical suppressants on slope faces to control dust and erosion

More broadly, Gold Fields is taking proactive steps to anticipate constraints relating to the development of future TSFs and the replacement of existing ones. Production activities are dependent on a mine having sufficient TSF capacity. Securing new TSF capacity can involve lengthy permitting processes with local environmental agencies – and can also require negotiations with local communities.

In 2014, the Group took the following steps to ensure that its operations continued to enjoy a sustainable TSF pipeline to support future production:

- The Americas: Technical solutions were devised to accommodate more tailings in the existing TSF (such as increasing the TSF crest and drilling into deep parts of the TSF to release excess water)
- Australia: Agnew/Lawlers is seeking ways to extend the life of TSF3 – including through the potential raising of one of its cells

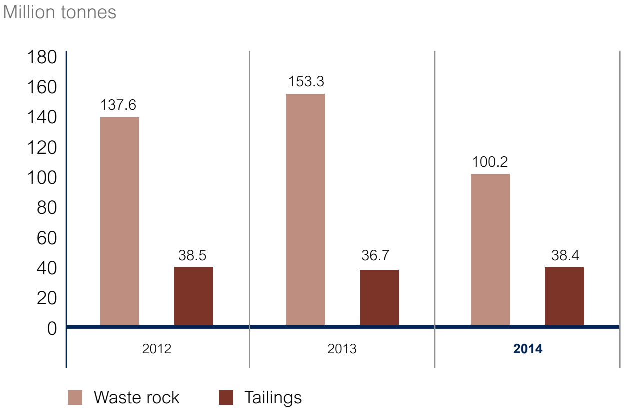
- West Africa: Gold Fields concluded lengthy negotiations with the EPA over the development of future TSFs at both Tarkwa and Damang. This resulted in Gold Fields securing formal, written permission during 2014 to raise two of the existing TSFs at Tarkwa (TSF1 and TSF2) – as well as written permission to raise the East TSF at Damang. Although Tarkwa is still awaiting permission for a new tailings facility (TSF5), the extensions of TSF1 and TSF2 will provide adequate tailings capacity over the next two years – and possibly beyond. Similarly, Damang's East TSF will provide adequate capacity until 2017 – by which time the mine plans to have the new New Far East TSF operational.

In addition, Gold Fields continued to focus on the responsible management of potential environmental issues linked to its TSFs:

- Gold Fields carried out a study at the Doornpoort TSF to assess the potential effectiveness of a new methodology to safely consolidate potentially contaminated groundwater from multiple sources within the TSF – and pump it out of the ground and back into the lined return water dams
- The Granny Smith Mine in Australia constructed seepage trenches, installed additional monitoring boreholes and investigated alternative storage options – in response to regulator concern over potential future groundwater contamination at its TSF3

Meanwhile, both underground and open-pit operations produce substantial volumes of waste rock. This is kept in managed waste rock dumps, which are subject to comprehensive rehabilitation through the laying of top soil and vegetation once they are no longer in use. South Deep recycles a proportion of waste rock for utilisation in construction projects and will have completed the removal of the old South Shaft waste rock dump in early 2015. The entire remaining footprint area will be contoured, landscaped and revegetated.

Figure 4.13: Group mining waste



Revegetation of the tailings dam at the South Deep mine in South Africa

Base camp at the Salares Norte project in Chile

5 GROWING

Gold Fields

5.1 Redefining growth

Growing Gold Fields is not just a matter of increasing the Group's Mineral Resources and Mineral Reserves or boosting the production profile. It is about growing cash flow per ounce and per share in the medium and long term.

5.1.1 A strategic shift towards quality

In this context, Gold Field's immediate growth strategy is to generate growth in both reserves per share and in sustained cash flow margin per ounce through a process of Active Portfolio Management. In 2014, this resulted in:

- The cessation of all early greenfields exploration activity
- Refocussing from greenfields exploration to low-risk, near-mine exploration and cash-generative acquisition opportunities that are aligned with Gold Fields' core competencies
- The disposal of growth projects that are marginal, located in 'higher-risk' locations and/or are primarily focussed on metals other than gold

This has resulted in a short-term reduction in Gold Fields' 2014 Mineral Resources (p90 – 95), which in the past would have been a cause for concern. In light of our new focus, however, it is not only acceptable but is expected that every new ounce Gold Fields brings into production will directly support the delivery of superior returns to current and future shareholders, and upgrade out existing portfolio. It is the starting point for a truly cash-generative growth pipeline that is fully aligned with Gold Fields' current and long-term business priorities.

Beyond this, the Group will, over the next two to three years:

- Continue to apply Active Portfolio Management – including the application of stringent hurdle rates for all new growth opportunities and the disposal of 'non-franchise' assets
- Try to repeat the successful integration of the Yilgarn South Assets by pursuing further opportunistic, bolt-on mergers and acquisitions – where these offer immediate cash generation and strategic alignment
- Fund growth through equity financing, alternative financing or the disposal of existing projects – instead of an exclusive focus on debt funding if possible
- De-risk new growth opportunities through technical or financial partnerships with other companies

Reflecting these priorities, in 2014 Gold Fields:

- Did not invest any funds in greenfields exploration
- Increased its near-mine exploration (Damang and Australia) spend by 71% to US$58 million (2013: US$32 million)
- Reduced its total growth-related expenditure by 78% to US$36 million (2013: US$122 million)[1], of which the bulk was spent on the Salares Norte Project in Chile
- Raised approximately US$107 million through the disposal of its holding in the Chucapaca Project in Peru, excluding future royalty contributions, the Yanfolila Project in Mali (in Hummingbird Resources shares) and the Talas Project in Kyrgyzstan (in Robust Resources shares)

In line with the major organisational restructuring process initiated in 2013, Gold Fields has consolidated its growth portfolio, including the selection of appropriate acquisition targets and the disposal of assets, under the Group corporate development department to ensure alignment with strategic objectives. All other growth-related activities, including day-to-day management of projects, fall under the responsibility of Gold Fields' regions to leverage their local expertise, management capabilities and infrastructure.

5.1.2 Active Portfolio Management

Gold Fields' Active Portfolio Management approach is based on the assessment of all existing assets, near-mine exploration opportunities and acquisition targets against three key criteria:

1. The right address: Growth opportunities located in stable, 'mining-friendly' operating environments in our existing regions that pose only limited potential barriers to successful project execution and profitable future production

2. Gold focus: Growth opportunities that are well-aligned with Gold Fields' core competency – the identification, development and extraction of gold-bearing ore bodies. As such, over 50% of future output needs to be gold

3. Commercial sustainability: Growth opportunities that can ultimately offer a 15% free cash flow margin at a gold price of US$1,300/oz and upgrade our portfolio

The ultimate aim of this approach is to improve the quality of Gold Fields' portfolio on an ongoing, long-term basis. In this context, Gold Fields disposed of a number of growth assets that failed to meet these three criteria (p88 – 89). Nonetheless, two growth assets were found to be of sufficient quality to justify their retention:

- The Salares Norte Project in Chile (p88)
- The Far Southeast Project in the Philippines (p88)

Key strategic focus areas being pursued under the Active Portfolio Management approach are set out below.

FOCUS 1: MAINTAIN PORTFOLIO QUALITY THROUGH DIVESTMENT

The Active Portfolio Management approach has required Gold Fields to take a hard look at the ability of its existing assets to generate sufficient cash – and to support the Company's broader strategic objectives. Where such assets appear unable to meet these criteria, they have been disposed of or are

[1] Spending on the following projects: Far Southeast, APP, Yanfolila, Chucapaca, Woodjam, Salares Norte

earmarked for disposal. This approach will ensure that we retain and upgrade the quality of the portfolio.

Gold Fields' significant investment in greenfields exploration over the last 15 years has not yet delivered any new mines. Instead, all new mines brought into the Company's production portfolio have been through acquisition – with Gold Fields adding subsequent value through the optimisation of their operations.

FOCUS 2: ACQUIRE HIGH-QUALITY PRODUCING OPERATIONS

In light of this, and given current market conditions, the acquisition of operating gold mines is a preferred option for Gold Fields to grow cash-generative production. Amid current low gold prices a number of peer companies are trying to divest themselves of their non-core assets to reduce heavy debt burdens, but it does not necessarily mean that these disposals are at pricing levels that would meet our cash-generative targets.

It certainly will be difficult to replicate the success of the US$262 million acquisition of the Yilgarn South Assets in October 2013. The acquisition – which was criticised by many observers at the time – has since received high levels of praise. This is because the new mines – in combination with Gold Fields' subsequent management efforts:

- Have helped the Australia region expand its cash-generative production to the point where it now contributes 45% of Gold Fields' total produced ounces
- Are likely (all other things being equal) to have paid for themselves by the end of 2015 – a timescale that is almost unheard of in the industry especially as it has been achieved in a low gold price environment

The success of the acquisition can be ascribed to:

- Barrick Gold's willingness to dispose of the Darlot, Granny Smith and Lawlers mines as non-core assets – and the willingness of Gold Fields to wait until the right acquisition became available at the right price
- The immediate synergies that could be exploited – including the merger of the Agnew and Lawlers mines and the subsequent closure of Lawlers' processing plant, as well as the leveraging of Gold Fields' existing regional management team
- The familiarity of Gold Fields' regional team with local geology, particularly the kind of orogenic ore bodies found at all of Gold Fields' Australian mines

Any new acquisitions will be subject to a strict screening process – with only a small number of opportunities ever likely to satisfy its requirements. This process ultimately aims to ensure that all new acquisitions actively upgrade the profile of Gold Fields' long-term portfolio.

FOCUS 3: GROW GOLD FIELDS' EXISTING ASSETS

Gold Fields recognises that in addition to favourable acquisitions, near-mine exploration offers one of the best opportunities for cash-generative growth. This is due to the synergies offered by:

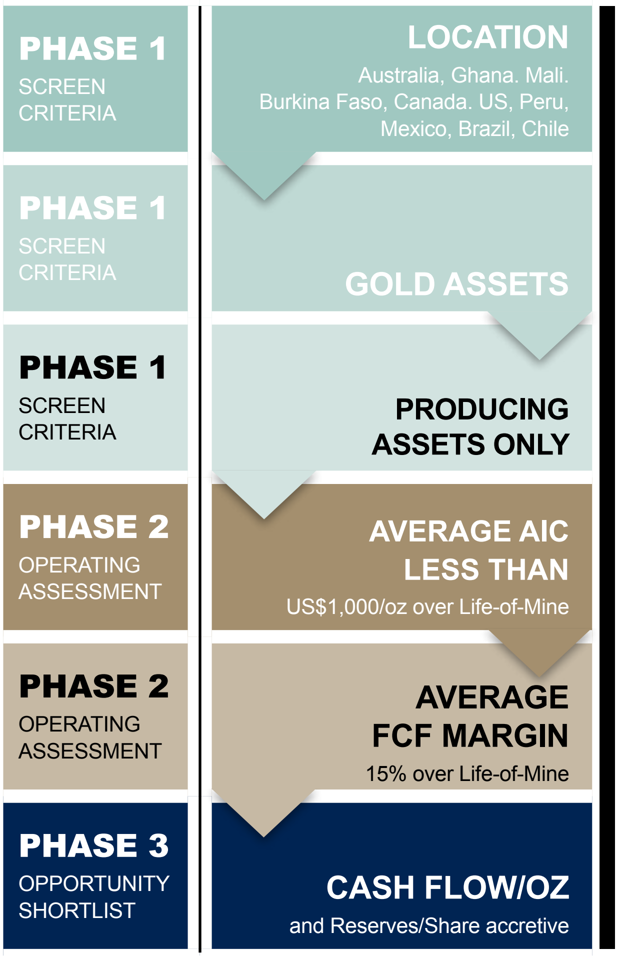
- Knowledge of its ore bodies – which supports its ability to identify additional ore bodies within common, nearby geological systems
- Operational capabilities – including its proven ability to effectively develop and mine orogenic ore bodies
- Regional and operational infrastructures – including its existing processing plants and regional management teams

As well as adding to Gold Fields' Mineral Resource and Mineral Reserve base, near-mine exploration:

- Extends the life of the Group's existing mines – whilst maintaining and/or increasing their value
- Ensures each region can continue to leverage its existing infrastructure
- Provides a robust platform for regional growth

The benefits of effective near-mine exploration can be seen in the historical sustainability of the Agnew and St Ives mines. In 2002, at the time of their acquisition, the mines had a combined Mineral Reserve of 2.9 million ounces. Since then, the mines have produced over 8.0 million ounces – and their combined Mineral Reserves remain mostly unchanged. Gold Fields believes that most of its mines in Australia (which share similar orogenic ore bodies) will be able to repeat this success. Orogenic ore bodies offer a number of advantages in this respect, making this a priority region for near-mine exploration.

FIGURE 5.1: How we filter potential acquisitions



5.2 An integrated approach to growth

As with production, Gold Fields integrates sustainability into all of its growth activities. This is due to its:

- Desire to be seen – as a result of its actions, track record and stakeholder relationships – as the 'partner of choice' for host governments, local communities and peer companies
- Recognition that the success or failure of major growth projects (as well as the sale value that they can command) increasingly depends on how well companies manage sustainable development issues, particularly relationships with host communities

5.2.1 Bottom-up and top-down management

Gold Fields' integrated approach to growth is driven by each region's management team – in line with Group-level standards. This ensures a consistent approach towards integrated growth management, whilst also allowing requisite flexibility for locally appropriate and project-specific decision-making.

REGIONAL ACTION

In this context, Gold Fields' regional growth teams continue to:

- Apply Group-level best-practice sustainability standards (tailored to suit local circumstances) across all growth projects
- Apply 'integrated' risk management to all growth activity – covering financial, technical, political, social and environmental issues and dynamics likely to influence project success
- Integrate the creation of Shared Value into core project development activities from the very start
- Work with Group sustainability and risk management experts to ensure the smooth transition of growth opportunities through the project lifecycle
- Implement comprehensive crisis management plans across all growth projects

GROUP GUIDANCE

Our regional growth teams are supported in this respect by Group-level guidance based on international best practice, which can be found at www.goldfields.com/sus-guide.php This includes:

- The ISO 14001 and OHSAS 18001 Certified Environment, Health and Safety Management Systems
- Gold Fields' Community Policy
- Gold Fields' Community Relations Handbook
- Gold Fields' Community Relations and Stakeholder Engagement Guidelines
- Gold Fields' Shared Value strategy (p114 – 115)
- Gold Fields' Energy and Carbon Guideline
- Gold Fields' Water Management Guideline

By building in the highest standards from the start, our regional growth teams are able to ensure that good-practice operational management is built into the 'DNA' of any new mines that may ultimately be delivered, as is the case for the Group's existing operations. It also means purchasers of Gold Fields' growth assets can be confident that any potential legacy issues have been identified and responsibly managed from inception to disposal. This is an increasingly important factor as it is a growing trend that projects have their social liabilities factored into their pricing.

5.2.2 Earning and maintaining a social licence to operate

The value offered by an integrated approach to growth is most apparent with respect to the securing and maintenance of a strong political and social licence to operate. Indeed, companies' licence to operate can – in many jurisdictions – be the key determinant of project success. This is true both in higher-risk, 'frontier' operating environments, as well as the kind of better-established, lower-risk growth environments that Gold Fields is increasingly targeting.

Gold Fields places strong emphasis on 'getting it right from the start' on projects it wishes to pursue. This means operating in a way that generates trust and confidence amongst local stakeholders – and ensuring that each project has the kind of early political and social backing that will ultimately support its long-term execution and operation.

One of the advantages of Gold Fields' strategic refocussing on near-mine exploration is that its existing local communities are generally already very supportive of mine regeneration and expansion. This is because these communities are often directly or indirectly economically reliant on the continued and profitable operation of Gold Fields' mines. As such, most of Gold Fields' engagement efforts in this regard are focussed on their remaining advanced projects.

STAKEHOLDER ENGAGEMENT AROUND OUR GROWTH PROJECTS

Gold Fields' approach to growth-focussed stakeholder engagement is based on our Community Relations Handbook and Guidelines, which are aligned to the AA 1000 principles of inclusivity, materiality and responsiveness[1]. This includes extensive and ongoing engagement with, among others:

- Local community members
- Local traditional representatives
- Local and national government officials
- Local and national non-governmental organisations (NGOs)

[1] AA 1000 AccountAbility Principles Standard 2008

More specifically, this approach is supported by:

- The installation of community relations experts at each project
- Ongoing stakeholder mapping, analysis and monitoring
- Detailed risk analysis – and the implementation of effective risk management action plans

KEY STAKEHOLDER ISSUES IN 2014

Some of Gold Fields' key interactions between its regional growth teams and local stakeholders in 2014 include those relating to:

- Water availability and access for the Salares Norte project, which is located in an arid, relatively unpopulated part of the Atacama region of Chile. A formal water rights application was made to the local authorities in Q1 2014
- The finalisation of an officially recognised agreement for the Free, Prior and Informed Consent (FPIC) of the Kankana-ey community for the progression of the Far Southeast project in the Philippines (p88)
- The creation of local value at the Far Southeast Project – including capacity-building for local community members. This is to ensure they are able to positively contribute to this process and benefit from its outcomes as the project develops
- Ongoing engagement with local indigenous groups at the Agnew/Lawlers, Granny Smith and St Ives mines in Australia regarding land access for near-mine drilling and the protection of cultural heritage

5.2.3 Supporting project divestment

Aside from supporting our own growth activities, a proactive sustainability approach also supports Gold Fields' ability to divest itself of unsuitable growth projects – a key issue in the context of Active Portfolio Management. Project divestment can place particular pressure on relations with local communities, due to frustrated expectations around employment creation and revenue generation, as well as Gold Fields' withdrawal from hard-won stakeholder relationships. In this context, the Company's regional growth teams actively work with community relations specialists to:

- Explain the transition process
- Mitigate the impacts of our withdrawal
- Honour our existing commitments

Examples of key interactions in this regard include:

- The development of environmentally sensitive work plans for the Arctic Platinum Project – to support the subsequent renewal of the project's water permit in Q1 2015. Retention of the water permit will play an important part in the divestment process
- Investment in school infrastructure at the Yanfolila Project in Mali, which the buyer of the project, Hummingbird Resources, has undertaken to continue

This helps to ensure Gold Fields can maintain the value of its divested assets by handing over a secure political and social licence to purchasers. Furthermore, the Company actively seeks out purchasers who will not undermine its own reputation through their subsequent operational standards and approach to stakeholder relations.

Exploration drilling at the Salares Norte project in Chile

5.3 Near-mine exploration performance

Gold Fields believes that its mines in Australia are key targets for near-mine exploration.

Gold Fields believes that near-mine exploration offers the best route to low-cost growth that can generate cash in the short and medium term. In 2014, Gold Fields raised its total near-mine exploration expenditure by 81% to US$58 million (2013: US$32 million) in pursuit of this strategy. This budget supported a total of 349,511 metres of near-mine drilling (2013: 250,158 metres).

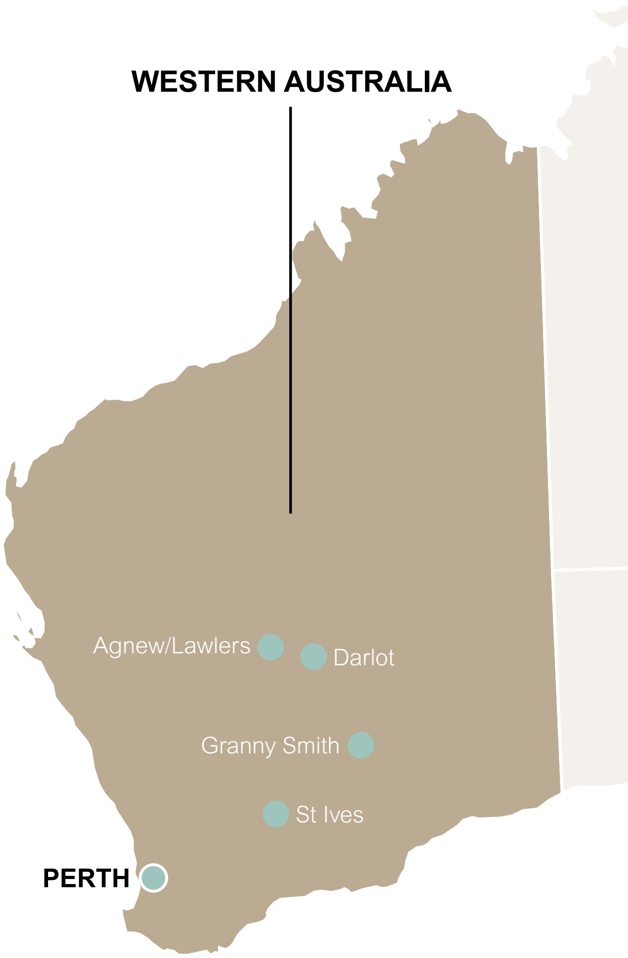
Much of this activity was focussed on the Australia and West Africa regions where the six mines in the Gold Fields portfolio have strong growth potential.

5.3.1 Australia

Gold Fields believes that its mines in Australia (and the areas around them) offer considerable upside potential – making them key targets for near-mine exploration. In the immediate term, such activity will seek to capitalise on the extensive and highly prospective tenement areas currently held, and the proven ability to replace the ounces extracted on a year-on-year basis. In the medium to longer term, near-mine exploration activity will focus on adding net ounces to the Mineral Resources and Mineral Reserves of each mine.

This approach is informed by Gold Fields' historical experience with both the Agnew and St Ives mines. Over the past 12 years, both mines have produced over 8 million ounces of gold – and are still going strong. Given the similar orogenic gold geology at each of our Western Australian mines, Gold Fields hopes to deliver similar performance from its recently acquired Yilgarn South Assets over time – and to continue leveraging their existing processing plant capacity.

In this context, Gold Fields invested a total of A$60 million (US$54 million) in near-mine exploration at its Australian mines. Plans are in place to increase this figure to A$85 million (US$75 million) in 2015 – demonstrating Group commitment in this regard.



AGNEW/LAWLERS

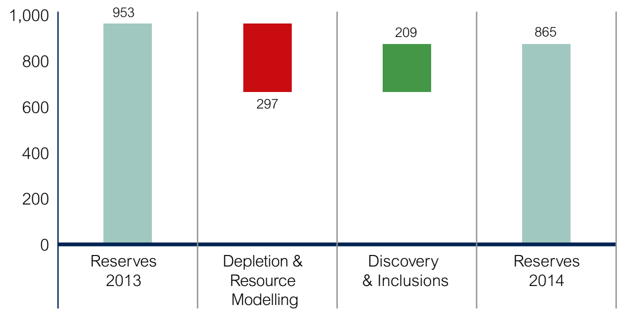
Mineral Resources added in 2014	224,000 ounces
Mineral Reserves added in 2014	209,000 ounces
Ounces produced in 2014	271,000 ounces
Exploration spend in 2014	A$15.1 million
Exploration budget for 2015	A$20.0 million
Exploration metres drilled in 2014	56,137 metres

The Agnew/Lawlers mine is seeking to replicate the success it has enjoyed with the Kim ore body – which, after eight years of mining, is nearing its end. As such, current focus is on growing known resources.

In this context, there are several key target areas that are likely to underwrite the longevity and sustainability of Agnew/Lawlers:

- FBH: This newly defined, high-grade underground ore body sits immediately to the south of the Kim ore body. FBH currently offers around 600,000 ounces in Mineral Resources at an average grade of more than 9g/t. Development of the FBH ore body started in 2014. It will supplement production from the Kim ore body in the second half of 2015.
- Waroonga North and Kath: These targets are located north of the Kim ore body and drilling to date has yielded encouraging results. Exploration will continue to better define the extent of these targets in 2015. In addition, drilling was carried out on the New Holland ore body in 2014.

2014 Mineral Reserve Reconciliation (koz)

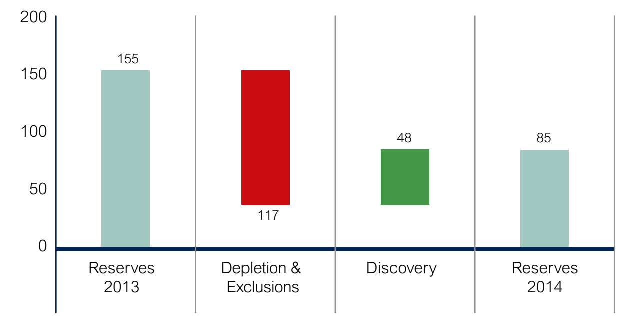


DARLOT

Mineral Resources added in 2014	112,000 ounces
Mineral Reserves added in 2014	48,000 ounces
Ounces produced in 2014	84,000 ounces
Exploration spend in 2014	A$7.5 million
Exploration budget for 2015	A$7.0 million
Exploration metres drilled in 2014	50,154 metres

Darlot's 2014 priority was to self-fund an exploration programme to replace production depletion and to extend the LoM through discovery of a 'game changer' ore body able to deliver a 15% free cash flow margin. The Lords South Lower (LSL) and Centenary Depth Analogue (CDA) areas were targeted with the aim of providing new mining fronts. Another years' production was profiled at LSL creating an extended window for continued exploration within the present mining area and near-mine. The emphasis will however remain at CDA, where a well mineralised sequence with similar characteristics to the previously mined Centenary deposit shows potential for development of a new production area.

2014 Mineral Reserve Reconciliation (koz)



5.3 Near-mine exploration performance (continued)

GRANNY SMITH

Mineral Resources added in 2014	1,474,000 ounces
Mineral Reserves added in 2014	406,000 ounces
Ounces produced in 2014	315,000 ounces
Exploration spend in 2014	A$13.0 million
Exploration budget for 2015	A$16.9 million
Exploration metres drilled in 2014	77,433 metres

Granny Smith offers significant near-mine exploration potential. This includes targets in and around the existing Wallaby underground operation – as well as the mine's wider 61,000ha tenement area. These cover a geologically well-endowed area of gold mineralisation and offer the potential for additional deposits to be discovered, adding important and additional ore sources to Granny Smith. Many of these areas (including Lake Carey) have been historically underexplored – something Gold Fields is keen to rectify. Immediate near-mine exploration will focus on continuing drilling and extending the Wallaby ore body at depth, as well as exploring for new, multi-million ounce ore bodies within the tenement area.

2014 Mineral Reserve Reconciliation (koz)

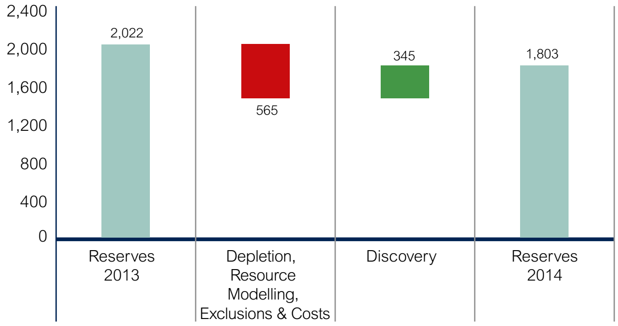
ST IVES

Mineral Resources added in 2014	271,000 ounces
Mineral Reserves added in 2014	345,000 ounces
Ounces produced in 2014	362,000 ounces
Exploration spend in 2014	A$24.8 million
Exploration budget for 2015	A$41.1 million
Exploration metres drilled in 2014	133,765 metres

The St Ives mine continues to offer considerable upside potential. In the near term, the key source of this upside potential is the new, high-grade Invincible deposit, which has a Mineral Resource of 1.03 million ounces and a Mineral Reserve of 628,000 ounces. Given that Invincible will have grades of between 3g/t – 4g/t, these ounces will significantly enhance the cash-generation potential of the mine. It will also help extend the life of the mine as production from the Athena underground operation comes to an end in 2015. Start of production is planned for mid-2015.

Importantly, the planned open-pit is the 'anchor point' for a wider 22km gold-bearing Speedway trend that extends along the Lake Lefroy salt lake and will be the key focus areas for near-mine exploration in 2015. In addition, St Ives started production on the Neptune deposit in 2014. The deposit has a Mineral Resource of 508,000 ounces and Mineral Reserve of 267,000 ounces.

2014 Mineral Reserve Reconciliation (koz)



5.3.2 West Africa

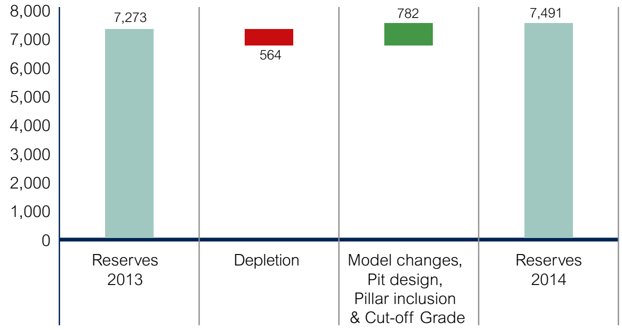
Although both of Gold Fields' mines in Ghana offer potential near-mine exploration opportunities, 2014 has seen most activity focussed on the Damang mine.

TARKWA

Mineral Resources added in 2014	457,000 ounces
Mineral Reserves added in 2014	782,000 ounces
Ounces produced in 2014	558,000 ounces
Exploration spend in 2014	US$0.18 million
Exploration budget for 2015	US$1.50 million
Exploration metres drilled in 2014	Samples only

An extensive soil sampling programme carried out at Tarkwa in 2014 indicates the presence of hydrothermal deposits near to its existing processing plant. An initial infill-drilling programme will commence in Q1 2015 to establish the down-dip extension of the hydrothermal deposit. In addition, plans are in place to extend future near-mine exploration on Tarkwa's mining lease, in areas which had not been subject to drilling for more than a decade.

2014 Mineral Reserve Reconciliation (koz)



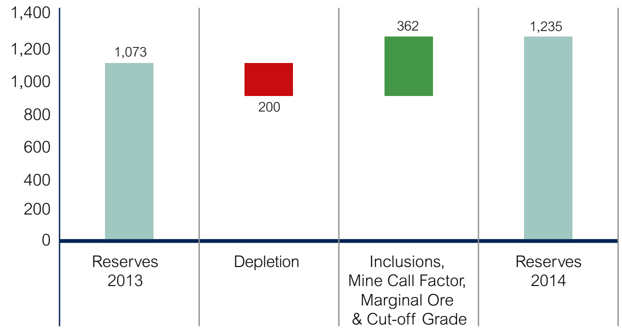
DAMANG

Mineral Resources added in 2014	16,000 ounces
Mineral Reserves added in 2014	362,000 ounces
Ounces produced in 2014	178,000 ounces
Exploration spend in 2014	US$3.8 million
Exploration budget for 2015	US$2.9 million
Exploration metres drilled in 2014	26,155 metres

Damang – which had until recently been facing potential closure (p62) – continues to offer significant growth potential. This includes potential extensions to the existing Juno pit, combining Huni and Saddle into a single pit, as well as at Tomento North and Amoanda.

The mine is also focussing its longer-term near-mine exploration activity on potential ore sources within a 17km mineralisation trend running from the Damang pit to the Rex pit. This is with the aim of adding additional Mineral Resources and Mineral Reserves over the next three years, substantially extending Damang's Life-of-Mine.

2014 Mineral Reserve Reconciliation (koz)



5.4 Update on our remaining growth projects

In 2014, Gold Fields continued – through its Active Portfolio Management approach – to build on its efforts to maximise cash generation through a serious rationalisation of its exploration and growth projects. This has not only improved the quality of the Group's growth portfolio (e.g. in terms of cash-generation potential), but also significantly reduced expenditure on the maintenance and development of growth projects that are not ultimately aligned with Gold Fields' strategic objectives.

Nonetheless, the Active Portfolio Management approach did identify two advanced growth projects that justified continued inclusion in Gold Fields' growth portfolio. Salares Norte in Chile meets all of the key criteria. It is in 'the right address', offers the right metal and is commercially sustainable. Far Southeast in the Philippines offers a world-class copper-gold deposit with the potential to deliver substantial strategic benefits to the Group in the long term. Further details about the two growth projects – both of which sit within Gold Fields' existing regions – are outlined in this section.

5.4.1 Salares Norte, Chile

The Salares Norte advanced drilling project is 100% Gold Fields owned and is focussed on a gold-silver deposit in the Atacama region of northern Chile. Mineralisation is contained within a high-sulphidation epithermal system – offering high-grade, shallow oxides. The project is located within a core 900ha concession area – and Gold Fields enjoys an option to purchase two adjoining concessions that would add a further 2,100ha.

In 2013, Gold Fields reported a maiden 23.3 million tonne Inferred Mineral Resource of 3.1 million ounces of gold at a grade of 4.1g/t, and 34 million ounces of silver at an average grade of 45g/t. Preliminary indications, supported by metallurgical test work, suggest Carbon-in-Leach processing could deliver recovery rates of around 90%. Furthermore, the project is located in a highly favourable mining jurisdiction and sits in a remote location far from any communities.

Water security is not expected to pose a material challenge to project execution and operation. But it is an issue that requires proactive management. In Q1 2014, Gold Fields filed a water rights application with the regulatory authorities for a nearby reservoir that could potentially yield 166 litres per second – which would be more than sufficient for future operations. The remote location of the site means there will be minimal community impacts. Although there is a small possibility that indigenous Colla ancestral lands are present in the project area, this does not appear to be a material issue.

Collectively, these qualities mean Salares Norte offers significant potential in terms of future cash generation. As such, the decision has been made to retain it within Gold Fields' growth portfolio – and to explore its potential further. Indeed, an exploration budget of US$23 million has been made available for further drilling work in the first half of 2015 – with a potential pre-feasibility study to commence in Q4 2015.

5.4.2 Far Southeast, Philippines

The Far Southeast Project is a proposed underground gold-copper porphyry mine located in northern Luzon – 250km north of Manila. The project is one in which Gold Fields has a 40% interest, with an option to increase its stake to 60%, and is focussed on an existing mining operation with established infrastructure. Lepanto Consolidated Mining of the Philippines holds the remaining 60% interest. Far Southeast is a 900 million tonne copper/gold porphyry with grades of approximately 0.7g/t gold and approximately 0.5% copper. At end-December 2012 it declared an Inferred Mineral Resource of 19.8 million ounces of gold and 9,921Mlb of copper.

The ultimate execution of the project will require the Free, Prior and Informed Consent (FPIC) of local Kankana-ey indigenous people. Under the laws of the Philippines, the FPIC of the Kankana-ey is a prerequisite for the ultimate granting of a Financial or Technical Assistance Agreement (FTAA) to Gold Fields. The FTAA is a regulatory instrument that allows for majority foreign ownership of mining projects – and is subject to a lengthy administrative process.

In this context, Gold Fields signed a formal Memorandum of Agreement with the Mankayan Council of Elders – the body that offers the FPIC of the Kankana-ey community. This builds on a strong demonstration of support by the Council of Elders for the development of the project during a high-profile vote in Q2 2013.

The FPIC process continues to be supported by Gold Fields' efforts to leverage its positive economic impacts – through the establishment of a strategic 'development hub' in the area. Ongoing community projects include, for example, the establishment of an interactive library and community information centre, enterprise and livelihood training for food security in agriculture and livestock and water infrastructure. The holding costs of this project have been reduced to approximately US$400,000 per month, related mainly to community engagement work as well as activities to support the permitting process.

Further material development of the project will be dependent on the granting of an FTAA and majority ownership by Gold Fields (with these prerequisites unlikely to be in place before 2016). Although initial focus was on the potential development of a major new mine at the site, current focus is (in line with current strategies) on the development of a less capital-intensive, higher-grade scoping study that can generate cash in the nearer term. A scoping study is underway that should be completed in the first half of 2015. If the project proceeds sometime in the future, Gold Fields is likely to integrate additional project partners.

5.4.3 Disposals

In 2014, Gold Fields continued to dispose of a number of growth assets – as set out in the figure below. This is in line with the Group's strategy of focussing on growing cash flow on a per ounce basis.

FIGURE 5.2: Disposal of exploration and growth projects

Woodjam (Canada)

100% held

Not a majority gold project

Yanfolila (Mali)

85% to Hummingbird Resources

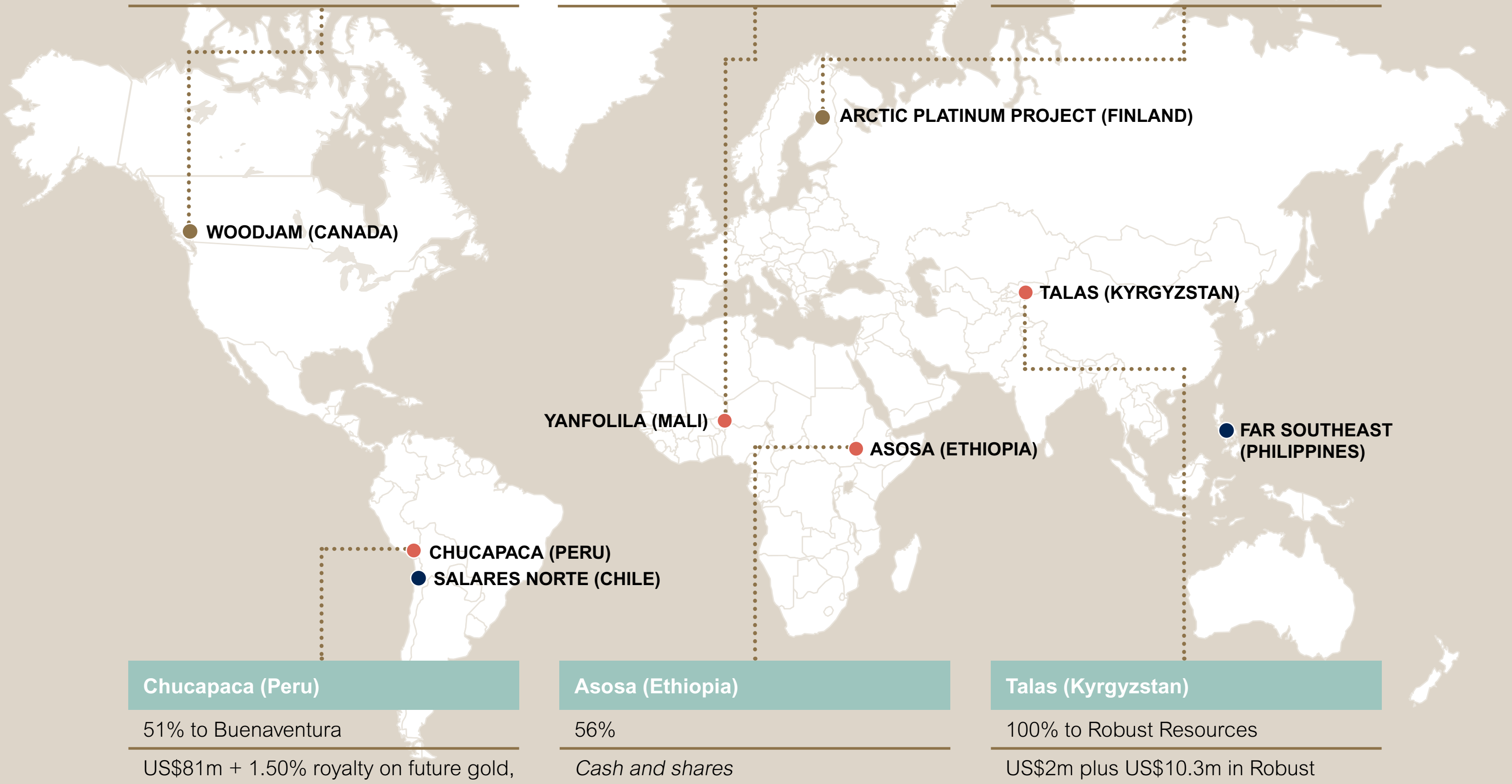
US$20m (in Hummingbird shares)

Does not fit with growth strategy

Arctic Platinum Project (Finland)

100% held

Not a gold project



Chucapaca (Peru)

51% to Buenaventura

US$81m + 1.50% royalty on future gold, silver and copper production

Does not fit with growth strategy

Asosa (Ethiopia)

56%

Cash and shares

Higher-risk operating environment

Talas (Kyrgyzstan)

100% to Robust Resources

US$2m plus US$10.3m in Robust Resources shares – since cashed out for A$5m + 2% royalty

Does not fit with growth strategy

EXPLORATION PROJECTS		
• **Toodoggone, Canada**	51%	Sale pending
• **Australian exploration portfolio (five projects)**	100%	Sale pending + JV
• **Tacna, Peru**	100%	Sale pending

KEY

- Sold
- Retain/Reconfigure
- Sale pending

5.5 Mineral Resource and Mineral Reserve Statement

Gold Fields' Mineral Resource and Mineral Reserve strategy has been focussed on cash flow maximisation, which includes the implementation of a number of key interventions:

- The elimination of marginal mining at all operations
- Rationalisation of corporate, regional and operational structures in conjunction with the strengthening of the regionalised model. As a result the West Africa, Americas and Australia regions are now appropriately resourced to focus on building a sustainable business
- Capital rationalisation and prioritisation (without undermining the future integrity of the operations)
- Divestment of growth projects that are not fully aligned with our business objectives

A Mineral Resource gold price of US$1,500/oz and Mineral Reserve price of US$1,300/oz have been used for this declaration. This equates to A$1,570/oz and A$1,370/oz and R480,000/kg and R420,000/kg respectively. The gold price used for the Mineral Reserve declaration of US$1,300/oz is within the guidelines of the US Securities and Exchange Commission (SEC), as it is lower than the three-year trailing average price of US$1,450/oz. The copper price used for Mineral Resource estimation is US$3.50/lb and US$3.0/lb for Mineral Reserves.

Although the gold price used for the reserves is higher than the current spot price, our focus on strategically positioning the operations to deliver leading AIC, AISC and cash flow margins underpins their resilience to gold prices periodically trending lower. Business planning, over the next five years, entails the selection of cut-off grades, optimised pit shells, pit staging and stope sequencing with the objective of ensuring that operations are sustainable and cash generative in the short to medium term at lower gold prices. Our commitment to ongoing exploration and resource to reserve conversion aims to ensure a quality pipeline of reserves that will maintain operational flexibility and assist in sustaining margins at varying gold prices going forward. Annual production's alignment to relevant Mineral Reserve head grades shows that, notwithstanding our focus on cash flow margins, we ensure retention of the longer term Life-of-Mine integrity.

This section represents a condensed and consolidated overview of Gold Fields' Mineral Resource and Mineral Reserve Supplement. The Supplement contains a comprehensive review of our Mineral Resources and Mineral Reserves as at 31 December 2014, including additional detail on individual operations with respect to location, mine infrastructure, key operating statistics, geology, mining, processing, projects and sustainable development. It is available on the Gold Fields website at www.goldfields.com/inv_rep_ar.php.

5.5.1 Corporate governance

The Group's December 2014 Mineral Resource and Mineral Reserve Statement has been prepared in accordance with the requirements of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (the SAMREC Code, 2007 edition, as amended in 2009) and Industry Guide 7 for reporting to the SEC. Other relevant international codes are recognised where geographically applicable.

In line with our commitment to sound corporate governance, this statement has been internally reviewed by regional and corporate technical and financial experts and, where applicable, also reviewed by leading, independent mining consultancies. This declaration has been found to fulfil the requirements of the relevant reporting codes, and the procedure followed in producing the statement is aligned to the guiding principles of the United States' Sarbanes-Oxley (SOX) Act of 2002.

The headline Mineral Resource and Mineral Reserve Statement as at 31 December 2014 is compared to the 31 December 2013 declaration in Figures 5.4 and 5.5. The Mineral Resource and Mineral Reserve figures are estimates at a point in time, and will be affected by fluctuations in the gold price, US Dollar currency exchange rates, costs, mining permits, changes in legislation and operating factors. All metal commodities are reported separately. As a result, no gold equivalents are stated to avoid potential anomalies generated through year-on-year metal price differentials.

Although all permits may not be finalised and in place at the time of reporting, there is no reason to expect that these will not be granted. However, the length of the approval process for such permits may have an impact on the schedules stated. All financial models are based on current tax regulations as at 31 December 2014.

All Mineral Resource and Mineral Reserve figures are managed unless otherwise stated. Mineral Resources are reported inclusive of Mineral Reserves and stability pillars when appropriate. The estimated volumes are reported in metric tonnes (t).

The respective operation-based Mineral Resource managers and relevant project managers have been designated as the competent persons in terms of SAMREC and take responsibility for the reporting of the Gold Fields Mineral Resources and Mineral Reserves. Corporate governance on the overall regulatory compliance of these figures has been overseen and consolidated by the Gold Fields Competent Person, Tim Rowland, who consents to the disclosure of this Mineral Resource and Mineral Reserve Statement. Mr Rowland is Vice-President, Mineral Resource Management and Mine Planning, Pri-Sci Nat No 400122/00, BSc (Hons) Geology, MSc Mineral Exploration, GDE Mining Engineering and FSAIMM, FGSSA and GASA), with 29 years' relevant experience in the mining industry. He is a permanent employee of Gold Fields.

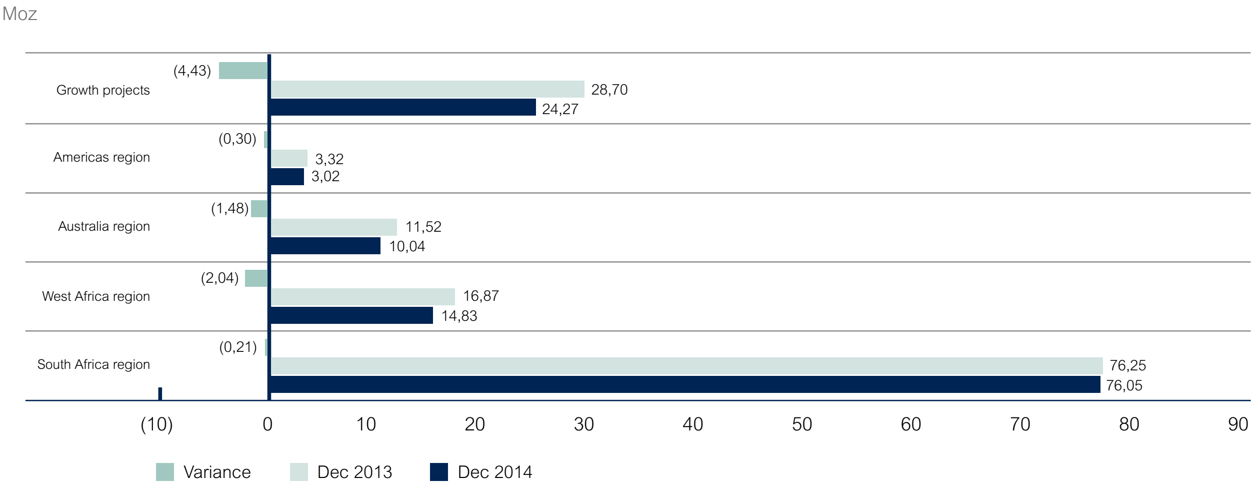
5.5.2 Group summary

At 31 December 2014, Gold Fields had total attributable gold and copper Mineral Resources of 108.3 million ounces (December 2013: 113.4 million ounces) and 6,873 million pounds (December 2013: 7,120 million pounds), respectively. Attributable gold and copper Mineral Reserves are 48.1 million ounces (December 2013: 48.6 million ounces) and 620 million pounds (December 2013: 708 million pounds) respectively, net of mined depletion.

The unchanged (year-on-year) metal prices and generally increased mining costs used for this year's resource modelling and Life-of-Mine planning has resulted in marginally smaller pit shells for surface mining and optimised stope designs for underground mining. These changes, together with mine design enhancements, the sale of the Chucapaca and Yanfolila projects, as well as mining depletion for the year, were primarily responsible for the reduction in the Mineral Resources (-8.5 million ounces gold), while Mineral Reserves (-500,000 ounces gold) remained fairly constant, despite mining depletion of 2.3 million ounces of gold across the Group.

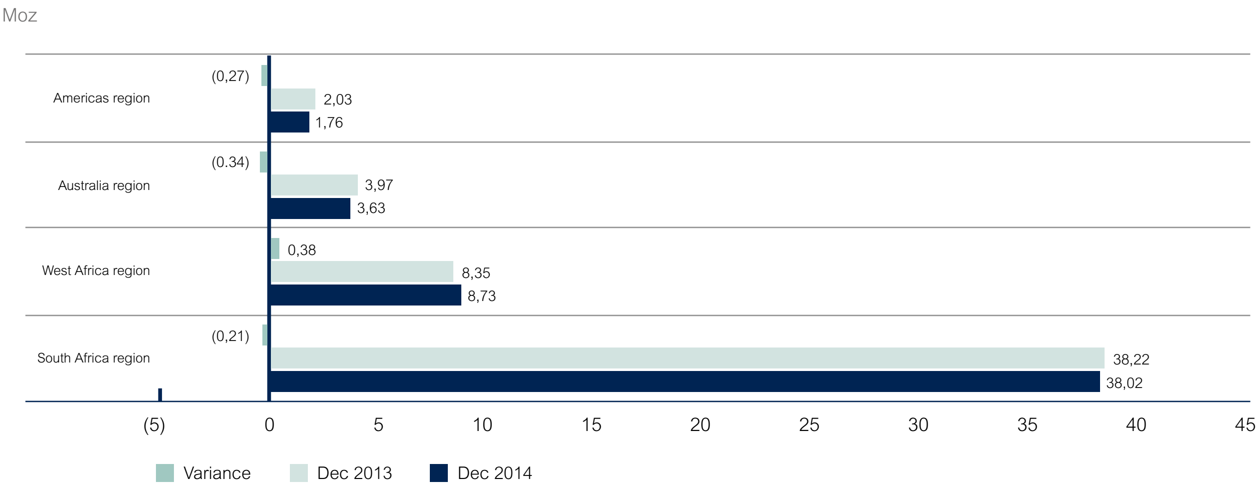
The respective gold and copper Mineral Resource figures (December 2014) are inclusive of all eight operating mines, as well as the APP, Salares Norte, Woodjam and Far Southeast projects. Other commodities and by-products that are reported as part of the Mineral Resource (platinum, palladium, nickel and silver) are contained in the Mineral Resource and Mineral Reserve Statement Supplement.

FIGURE 5.3: Managed gold Mineral Resources



The South Africa region accounts for 59% of our managed gold Mineral Resources, West Africa 12%, Australia 8%, the Americas 2% and our growth projects 19%.

FIGURE 5.4: Managed gold Mineral Reserves



The South Africa region accounts for 73% of our managed gold Mineral Reserves, West Africa 17%, Australia 7% and the Americas 3%.

5.5 Mineral Resource and Mineral Reserve Statement (continued)

FIGURE 5.5: Gold Fields Mineral Resource and Mineral Reserve Statement as at 31 December 2014[1]

HEADLINE NUMBERS

	Managed Mineral Resources						Attributable ounces	
	31 Dec 2014			31 Dec 2013			31 Dec 2014	31 Dec 2013
Gold only	Tonnes (Mt)	Grade (g/t)	Au (Moz)	Tonnes (Mt)	Grade (g/t)	Au (Moz)	Gold (Moz)	Gold (Moz)
Total Operating Mines	**903.9**	**3.58**	**103.925**	975.0	3.44	107.958	**96.187**	100.049
Total Projects	**1 164.6**	**0.65**	**24.271**	1 291.4	0.69	28.705	**12.104**	13.344
Total Operating Mines and Projects	**2 068.6**	**1.93**	**128.196**	2 266.4	1.88	136.663	**108.291**	113.393

OPERATIONAL SUMMARY

	Managed Mineral Resources						Attributable ounces	
	31 Dec 2014			31 Dec 2013			31 Dec 2014	31 Dec 2013
Gold	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (koz)**	Tonnes (Mt)	Grade (g/t)	Gold (koz)	**Resource (koz)**	Resource (koz)
Australia Operations								
Agnew/Lawlers	**13.8**	**5.79**	**2 570**	19.2	5.92	3 657	**2 570**	3 657
Darlot	**1.1**	**7.17**	**263**	1.6	5.3	271	**263**	271
Granny Smith	**17.4**	**6.61**	**3 696**	36.2	2.8	3 254	**3 696**	3 254
St Ives	**30.1**	**3.63**	**3 508**	38.4	3.51	4 340	**3 508**	4 340
Total Australia region	**62.4**	**5.00**	**10 037**	95.4	3.75	11 521	**10 037**	11 521
South African Operations								
South Deep	**382.4**	**6.19**	**76 046**	382.8	6.20	76 249	**69 804**	70 042
Total South Africa region	**382.4**	**6.19**	**76 046**	382.8	6.20	76 249	**69 804**	70 042
Peru Operation								
Cerro Corona	**115.2**	**0.81**	**3 015**	125.3	0.82	3 318	**3 001**	3 303
Total Americas region	**115.2**	**0.81**	**3 015**	125.3	0.82	3 318	**3 001**	3 303
Ghana Operations								
Damang	**85.3**	**1.92**	**5 260**	95.8	2.14	6 579	**4 734**	5 921
Tarkwa[2]	**258.7**	**1.15**	**9 568**	275.7	1.16	10 291	**8 611**	9 262
Total West Africa region	**344.0**	**1.34**	**14 827**	371.5	1.41	16 870	**13 345**	15 183
Operations – Total Gold	**903.9**	**3.58**	**103 925**	975.0	3.44	107 958	**96 187**	100 049
(PERU) – Cerro Corona Copper	**Tonnes (Mt)**	**Grade (% Cu)**	**Copper (Mlbs)**	Tonnes (Mt)	Grade (% Cu)	Copper (Mlbs)	**Attributable Copper (Mlbs)**	Attributable Copper (Mlbs)
Copper (Cu) only	**108.0**	**0.42**	**1 006**	118.3	0.43	1 124	**1 001**	1 119

[1] Managed unless otherwise stated
[2] Includes 65Mt of surface stockpiles at an ore grade of 0.43g/t

FIGURE 5.6: Gold Fields Mineral Reserve Statement as at 31 December 2014[1]

HEADLINE NUMBERS

	Managed Mineral Reserves						Attributable ounces	
	31 Dec 2014			31 Dec 2013			31 Dec 2014	31 Dec 2013
Gold only	**Tonnes (Mt)**	**Grade (g/t)**	**Au (Moz)**	Tonnes (Mt)	Grade (g/t)	Au (Moz)	**Gold (Moz)**	Gold (Moz)
Total Operating Mines	**558.1**	**2.90**	**52.123**	563.2	2.90	52.564	**48.122**	48.608
Total Operating Mines and Projects	**558.1**	**2.90**	**52.123**	563.2	2.90	52.564	**48.122**	48.608

OPERATIONAL SUMMARY

	Managed Mineral Reserves						Attributable ounces	
	31 Dec 2014			31 Dec 2013			31 Dec 2014	31 Dec 2013
Gold	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (koz)**	Tonnes (Mt)	Grade (g/t)	Gold (koz)	**Reserve (koz)**	Reserve (koz)
Australia Operations								
Agnew/Lawlers	**3.6**	**7.44**	**865**	4.2	7.05	953	**865**	953
Darlot	**0.4**	**7.36**	**85**	1.0	5.07	155	**85**	155
Granny Smith	**4.5**	**6.02**	**872**	4.1	6.34	838	**872**	838
St Ives	**17.8**	**3.14**	**1 803**	20.7	3.03	2 022	**1 803**	2 022
Total Australia region	**26.3**	**4.28**	**3 625**	30.0	4.11	3 968	**3 625**	3 968
South African Operations								
South Deep	**223.2**	**5.30**	**38 016**	224.4	5.30	38 224	**34 896**	35 113
Total South Africa region	**223.2**	**5.30**	**38 016**	224.4	5.30	38 224	**34 896**	35 113
Peru Operation								
Cerro Corona	**60.5**	**0.90**	**1 757**	67.1	0.94	2 025	**1 749**	2 016
Total Americas region	**60.5**	**0.90**	**1 757**	67.1	0.94	2 025	**1 749**	2 016
Ghana Operations								
Damang	**25.7**	**1.49**	**1 235**	22.8	1.46	1 073	**1 111**	966
Tarkwa[2]	**222.4**	**1.05**	**7 491**	218.8	1.03	7 273	**6 742**	6 546
Total West Africa region	**248.1**	**1.09**	**8 725**	241.6	1.07	8 346	**7 853**	7 512
Total Gold	**558.1**	**2.90**	**52 123**	563.2	2.90	52 564	**48 122**	48 608
(PERU) – Cerro Corona Copper	**Tonnes (Mt)**	**Grade (% Cu)**	**Copper (Mlbs)**	Tonnes (Mt)	Grade (% Cu)	Copper (Mlbs)	**Attributable Copper (Mlbs)**	Attributable Copper (Mlbs)
Copper (Cu) only	**60.5**	**0.47**	**623**	67.1	0.48	712	**620**	708

[1] Managed unless otherwise stated
[2] Includes 65Mt of surface stockpiles at an ore grade of 0.43g/t

5.5 Mineral Resource and Mineral Reserve Statement (continued)

5.5.3 Regional summary

AMERICAS

Operations

The Americas region has a declared managed gold Mineral Resource of 3.0 million ounces at December 2014 (December 2013: 3.3 million ounces) and a gold Mineral Reserve of 1.8 million ounces (December 2013: 2.0 million ounces). In addition, it has a managed copper Mineral Resource and Mineral Reserve of 1,006 million pounds (December 2013: 1,124 million pounds) and 623 million pounds (December 2013: 712 million pounds), respectively. Of this, 99.5% is attributable to Gold Fields.

These figures are net of 153,600 ounces of gold and around 71 million pounds of copper from mined depletion.

Woodjam Project

The total declared Mineral Resource for the Woodjam Project in British Columbia, Canada, remains unchanged at 584,000 ounces of gold and 1,705 million pounds of copper. The project is 51% attributable to Gold Fields and has been put up for sale.

Salares Norte Project

Gold Fields holds a 100% interest in the Salares Norte Project, which is situated in the Atacama region in northern Chile. The project has an Inferred Mineral Resource of 3.1 million ounces gold and 34 million ounces silver.

AUSTRALIA

Operations

The Australia region has a declared managed gold Mineral Resource of 10 million ounces (December 2013: 11.5 million ounces) and a gold Mineral Reserve of 3.6 million ounces (December 2013: 4.0 million ounces) and is 100% attributable to Gold Fields. These figures are net of 1.0 million ounces from mined depletion. A key highlight for 2014 was that production from the region exceeded the one million ounce mark. St Ives is also planning to bring the Invincible pit into production during the first half of 2015.

Far Southeast Project

An Inferred Mineral Resource for the Far Southeast deposit was declared in September 2012 – this remains unchanged as at December 2014. This reported 891.7Mt at 0.7g/t Au and 0.5% Cu for 19.8 million ounces of gold and 9,921Mlb of copper, inside a mining constraint which assumed an eventual non-selective, bulk underground mining method. The classification of Inferred was applied based on drill hole spacing, estimation quality, geological continuity and geological understanding of the deposit in early 2012 and is compliant with the SAMREC Code. A total of 40% of this Mineral Resource is attributable to Gold Fields.

Exploration drilling at Woodjam project in Canada

SOUTH AFRICA

Operations

The South Africa region has a total declared managed gold Mineral Resource of 76.0 million ounces (December 2013: 76.2 million ounces) and a gold Mineral Reserve of 38.0 million ounces (December 2013: 38.2 million ounces), of which, 91.8% is attributable to Gold Fields, in line with the agreed phase-in participation of BEE partners over 20 years. Ultimately the BEE partners' stake will be 10%. These resource and reserve figures are net of 200,500 ounces from mined depletion during 2014.

At South Deep all mining-related activities were severely curtailed for most of 2014 due the introduction of an extensive ground support remediation programme. A review of South Deep's current mining layout and methodology as well as the geotechnical regime, commenced in 2014. The need for a fundamental change in the regional pillar configuration of 260 x 60 metres has been recognised, which will require more mining corridors as mining moves deeper.

Importantly, this currently remains work in progress and geotechnical modelling and final independent peer review is scheduled for 2015 to validate the work being completed by external consultants. Further optimisation and the tailoring of selected pillar layouts to adapt to local conditions across the mine will still be necessary. Final approval and sign-off of the new pillar configuration impacting the Life-of-Mine plan can realistically only be expected during the course of 2015.

In addition, two alternative mining methods are under review. The first method is the 4.5 x 4.5 metre destress method and the second is the Inclined Mining Slot method. Both of these methods, if successful, could significantly de-risk the South Deep build-up plan and future production profiles, and could have a meaningful positive impact on costs and the schedule. The destress method will be piloted in discrete areas of the mine during 2015. It is too early to assess whether either of these methods could be commercially deployed.

Concurrent with the review of the geotechnical layout, Gold Fields is undertaking a wholesale strategic review of the operation with the objective of achieving self-funding as soon as possible – likely at the end of 2016 at current rand gold prices – and deliver consistent free cash flow margins.

Given the material influence of these studies, a holding pattern has been adopted with regard to the Mineral Resource and Mineral Reserve declaration for December 2014 in that the December 2013 model will merely be depleted for annual production and not be supported by a new design and schedule. In 2015 we will however focus on a new mining strategy which is aligned to the new pillar configuration, once finalised, and new mine designs and schedules will inform the December 2015 Mineral Reserves.

WEST AFRICA

Operations

The West Africa region has a declared managed gold Mineral Resource of 14.8 million ounces (December 2013: 16.9 million ounces) and a gold Mineral Reserve of 8.7 million ounces (December 2013: 8.3 million ounces), which are 90% attributable to Gold Fields. These figures are net of 736,000 ounces from mined depletion.

Damang is currently bedding down the improved quality of production and is reviewing further opportunities within its lease area. The mine is also focussing its medium-term near-mine exploration activity on potential ore sources within an 8km mineralisation trend running from the Damang pit complex to the Amoanda pit. The Mineral Reserve of 1.2 million ounces is steady compared to that of December 2013 (1.1 million ounces) with positive cash flows forecast for the current six-year Life-of-Mine.

Tarkwa's figures are inclusive of the Teberebie pillar for the first time. Several hydrothermal prospects are being reviewed as possible additional sources of ore that can potentially extend the life of the mine.

PROJECTS FOR DISPOSAL

Arctic Platinum Project (APP)

The total Mineral Resource figures for APP remain unchanged year-on-year. APP in Finland has a Mineral Resource of 786,000 ounces of gold, 2.4 million ounces of platinum and 9.8 million ounces of palladium – as well as 1,034 million pounds of copper and 438 million pounds of nickel. Of this 100% is attributable to Gold Fields. The project has been put up for sale.

Livestock improvement project near the Cerro Corona mine in Peru

6

SECURING OUR future responsibly

6.1 Gold Fields as an employer of choice

Gold Fields' People Strategy drives a high-performance culture across all operations. Despite the challenges posed by the current low gold price, Gold Fields remains committed to being an employer of choice. This means ensuring that employees:

- Receive market-aligned pay and benefits
- Have access to a wide range of training and development opportunities
- Work in a safe, productive and respectful environment
- Are acknowledged and recognised for their role in value creation

6.1.1 Our workforce

In line with its new, cash-generative production profile and low-cost operating model – the Group has established a leaner, more efficient and better skilled workforce. This has driven increased emphasis on employee efficiency, accountability and rewards; and enhanced training for key personnel – with particular emphasis on further developing mechanised mining skills at South Deep.

LABOUR SIZE AND PROFILE

The comprehensive restructuring of Gold Fields since 2013 – in particular the unbundling of Sibanye Gold in 2013 – has led to a significant reduction in the size of the workforce but also to a change in the workforce profile, which now predominantly comprises labour-efficient mechanised mining skills.

These processes continued during 2014, driven by:

- The re-basing of production and development at South Deep
- The integration of the Yilgarn South Assets, which included workforce rationalisation at Agnew/Lawlers
- The closure of Tarkwa's North Heap Leach facility and workforce restructuring at Damang

In total during the year, the workforce decreased 8% to 15,440 (2013: 16,852). This total comprised 8,954 employees (2013: 10,167) and 6,486 (2013: 6,685) contractors.

These reductions were effected through both voluntary and involuntary retrenchments – as well as through natural attrition. A regional breakdown of retrenchments is set out below:

- The Americas: 47 (2013: 57)
- Australia: 98 (2013: 228)
- South Africa: 529 (2013: 51)
- West Africa: 628 (2013: 17)
- Corporate head office: 3 (2013: 52)
- Denver office: 4 (2013: 57)

The ongoing rightsizing of Gold Fields' workforce has played an important role in ensuring the Group's long-term sustainability in the wake of continued cost pressures, and supports the ability to generate free cash flow despite a very challenging gold price.

Following the reduction in its headcount, Gold Fields has focussed on ensuring that employees and contractors are:

- Effectively deployed to operate efficiently and safely across the remaining production base
- Incentivised in-line with the Company's sustainable cash-generation targets
- Equipped with the appropriate skills to achieve a world-class mechanised mining performance

FIGURE 6.1: Group human resources performance

Category	2014	2013	2012
Total employees (excluding contractors)	**8,954**	10,167	9,684
Contractors	**6,486**	6,685	8,961
HDSA employees in South Africa (%)[1]	**71**	70	68
HDSA employees in South Africa (%) (Senior Management)[1]	**47**	44	31
National employees in Ghana (%) (excluding contractors)	**99**	99	98
Minimum wage ratio[2]	**1.7**	3	3
Female employees (%)	**14**	11	12
Ratio of basic salary of men to women	**1.1**	1.2	1.4
Employee wages and benefits (US$m)	**468**	595	780
Average training (hours per employee)	**181**	97[3]	142[3]
Employee turnover (%)[4]	**20.2**	10.0	8.0

1 Excluding foreign nationals, but including white females and corporate office; HDSAs – Historically Disadvantaged South Africans
2 Entry level wage compared to local minimum wage. The narrowing of the ratio reflects a sharp rise in the minimum wage in Ghana
3 Figures do not include Yilgarn South Assets
4 Includes voluntary and involuntary turnover

FIGURE 6.2: Workforce breakdown

	Total Workforce	Employees	Contractors
Australia	**2,270**	1,564	706
Ghana	**6,132**	3,344	2,788
Peru	**1,710**	450	1,260
South Deep	**5,246**	3,514	1,732
Corporate functions	**82**	82	0
Total	**15,440**	8,954	6,486

BENEFITS

Gold Fields remains committed to attracting and retaining motivated, high-calibre employees. This requires the right balance of guaranteed pay, employee benefits and both short- and long-term incentives. In 2014, the average guaranteed pay for employees increased 5% (2013: 5%). These rates of increase are lower than those seen historically in the gold industry, and partially reflect reduced competition for scarce skills in the mining sector amid weaker commodity markets. Gold Fields continues to provide employees (where relevant) with retirement savings, healthcare assistance, life and disability insurance, housing assistance and personal accident cover.

Senior managers and executives

In 2014, the Company reconfigured the balanced scorecards and long-term incentive schemes for senior management – to bring about closer alignment with shareholders' interests in the immediate and medium term. Important changes included, *inter alia*:

- Explicit emphasis on cash generation
- Revision of the long-term incentive scheme to one that rewards focus on total shareholder returns and free cash flow margin generation

South Deep

In South Africa, in addition to the Company's normal benefit schemes, a lot of emphasis is also placed on the accommodation of employees as regulated under the Mining Charter (p104 – 105).

Employee accommodation

Different accommodation options are offered to South Deep employees below middle management level. These include upgraded single-unit hostel accommodation for 845 employees, family unit and housing accommodation for 1,148 employees and their families, or a living-out allowance of R2,000 (US$170) per month, with which employees can finance their own private accommodation.

In accordance with the Mining Charter obligations, Gold Fields has achieved one person per room for its mine accommodation by 31 December 2014.

The Company remains committed to ensuring that mine accommodation affords employees privacy, dignity and a decent living environment. In a key change to its housing strategy during 2014, South Deep has decided to team up with a property development firm to construct and manage 1,000 new homes between 2015 and 2018 at an average cost of about R400,000 each. These houses will either be sold or leased to employees. Employees who want to buy a house within a 10-year lease period will have the option to use the South Deep home ownership programme, comprising a housing allowance and a subsidy in the form of an interest free loan. This programme is set to be rolled out during 2015.

EMPLOYMENT OF NATIONALS

Gold Fields is committed to employing nationals (and in South Africa, HDSAs) where possible, as this maximises the impact of its operations on host societies in terms of economic value generation and skills transfer. Gold Fields' approach aims to:

- Enhance the local skills base, build local capacity and foster international employment standards
- Contribute to local development through the direct/indirect economic impacts from workers' salaries
- Meet relevant national regulatory requirements

FIGURE 6.3: Proportion of nationals per region

Region	2014	2013
Peru	**99.2%**	99.9%
Australia	**98%**	97%
South Africa	**84%**[1]	83%
Ghana	**99%**	99%

[1] 71% HDSAs in management in South Africa (excludes foreign nationals, but includes white females and corporate office)

6.1 Gold Fields as an employer of choice (continued)

6.1.2 Employee development

The provision of world-class training and skills development is central to driving a high-performance culture. It enables the Group to attract and retain the best talent; enhance employee productivity and safety; and achieve its strategic objectives.

In 2014, approximately US$13.4 million – 1% of our revenue – was spent on training and skills development across the Group (2013: US$16 million – 1% of our revenue). This was invested chiefly in the delivery of fit-for-purpose technical training, comprehensive leadership development programmes and training to ensure global alignment with the new Gold Fields culture.

Extensive technical training was carried out in all regions. This included bespoke programmes targeting supervisors and, at South Deep, a particular focus on mechanised mining skills development. On the leadership development front, all regions rolled out a management development programme.

Around 86% of employees underwent training in the Gold Fields 'DNA' – an internal programme that defines the Gold Fields culture, values, strategic objectives, ways of working and engagement with stakeholders.

SKILLS DEVELOPMENT AND TRAINING AT SOUTH DEEP

A major independent review at South Deep identified a number of shortfalls in the mine's workplace culture, practices and skills base. These relate to a shortage of advanced underground mechanised mining skills, the challenging nature of the project itself, unsafe behaviour and workforce legacy issues. It is of strategic importance that these challenges are addressed as they are acting as a key barrier in the journey of the mine from development to full production.

In this context, Gold Fields undertook the following initiatives in 2014:

- ***Operator skills assessment and training***: All operators were reassessed to better understand their skill levels. In response, a competency programme was implemented to ensure every operator had a valid licence to operate relevant mining equipment – and additional training was also delivered to operators and artisans working with new specialised mechanised mining equipment. Where appropriate English language literacy was lacking, operators were offered Adult Basic Education and Training (ABET) courses to improve their literacy.
- ***Artisan upskilling***: Highly skilled artisans from Australia were brought to South Deep to coach and mentor our local artisans. A foreman training programme was also developed to ensure that supervisors were able to support artisans on the job.
- ***Specialist training in mechanised mining***: As previously planned, a team of highly qualified mechanised mining experts were brought in from Australia. This was with the aim of transferring their technical mechanised mining expertise and supporting the establishment of international mechanised mining standards at the mine – whilst remaining sensitive to the mine's history and context. The majority of this team has since left South Deep after assisting with the ongoing training and skills transfer programmes. Furthermore, 12 South Deep employees visited our Australian mines and teamed up with their counterparts at these operations.
- ***Skills and leadership training for managers***: Gold Fields assessed the competency of all employees at D-band and above. This included a series of psychometric and literacy tests, as well as 'in-basket' and roleplay exercises. The results are informing future training needs of individual employees – and of the management team as a whole. The first Gold Fields management development programme was run for middle- to senior managers
- ***Training on the new operating model***: An intensive training programme was implemented to support the safe and effective shift to the 7-2/7-5 roster. The focus here was not only on the new roster schedule but also on launching a) a new safety induction training programme, b) Gold Fields' DNA campaign, c) mechanised mining awareness programme, d) basic supervisory skills, e) performance and talent management processes and procedures, f) health key tips and how to ask for support, and g) update of all personnel records and data clean up
- ***Recognition of prior learning programme***: This programme enables employees to receive formal qualifications linked to their current employment profile
- ***Review of job profiles***: Around 30 core job profiles were revised to better suit the needs of underground mechanised mining. This included the review of role profiles for all mine executives, operators, artisans, business critical positions and future positions

In addition, a wider training strategy is being developed to meet the future needs of the mine. The focus in 2014 was on operators and artisans and ensuring key and critical roles had highly skilled employees.

6.1.3 Industrial relations

Around three-quarters (73%) of Gold Fields' workforce is unionised – though patterns of union activity vary considerably between the regions:

- The Americas: 12% (2013: 14%)
- Australia: 0% (2013: 0%)
- South Africa: 93% (2013: 91%)
- West Africa: 96% (2013: 95%)

Maintaining constructive industrial relations is particularly important in Ghana and South Africa. In these countries Gold Fields includes trade unions and other labour organisations in key decision-making processes, including those relating to compliance, health and safety, and training. This inclusive and collaborative approach has contributed to the fact that there were no incidents of industrial action in 2014 – legal or otherwise.

SOUTH AFRICA

In recent years, the South African mining sector has been affected by high-profile labour unrest. The length and magnitude of the resulting strikes have severely affected the sector, in particular the platinum industry. Although Gold Fields was not affected by these issues in 2014, the risk of industrial action – ahead of the 2015 wage talks in the gold mining sector and the emergence of new unions in the industry – is significant and needs to be closely and constructively managed.

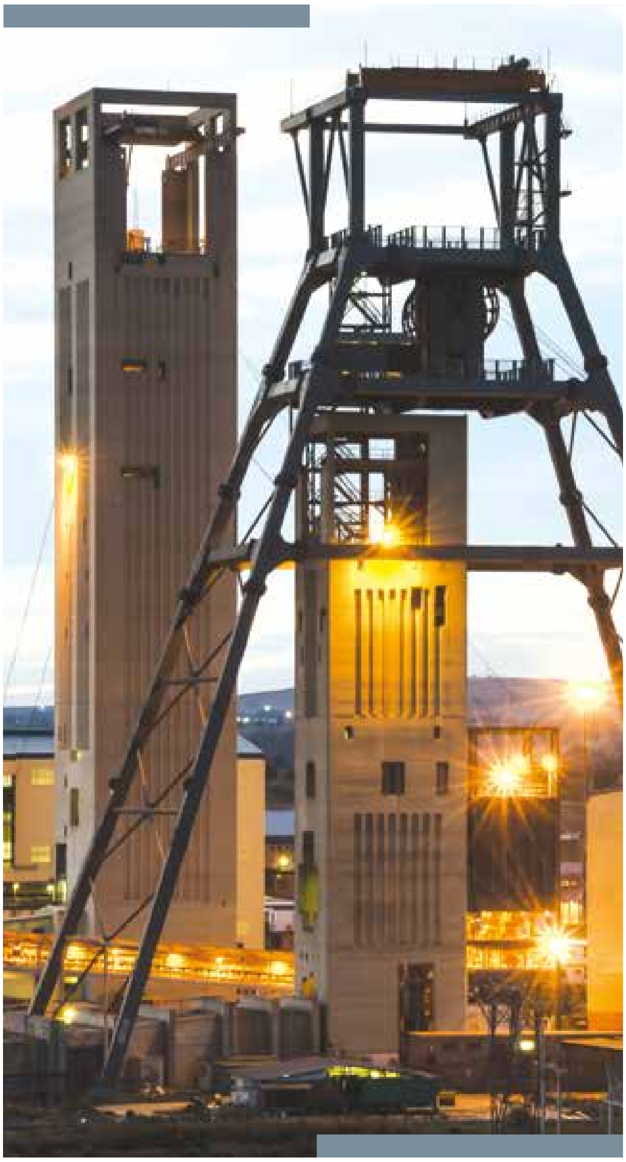
Gold Fields actively engages with senior representatives from all unions present at the mine. The National Union of Mineworkers (NUM) is the majority union at South Deep, representing around 83% of employees. Another 10% of employees is represented by the United Association of South Africa (UASA). Although the Association of Mineworkers and Construction (AMCU), which played a pivotal role in the 2014 platinum industry strikes, has not yet gained formal recognition status at South Deep, it is playing an increasingly influential role in the gold mining sector.

In February 2015 Gold Fields took a decision to conduct Company-specific negotiations with organised labour around the 2015 wage talks. While these negotiations will still be held under the auspices of the South African Chamber of Mines, it is not anticipated thay they will form part of the centralised wage negotiations conducted by the Chamber on behalf of other the gold producers operating in South Africa.

This decision was taken because, while Gold Fields shares many of the broader socio-economic circumstances of the South African gold producers, its only South African operation – South Deep – has a significantly different operating model and labour profile to the other gold mining companies. South Deep is the only fully mechanised gold mining operation in South Africa and it employs a small highly skilled workforce, with unique skills not necessarily found in the gold sector – its wage structure needs to attract and retain these specialised skilled employees.

WEST AFRICA

During 2014, Gold Fields continued to focus on improving relations with the Ghana Mineworkers Union (GMWU), following illegal strikes at the Tarkwa and Damang mines in 2013. The Group engaged closely with the GMWU over the retrenchment of workers at both Damang and Tarkwa. Constructive dialogue focussed on the specific challenges posed by the low gold price – and the potential implications for each operation. As a result, the retrenchment process was carried out without disruptions to the operations.



Twin shafts at the South Deep mine in South Africa

6.2 Government and social relations

6.2.1 Public policy

As the issuer of mining licences, developers of policy and overseers of regulation, host governments are among Gold Fields' most important stakeholders. Engagement with national governments typically takes place on a collective basis through local chambers of mines. Gold Fields also regularly engages with regional regulatory authorities and municipal authorities in its host communities. Gold Fields does not provide financial contributions to political parties and lobby groups, unless explicitly approved by the Gold Fields Board of Directors.

TAXATION AND THE MAXIMISATION OF NATIONAL MINERAL BENEFITS

It is natural and right that governments seek to maximise the social benefits that accrue from the extraction of scarce natural resources. As a matter of policy Gold Fields fully complies with the fiscal and taxation regulations and laws of the countries it operates in, understanding that these fiscal contributions are critical to fund governments, its employees and public sector infrastructure and projects. Nonetheless, attempts to secure these benefits through higher levels of targeted taxation can – in the long term – have the opposite effect. Indeed, the weak commodities market – including the low price of gold – is throwing into sharp focus just how damaging short-term attempts to secure a greater proportion of companies' earnings can be. Mining investment is falling, new growth projects are being left undeveloped and existing projects are facing closure – even without additional fiscal uncertainty. The implications for longer-term national and host community development are obvious.

Boilermaker at work at Tarkwa mine in Ghana

FISCAL CHALLENGES IN GHANA

In Ghana, Gold Fields continues to remain disproportionately exposed to the consequences of a heavier fiscal regime for the mining sector. This follows a range of fiscal measures taken in recent years to address public budgetary challenges. These include:

- Increased corporate income tax rates and royalties
- A much reduced capital allowance
- Increased customs duties on mining items
- Increased 'stool tax' – a local tax calculated on the size of all exploration and mining lease areas

Gold Fields remains one of the largest individual contributors to public revenues in Ghana – paying US$142 million in taxes and other contributions last year. Whilst proud of making such a substantive contribution to national development, this contribution continues to be disproportionate to that of its in-country peers.

In 2014, these commercial pressures – in combination with the low gold price – helped influence Gold Fields' decision to reduce exploration activity to near-mine activities only and to postpone the potential expansion of the Damang mine.

Gold Fields continues to constructively engage with the Government of Ghana regarding the potential introduction of a common taxation framework that would be equally applicable to all gold mining companies. The first formal engagements with the Government's Mining Review Committee in terms of a new stability agreement were held in late 2014. A level playing field with a supportive and globally competitive tax regime would significantly improve fiscal predictability for the mining sector, which is critical for long-term investment planning.

PROPOSED REVIEW OF ROYALTIES IN WESTERN AUSTRALIA

The current Government of Western Australia is reviewing royalties charged on mining – with suggestions that gold mining royalties could potentially be increased. Gold Fields has joined with its peers in the region to highlight the threats posed by such a change to the shared value that the industry generates for a broad base of stakeholders – particularly given the current low gold price. This includes active participation in the 'Heart of Gold' publicity campaign to highlight the benefits of the industry. A decision on the mining royalty review is expected in the first half of 2015.

In July 2014, Australia's new coalition government repealed the Carbon Pricing Mechanism (CPM) – which had been implemented under the previous administration in 2012 (p65 – 66). Gold Fields believes that the repeal of the CPM will allow for the pursuit of more economically sustainable approaches to carbon management in Australia.

BLACK ECONOMIC EMPOWERMENT IN SOUTH AFRICA

The mining sector is regulated by the Mineral and Petroleum Resources Development Act of 2002, which requires mining companies to facilitate meaningful and substantial participation of Historically Disadvantaged South Africans (HDSAs) in the mining industry. To provide guidance on this open-ended requirement, the Mining Charter, as revised in 2010, was published.

The Mining Charter guides mining companies in their empowerment initiatives by providing for a range of empowerment actions and a corollary time frame target (March 2015) for their respective implementation. Our Mining Charter Scorecard is on p104 – 105.

Gold Fields' Black Economic Empowerment ownership transactions are detailed on the Company's website at www.goldfields.co.za/reports/annual_report_2013/integrated/sec-ethics.php

Gold Fields, through its membership of the South African Chamber of Mines, is an active participant in the Mining Industry Growth, Development and Employment Task Team (MIGDETT). The MIGDETT is a vehicle used by the South African Department of Mineral Resources, companies and trade unions to promote sustainable growth and meaningful transformation of the mining sector.

6.2 Government and social relations (continued)

FIGURE 6.4: Mining Charter Scorecard

In September 2010, the South African Department of Mineral Resources (DMR) amended the Mining Charter (the Charter) by proclamation in the Government Gazette.

All mining rights holders (including South Deep as the mining rights holder) are required to submit an annual compliance assessment to the DMR on progress made against meeting the annual targets in the Charter. Gold Fields had submitted its 2012 and 2013 annual assessment report in accordance with these requirements. In early 2015, the DMR requested all mining rights holders

ELEMENT	DESCRIPTION	MEASURE
REPORTING	Report on the level of compliance with the Revised Charter for the calendar year	Documentary proof of receipt from the DMR
OWNERSHIP	Minimum target for effective HDSA ownership	Meaningful economic participation
HOUSING AND LIVING CONDITIONS	Conversion and upgrading hostels to attain the occupancy rate of one person per room	Percentage reduction of occupancy rate towards 2014 target
	Conversion and upgrading hostels into family units	Percentage conversion of hostels into family units
PROCUREMENT AND ENTERPRISE DEVELOPMENT	Procurement spent on BEE entity	Capital goods
		Services
		Consumable goods
	Multi-national suppliers' contribution to the social fund	Annual spend on procurement from multi-national suppliers
EMPLOYMENT EQUITY	Diversification of the workplace to reflect the country's demographics to attain competitiveness	Top management (Board)
		Senior management
		Middle management
		Junior management
		Core and critical skills
HUMAN RESOURCES DEVELOPMENT	Developing requisite skills, including support for South Africa-based research and development initiatives intended to develop solutions in exploration, mining, processing, technology, mining, beneficiation as well as environmental conservation	Human resources development expenditure as a percentage of total annual payroll (excluding mandatory skills development levy)
MINE COMMUNITY DEVELOPMENT	Conduct ethnographic community consultative and collaborative processes to delineate community needs analysis	Implement approved community projects
SUSTAINABLE DEVELOPMENT AND GROWTH	Improvement of the industry's environmental management	Implementation of approved environmental management programmes (EMPs)
	Improvement of the industry's mine health and safety performance	Implementation of tripartite action plan on health and safety
	Utilisation of South Africa-based research facilities for analysis of samples across the mining value	Percentage of samples in South African facilities
BENEFICIATION	Contribution towards beneficiation	Added production volume contribution to local value addition beyond the baseline

(including Gold Fields' South Deep Mine) to re-submit the 2012 and 2013 compliance assessments and submit its 2014 compliance assessment onto an on-line template (designed by the DMR). Gold Fields has submitted the information online as requested and continues to engage with the DMR in this regard.

Details of South Deep's performance against the 2014 targets are set out below.

MINING CHARTER COMPLIANCE TARGET BY 2014	PROGRESS AGAINST 2014 MINING CHARTER TARGET
Annually	Target met (Annual Submission)
26%	**35%**
Occupancy rate of one person per room	Hostels: South Deep has completed 100% of the planned hostel upgrades. At the end of December 2014, the occupancy rate averaged one person per room, thus meeting the Mining Charter compliance scorecard target
Family units established	Family Units: South Deep has completed the establishment of family accommodation at its hostels (100% complete)
40%	**82%**
70%	**73%**
50%	**85%**
0.5% of procurement value	0.23%. South Deep is not aware of any social fund that has been established for the mining industry and the DMR has yet to provide clarity in this regard. The percentage is based on contributions that have been set aside by our major multinational suppliers. South Deep's largest multinational suppliers all operate local subsidiaries, which are BEE certified
40%	**50%**
40%	**50%**
40%	**63%**
40%	**52%**
40%	**72%**
5%	**10%**
Up-to-date project implementation	As part of South Deep's Social and Labour Plans, South Deep is involved in a number of community development projects focussed on infrastructure development, job creation and poverty alleviation, with particular emphasis on enterprise development. Despite being in a loss-making position due to South Deep being in a ramp-up phase, the mine spent R34 million on socio-economic development in 2014. 59% of the SED spend (or R20 million) is spent on implementation of community projects approved in the SLP. 96% of the projects were implemented in 2014
100%	**100%**
100%	**100%**
100%	**100%**
Section 26 of MPRDA (% of above baseline)	Current regulations and guidelines are not clear in relation to the baseline levels and targets. However, Gold Fields has made a capital-intensive investment in our smelting facility at South Deep, which adds significant value to the gold being mined as well as creating jobs. Gold Fields also owns 2.76% of Rand Refinery, which has established the 'Gold Zone'. The aim is for the Gold Zone to become a major hub for precious metals fabrication in South Africa for global export, while at the same time assisting local communities with skills development (including beneficiation)

6.2 Government and social relations (continued)

6.2.2 Total value distribution

Gold Fields generates significant value for all the societies in which it operates – some of which can be quantified and some which cannot. The most important means by which Gold Fields generates quantifiable value is outlined below:

IN 2014, THE VALUE WE DISTRIBUTED TO OUR HOST COUNTRIES AMOUNTED TO:

US$2.65 billion

US$m	Government	Business	Employees/ contractors	SED	Capital providers	**Total value distribution**
Americas	62	168	42	8	80	**359**
Australia	64	819	185	2	0	**1,070**
South Africa	2	212	125	3	2	**344**
West Africa	66	625	116	3	55	**866**
Total Gold Fields	**194**	**1,835[1]**	**468**	**16**	**137**	**2,650[1]**

[1] *Total includes US$10.6 million for exploration expenses*

	PAYMENTS INCLUDE	WHY THESE STAKEHOLDERS MATTER
GOVERNMENT	• Mining royalties and land-use payments • Income taxes, including taxes paid to government on the basis of profitability • Taxes, duties and levies related to the procurement of goods and services • Dividends (where government holds an equity stake in our business, such as in Ghana)	• Government provides us with access to ore bodies by granting mining and other licences. They also deliver the infrastructure necessary to build and maintain our mines, including roads, electricity and water supply.
BUSINESS	Payments to business, including both operational and capital procurements	• Our supply chain businesses provide the equipment and services needed to develop and maintain our operations.
EMPLOYEES/ CONTRACTORS	Payments to employees and contractors, such as wages, benefits and bonus payments (including shares and payroll taxes)	• The technical skills, experience, and manpower of our people drive the day-to-day operations of our business, while their intellectual capital contributes to our strategy.
SED	Socio-Economic Development (SED) spending, including on infrastructure, health and wellbeing, education and training, local environmental initiatives and donations	• Host communities provide us with our social licence to operate, and are the source of a large portion of our workforce
CAPITAL PROVIDERS	Payments to providers of capital, including interest and dividend payments to shareholders	• Financial institutions, shareholders and bond holders invest with us, thus enabling us to fund the development, maintenance and growth of our operations.

FIGURE 6.5: National value distribution – Americas 2014 (US$m)

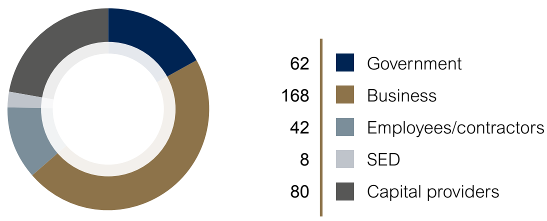


FIGURE 6.6: National value distribution – Australia 2014 (US$m)

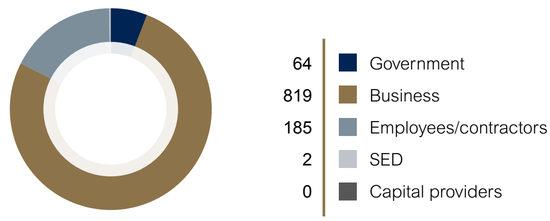


FIGURE 6.7: National value distribution – South Africa 2014 (US$m)

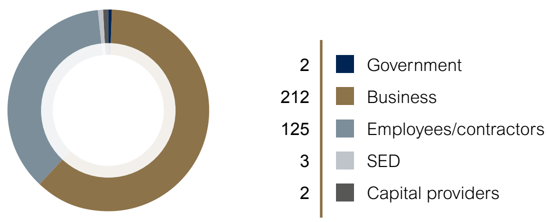
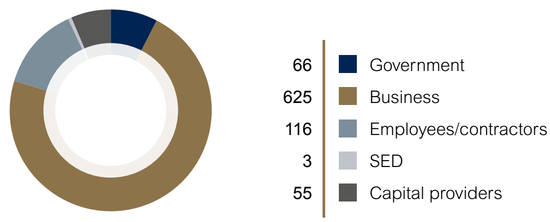


FIGURE 6.8: National value distribution – West Africa 2014 (US$m)



PAYMENTS IN TAXES, ROYALTIES, DUTIES AND LEVIES

Gold Fields recognises that the payment of taxes, royalties, dividends and other sums to host governments is vital if national mineral wealth is to be converted into broad-based, sustainable development. In 2014, the Company's payments in this regard amounted to US$194 million (2013: US$380 million).

Gold Fields is currently recognised as one of the largest taxpayers in Ghana – a status it has now held for the last four years. This is despite the lower gold price – as well as lower production levels at Damang and Tarkwa. In part, this reflects the fact that Ghana's current tax stability agreements have protected other gold mining companies in the country from the impact of its evolving fiscal regime. In addition, Gold Fields paid the Ghanaian government US$10 million in dividends in lieu of its 10% shareholding in the Ghanaian operations.

Compared to global norms, all of Gold Fields' countries of operation enjoy relatively strong democratic governance standards and are considered to pose low to moderate corruption risks by third parties. Furthermore, Ghana and Peru adhere to the Extractive Industries Transparency Initiative (EITI). Collectively, this helps ensure that Gold Fields' payments to government actively contribute to broader socio-economic development in its host societies.

PAYMENTS TO BUSINESS

In 2014, Gold Fields spent a total of US$1,835 million on suppliers and contractors – representing 69% of its total value creation (2013: US$1,817 million; 61%).

Where possible, Gold Fields uses suppliers based in its host countries. This not only helps build and sustain local supply pools – but also enhances the Company's socio-economic impact and strengthens its social licence to operate. Where local suppliers lack capacity to meet the Company's needs, Gold Fields will actively work with them to improve their business processes, management approaches and production standards.

Of total 2014 procurement expenditure, US$1.41 billion or 76% was spent on businesses based in countries where Gold Fields has operations (2013: US$1,44 billion/79%). Within this figure, US$600 million or 24% of total procurement expenditure was spent on suppliers and contractors from mine host communities (2013: US$430 million/12%). This reflects the integration of the Yilgarn South Assets – and the overwhelming reliance of Gold Fields' Australian mines on suppliers and contractors based in Western Australia.[2] A regional breakdown of local procurement spending is set out in Figure 6.9.

PAYMENTS TO EMPLOYEES AND CONTRACTORS

In 2014, Gold Fields paid US$468 million to employees in terms of salaries, dividends and other benefits (2013: US$595 million). This reflects the full integration of the workforces at the Yilgarn South Assets. Gold Fields continues to provide employees (where relevant) with additional benefits in terms of retirement savings, healthcare assistance, life and disability insurance, housing assistance and personal accident cover (p98 – 100).

PAYMENTS TO PROVIDERS OF CAPITAL

In 2014, Gold Fields paid US$137 million to providers of equity and debt capital, mainly in the form of dividends and interest on debt (2013: US$172 million). In addition the Group paid down net debt by US$282 million during the year. Despite the low gold price, Gold Fields remains committed to paying out 25% – 35% of its normalised earnings as dividends – meaning it pays amongst the highest dividends in the gold mining industry (expressed as a % of earnings).

During 2014 Gold Fields' net debt was reduced by US$282 million to US$1.45 billion (2013: US$1.74 billion). The maturity date of US$715 million of this debt was extended, on the same terms as before, from November 2015 to November 2017.

SOCIO-ECONOMIC DEVELOPMENT SPEND

Gold Fields recognises that not all of the value it creates at a national level benefits its host communities. To address this deficit – and to maintain its social licence to operate – Gold Fields implements a range of Socio-Economic Development (SED) initiatives, in addition to community procurement and employment, in its host communities. These focus on the key priorities in these communities. In 2014, Gold Fields spent US$16 million on SED programmes (2013: US$16 million).[1]

The Company is also implementing innovative Shared Value projects (p114 – 115) in local communities. These are truly sustainable projects that support Gold Fields' own business objectives – whilst also generating positive socio-economic impacts for local people, whether in the form of skills transfers, enterprise development, environmental rehabilitation or employment creation.

FIGURE 6.9: Local and host community procurement by country

	Local procurement as a % of regional budget		Host community[2] procurement as a % of regional budget	
Region	2013	**2014**	2013	**2014**
Peru	91%	**88%**	6%	**5%**
Australia[2]	99%	**99%**	72%	**69%**
South Africa[3]	100%	**100%**	12%	**9%**
Ghana	68%	**72%**	6%	**6%**

[1] The SED definition is aligned to the World Gold Council definition, which excludes employee-based SED

[2] Host communities are those communities living in settlement in an operation's direct area of influence. For Gold Fields' Australian operations, Western Australia is classified as a 'host community' due to the extremely remote nature of this region

[3] This figure also includes procurement spent on local subsidiaries of foreign companies

6.3 Community relations

6.3.1 Social licence to operate

Many mining companies face increasing pressures over their social licence to operate – i.e. the acceptance or approval of their activities by local stakeholders. Whilst formal permission to operate is ultimately granted by host governments, the practical reality is that many operations also need the 'social permission' of host communities and other influential stakeholders to carry out their operations effectively and profitably.

As such, Gold Fields believes it is important to minimise the negative impacts of its operations on local stakeholders, while also maximising the positive benefits. In current market conditions – which have the potential to curtail the ability of Gold Fields to deliver local benefits – active stakeholder engagements, in combination with the Company's Shared Value development approach (see p114 – 115) is particularly important as it shifts the focus from spending to the actual social and business impacts.

In this context, Gold Fields actively identifies and engages with the representatives of the following groups on a regular basis – both formally and informally:

- Central and local government
- Informal community groups
- NGOs
- Organised labour
- Local businesses

Such engagement is guided by, for example:

- Applicable legislation
- South Deep's mandated Social and Labour Plan (SLP)
- Gold Fields' Community Policy and Guideline (including the Community Relations Handbook). These are aligned with a range of good international industry practice standards, including:
  - The ICMMs 10 Principles and Community Development Toolkit – and Position Statement on Indigenous Peoples
  - The International Finance Corporation (IFC) Performance Standards
  - The Equator Principles
  - The UN Global Compact's 10 Principles
  - The AA1000 Stakeholder Engagement Standard
  - The ISO 26000 Social Responsibility Standard

In the case of significant operational changes, relevant public consultation processes are also defined within our Environmental and Social Impact Assessments (ESIAs).

The finalisation of a summary version of the Community Relations Handbook, that will be accessible to all employees, was completed in early 2015.

It is a Gold Fields requirement that all regions establish grievance mechanisms through which communities can voice their concerns and complaints with the Company, including on environmental issues.

Our community policy and our community relations and stakeholder engagement guidelines can be found at https://www.goldfields.com/sus_guide.php

THE AMERICAS

Despite ongoing friction between local communities and other mining operators in the Cajamarca region – as well as tense district, provincial and regional elections – Gold Fields' Cerro Corona mine so far remains largely unaffected. This was largely due to the strength of the mine's relations with the local community, which is supported by:

- Ongoing implementation of a well-established engagement framework that helps identify and address host community priorities – including the availability of potable water and employment generation
- Gold Fields' participation in the 'Mesa de Dialogo y Concertacion de Hualgayoc' (a community-based, multi-stakeholder roundtable focussed on regional development projects)
- Joint water monitoring with the host community, to provide assurance around the mine's water impacts – a key focus point for communities in conflict with other mining operators in the area
- Financial and managerial support for the organisations responsible for the management of the Tingo and Maygasbamba rivers to improve irrigation infrastructure
- Visible benefits to the host community through the employment of community residents and targeted SED projects

Gold Fields recognises that the maintenance of its social licence to operate in this otherwise challenging region will require sustained and ongoing efforts to pre-empt and address potential community concerns – quickly and effectively.

AUSTRALIA

The remote location of Gold Fields' mines in Australia – as well as strong local socio-economic conditions – mean that community engagement is largely focussed on local indigenous groups. This includes engagement around native land titles on Gold Fields' licence areas, land access for near-mine drilling and the preservation of indigenous heritage.

Oil palm harvest at the rehabilitated South Tailings dam site near the Tarkwa mine in Ghana

Under Gold Fields' Community Policy, the Company is committed to working to obtain the consent of indigenous peoples for new projects (and changes to existing projects) – where they are located on lands traditionally owned by or under customary use of indigenous peoples – and that are likely to have significant adverse impacts on indigenous peoples.

Wongatha royalty claim

In Q1 2014, the Wongatha People raised an issue with Gold Fields in relation to a historical claim of native title over land including the Granny Smith mine. In 2002, in recognition of this claim, the then-owner, Barrick Gold, agreed to pay the Wongatha people a royalty of 1% of gross profits for the life of the Wallaby mine, part of the Granny Smith mine. The Wongatha Native Title claim was subsequently dismissed by the Federal Court of Australia in 2007 – although Barrick Gold continued to pay the royalty up until the sale of the mine to Gold Fields. Gold Fields ceased royalty payments on taking ownership of the Granny Smith assets in 2013, on the basis that the obligation to continue payments no longer existed as the Native Title was not recognised by the Court. The Wongatha People have since requested that Gold Fields reinstate the royalty payments. Gold Fields remains confident in its decision, which has been fully communicated to the Wongatha People. The matter has not been progressed any further by the Wongatha People.

Ngadju Native Title claim

In Q3 2014, a single judge of the Federal Court of Australia upheld a claim made by the Ngadju People for recognition of their Native Title rights over a large parcel of land in the Goldfields region of Western Australia, including a number of tenements held by St Ives. During the course of the proceedings, the Court found that certain of St Ives' mining tenements, which were re-granted by the State in 2004, are invalid to the extent that the exercise by St Ives of its rights under those tenements is inconsistent with the Ngadju People's Native Title rights (such as the rights to conduct ceremonies, or hunt).

The Court's decision does not affect the underlying grant of mining tenure to St Ives under Western Australia's Mining Act 1978, and as the proceedings were not an action against St Ives for failure to take certain steps, the Court had no jurisdiction to apply any penalty against St Ives. In Q4 2014, both St Ives and BHP Billiton Nickel West appealed various aspects of the Federal Court decision. The appeal will be heard by the full bench of the Federal Court (three judges) – with a hearing set for May 2015. If necessary, Gold Fields may seek leave to appeal any adverse decision by the full Federal Court to the High Court of Australia.

Gold Fields is continuing to liaise with the State regarding both the Appeal and the broader implications of the decision. It is anticipated that operations at St Ives will continue as usual pending the outcome of the appeal process.

For further information on indigenous peoples' rights at the Far Southeast project in the Philippines, see p88.

6.3 Community relations (continued)

SOUTH AFRICA

Under the 2002 Mineral and Petroleum Resources Development Act, mining companies must submit an SLP as a prerequisite for the granting of mining or production rights. Each SLP requires the Company in question to implement:

- Employee development programmes, with an emphasis on BEE
- Local Economic Development (LED) programmes – with a focus on host communities and labour-sending areas

As such, the LED element of the SLP provides the basic framework for Gold Fields' engagement with host community stakeholders in South Africa. In this context, Gold Fields restructured South Deep's three community trusts to:

- Refocus trust activities on the communities in and around South Deep
- Endow trustees with responsibility for all trusts, to ensure that they pursue common, coordinated goals

Gold Fields works closely with Sibanye Gold on the delivery of its LED projects in the South Deep area, due to the overlapping of each company's stakeholders and interests.

Whilst Gold Fields remains committed to fulfilling South Deep's SLP, it is also exploring additional opportunities for insightful stakeholder engagement. In 2014, the Company undertook a high-profile project to measure the strength, quality and challenges of its stakeholder relationships at South Deep.

This included a pilot study carried out by the Federation for a Sustainable Environment (FSE), KPMG and the South Deep Community Relations team. The study employed UK-based Relational Analytics' 'Relational Proximity™' tool, which was applied via community-level workshops at four of the mine's 16 host communities.

The study, which showed a strong level of community unhappiness with their relationship with South Deep, produced the following key recommendations for Gold Fields:

- Engage with communities through more informal means, including social media
- Provide more information about positive community impacts, such as the number of host community members working at South Deep, for example
- Have senior management acknowledge the role of – and impacts on – local communities
- Empower South Deep's Community Relations team to directly address specific issues – thus enabling more timely responses to community concerns

Gold Fields is planning to implement these recommendations in 2015. In addition, the study will be extended to South Deep's 12 remaining host communities – and potentially to other Gold Fields regions as well.

Gold Fields Ghana Foundation constructed ICT centres at the New Atuabo Community School near the Damang mine

WEST AFRICA

In light of local socio-economic realities, community relations are a major focus for the Damang and Tarkwa mines. However, the mines' lower production in 2014 has resulted in lower levels of funding for the Gold Fields Ghana Foundation (Gold Fields' main SED vehicle in the country, which receives US$1 per ounce of gold sold and 0.5% of pre-tax profits) – as well as a number of retrenchments, including that of employees from host communities. As a result, Gold Fields has been carrying our targeted engagement with key host community stakeholders to minimise the impacts of this restructuring on both the affected individuals themselves, and host communities more broadly.

This is in addition to ongoing engagement that took place through the mines' well-established consultation channels, including their:

- Broad-based Mine Consultative Committees
- Formalised, regular engagement with local chiefs
- Regular Community Committee meetings
- Direct community forums
- Continual informal engagement

Key community issues in 2014 included:

- Compensation of farmers at Kottraverchy, Tarkwa: Despite 400 farmers previously accepting crop compensation, in 2014 a small group of farmers challenged the value of that compensation. Gold Fields is participating in a mediation process with the farmers, overseen by the Environmental Protection Agency (EPA)
- Retrenchments associated with the closure of the North Heap Leach facility, Tarkwa: Gold Fields engaged with all those workers affected – many of whom originate from or live in the host community – offering alternative employment and relevant training where possible
- Compensation of disturbed areas at the Rex pit, Damang: Gold Fields paid US$623,000 to claimants for the loss of their land
- Land compensation relating to the construction of the Far East Tailings Storage Facility (FETSF), Damang: Gold Fields paid US$300,000 to claimants, resolving a dispute over land between Suromani and Kyekyewere – and allowing work on the FETSF to begin
- Relocation of Ainoo residents, Damang: After raising concerns about the health and safety implications of their proximity to the Lima South Pit, six residents were successfully rehoused, with the process concluded in August 2014

Growth projects

For further information on community engagement around Gold Fields growth projects, please see p82 – 83.

6.3.2 Community value distribution

CORE CONTRIBUTIONS

Despite its substantial economic impact on the national level, not all of Gold Fields' contributions necessarily 'trickle down' to host communities. In order to maintain its social licence to operate, Gold Fields is committed to more direct initiatives focussed on the delivery of benefits to host communities. These include:

- Direct employment
- Indirect employment
- Skills development
- Educational investment
- Health investment
- Infrastructure support

Such initiatives are supplemented by Gold Fields' Shared Value projects, which are described on p114 – 115.

Direct employment

Gold Fields is committed to the employment of members of host communities at all its operations – where this is feasible. By doing so, it is able to align the interests of host communities to those of its mines, maximise local value generation and build up its local skills pools. Nevertheless, Gold Fields' ability to recruit such workers can be constrained by the limited availability of skills at the host community-level in the first place – underlining the need for Gold Fields to also support local education and skills development (p112 – 113).

The number of host community members – including both employees and contractors – working at each of Gold Fields' regions is set out below:

- The Americas: 414 (2013: 533), with the high percentage of local community members reflecting early and successful efforts to integrate members of the host community from the mine's very inception
- Australia: 2030 (2013: 1218)
- South Africa: 2,469 (2013: 1,965) – many of whom have been recruited from the mine's community-focussed Adult Basic Education and Training (ABET) courses
- West Africa: 3,909 (2013: 3,837) – despite the retrenchments in early 2014, the Group's Ghanaian mines have sought to limit the number of community members retrenched and have committed to employing them, where feasible, to limit the economic impact on these communities.

6.3 Community relations (continued)

Local communities near South Deep have benefited from skills development and job creation centres

Indirect employment

Where possible, Gold Fields seeks to procure goods and services from its host communities. This serves to:

- Enhance the local supply base, which is vitally important given the remote nature of some mines
- Generate employment opportunities for local people

In 2014, Gold Fields spent a total of US$600 million (2013: US$430 million) on goods and services from suppliers in its host communities. The impact of these contributions is most marked at Cerro Corona, where Gold Fields has proactively developed Hualgayoc-based suppliers to provide the mine with secondary equipment and light transport. In South Africa, the South Deep Business Development Centre works to identify community-based suppliers (including for cleaning, mud loading, track loading and track maintenance). The centre also trains local entrepreneurs in bookkeeping, business planning and other disciplines – enabling them to access contractor opportunities at South Deep.

In addition, Gold Fields works with communities and government to develop broader, more diversified local economies – primarily by helping local people start and consolidate their own businesses. Examples of community enterprise initiatives carried out in 2014 include:

- Local supplier competiveness programme, Cerro Corona: This aims to enhance the competiveness of local suppliers and promote economic opportunities for host community members – whilst also delivering better quality and prices to the mine itself. In 2014, 51 existing suppliers participated in the programme and each is applying a well-defined improvement plan
- Agricultural improvement programme, Cerro Corona: This ongoing programme saw Cerro Corona plant 320ha of improved dairy pasture (benefiting 350 local families) – and provide a heifer each to 185 families in the local communities
- Westonaria Bakery, South Deep: This included support – under South Deep's SLP – for the establishment of a bakery franchise in the Westonaria community, which provides bread both to the mine and host community members
- Sustainable Community Empowerment and Economic Development (SEED) programme, Tarkwa: The ongoing SEED programme promotes palm oil farming in the mine's host communities – including through the provision of seedlings, as well as marketing and technical support. In 2014, the programme benefited around 600 local people. The mine is looking at donating the palm oil plantations to communities during 2015

Skills development

Gold Fields recognises that skills development is critical for integrating members of its host communities into its workforce – or those of its suppliers. In 2014, specific skills development initiatives included:

- The Americas: This includes the training – in conjunction with Hualgayoc municipal office and contractor San Martin – of community members as truck and excavation drivers. The programme acts as a 'feeder' programme for recruitment at both Cerro Corona and other local mines
- South Africa: Gold Fields supports the development of small- and medium-sized local businesses by helping community members attend courses in business law, ethics and entrepreneurship at Monash University. In addition, eight-week accredited vocational training courses are made available

to employees, contractors and host community members. Graduates who subsequently set up a business are then able to make use of the South Deep Business Development Centre
- West Africa: Both Damang and Tarkwa provide apprenticeship programmes for local people – who are trained to operate mining vehicles. This is supplemented by an external apprenticeship programme aimed at training local youths in locally marketable, non-mining skills such as car mechanics and hairdressing

Education investment

Gold Fields recognises that education is critical for the social and economic development of its host communities, the improvement of its operating environments and the long-term integration of host community members into its workforce. In 2014, relevant educational initiatives included:

- The Americas: The provision of 40 university scholarships for the top-performing students in the Hualgayoc district. In addition, Gold Fields built a new rural school in the Anexo Chilon community as part of its commitment under the Hualgayoc Round Table Dialogue
- Australia: Financial support for the Laverton Leonora Cross Cultural Association which provides education to the Laverton community near the Granny Smith mine – as well as the Kambalda Primary School and Kambalda West District High School (both of which service the local indigenous community) near St Ives. In addition, Gold Fields provided scholarships for eight indigenous students in 2014 to achieve tertiary educations
- South Africa: Financial support for the South Deep Education Trust – which has a mandate to improve education at both community and national level. In addition, Gold Fields works with secondary and tertiary education providers by extending a range of university bursaries and directly funding the Mining School of the University of the Witwatersrand
- West Africa: A total of 173 scholarships bursaries to support attendance in the 2014/2015 academic year at local schools and tertiary institutions – both directly and through the Gold Fields Ghana Foundation. In addition, Tarkwa and Damang helped enhance the salaries of 87 local teachers to help attract high-quality teaching talent into community schools. In addition, 2014 saw the construction of a junior high school for the Wangarakrom community, as well as a 30-seater ICT centre for the Huni Valley Methodist School

Health investment

Many of Gold Fields workers are drawn from host communities, resulting in a high degree of interaction between the workforce and the local community. The promotion of community health is therefore not only important from the perspective of local socio-economic development – but also employee wellbeing and operational continuity. In 2014, relevant health initiatives included:

- The Americas: Investment in a Children's Nutrition Programme for Hualgayoc, which provides education in nutrition and health. In addition, Gold Fields funded the construction of a new hospital in Hualgayoc Health Centre. The management of the centre will be the responsibility of the Regional Health Board, who will also employ doctors, nurses and provide medicine.
- West Africa: Ongoing support for Tarkwa Mine Hospital, which is state-owned but managed and partially funded by Gold Fields. In 2014, this included extra provision to help address a potential Ebola outbreak. During 2014 the majority (80%) of the patients at the hospital were mine employees or their dependants and 20% members of the local community. Damang also handed over a modern clinic and nurses' quarters to the Bompieso community, to be operated by the Ghana Health Service. Other initiatives include the sponsorship of a weekly local radio programme (focussed on community health and preventative medicine) – as well as the training of Community Health Facilitators and Community Health and Sanitation Committees

Infrastructure support

Some of Gold Fields' areas of operation suffer from a severe lack of infrastructure. This not only impacts the development of host communities but can also – in certain cases – impact Gold Fields' own operations. As such, infrastructure development represents a key area of focus. In 2014, Gold Fields spent a total of US$5 million on host community infrastructure initiatives, including:

- The Americas: Gold Fields funded the construction of the Bambamarca Central Market, a US$9.4 million investment[1] project that will benefit 110,000 residents. It is one of the most modern public markets in Peru's northern region, equipped with cold rooms, laboratories for food testing, electronic scales and a drinking water system
- South Africa: Construction (under its SLP) of 150 new homes in Westonaria and 13 homes in Poortjie, both adjacent to the South Deep mine. Constructed at a combined cost of R29 million (US$3 million) the homes were handed over to the local municipality to be allocated to needy community members. This is in addition to the development of community clinics at Thusanang and in the Eastern Cape labour-sending area. Gold Fields also supported the development and/or restoration of educational buildings including Simunye High School, Bekkersdal, and Healdtown in the Eastern Cape
- West Africa: Work on the all-weather road between Samahu and Pepesa near Tarkwa, which will cost US$2.3 million on completion – is ongoing. This project – which is being carried out in partnership with the Ministry of Roads and Highways and the Tarkwa-Nsuaem District Council – will deliver significant benefits to around 5,000 community members along its route, in terms of their access to markets, public services and other communities

[1] With US$6.9 million to be recovered in tax credits over the next four years

6.3 Community relations (continued)

6.3.3 Shared Value – Creating economic and community value

WHAT IS SHARED VALUE?

Shared Value is created when companies take a proactive role in simultaneously addressing business and social needs. Shared Value goes way beyond mitigating the potential harm in a Company's value chain – it is about identifying new opportunities for economic success by incorporating social priorities into business strategy and working collaboratively with multiple stakeholders to find solutions to various socio-economic and environmental issues. A key component of this approach is to ensure that the value created is shared by the business and the community. Strong local businesses and skilled individuals contribute to the overall economic upliftment and sustainability of communities, while delivering the goods and services that Gold Fields needs to develop and operate its mines.

SHARED VALUE AT GOLD FIELDS

The relatively low gold price and the restructuring of Gold Fields' key operations has made maintaining historical levels of SED spending a challenge. Furthermore, it is not clear whether SED spending is the most effective way to support long-term, sustainable community development.

In this context Gold Fields introduced Shared Value to the business in 2012 – making it one of the earliest adopters of this approach. Taking a leadership role is integral to how Gold Fields implements Shared Value – the Company facilitates collaboration between multiple stakeholders to solve environmental issues such as water security, which have been identified as a community priority.

Our Shared Value approach is based on four key pillars:

1

Strategic interventions to proactively address socio-economic challenges that can drive community tensions, NGO activism or more restrictive regulation

2

The **'integration'** of business activities and the management of community relations – to maximise contributions to host communities and realise business efficiencies

3

Participation in collaborative action with other stakeholders to address shared social challenges

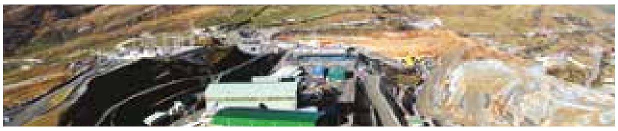
4

Transparency regarding Gold Fields' economic contributions to its host societies, in line with the World Gold Council (WGC) guidelines on 'Responsible Gold Mining and Value Distribution'

IN 2015, GOLD FIELDS PLANS TO:

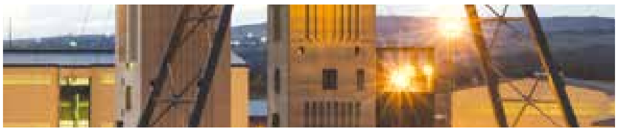
- Identify and implement two new Shared Value projects at South Deep and in the West Africa region
- Develop and apply a rigorous methodology to assess the impact of each Shared Value project

DAMANG MINE (GHANA)



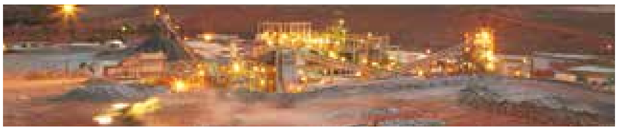
PROJECT	Under a two-year renewable agreement, Damang Quarry – an independent business – processes waste rock from the Damang mine into smaller aggregate for use in the construction industry.
BENEFIT TO THE COMMUNITY	Crushed waste rock is used for road and building construction, which is expected to reduce the cost of local construction by between 30% – 40%, while generating ancillary business opportunities within the local community. Of the 50 people employed by Damang Quarry, 35 are from the local community.
BENEFIT TO GOLD FIELDS	Gold Fields receives 5% of the crushed material for free, which will save the mine between US$25 000 to US$30 000 a month currently spent on aggregates. The Damang mine will also lessen its future land requirement for waste rock dumping, thereby reducing potential purchase and/or compensation costs and other related issues. In addition, the mine closure liability will also be reduced.

SOUTH DEEP (SOUTH AFRICA) –
Maths and science



PROJECT	Edumap College partnered with South Deep to help post-matric students who had not achieved university exemption or had not been able to qualify for entrance into tertiary institutions, to improve their grades in Mathematics and Science. They received extra tuition and life skills training, and re-wrote matric at the end of 2014.
BENEFIT TO THE COMMUNITY	Apart from the obvious benefit derived by the individual students, the broader community benefits from the fact that a greater proportion of their youth is likely to receive tertiary education and ultimately find employment. This is significant, given the fact that a single employed individual in the mining industry supports on average eight dependants.
BENEFIT TO GOLD FIELDS	The programme provides Gold Fields with a much-needed local skills pipeline of individuals with maths and science-related degrees.

CERRO CORONA MINE (PERU) –
Water and the environment



PROJECT	Improving water quality and access in Hualgayoc City through the construction of a water pipeline from a well at Cerro Corona, a programme to identify and repair water leaks in the existing water infrastructure, and remediation of legacy mining activities (not associated with Gold Fields) that are contaminating a local stream.
BENEFIT TO THE COMMUNITY	Close to 90% of the city's households now have access to sufficient clean, safe running water. Those families whose homes are situated at an altitude too high to be connected to the water pipeline receive water tanks from Gold Fields, and will receive water supply from the Company's reverse osmosis plant from 2015. Apart from strengthening relationships between Gold Fields, the regulator and our host communities, the remediation of legacy mining sites near Cerro Corona will significantly improve the quality of the water in the El Tingo river, on which communities depend for various uses.
BENEFIT TO GOLD FIELDS	Strengthens our social licence to operate in a region in which other mining companies have experienced water-related conflict with local communities. The research being conducted to remediate the non-Gold Fields legacy mining sites will be used to reduce Gold Fields' own future mine closure costs.

CERRO CORONA MINE (PERU) –
Local suppliers

PROJECT	A project to build the competitiveness of local suppliers has identified 83 local businesses, each of which will benefit from an individual improvement plan.
BENEFIT TO THE COMMUNITY	Individual local suppliers will derive long-term benefit from targeted plans to help them improve their competitiveness, while the broader community will experience economic upliftment and employment opportunities from having stronger, sustainable local businesses.
BENEFIT TO GOLD FIELDS	Gold Fields will be able to obtain a better service at more competitive prices from local suppliers.

Processing plant at the Tarkwa mine in Ghana

7 ASSURANCE

7.1 First party: Internal Audit statement

Gold Fields Internal Audit (GFIA) is an independent assurance provider to the Gold Fields Audit Committee on the effectiveness of the risk management, control and governance processes within Gold Fields. The risk-based annual audit plan covers the breadth and depth of the Gold Fields value chain, which is approved by the Audit Committee annually.

The internal audit activities are conducted in terms of the annually approved mandate provided by the audit committee and is executed by either a team of appropriate, qualified and experienced internal auditors, or through the engagement of external practitioners on specified and agreed terms. The Internal Audit team is based in South Africa and services all the Gold Fields operations globally. The Vice-President and Group Head of Internal Audit provides quarterly-feedback to the Audit Committee and has a functional reporting line to the Audit Committee Chair.

GFIA follows a risk-based audit methodology, which is in compliance with the Institute of Internal Auditors' (IIA) "International Standards for the Professional Practice of Internal Auditing". Furthermore GFIA operates a quality assurance programme that involves performing detailed quality review assessments at an activity and functional level.

Based on the work performed by GFIA during the year, the Vice-President and Group Head of Internal Audit has presented the Audit Committee with an assessment on the effectiveness of the Company's system of internal control and risk management, internal financial controls as well as the IT control framework. It is GFIA's opinion that the internal control environment and risk management processes are adequate within the Gold Field business and provide reasonable assurance that the objectives of Gold Fields will be met. This GFIA assessment, forms one of the bases for the Audit Committee's recommendation in this regard to the Board.

Shyam Jagwanth
Vice-President and Group Head of Internal Audit

Johannesburg
South Africa

23 March 2015

7.2 Independent Assurance Report to the Directors of Gold Fields Limited

Report on Selected Sustainability Information

We have undertaken an assurance engagement on selected sustainability information, as described below and presented in the Integrated Annual Report of Gold Fields Limited (Gold Fields) for the year ended 31 December 2014 (the Report). This engagement was conducted by a multi-disciplinary team of health, safety, social, environmental and assurance specialists with extensive experience in sustainability reporting.

SUBJECT MATTER AND RELATED ASSURANCE

We are required to provide reasonable assurance on the subject matters set out in the tables below.

Subject matter a:

Selected performance data presented in compliance with Subject Matter 4 of the International Council of Mining and Metals' (ICMM) Sustainable Development Framework: Assurance Procedure (ICMM Assurance Procedure), and prepared in accordance with the Global Reporting Initiative (GRI) G4 Guidelines: (Pages 123 – 124)	Unit
Environment	
Total CO_2 Equivalent Emissions, Scope 1 – 3	Tonnes CO_2e
Total Energy Consumed (GJ)/ounce of gold produced	Total GJ of energy consumed per ounce of gold produced
Number of environmental incidents – Level 3 and above	Number
Electricity	MWh
Diesel	TJ
Total water withdrawal	Mℓ
Total water recycled/reused per annum	Mℓ
Water intensity	Kℓ withdrawn per ounce of gold produced
Health	
Number of cases of Silicosis reported	Number of cases
Number of cases of Noise Induced Hearing Loss reported	Number of cases
Number of new cases of Cardio Respiratory Tuberculosis reported	Number of new cases
Number of cases of Malaria tested positive per annum	Number of positive cases
Number of South African and West African employees in Highly Active Anti-Retroviral Therapy (HAART) programme	Cumulative
Percentage of South African and West African workforce on the voluntary counselling and testing (VCT) programme	Percentage
Safety	
Total Recordable Injury Frequency Rate (TRIFR)	Rate
Number of Fatalities	Number
Social	
Total socio-economic development (SED) spend in US Dollars	US Dollars

Independent Assurance Report to the Directors of Gold Fields Limited (continued)

Subject matter b:

Selected Mining Charter elements prepared in compliance with the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (BBSEEC) (2002) and related Scorecard (2004): (Pages 123 – 124)	Unit
Number of houses built as part of the housing and hostel upgrade programme	Number of houses built
Rand value spent on LED projects in the SLP in the current reporting year	Rand value

Subject matter c:

Selected Mining Charter elements prepared in compliance with the Amendment to the BBSEEC (2010) and related Scorecard (2010): (Pages 123 – 124)	Unit
Percentage Historically Disadvantaged South Africans (HDSA) in Management (DL – FU) who are classified as designated groups and who are employed at management levels (Top Management (Board), Senior, Middle, Junior, Core Skills and Total), including and excluding Corporate and including and excluding white females	Top management % Senior % Middle % Junior % Core % Total %
Conversion or upgrading of hostels to attain an occupancy rate of one person per room by 2014	Occupancy rate
Percentage conversion of hostels to family units	Percentage
Human Resource Development (HRD) expenditure as a percentage of total annual payroll (excluding mandatory skills levy)	Percentage
Total procurement spend from BEE entities (BBSEEC, 2010)	Rand value
Percentage procurement spend from BEE entities (in line with the Mining Charter categories of capital goods, services and consumable goods)	% Capital goods
	% Services
	% Consumable goods
Percentage of samples in South African facilities	Percentage

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the selection, preparation and presentation of the selected sustainability information in accordance with the reporting criteria set out in the following paragraph. This responsibility includes the identification of stakeholders and stakeholders' requirements, material issues, for commitments with respect to sustainability performance and for the design, implementation and maintenance of internal control relevant to the preparation of the report that is free from material misstatement, whether due to fraud or error.

The following reporting criteria were used in the preparation and presentation of the respective subject matter:

- (a) Gold Fields' reported performance during the given reporting period for the identified material Sustainable Development (SD) risks and opportunities (ICMM Subject Matter 4): the Global Reporting Initiative (GRI) G4 Guidelines.
- (b) selected Mining Charter elements: the BBSEEC (2002) and related Scorecard (2004).
- (c) selected Mining Charter elements: the Amendment to the BBSEEC (2010) and related Scorecard (2010).

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with International Standard on Quality Control 1, KPMG Services Proprietary Limited maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

OUR RESPONSIBILITY

Our responsibility is to express an opinion on the selected sustainability information based on the evidence we have obtained. We have conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE 3000), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the selected sustainability information is free from material misstatement.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about the quantification of the selected sustainability information and related disclosures. The nature, timing and extent of procedures selected depend on the practitioner's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments we considered internal control relevant to Gold Fields' preparation of the selected sustainability information.
A reasonable assurance engagement also includes:

- assessing the suitability in the circumstances of Gold Fields' use of the criteria, as the basis for preparing the selected sustainability information;
- evaluating the appropriateness of quantification methods and reporting policies and internal guidelines used, and the reasonableness of estimates made by Gold Fields; and
- evaluating the overall presentation of the selected sustainability information and whether the information presented in the report is consistent with our findings, overall knowledge and experience of sustainability management and performance at Gold Fields.

Our work included the following evidence-gathering procedures:

- Interviewing management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process. Inspecting documentation to corroborate the statements of management and senior executives in our interviews.
- Testing the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability information.
- Inspecting supporting documentation and performing analytical procedures on a sample basis to evaluate the data generation and reporting processes against the reporting criteria.
- Undertaking physical site visits to Gold Fields' South Deep, Granny Smith and St Ives operations and remote reviews of the Tarkwa, Agnew/Lawlers, Darlot, Damang and Cerro Corona operations.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

OPINIONS

In relation to the report for the year ended 31 December 2014, we report

a. *On the selected performance data identified*

   In our opinion, the selected performance data identified in (a) above have been prepared, in all material respects, in accordance with the Global Reporting Initiative (GRI) G4 Guidelines.

b. *On the selected Mining Charter elements prepared in accordance with the BBSEEC (2002) and related Scorecard (2004)*

   In our opinion, the selected Mining Charter elements identified in (b) above have been prepared, in all material respects, in compliance with the BBSEEC (2002) and related Scorecard (2004).

c. *On the selected Mining Charter elements prepared in accordance with the Amendment to the BBSEEC (2010) and related Scorecard (2010)*

   In our opinion, the selected Mining Charter elements identified in (c) above have been prepared, in all material respects, in compliance with the Amendment to the BBSEEC (2010) and related Scorecard (2010).

COMPARABILITY

Our report includes the provision of assurance on the number of West African employees in the HAART programme, the percentage of the West African workforce on the VCT programme, percentage conversion of hostels to family units, HRD expenditure as a percentage of total annual payroll (excluding mandatory skills development levy) and Percentage of samples in South African facilities data. We were previously not required to provide assurance on this selected performance data. In addition, the prior year HDSA in management data was provided for Gold Fields South Africa, but this year the data has been split to show a breakdown for Corporate and South Deep, including and excluding white females.

Report on the ICMM Assurance Procedure

We are required to report our findings on the International Council of Mining and Metals' (ICMM) Sustainable Development (SD) Framework: Assurance Procedure (ICMM Assurance Procedure) in respect of:

1 The alignment of Gold Fields' sustainability policies to the ICMM 10 SD Principles and any mandatory requirements set out in ICMM Position Statements (ICMM Subject Matter 1).

2. The reporting of Gold Fields' material sustainable development risks and opportunities based on a review of its business and the views and expectations of its stakeholders (ICMM Subject Matter 2).

3. The implementation of systems and approaches that Gold Fields is using to manage its material safety risks and opportunities (ICMM Subject Matter 3).

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for:

- The alignment of Gold Fields' sustainability policies to the ICMM 10 SD Principles and any mandatory requirements set out in ICMM Position Statements.
- The reporting of Gold Fields' material sustainable development risks and opportunities based on a review of its business and the views and expectations of its stakeholders.
- The implementation of systems and approaches that Gold Fields is using to manage its material safety risks and opportunities.

OUR RESPONSIBILITY

Our engagement included reporting on the ICMM Assurance Procedure in respect of 1, 2 and 3 above based on the knowledge obtained in our evidence gathering procedures in our assurance engagement on the subject matters in (a) set out in our 'Report on Selected Sustainability Information' above.

FINDINGS

Based on our evidence gathering procedures in our assurance engagement for the year ended 31 December 2014 on the subject matter in (a) set out in our 'Report on Selected Sustainability Information' above, nothing has come to our attention that causes us to believe that:

1. Gold Fields' sustainability policies are not aligned with the ICMM 10 SD Principles and any mandatory requirements set out in ICMM Position Statements.

2. Gold Fields has not reported material sustainable development risks and opportunities based on a review of its business and the views and expectations of its stakeholders.

3. Gold Fields has not implemented systems and approaches to manage its material safety risks and opportunities.

Other matters

The maintenance and integrity of the Gold Fields website is the responsibility of Gold Fields management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the report or our independent assurance report that may have occurred since the initial date of presentation on the Gold Fields website.

Restriction of liability

Our work has been undertaken to enable us to express the opinions on the subject matters in (a), (b) and (c) in our 'Report on Selected Sustainability Information' together with findings on 1, 2 and 3 in our 'Report on the ICMM Assurance Procedure' to the Directors of Gold Fields in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Gold Fields, for our work, for this report, or for the conclusions we have reached.

KPMG Services Proprietary Limited

Per PD Naidoo	**Per C Basson**
Director	*Director*
Johannesburg	Johannesburg
23 March 2015	23 March 2015
KPMG Crescent 85 Empire Road Parktown Johannesburg 2193	KPMG Crescent 85 Empire Road Parktown Johannesburg 2193

7.3 Assured data

The following key sustainability performance information was selected by Gold Fields, for assurance by KPMG in 2014:

Parameter	Level of Assurance	Management figure
ENVIRONMENT		
Total CO_2 Equivalent Emissions, Scope 1 – 3 (in tonnes)	Reasonable	1 694 043 tonnes
Electricity (MWh)	Reasonable	1 338 074 MWh
Number of environmental incidents – Level 3 and above	Reasonable	4 incidents
Total Water Withdrawal (Mℓ)	Reasonable	30 207 Mℓ
Diesel (TJ)	Reasonable	6 066 TJ
Total Water recycled/re-used per annum (Mℓ)	Reasonable	42 409 Mℓ
Water Intensity (Kℓ withdrawn per ounce of gold produced)	Reasonable	30 206 760 Kℓ/2 294 645 ounces = 13.16
Total Energy Consumed (GJ)/Ounce of gold produced	Reasonable	10 465 746 GJ/2 294 645 ounces = 4.56
HEALTH		
Number of cases of Silicosis reported	Reasonable	15 cases
Number of cases of Noise Induced Hearing Loss reported	Reasonable	13 cases
Cardio Respiratory Tuberculosis (Number of new cases reported)	Reasonable	49 new cases
Number of cases of Malaria tested positive per annum	Reasonable	690 positive cases
Number of South African and West African employees in the HAART programme (cumulative)	Reasonable	282
Percentage of South African and West African workforce on the voluntary counselling and testing (VCT) programme	Reasonable	4 091 people on VCT / 11 398 people = 35.9%
SAFETY		
TRIFR[1]	Reasonable	200 TRIs/ 49 456 833 man hours = 4.04
Number of Fatalities	Reasonable	3
SOCIAL		
Total socio-economic development (SED) spend in US Dollars[2]	Reasonable	US$16,387,920

7.3 Third party: Independent assurance (continued)

Parameter	Level of Assurance	Management figure	
MINING CHARTER			
Employment Equity			
Percentage HDSA in Management (DL – FU) who are classified as designated groups and who are employed at management levels (Top Management (Board), Senior, Middle, Junior, Core Skills and Total)	Reasonable	**Excluding Corporate and including White Females** Top: 50% Senior: 56%[4] Middle: 63% Junior: 52% Core: 72% Total: 71% **Including Corporate and including White Females** Top: 33% Senior: 47% Middle: 67% Junior: 58% Core: 72% Total: 71%	**Excluding Corporate and excluding White Females** Top: 50% Senior: 44% Middle: 55% Junior: 49% Core: 70% Total: 70% **Including Corporate and excluding White Females** Top: 22% Senior: 30% Middle: 49% Junior: 53% Core: 70% Total: 69%
Housing and Living Conditions			
Conversion or upgrading of hostels to attain an occupancy rate of 1 person per room by 2014	Reasonable	1 person per room	
Number of houses built as part of the housing and hostel upgrade programme	Reasonable	0 houses[3]	
% conversion of hostels into family units	Reasonable	100%	
Skills and Development			
HRD Expenditure as a percentage of total annual payroll (excluding mandatory skills development levy)	Reasonable	10%	
Local Economic Development			
Rand value spent on LED projects in the SLP in the current reporting year	Reasonable	R20,106,077	
Procurement and Enterprise Development			
Procurement spend from BEE entities (in line with the mining charter categories of capital goods, services & consumable goods)	Reasonable	Capital goods: 82% Services: 73% Consumable goods: 85%	
Total procurement spend from BEE entities (BBSEEC, 2010)	Reasonable	R1,482,752,617	
Percentage % of samples in South African facilities	Reasonable	100%	

1 Per million hours worked, including employees and contractors
2 Our SED definition has been aligned to the World Gold Council definition, which excludes employee-related SED spend
3 Although no houses were built as part of the housing and hostel upgrade programme, South Deep owns 258 houses and purchased 198 from Sibanye and 489 have been rented from third parties by Gold Fields for our employees. We are also finalising our updated housing strategy in 2015, which will focus on home ownership and rentals. The housing strategy is being developed in addition to the requirements of the Mining Charter Scorecard element for 'Housing and Living Conditions', which saw the hostel conversions resulting in the availability of 845 single unit hostels in 2014 and 203 family units.
4 The employment equity percentage (excluding corporate and including white females) for 'senior management' is reported in the Mining Charter scorecard (p104 – 105 of this report) as 50%. This percentage is reported to include only the percentage of HDSA's on Exco, whereas the assured percentage of 56% is aligned to the Patterson grading scale.

Notes

Notes

Administration and corporate information

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Issuer code: GOGOF
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