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This report is published together with the company’s Annual Report for the year ended June 2003.

Jim McGinn and Vaneshrie Govender employed by Driefontein Mine in South Africa.

Buhle Hlatswayo, 13, a participant in the “Little Artists” project sponsored by Gold Fields.
SECTION 1: Towards sustainable development

Gold Fields is a leading partner in an initiative to promote agriculture in the Carletonville region of South Africa. The project will contribute towards the sustainability of communities after the closure of mining activities.
Scope of the report

In line with Gold Fields’ commitment to sustainable development as a corporate priority, this publication is the company's first report on the subject to its stakeholders. The intention is to build on the content and disclosure contained in this report, and to issue an annual report of this nature.

Gold Fields made a strategic decision to prepare and issue this report to facilitate transparency and disclosure to its stakeholders. We not only report on what has been achieved, but clearly indicate the group’s commitment to the process of continual improvement with respect to sustainable development and the reporting thereof. It should be noted that this report is not exhaustive, and to this end we highlight the broad range of our sustainable development activities.

Gold Fields aspires to report in line with the guidelines issued by the Global Reporting Initiative (GRI), and this report has been compiled utilising the GRI guidelines as well as those of the Global Mining Initiative (GMI). In several instances we are still in the process of developing our own internal systems to meet the requirements of the GRI. As these measures are implemented, so will they be reported on in future editions. It should also be noted that the GRI guidelines are dynamic and various protocols are still being developed, including those applicable to mining and minerals.

Gold Fields has operations in South Africa, Ghana and Australia as well as exploration activities in other major gold provinces of the world. While Gold Fields has endeavoured to report on issues of sustainable development across all of its operations, reporting on the South African operations is more comprehensive because the vast majority of the group’s activities and employees have for many years been focused in South Africa.

This report review particularly the past financial year, ending June 2003. However, in some cases it has been deemed appropriate to contextualise certain information by providing historical data or information relating to the period after the year-end but current at the date of this report.
CEO’s message to stakeholders

In 1998, the mining industry launched the GMI as an industry response to the growing awareness of sustainable development as a global imperative. One of the main objectives of the GMI was for the mining and resources industry to participate in the international debate on sustainable development and to chart a course for the industry in this regard. A principal outcome of the GMI was the Mining Minerals and Sustainable Development Project (MMSDP) of which Gold Fields was a sponsor and participant.

Through the MMSDP, a broad spectrum of mining and civil society stakeholders were engaged, over a two-year period, in research and consultation around the globe. The aim was to understand how the mining and minerals sector could contribute to the global transition to sustainable development. The project’s report “Breaking New Ground: Mining, Minerals and Sustainable Development”, which was released in 2002, was a landmark event, providing the mining and minerals industry with a new guide for business success. We further subscribe to the principles enshrined in the Sustainable Development Charter of the International Council of Mining and Metals (ICMM), which was adopted by members of the ICMM – including Gold Fields - in Toronto in May 2002.

As a company we regard ourselves as an integral and interdependent part of the environment and the universe in which we operate. By design, and through our activities, we aim to nurture that interdependence by maintaining a healthy balance between the often competing needs of our stakeholders, the natural environment and, in particular, the needs of our business.

Gold Fields recognises that only by effectively managing this interdependence, which is the central tenet of our approach to sustainable development, can we maintain this licence to operate. We also recognise that our licence to operate is extended by our stakeholders. This includes our employees, host communities, regulatory bodies and institutions, providers of capital and the public at large.

To earn and maintain our licence to operate we strive to:

■ Create wealth and prosperity and to afford our stakeholders appropriate and equitable access to the benefits of the business;
■ Conduct our business responsibly and with due regard for the rights and legitimate expectations of our host communities;
■ Operate in a fundamentally ethical manner;
■ Adhere to internationally accepted definitions of human rights;
■ Be transparent in the conduct and reporting of our affairs; and
■ Discharge our environmental stewardship with diligence and due care.

During the past year we have made significant progress by integrating sustainable development as a core thrust in our strategic and operational planning processes. We are still developing appropriate indicators to accurately reflect our progress in this regard. After achieving ISO 14001 accreditation for the environmental management systems at all of our South African operations in June 2002, the same achievement was repeated for our international operations in June 2003. Also during the year, and in partnership with the South African Department of Trade and Industry (DTI), the Industrial Development Corporation (IDC) and the West Rand District Municipality (the local authority in which our Kloof and Driefontein mines are located), we are developing an agricultural initiative aimed at creating sustainable employment and economic activity will long outlast our mines in the area. This initiative includes a R70 million cut flower project and a hydroponics-based food production unit for the export market, which will create employment and generate much-needed foreign exchange. These and other no less important initiatives are described in more detail elsewhere in this report.

Inextricably linked to sustainable development and operating in South Africa is compliance with the Mining Charter. We, as a company, are committed to transformation in all spheres and are making good progress towards fulfilling the requirements of that Charter. Evidence in support of this can be found in this report.

Also included in this report are our policies, objectives and targets in our own journey towards sustainable development, which we have concluded is no less and no more than sound, responsible business practice. Our philosophy of continual improvement will underpin how we take these forward into the future.

We have also included a form at the back of this report and encourage you to share with us your impressions and opinions of this report. Your views will be considered when we prepare our next report on sustainable development.

Ian Cockerill
Chief Executive Officer
8 September 2003
Our approach to sustainable development

At Gold Fields, sustainable development is viewed as an integral part of our core business and every manager, supervisor and employee is expected to understand the interfaces between his or her job and sustainable development and to act responsibly. Gold Fields has appointed a manager for sustainable development who works under the auspices of a central and multi-disciplinary Sustainable Development Steering Committee (SDSC). The role of the SDSC is to coordinate policy and strategy and to facilitate group-wide and cross-discipline interaction and alignment.

The key performance indicators in the chart below were designed by the SDSC to monitor and report on our company’s performance on sustainable development.

**Sustainable Development Scorecard**

<table>
<thead>
<tr>
<th>Target Area</th>
<th>Comment</th>
</tr>
</thead>
</table>
| Corporate governance  | Management systems  
  - Code of Ethics.  
  - Human Rights Policy.  
  Risk management  
  - The development of a comprehensive and detailed risk register.  
  Adopted in 2003.  
  Adopted in 2003.  
  The group has completed an evaluation of business risks at the South African operations which has resulted in the identification and grading of the top 20 risks in terms of severity, value and the ability to control these risks. The process will be expanded to all international operations by June 2004. |
| Environmental      | Zero significant incidents.  
  - All sites to have received ISO 14001. certification by June 2003.  
  Achieved for all sites.  
| Water              | Targets for reducing water consumption.  
  Minimise pollutant effect of effluents.  
  Operational targets are being further developed to reduce current consumption rates.  
  Where possible, reduce effluents or otherwise reduce impact on environment.  
  There are ongoing investigations into further reducing waste and increasing recycling. |
| Waste              | All sites to have waste separation and recycling programmes.  
  There are ongoing investigations into further reducing waste and increasing recycling. |
### SUSTAINABLE DEVELOPMENT SCORECARD (CONTINUED)

<table>
<thead>
<tr>
<th>TARGET AREA</th>
<th>COMMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social</strong></td>
<td></td>
</tr>
<tr>
<td>Health &amp; safety</td>
<td>The company recorded 32 fatalities in F2003. The fatal injury frequency rate (FIFR) was 0.23 million man hours worked compared to 0.31 in F2002. The serious injury frequency rate (SIFR) improved by 25 per cent year-on-year. This is being rolled out to the South African operations and data collection in this regard is ongoing.</td>
</tr>
<tr>
<td></td>
<td>Social indicators include: Zero fatalities. 50 per cent reduction in all accident rates over a five-year period commencing June 2000. Implementation of integrated health and safety management system.</td>
</tr>
<tr>
<td></td>
<td>Employment equity indicators include: A five-year plan to achieve 40 per cent historically disadvantaged South Africans (HDSA) management in South Africa. Targets set for women to represent 10 per cent of total workforce. Employment equity forums to be established at all operating sites.</td>
</tr>
<tr>
<td></td>
<td>HIV/AIDS indicators include: A reduction in new infections among employees and their communities. Manage the impact on employees, communities and company operations. Control the cost of HIV/AIDS per ounce of gold produced.</td>
</tr>
<tr>
<td>Employment equity</td>
<td>Targets and programmes are in place to achieve goal. A task team committed to this effort has been created. Forums operational at all sites in South Africa.</td>
</tr>
<tr>
<td></td>
<td>Economic indicators include: Improving regional economic contributions through the building of strategic partnerships with stakeholders. Investing in capacity building initiatives within local communities that surround operating mines and labour sending areas.</td>
</tr>
<tr>
<td></td>
<td>Regional strategic partnership has been established with the West Rand District Municipality in Gauteng Province, South Africa. Similar efforts are underway in all operating regions. Ongoing.</td>
</tr>
</tbody>
</table>
Organisational profile

Gold Fields is one of the world’s largest precious metals producers. Since its formation in 1998, with the amalgamation of the gold assets of Gold Fields of South Africa Limited and Gencor Limited, the company has grown from strength to strength. Its South African operations have played a leading role in the development of the industry in this country.

Production
Gold Fields currently has an annual attributable gold production of more than 4.3 million ounces of gold and attributable mineral reserves of 81.5 million ounces.

Employees
The company employs some 48,000 people, including contractors, across its operations.

Operations
The South African operations comprise the wholly-owned Driefontein, Kloof and Beatrix mines.

The International operations comprise the Ghanaian and Australian mines, as well as the Arctic Platinum Partnership in Finland.

Gold Fields Ghana Limited is owned by Gold Fields Limited (71.1 per cent) and IAMgold – a Canadian company listed on the Toronto Stock Exchange (18.9 per cent). The Ghanaian government holds the remaining 10 per cent as a “free carry” interest. The Damang mine was acquired in January 2002.

The Australian operations comprise the wholly-owned St Ives and Agnew gold mining operations in Western Australia, acquired in December 2001.

The Arctic Platinum Partnership in Finland is a wholly-owned exploration venture. This project was previously held in partnership with Outokumpu Oyj of Finland, before Gold Fields exercised its pre-emptive right to acquire Outokumpu’s 49 per cent interest in August 2003.

Gold Fields’ head office is located in Johannesburg, South Africa.

Exploration
The group has an extensive precious metals exploration programme, with projects in Africa, Australasia, Europe, North America and South America. Regional exploration offices are situated in Accra, Denver, Johannesburg, Oxford, Perth and Santiago.

Shareholders
Gold Fields is one of the world’s largest unhedged gold companies, providing direct exposure to both the gold price and the underlying value and performance of the company, with its shareholders based around the world. The company offers value to traditional precious metals investors as well as to generalist and emerging market funds.

Listings
The primary listing for the company’s ordinary shares is on the JSE Securities Exchange South Africa (GFI). The company is also listed on the New York Stock Exchange (GFI), the London Stock Exchange, on Euronext in Paris and Brussels, as well as the SWX Swiss Exchange.
Corporate governance

Transparency
Gold Fields is committed to fair disclosure of information to its stakeholders, the investment community and the public.

We believe it is in our best interest to maintain active and open communication with shareholders and the investment community regarding the company's historical performance and future prospects. Gold Fields believes it can enhance shareholder value by publicly articulating its strategies, business strengths and growth opportunities while recognising the need for confidentiality about information regarding key business and operating strategies.

Standard communications
Gold Fields regularly communicates with stakeholders and members of the investment community about its business operations through press releases and telecommunications. The principles of communication are contained in a formal disclosure policy.

In our annual reporting cycle, we review major aspects of financial policy, practices, performance and sustainable development. The Sustainable Development Report, issued in conjunction with the annual financial report, deals with present performance in managing the key sustainable development issues and the work under way to achieve further improvements. The group has adopted the principles of sustainable development contained in the MMSDP of 2002. We also recognise our accountability not only to shareholders, but also to others who may be affected by our activities.

Accountability
Financial statements are prepared for each financial period and these present a true and fair view of financial performance and position. For this purpose, appropriate accounting policies are used and applied consistently. Reasonable and prudent judgments are made, and applicable accounting standards are followed. Systems of internal financial control are in place and are designed to provide reasonable assurance regarding the safeguarding of assets against unauthorised use or disposition. The maintenance of proper accounting records further seeks to assume the reliability of financial information as used within the business or for public disclosure.

The board
The board comprises a majority of non-executive and independent directors who bring with them a variety of disciplines and a wealth of knowledge and experience to board deliberations. Furthermore, a procedure exists for directors to obtain independent, professional advice at the company's expense in the furtherance of their duties as directors.

Directors' responsibilities and limitations are set out in applicable legislation and the rules regulating the company's listings in Johannesburg and on other international stock exchanges. Particular attention is given to the rules and regulations of the United States Securities and Exchange Commission (SEC) and board and/or shareholders' resolutions. Board sub-committees oversee specific functions delegated to them by the board of directors. The committees, each of which include majority representation by non-executive directors, comprise the Audit Committee, the Nominating and Governance Committee, the Compensation Committee and the Committee on Health, Safety and the Environment. The responsibilities of each of these board committees are contained in draft charters, which will be proposed for ratification at the board meeting of November 2003. (Further details on the board sub-committees and governance structures are contained in the company's annual report 2003, and on the group's website: www.goldfields.co.za/www.gold-fields.com).
Stakeholder engagement

Collaborative stakeholder processes are essential in promoting sustainable development. These processes should have integrity, be conducted in a mutually acceptable manner and be regarded by all participants as fair. Gold Fields has realised the immense value of informed decision-making, through effective consultation with, and the participation of, all stakeholders. This is fundamental to the way in which we operate as an integral part of a larger community.

Identification of stakeholders
Relevant stakeholders are identified systematically and comprise a broad and diverse public. To maximise participation by stakeholders, we have adopted the following approach:

Actively seeking and encouraging participation:
Public meetings are convened for ongoing operations and all significant, proposed developments at our mining sites. In addition, the company representatives take an active role in public forums in the areas of its operations, often in collaboration with various stakeholder groups.

Employees and their representatives are regularly briefed on the company's results and plans.

Building capacity within stakeholder groups to facilitate dialogue:
Gold Fields plays an educational role in simplifying complex technical issues associated with its operations. We believe that better informed stakeholders are more able to make a meaningful contribution to the decision-making process.

Reporting on the group’s activities in a transparent and effective manner which encourages feedback:
Gold Fields reports on its strategies, safety, production and financial performance to the market, shareholders and other stakeholders.

The focus is on the communication of sound, verifiable information and consultation. The company is committed to improving the level of understanding and trust between its operations and its stakeholders so that beneficial and sustainable relationships are developed. In addition to regular meetings, briefings, presentations, advertising and other communications to its various publics, all this information is freely available on the company's website: www.goldfields.co.za or www.gold-fields.com.

Gold Fields stakeholder groups
- Civil society and non-governmental organisations
- Communities and community-based organisations
- Customers
- Employees
- Government authorities (local, regional and national)
- Labour unions and associations
- Media
- Indigenous groups
- Investors
- Shareholders
- Specialist interest groups
- Suppliers
SECTION 2: Our footprint

Honesty, integrity and fairness are essential to the way in which Gold Fields conducts its business. We build upon a foundation of key values and principles, enshrined in the group’s Code of Ethics, that is in compliance with the laws and regulations of the countries in which we operate. Gold Fields commits to fairness and integrity in all business dealings, including the ethical handling of actual or apparent conflicts of interests arising from personal and professional relationships; furthermore Gold Fields actively promotes the well-being of people and the environment through the responsible, sustainable and innovative development of precious metal resources. We respect human rights, through the acceptance of diverse cultures, religions, race, gender and sexual orientation. Gold Fields will uphold honesty, transparency, and accountability in all of its operating activities and expects each employee to commit to personal conduct congruent with this objective. In all its endeavours Gold Fields is committed to achieving and maintaining standards that are comparable with global best practice.

These three students were members of a party of high school learners from South Africa’s nine provinces who were hosted to a visit at Beatrix mine in a drive to attract students to careers in the mining industry.
Gold Fields’ values

Social
People Attract, retain and develop to their full potential, high quality people and reward them for their achievement, commitment, innovation, teamwork and entrepreneurial contributions.

Culture Foster a culture of trust, respect, participation, innovation and open communication with clear lines of responsibility, authority and accountability, guided by the highest standards of integrity as contained in the company’s Code of Ethics.

Employee relations Promote constructive relationships in the workplace and work together with employees, trade unions and representatives in a spirit of mutual respect to achieve common objectives.

Health and safety Strive to achieve and maintain outstanding health and safety performance through the participation of all employees and the application of safe, innovative processes and technologies, within a framework of full compliance.

Community relations Develop and maintain strong mutually beneficial relationships with authorities and civil structures in the communities and countries within which we operate. Contribute to the well-being and development of those communities and countries through our community relations programmes and social investment activities.

Environment Environment Eliminate, minimise or control at source any impact our activities might have on the environment by applying appropriate proactive and remedial measures to foster environmentally sustainable economic development.

Governance
Corporate governance Subscribe to sound corporate governance principles and practices. Support the recommendations of the King II Report of South Africa, and comply with its code of corporate practice and conduct.

Risk management Adopt an holistic approach in the management of health, safety and the environment, and strive towards minimising business risk through the safeguarding of people, community, assets and income generating capacity.

Economic
Growth Diligently pursue geographically diverse, value-adding business opportunities to expand our mineral production and resources through exploration, acquisition and partnerships.

Operations Employ appropriate leading edge technology and best operating practices to maximise revenue and ensure that our costs are minimised and competitive with those of other producers worldwide.

Promoting our product and industry Further common industry goals by actively participating at an industry level through responsible advocacy.

Research and development Continue to invest in the development of appropriate leading edge methods, processes and technologies related to our core competencies.

Partnerships Partner with external parties where the common values and combined strengths of our organisations will result in mutual benefit.

Value Maximise shareholder value, balancing short-term results with longer-term needs, affording investors the opportunity to achieve outstanding returns.

Our values are designed to ensure that the standards that we set for ourselves and our partners are met in all aspects of our business, in all locations where we operate, and by all employees at all times. Reviewed regularly, and updated as necessary, these values aim to provide our people with a clear basis for their actions, without compromising innovation and entrepreneurial spirit, in line with best practice worldwide.
SECTION 3: Our performance

Social Performance Indicators

Environmental Performance Indicators

Economic Performance Indicators

Team building and diversity training at the Bomodzi Village at Beatrix frequently makes use of drumming activities to break down cultural barriers.
Social Performance Indicators

Our people

Gold Fields seeks to be a preferred employer in all the regions and countries in which it operates.

Issues dealt with below, include the group’s human rights policy, enshrining freedom of association, excluding child labour and preventing enforced and compulsory labour, appeal non-retaliation and grievance procedures, human rights training for security personnel, addressing the needs of indigenous people and community grievance procedures.

Human rights policy statement

Gold Fields strives to ensure that every individual within the group respects the rights and freedoms indicated below and to secure their effective recognition and observance throughout the group. Subject to considerations of health and safety and within the constraints posed by the nature of its business, Gold Fields seeks to protect:

- The right to human dignity
- The right to fair treatment (subject to considerations of affirming previously disadvantaged groups)
- The right to freedom and security of person
- The right not to be subjected to slavery, servitude and forced labour
- The right to freedom of conscience, religion, thought, belief and opinion
- The right to freedom of expression (subject to considerations of confidentiality and the prohibition of hate speech and incitement to cause harm)
- The right to peacefully assemble
- The right to freedom of association
- The right to make political choices and to exercise those rights outside of working hours
- The right to freedom of movement
- The right to fair labour practices
- The right not to be arbitrarily deprived of property or possessions
- The right of children not to be employed
- The right to freely participate in the cultural life of their choice
- The right to lawful, reasonable and fair action
- The right not to be subjected to arbitrary arrest or detention

Demographic profile

The group employs a workforce of approximately 46,000 employees in South Africa, 1,000 in Ghana and 340 in Australia; 50 per cent of the South African workforce comes from neighbouring southern African countries.

Human rights at Gold Fields

The company adopted a comprehensive Human Rights Policy in 2003 in which the principles enshrined in the United Nations Universal Declaration of human rights and applicable International Labour Organisation Conventions have been articulated.

This policy is being incorporated into the group’s procedures manual and all employees (existing and new) are informed about the policy. Any violation of this policy can be reported to line management, or the human resources department, or anonymously to a toll free number. Compliance with the policy is to be audited annually.

Addressing the legacy of the past

In South Africa, with its history of discrimination under apartheid, the group is committed to taking positive steps to address this legacy. These steps were firstly defined in statutes, in the form of the Employment Equity Act of 1998, the Promotion of Equality and Prevention of Unfair Discrimination Act of 2000, as well as in the Mining Charter. Gold Fields has gone beyond these statutory instruments and has, in accordance with agreements concluded with representative labour unions, set up mechanisms for advancing HDAs.

Gold Fields’ Australian operations have also developed and implemented an Equal Employment Opportunity Policy which prohibits discrimination and which outlines a process for the affirmation of women.

Employment Equity forums have been established in South Africa at a regional and operational level to monitor compliance with stated policies and plans. During April 2000, Gold Fields’ Employment Equity Consultative Forum conducted an analysis of the company’s human resources policies and procedures to identify discriminatory practices and procedures and to identify possible barriers which
Addressing the needs of women in South Africa

Gold Fields has a dedicated task team addressing issues around women in mining and has agreed to:

- Supplement social security benefits paid to women on maternity leave so that, for four months, they would receive an amount equivalent to full pay;
- To allow women an additional five days’ paid leave per year for two years after giving birth;
- Take measures to ensure that the special needs of women are taken into account regarding pregnancy, breastfeeding and reproductive health, given the hazards which are prevalent in the industry;
- Address childcare, preschooling and ablution facilities; and
- Ensure that women’s issues are on the agendas of equity forums.

Lessons learnt from this task team will be cascaded throughout the group.
Enshrining freedom of association
The right to freedom of association is enshrined in Gold Fields’ Human Rights Policy and is inherent in the recognition of our people’s right to freedom of conscience, religion, thought, belief and opinion, and their right to make political choices and to exercise these rights.

Any trade union which is significantly representative of our employees is afforded recognition in terms of existing agreements. In South Africa, currently, recognition is afforded to local unions and associations who collectively represent 78 per cent of the workforce. The majority union is the National Union of Mineworkers (NUM), which represents 67 per cent of the South African workforce. At Tarkwa, Gold Fields’ operations have concluded a recognition agreement with the local union which recognises the union as the sole negotiating body for all matters connected with employment and their members’ conditions of work.

Excluding child labour and preventing forced and compulsory labour
The employment of any person under the age of 18 is prohibited in terms of the group’s Human Rights Policy. This is enforced at all operations. Vacation work, internships and specific learnerships make special provision for persons younger than 18 to be temporarily employed by the group, provided that all terms of applicable legislation and regulations have been abided by. The age of all employees is verified at the point of engagement.

Protection against forced or compulsory labour is afforded in terms of legislation and in the group’s Human Rights Policy. Basic conditions of employment at our South African operations comply with South African legislation and are based on agreements reached between organised business, organised labour and the government. Compliance is monitored by the group’s human resources department at both corporate and operational levels. Through recognition agreements, the group negotiates terms and conditions of employment with recognised unions.

Appeal, non-retaliation and grievance procedures
Our operations have developed a grievance or fair treatment procedure which affords an employee the opportunity to lodge a grievance with his/her supervisor and which allows for referral of the grievance up the line until there is satisfaction. Specific procedures are in place relating to grievances involving employment equity, sexual harassment, racism and breaches of the group’s ethics policy, including procedures which ensure anonymity. The grievance procedure is currently under review to address issues relating to retaliation and victimisation.

Human rights training for security personnel
In South Africa, Gold Fields employs 702 personnel members specifically to secure the assets of the company and the safety of its employees. In terms of current South African security industry legislation, all security personnel are trained by a registered security training institution regarding human rights issues. The following aspects form part of the training programme:

- Public relations;
- Role and function of security;
- Discipline;
- Communication/interaction;
- Group relations;
- Questioning of witnesses;
- Courts and court procedures;
- Human behaviour; and
- Handling conflict.

Addressing the needs of indigenous people
In terms of the group’s Employment Equity Policy, we are committed to taking steps which will promote reasonable progress towards the
equitable representation of HDSAs in all occupations. To achieve specified targets, the group has adopted two strategies:
- To appoint suitably qualified HDSAs to fill vacancies in occupations where HDSAs are under-represented; and
- Identify and fast track high-potential HDSA employees into more senior positions.

The Gold Fields Foundation focuses on community development aimed at improving the quality of life in host and labour-sending communities through grants and donations related to training, welfare, small business development and job creation with particular emphasis on the empowerment of women and the youth.

In Ghana, bi-monthly meetings are held with the traditional and elected representatives of villages and communities surrounding the mining operations to address the needs of the local communities. (See the Damang Mine Community Consultative Committee case study on page 38).

St Ives, in Australia, has adopted a Community Policy which commits it to developing relationships of mutual understanding and respect with the community in which it operates. In terms of the policy, it commits to doing this through:
- Establishing and maintaining effective and positive communication with community groups;
- Valuing and recognising the desire of indigenous people to fulfil their responsibilities within their traditional culture;
- Seeking to identify indigenous people's interests in its area of operation and consultatively addressing their interests;
- Identifying and facilitating opportunities for all sectors of the community to participate in employment, training and business relationships, either directly or through their contractors; and
- Encouraging and contributing to initiatives to enhance social benefits to all people in the area of its operation.

### Training and education

We are committed to creating opportunities for employees to develop to their full potential. Each operation has identified a pool of candidates who have been placed on accelerated career paths with development programmes and individual mentors. Both Australian operations have embarked on frontline management initiatives which provide supervisors with nationally accredited qualifications. The Ghanaian operations are increasing their efforts in respect of their localisation programmes.

We are committed to developing our employees equitably, regardless of gender, age or race. A total of approximately R130 million was invested in the education, training and development of employees during F2003. This translates to approximately R2,700 annually per employee and represents some 4.5 per cent of the group’s annual wage bill.

The repositioned and revitalised Gold Fields Academy (GFA) previously known as Gold Fields Training Services, based in the Carletonville area in South Africa, has become a leading technical training institution in the South African mining industry. The academy is able to offer both in-house and outsourced training courses in competency-based engineering systems, mining activities and certification, ABET, life skills, assessor training, project management, learnership development, performance management, job evaluation, materials design and leadership development.

Crucial safety aspects and familiarity with legislative requirements are covered in the training programmes, while GFA also offers Social Plan Skills training to employees, providing them with life skills and entrepreneurship training which could be used outside of the mining industry. The South African Department of Labour uses GFA to train unemployed citizens in specific engineering skills, providing them with the ability to seek employment or become self-employed.
Training engineers for the future

The shortage of engineering skills in South Africa has spawned the establishment of the Gold Fields engineering training centre, which is part of Gold Fields Academy, to spearhead and sustain training in this regard.

During 2003 an average of 235 learners passed through the engineering training programmes on a daily basis, and sometimes peaking at 350. The centre currently has the capacity to accommodate approximately 500 learners per day. There are plans in place to expand this facility and to eventually deliver learning and training to 1,000 learners daily.

The Academy provides approximately 30 practical training grants annually for students at Technical Colleges and Technikons who make use of the operational facilities for their experiential training. The Academy also uses this as a feeder system for learner official engineering and junior engineering programmes.

Students at GFA being introduced to The Integrated Manager (TIM) programme. TIM was developed at a cost of some R6 million and includes systems to track and manage employee performance and development.
Social Performance Indicators

Safety

Improving safety is still one of the most significant challenges facing Gold Fields, particularly at its deep-level operations in South Africa. Safety performances throughout the group were mixed during the year, with a marked improvement towards year-end and with year-on-year statistics reflecting an improving trend. In particular, the Fatal Injury Frequency Rate (FIFR) improved by 26 per cent year-on-year and the Lost Day Injury Frequency Rate (LDIFR) rate has halved.

Achievements

The following operating units achieved a million fatality free shifts during the financial year:

<table>
<thead>
<tr>
<th>Operating Unit</th>
<th>Date</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driefontein</td>
<td>14 April 2003</td>
<td>(for total mine)</td>
</tr>
<tr>
<td>Driefontein</td>
<td>5 May 2003</td>
<td>(for underground)</td>
</tr>
<tr>
<td>Beatrix (1, 2 &amp; 3 shafts)</td>
<td>12 June 2003</td>
<td>(two million for total mine)</td>
</tr>
<tr>
<td>Beatrix</td>
<td>31 January 2003</td>
<td>(for total mine)</td>
</tr>
<tr>
<td>Beatrix</td>
<td>3 March 2003</td>
<td>(for underground)</td>
</tr>
</tbody>
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Safety performance

Fatal accidents

During F2003, 32 employees lost their lives as a result of 26 separate work-related accidents. The board and management of Gold Fields extend their sincere condolences to the families, friends and co-workers of those who have died.

Despite these tragic incidents, it is encouraging that the group has also turned in some of the best safety performances in its history. The FIFR was 0.23 per million man hours worked compared to 0.31 the previous financial year. At the South African operations the improvement was particularly notable with the FIFR improving by 27 per cent year-on-year.

Falls of ground (FOG) were responsible for 54 per cent of all the fatal accidents at our South African operations; with 35 per cent as a result of gravity FOGs and 19 per cent FOGs related to seismicity. Although fatalities due to seismic-related FOGs have declined over the past three years, FOG-related accidents and incidents are still high. Efforts continue to focus on improved mine design and layouts, training and an emphasis on hazard identification and risk assessment.

An important area of attention has been to mitigate the likelihood of multiple fatalities in a single accident. Team training and behaviour-based campaigns are being introduced which emphasise the need for looking out for colleagues in the workplace and to eliminate at risk behaviour.

Despite this, however, five people lost their lives in a single accident following a fire at Driefontein’s 7W shaft in January 2003. Arson is suspected as cause of the fire, which started in an abandoned area of the mine, and investigations are continuing. The highly successful implementation of emergency withdrawal procedures ensured that more than 700 people were safely withdrawn from the area.

In addition, the group has issued to every underground employee a self-rescuer, which will provide at least 35 minutes of oxygen supply in the event of air contamination underground, to enable the employee to reach a life-sustaining refuge bay. This is an unprecedented move in South Africa and has been implemented in line with Gold Fields’ best practice principles at a cost of R60 million.

Following two methane-related explosions in 2000 and 2001 at its South African Beatrix operation, Gold Fields has focused on the prevention of flammable gas explosions through the implementation of a flammable gas code of practice, audits and awareness training campaigns. These efforts have led to zero fatalities resulting from flammable gas accidents in F2003.
During the year two people died at our international operations, specifically at Arctic Platinum in Finland and at Tarkwa in Ghana. Both these unfortunate incidents were transport-related, resulting in renewed focus on risks of this nature.

Other indicators
Two other measures used within the group to monitor safety performance are the LDIFR and the serious injuries frequency rate (SIFR), measured per million man hours worked. Satisfying improvements were achieved in both for the year, particularly at the South African operations.

<table>
<thead>
<tr>
<th>LDIFR (per million man hours worked)</th>
<th>SIFR (per million man hours worked)</th>
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<tbody>
<tr>
<td>F2000</td>
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<td>F2003</td>
<td>F2003</td>
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Programmes to improve safety and health
Managing safety
The group applies the fundamental principles of hazard identification and risk management combined with participative planning to eliminate, manage and control hazards and risks in the working environment. This philosophy has contributed to some of the major improvements achieved during the past year.

The fundamental principle underlying our strategy is that we will continue to strive for the highest possible levels of health and safety in the workplace so that all employees work in an acceptably low-risk environment.

Full Compliance Programme
The Full Compliance Programme was implemented in South Africa in June 2000, with the full support of all unions, associations and employees. This initiative has been expanded to include the international operations and aims to achieve:

- The elimination of all fatal accidents at all Gold Fields operations;
- A 50 per cent reduction in all accident rates over a five-year period, commencing June 2000;
- A 10 per cent annual improvement in safety performance indicators; and
- The establishment and maintenance of a quality work place with high standards of health, safety and environment at all times through quality training, good practice and total employee commitment.

The Full Compliance Programme has been developed into a comprehensive manual with chapters on leadership; values and standards; selection, placement and training programmes; information and communication; emergency procedures; inspection and engineering controls; performance measurement and monitoring; investigations and corrective actions; and reviews.

During F2003, external audits were conducted by the British Standards Institute (BSI) to align the Full Compliance programme with the Occupational Health and Safety Assessment Series (OHSAS) 18001 principles at Kloof. The National Occupational Safety Association (NOSA) has started audits for the same purpose at Driefontein. OHSAS 18001 audits will be rolled out biannually throughout the company. Internal auditors are trained in Full Compliance auditing skills using International Risk Control Africa (IRCA). These auditors are used to conduct internal cross-audits within the South African operations.

Stop, Fix and Continue
The Stop, Fix and Continue campaign was initiated at the South African operations during the year. On average, some 150 such workplace “fix-it” incidents occurred on a weekly basis.

<table>
<thead>
<tr>
<th>Tripartite task team</th>
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<tr>
<td>The disappointing safety performance of the South African operations during the first part of F2002 prompted a safety and health summit. A tripartite task team was set up to develop a sustainable strategy to improve health and safety performance in the group. Recommendations from this representative task team (comprising management, employee representatives and representatives from the South African Department of Minerals and Energy) were submitted to the executive committee at the end of September 2002. Eight task teams were established to review these areas. Recommendations, currently being compiled, will be presented to Gold Fields’ management for ratification and implementation in F2004.</td>
</tr>
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</table>

Health and safety management framework in Australia
Further afield in Australia, St Ives developed a new framework for a health and safety management system during F2002 with rollout in F2003. This management system was externally audited and accredited to the AS/NZS 4801 standard for occupational health and safety systems in October 2002. Agnew will undertake this process in the coming
year. A key aspect of this new approach is the planned development of Area Safety Plans. Ongoing auditing of operations against the requirements of Gold Fields Major Hazard Standards forms the cornerstone of St Ives’ health and safety management system.

Agnew works in collaboration with St Ives on safety and health systems and has a strategy based on three core elements. These entail risk management, risk behaviour and safety culture development by:
- Prioritising safety and health in the workplace;
- Integrating safety and health management into the normal business process;
- Encouraging safe behaviour in normal work processes;
- Developing workplace relationships and a culture to promote individual accountability for environmental, health and safety outcomes; and
- Effectively managing risk so as to identify the systems, resources and programmes required to enable the company to achieve optimal performance in health and safety.

Safety management in Ghana

The Tarkwa safety programme focuses on worker awareness and intensive training, incorporating risk management techniques. The group Full Compliance initiative is being rolled out at Damang, while at the same time, the process of inculcating a safe work practice culture through initial and reinforcement training, worker awareness, education, and recognition and rewards is ongoing. The upgrading of the safety systems at the Ghanaian operations is progressing well, with OHSAS 18001 compatibility being the criteria here. Across the international operations these programmes are being developed to ensure that we draw on the collective experience and knowledge base of the entire Gold Fields group, including South Africa, in areas of safety and occupational health.

Systems

Palladium, an integrated, computerised health and safety management system, which will initially involve the disciplines of safety, occupational hygiene and medicine, is being implemented across the South African operations. In terms of management functionality, Palladium interfaces with the human resources Solit Gold programme. The purpose of the system is to improve the availability of management information and to establish links between employees’ medical records and occupational exposure.

Monitoring and measuring safety performance

Gold Fields has a comprehensive safety reporting system within all divisions. These reporting systems fulfil legislative requirements and are thoroughly reviewed by the group Safety Department to analyse the causes of all accidents and incidents. The Health, Safety and Environment sub-committee of the board meets to review group safety performance on a quarterly basis. Weekly reviews to analyse the cause of all accidents and incidents are conducted by the Occupational Environment Department.

Evacuation procedures and crisis management training

Fires

The group places great emphasis on protecting employees from fires, especially in the underground environment. The strategy for the group is:
- Prevention of fires;
- Early detection of fires;
- Protection of workers and escape strategies; and
- Introduction of self-contained self-rescuers (SCSRs).

A total of 19 fire incidents were recorded during the year. One of these tragically resulted in the deaths of five people at Driefontein in January 2003. Electronic fire detection systems have been installed and are currently being expanded throughout the group to further improve coverage.

Recognition and reward

Gold Fields fosters a competitive spirit in safety performance. The prestigious Chairman’s Award, used to reward performance in key areas, was won by Beatrix in F2003. Improvements over the past year have resulted from the renewed vigour of the safety and health initiatives at the operations.

Emergency preparedness and response

The South African operations conduct simulated evacuation exercises on a monthly basis. These are monitored by the Occupational Environment Department to ensure that plans and procedures remain current and to raise awareness of any problems that may arise. In emergencies, actions are coordinated through an emergency control centre where copies of all procedures, evacuation plans and routes are kept. Mine rescue teams, paramedics and other personnel as well as service requirements are coordinated from this point.

In Australia, St Ives and Agnew have fully equipped emergency response capabilities that cover the entire lease area. The emergency response team comprises trained employees and contractors supported by professional medical and emergency staff who are on 24-hour call. The emergency response teams are supported by modern fire prevention and alarm systems that are maintained by specialist service providers. Simulation exercises are held regularly to test evacuation procedures and crisis management response.
Social Performance Indicators

Occupational health programmes

Gold Fields combats work-related health hazards through risk-based assessments, with the express aim of eliminating, minimising and controlling any hazards and risks identified in the workplace. During F2003, more than 600 baseline risk assessments were conducted to identify hazardous areas and activities.

Efforts to minimise noise-induced hearing loss, pulmonary tuberculosis (TB) and silicosis continued at all operations, during F2003. A comprehensive medical surveillance programme remains in place at three occupational health centres in South Africa, each with a dedicated physician on site. As is required by the South African Mine Health and Safety Act of 1996, a total of 60,922 medical examinations were performed on employees, comprising initial, periodic and exit screening.

The principal health hazards associated with the group’s operations are thermal stress, noise, airborne pollutants and radiation. Codes of Practice have been compiled for thermal stress, noise and airborne pollutants and have been fully implemented at the South African operations. A generic Code of Practice on Fitness for Work has been implemented, at St Ives and Agnew in Australia, in addition to a healthy lifestyle programme which complements this code.

Thermal stress
Mining at South African operations takes place at a mean rock-breaking depth of 2,093 metres, with an average virgin rock temperature (VRT) of 42.1°C. These high temperatures are countered by the use of refrigeration and the implementation of effective cooling and ventilation systems. Bulk air coolers, spot coolers and chilled service water are used to reduce ambient temperatures and significant improvements have been recorded, particularly in the second half of F2003.

Noise
Hearing conservation programmes have been implemented at the South African operations, in line with best international practice. Furthermore, only silenced rock drills will be purchased in future and a programme to retrofit all existing drills with mufflers is in place.

Airborne pollutants
The efficient protection of employees against airborne pollutants relies heavily on effective ventilation systems. In the South African underground mines, silica dust is one of the main airborne pollutants to which employees are potentially exposed. The average current dosage rate is 0.035 mg/m³, well within a threshold of 0.1 mg/m³ set by the South African Department of Minerals and Energy. The distribution of air in stoping and development areas is monitored regularly against group requirements at all operations.

Radiation
The South African operations are licensed in terms of the National Nuclear Regulator Act (Act 47 of 1999). Radiation protection programmes are in place and are audited annually to ensure compliance. The average exposure of the total underground workforce from all exposure pathways is less than 5 milliSievert per annum, measured against an annual international benchmark limit of 20 milliSievert per annum. Continuous monitoring ensures that these levels are maintained or reduced if possible. During the reporting period, no monitoring point recorded exposure in individuals above the recommended dosage levels.

Salient features for the South African operations are:
- A total of 854 stope panels and 484 development ends were ventilated during F2003 (F2002, 979 stope panels, 478 development ends).
- The mean rock-breaking depth increased by 389 metres and the mean rock-breaking virgin rock temperatures (VRT) increased by 1.6°C in F2003.
- Of the total temperature readings in stopes, only 1.4 per cent were above 32.5°C.
- The average wet bulb temperature for the group is currently 28.9°C in stopes and 28.4°C in development ends. Initiatives are in place to reduce this to an average of 28.5°C.

Gold Fields has industry and business-related associations with the South African Radiation Protection Association (SARPA) and the Industry Forum on Radiation (IFR) to assist in the compilation of regulatory guidelines.
Occupational medicine

Medical surveillance
A comprehensive medical surveillance programme is in place across the group. In South Africa, medical surveillance is provided at well equipped and professionally staffed occupational health centres, each of which has a dedicated occupational physician.

A total of 60,922 medical examinations were performed in F2003. In the gold mining industry the principal occupational diseases are silicosis, cardio-respiratory tuberculosis (TB), noise-induced hearing loss (NIHL), and chronic obstructive airways disease (COAD).

Incidence rates for silicosis and COAD have stabilised over the past year, while TB remains the disease with the highest incidence rate. Against a background of a high TB prevalence rate in southern Africa, the increased incidence of TB in the mining industry has been linked to the multiplicative effect of immuno-suppression due to HIV infection.

The group has for many years had a TB management programme based on active surveillance to enable prevention, early detection and effective treatment. The aim is to provide the best possible treatment for the patient while interrupting the chain of transmission to families, fellow workers and surrounding communities. Gold Fields continues to practice directly observed therapy (DOT) in line with World Health Organisation (WHO) standards.

Health services
Gold Fields’ health services in South Africa provide medical care to employees, contractor employees and, to some extent, to the communities in the areas where the group operates. Medical care consists of primary, secondary, and rehabilitative care, provided by two hospitals, a nursing college, mine-based clinics and a fully-fledged emergency medical service operating in the key mining areas of Carletonville and Welkom.

Health care services in Ghana are provided to employees and their dependents. Medical services are offered at hospitals and clinics on mine property by medical professionals who have particular expertise in tropical infections and parasitic diseases such as malaria. Occupational health services are also provided, in line with group best practices and standards.

In Western Australia, occupational medical surveillance is strictly regulated by the Mines Occupational Physician based in Perth. The required medical examinations are performed by external service providers in Leinster, Kalgoorlie or Perth. Periodic fitness for work examinations are performed after an initial pre-placement examination.

At Agnew, health care is provided to employees and their on-site dependents at the Leinster Medical Centre, a well-equipped primary and occupational health clinic. Common emergencies can be catered for here and suitable arrangements are in place for medical evacuation to Perth or elsewhere, should this be necessary. At the St Ives mine, similar arrangements are in place for care to be provided by medical practitioners and partners at the Boulder Medical Centre in Kalgoorlie. This facility also has immediate access and admission rights to the Kalgoorlie Hospital.

Leslie Williams Memorial Hospital
The Leslie Williams Memorial Hospital was opened in 1968 in response to growing mining operations in the Carletonville area in South Africa and the distance of these from medical facilities. The hospital has the capacity for 430 beds and places special emphasis on trauma, intensive care and surgical facilities. Modern dentistry and a spectrum of specialists provide services to employees and the surrounding community.

St Helena Private Hospital
St Helena Private Hospital is a 131-bed hospital located near Welkom in the Free State, South Africa. The hospital serves some 12,000 mine employees from Gold Fields’ Beatrix and other neighbouring mines. The hospital also serves private patients in the Welkom community, providing hospital care for more than 3,500 non-Gold Fields patients.
Since 1980, 20 million people have died of HIV/AIDS throughout the world. It is estimated that a total of 60 million people have lived with HIV/AIDS over the same period. Sub-Saharan Africa is the most severely affected with 28.5 million people currently living with HIV/AIDS (Source: UNAIDS 2002). The pandemic remains the primary public health issue for the Sub-Saharan region.

HIV/AIDS presents socio-economic challenges for the South African operations. Gold Fields' HIV/AIDS programmes have contributed significantly to establishing a responsible business response to these challenges where treatment options have in the past been constrained by the absence of a state-led treatment programme. The treatment of HIV/AIDS remains a public issue, similar to the treatment of other diseases, and will require innovation as well as the commitment and the sharing of responsibility between the public and private sector.

The company's programme centres on ensuring prevention, providing care and treatment, and pioneering sustainable community support. The company has also established ground-breaking partnerships, particularly with organised labour, government and other business sectors.

**Vision, mission and strategy:**

**Our vision is to:**
- Manage and minimise the impact of HIV/AIDS on our employees;
- To remain globally competitive for the benefit of employees, their families and shareholders;
- Create a sustainable future by investing through education, skills development and HIV/AIDS awareness; and
- Lead and facilitate the management of HIV/AIDS in the workplace and in host and labour sending communities.

**Our mission is to:**
- Ameliorate the impact of HIV/AIDS on Gold Fields, its associated communities and businesses;
- Limit new infections with prevalence peaking at approximately 30 per cent in mid-2003; and
- Manage the cost of HIV/AIDS to remain globally competitive.

**Our strategy is to:**
- Create awareness and provide education and training on HIV/AIDS to employees and host and labour sending communities;
- Offer Informed, Consented, Voluntary Counselling and Testing (ICVCT) for people affected by HIV/AIDS;
- Manage Sexually Transmitted Infections (STIs) amongst employees with the syndromic management approach, and provide STI treatment and Periodic Presumptive Therapy (PPT) to people at high risk in host communities;
- Offer Wellness Management services, including HAART;
- Develop and support home-based care throughout southern Africa, in particular in remote and under-resourced labour-sending communities (including Mozambique, Swaziland, Lesotho and Botswana); and
- Develop and maintain a wide range of empowering partnerships.

The company's programme centres on ensuring prevention, providing care and treatment, and pioneering sustainable community support. The company has also established ground-breaking partnerships, particularly with organised labour, government and other business sectors.

**HIV/AIDS at Gold Fields**

Gold Fields and its predecessor companies have been actively involved in the prevention and management of HIV/AIDS since 1986, when the first case of HIV was observed and monitored in the South African gold mining industry. The company's early HIV/AIDS programme evolved from best practices associated with the comprehensive health care available to employees.
Early in 1999 our then Chairman and CEO, Chris Thompson, assumed a direct role in the group’s HIV/AIDS programme by becoming Chairman of the Gold Fields HIV/AIDS Task Team. This initiated a process of global benchmarking and the introduction and development of best practices, as well as the inclusion of HIV/AIDS management as a key value driver in our strategic planning process. A fully representative HIV/AIDS Plenary, including all representative labour organisations, was established to govern the management of HIV/AIDS within Gold Fields. Initial efforts were focused on consolidating the existing programme and establishing a network of 1,000 voluntary peer educators. Simultaneously Gold Fields initiated a pilot home-based care programme that has evolved into an industry-wide programme covering 70 per cent of all labour-sending communities in Southern Africa.

In December 2001, we signed a policy agreement on the management of HIV/AIDS in the workplace with all participants in the Gold Fields HIV/AIDS Plenary. This landmark event was the first of its kind in the gold mining industry and signalled the maturation of a multi-stakeholder and inclusive approach. This was followed by the joint development of the Gold Fields ICVCT programme and of Wellness Management protocols and processes. In March 2003, the Gold Fields HIV/AIDS Plenary agreed to extend the existing Wellness Management programme to include the provision of HAART to all employees.

**HIV prevalence**

In 2000, Gold Fields commissioned the development of an actuarial model, incorporating all group-specific and published data at its disposal, to model and predict the course of the disease and its impacts. Current prevalence across the group is estimated at approximately 30 per cent and, incorporating the impact of existing prevention and care programmes, is expected to peak at approximately this level. It is projected that, without any intervention prevalence would have peaked at between 38 and 40 per cent in 2008.

**A tailor-made programme**

**Management**

Gold Fields has developed a governance structure for the management of HIV/AIDS, reporting to the board of directors, as well as a representative and participatory structure, known as the Gold Fields HIV/AIDS Plenary. The programme has a dedicated management team responsible for day-to-day management, supported by an area co-ordinator at each of our three operating mines in South Africa. Each mine has its own HIV/AIDS Committee responsible for local planning and implementation.
Awareness and prevention
Extensive training underpins our ongoing prevention and awareness programmes, focusing on events, training, peer education, condom distribution, and syndromic management of STIs.

Well organised and publicised quarterly awareness raising events are held, including sports days, music festivals and HIV/AIDS rallies. These are initiated and planned by employees through the HIV/AIDS committees. Radio, newspapers and poster campaigns are also used to spread educational messages to as many people as possible.

Over the past four years, 1,000 peer educators (50:1 ratio peer educators to employees) have been trained by an expert trainer on a five-day Participative Support Group Principles and Counselling course. Peer educators are deployed from on-mine HIV/AIDS information centres, teaching the principles of ABC – Abstinence, Being Faithful to one partner, and Condomising at all times. They also promote the comprehensive range of free health care services that are offered through the Gold Fields ICVCT and Wellness Management services.

On-mine primary health care practitioners are trained in the principles of syndromic management according to accepted best practice. In line with this, 14 clinics operate 24 hours per day, providing treatment. In F2003, mine medical facilities treated 112 STI cases per 1,000 people, which is a reduction from the prior year of 147 per 1,000. STI counselling is provided to all patients who attend the clinics.

Co-ordinated outreach programmes through strategic partnerships with other mining companies, government, community based organisations (CBOs) and non-governmental organisations (NGOs) are managed by the HIV/AIDS management team. The partnerships cover the communities immediately surrounding our South African operations and it is planned that approximately 90 per cent of the labour sending areas will be covered by the end of F2004.

These outreach programmes target high-risk groups to promote behaviour change, provide access to counselling, manage STIs syndromically, provide periodic presumptive therapies, actively promote condom usage, and promote home-based care.

Voluntary counselling and testing
The ICVCT programme was officially launched in August 2002, with the CEO, Ian Cockerill, and national leaders of organised labour electing to be tested, thereby endorsing the programme. The programme adheres to WHO guidelines and, regardless of test results, participants receive in-depth pre- and post-test counselling.

Care, support and treatment
The Wellness Management programme has been designed to extend the asymptomatic, productive life of employees living with chronic diseases, including HIV/AIDS. One-on-one counselling is given to all employees attending the wellness clinics. Apart from comprehensive treatment for all chronic illnesses and secondary infections, specific nutritional and immune boosting supplements are provided. Medical support includes the management of opportunistic infections. Early identification and treatment of other opportunistic infections such as thrush and PCP are also regularly treated and monitored. Other drug therapies are also available, including HAART.
Access to anti-retroviral treatment

All of our programmes are now sufficiently entrenched to warrant the further extension of anti-retroviral therapy to all affected employees. Gold Fields had previously provided anti-retroviral therapy to prevent mother to child transmission, as well as post-exposure prophylaxis to rape victims and employees with occupational exposure to HIV. In terms of an announcement made on 1 April 2003, those employees who qualify for anti-retroviral therapy will now be provided with HAART.

The provision of HAART is expected to cost between R800 and R1,500 per month per treated employee and this cost is expected to decline. It is estimated that the current total cost of HIV/AIDS to Gold Fields is approximately US$3.22 per ounce of gold produced. The provision of HAART will increase that to approximately US$3.25 per ounce in the first year, and to approximately US$5.00 per ounce in 2009, when costs are expected to peak.

Creating sustainable solutions

Given the present characteristics of the HIV pandemic, no single approach or model is likely to be ideal for all situations. State clinics and hospitals in southern Africa have neither the capacity nor the resources to cope with extended hospital stays, especially in rural regions. However, creating and building safety nets through community support is an essential extension to caring for increasing numbers of ill people, whether directly from HIV/AIDS or indirectly, as a result of HIV/AIDS associated illnesses.

Gold Fields, together with a network of funding agencies, hospitals and clinics, aims to continue playing an important role in encouraging affected communities to build capacity and offer the necessary care and support to all ill persons. The process of developing community outreach programmes has directly influenced the number of people that benefit from Gold Fields' leadership, management and skills.

Co-ordinated outreach programmes provide the crucial elements that support community-based capacity building and self-sustained development. These are home-based care, support groups, income-generating activities and care and support for children in distress. Employees' home-based care is managed and financed according to a service level agreement with TEBA currently covering approximately 70 per cent of labour-exporting communities. By the end of F2004 the home-based care programme (called Hlalupilile) will cover more than 90 per cent of such communities.

Looking ahead

The most pressing challenge facing both South Africa and Gold Fields remains the development of a credible, comprehensive, nationally-available and sustainable response to the prevention of HIV infection and the treatment, care and support of people affected by HIV/AIDS. This requires political will, commitment, initiative and leadership. The recent announcement in August 2003 by the South African government on the provision of HAART is welcomed. We as a group will continue to play a leading role in the fight against HIV/AIDS and, in particular, the search for new and improved approaches, technologies and medications for the prevention and treatment of HIV/AIDS.

A challenge in the short term is to increase ICVCT uptake from the present 8 per cent to 20 per cent by the end of calendar 2003 and to 70 per cent by the end of calendar 2004, together with the provision of HAART to infected employees. Voluntary peer educators and other stakeholders are expected to play a significant role in this process. A related challenge is the ongoing destigmatisation of HIV/AIDS, and this is being addressed through a combination of efforts including the visibility of leadership on HIV/AIDS as well as ongoing education and training on the subject.

While studies at the Gold Fields operations in Ghana show a relatively low level of infection in comparison with the South African environment, the Ghanaian government actively engages with communities through awareness and education campaigns. Gold Fields operations here remain particularly vigilant in their approach, using lessons learnt in South Africa.
Social Performance Indicators

**Investment in communities**

Corporate social investment (CSI) forms an important and integral part of Gold Fields’ broader community relations efforts in each of the communities where we have mines.

All CSI activities are administered and coordinated through the Gold Fields Foundation. The Foundation has affiliated, but independent structures in South Africa, Ghana and Australia, with a board of Trustees responsible for the governance of the Foundation in each country, including the approval of projects and the allocation of funds. The board of Trustees is supported by a CSI Committee at each operation and takes an active role in the selection and management of projects.

The Foundation’s mission is to promote and facilitate sustainable socio-economic development and thus improve the general quality of life in communities where our mines operate and where our employees and their families live.

In South Africa, the Foundation receives one rand for every ounce of gold produced and 0.5 per cent of pre-tax profits. A similar formula is used in Ghana and Australia, with income ring-fenced for use only in the country where it was generated. In the past year the Foundation received R14 million in South Africa, US$485,000 in Ghana and AUS$575,000 in Australia.

**Community policy statement**

Gold Fields Limited maintains open and honest relations with its communities. Recognising that each local community is different, our policy is that every operating subsidiary will strive to understand and interact constructively with local communities and assist in their development. Mutual respect is essential to lasting, beneficial and interactive relationships between the operating subsidiaries and local communities and this requires continuing and effective two-way communication and delivery on realistic expectations. Active partnership is also sought with regional and national governments and other interested and affected parties wherever the group operates. Long-term commitment from local communities is sought so that social, environmental and economic well-being is safeguarded and, where possible, enhanced throughout the duration of Gold Fields’ operating tenure and beyond.

**South African corporate social investment expenditure in F2003 (Rm)**

![Chart showing investment expenditures]

<table>
<thead>
<tr>
<th>Category</th>
<th>Expenditure</th>
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<tbody>
<tr>
<td>Primary and secondary education</td>
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<tr>
<td>Tertiary education</td>
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<td>Community development</td>
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<td>Community health</td>
<td>0.7</td>
</tr>
<tr>
<td>Environmental education</td>
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**Gold Fields Foundation celebrates ten-year partnership in environmental education**

The Gold Fields Environmental Education Service Centre at Rhodes University in Grahamstown, South Africa offers various environmental education courses and programmes with extensive recognition in the Southern African Development Community (SADC) region. This centre provides, among other things, teaching and resource materials, distance-learning courses and materials, and training in environmental education. It also endeavours to set standards for new environmental education qualifications. Numerous courses have been developed and implemented successfully across South Africa’s borders into Zimbabwe, Swaziland, Lesotho, Malawi, Namibia, Angola and Mozambique.
While each operation is encouraged to support projects that are uniquely matched to the development needs of its communities, the general focus is on education, health care, socio-economic development, environmental education and entrepreneurship. It is a general principle of the Foundation that it should pursue partnerships with local, regional and national government and ensure that projects form part of recognised development plans and strategies of the communities in which they are situated. In addition to the work done in host and neighbouring communities, Gold Fields has an extensive social investment presence in remote rural communities where many employees live.

Education programme

The bias towards education is based on the philosophy that education is the cornerstone of a successful nation. Much of the Foundation's education funding during the past year has been directed at primary and secondary education. In South Africa, there has been a focus on the provision of infrastructure such as classrooms, laboratories, libraries and administration buildings to schools in the Free State, Eastern Cape and KwaZulu-Natal. We continue to support teacher development programmes in mathematics, science, technology and languages. In an effort to retain high quality teachers in the rural communities around the Damang mine in Ghana, Gold Fields subsidises teachers' salaries. At Samahoo, a village near Damang, Gold Fields funded the construction of a six classroom school with a fully equipped library. In Australia, Gold Fields reacted to reduced teacher numbers by funding a variety of projects aimed at maintaining adequate teaching standards.

At a tertiary education level Gold Fields has, during the past year, supported several universities by contributing to infrastructure, equipment and resources for research projects. Tertiary institutions that have received grants include the universities of the Witwatersrand, Venda, Western Cape and Cape Town.

Health care

Our health care focus is on helping communities around our mines and in the remote rural areas to access health care by building clinics, refurbishing local hospitals and supporting the growth and development of health care workers through the Gold Fields Nursing College situated in Carletonville. The college provides training for about 240 professional nurses a year to meet the requirements of not only mine hospitals, but also the broader community. The college is a fully accredited nursing education institution and has an accreditation agreement with Potchefstroom University. The college provides training for mine personnel and assistance to the South African National department of Health when requested.

Other programmes include home-based care initiatives in the major labour-sending areas. Gold Fields was instrumental in establishing the Bambisanani Pilot Project in the Eastern Cape. This is an internationally acclaimed community-based health care project for people living with HIV/AIDS and other terminal diseases.

In Ghana, health care at the Tarkwa operation is a priority with the only health care facility more than ten kilometres away from the New Atuabo village. In co-operation with government and traditional leadership, a fully equipped clinic was completed in mid-2001.

More recently Gold Fields Ghana collaborated with Project Cure, an international non-governmental organisation (NGO) to bring more than US$3 million of donated medicines, hospital supplies and equipment to Ghana, with much of it placed in the Tarkwa/Damang area.

Litshovhu Secondary School
The Litshovhu Secondary School at Louis Trichardt in Limpopo Province was reopened in June 2002 after Gold Fields spent R1.1 million upgrading the school for the Madombisha community. The school is named after the chief of the local village. Gold Fields has built six extra classrooms, a laboratory and a library. Prior to the upgrade, lessons were often held under a tree or in corrugated iron shacks. Students had not previously done any laboratory experiments nor spent time in a formal library, all of which is now possible.
Community development programmes
The emphasis of our community development programme is to improve the quality of life, particularly for those living in less privileged, remote rural areas. Donations are made to various worthy charitable causes, specifically those focused on members of society who are at risk, such as the aged, the very young and the handicapped.

New community initiatives in Ghana have included alternative livelihood projects for the communities and have focused on job creation and income generation by developing non-mining industries such as rabbit and pig farming, cultivation of primary agricultural produce, and fabric design. Four hundred people at the New Atuabo village have benefited from the programme.

At Tarkwa, wells have been sunk to supply potable water to the nearby communities in the villages of Brahabobom, New Atuabo, Iabe Koase, Humiso, Pepisa and Tebe. Damang also continues to promote its community development programmes which focus on water, sanitation and education. During the past year local communities have benefited from the installation of eight wells and two additional classrooms.

The Gold Fields Foundation supports numerous education initiatives. Wozabona is a NGO that focuses on the education of educators and the provision of educational material, particularly in inner city areas where there are few facilities. Here Iona Cockerill and Colleen Thompson (centre left) join staff and children at an inner-city pre-school in Johannesburg.

The Gold Fields Foundation funded the establishment of the much-needed Paediatric Oncology Ward at the Chris Hani Baragwanath Hospital in Gauteng, South Africa. The unit serves children from all over southern Africa.
Managing environmental impacts

Gold Fields operates in a highly dynamic business climate that increasingly demands a dynamic response to changes in social values and public expectations of corporate behaviour. We are committed to the continuous improvement of environmental performance at both a corporate level and on an operational level. This commitment to continuous improvement is embodied in the methods, techniques and systems which have led to successful outcomes and the formal recognition of this journey to excellence.

It is with great pride that we can report that all our international operations have now been certified as ISO 14001 compliant, following the certification of our South African surface operations in F2002.

Management systems and policies

Each operation manages its environmental performance through the application of its integrated environmental management system, with appropriate strategic direction and guidance from the Gold Fields corporate office.

Gold Fields’ Environmental Management System is certified to ISO 14001 requirements and includes specific environmental objectives, operational procedures, monitoring and measurement, auditing and review as well as requirements for site-specific environmental management plans.

Individual environmental management plans are prepared and documented and performance is monitored at every site where we conduct mining activities. Biannual external audits are performed on the entire environmental programme, from management systems to physical pollution prevention infrastructure, waste minimisation strategies and water and energy conservation.

We have developed a group-wide internal system of reporting guidelines to evaluate environmental management performance. The reporting guidelines cover all environmental management issues such as performance and incidence reporting as defined in the ISO 14032 series.

Five key areas of environmental management are reviewed below, namely water, energy, waste, land stewardship and biodiversity.

Gold Fields Limited environmental policy statement

As a global independent precious metals company, Gold Fields Limited undertakes its activities in a manner that minimises or eliminates negative impacts and maximises positive impacts of an environmental or socio-economic nature. The company is committed to responsible stewardship of natural resources and the ecological environment for present and future generations.

To attain the overall vision, the company will strive to:

- Meet the requirements of industry standards with respect to environmental management practices;
- Continually improve environmental performance and implement processes, practices, materials or products that avoid, reduce or control pollution;
- Take cognisance of, and comply with applicable environmental legislation, regulations and other requirements to which the organisation subscribes;
- Apply an open and transparent approach in our daily interactions with stakeholders;
- Minimise waste and environmental damage;
- Minimise the use of consumptive resources, and promote the reduction and recycling of waste products where possible;
- Integrate environmental management into management practices throughout the company;
- Exercise prudence with critical ecological resources and where impacts are unknown or uncertain; and
- Train and educate employees in environmental responsibilities.

Employees of Gold Fields Limited, play a fundamental role in achieving these objectives by:

- Taking ownership of environmental management programmes and initiatives;
- Reacting and adhering to the group’s environmental policy and principles; and
- Integrating environmental concerns into everyday practices.
Water

The integration of both the qualitative and quantitative aspects of water management into daily operational activities underpins Gold Fields’ commitment to preventing pollution, reducing the consumption of resources and continual improvement in effective water resource management.

Fresh water consumption in F2003 totalled 26 million cubic metres compared to 21 million cubic metres in F2002. Water is used more extensively in the deep-level South African operations for cooling, backfill support and hydropower, than in the shallower opencast operations in Ghana and Australia. Operations recycle water and maintain detailed water balances that enable them to identify opportunities to reduce water consumption.

Ground water removed from the mine workings is a primary source of make-up water for mining and mineral processing. The quantities of water produced by dewatering vastly exceed the make-up water requirements. In addition, potable water is purchased from water suppliers.

Extensive ground and surface water quality programmes are in place at all the operations. The objective is to monitor and minimise the pollutant effect of effluents from mining operations.

Although the Ghanaian operations are situated in a moist tropical environment where annual rainfall exceeds annual evaporation rates, sufficient water storage needs to be provided on site for the three-month dry season. At Tarkwa, replacing heap leach sprinklers with drip tubes is reducing water loss through evaporation. Discharges from the processing circuit at Tarkwa are occasionally required during periods of heavy rainfall and are allowed in terms of the operation’s environmental permit. A hydrogen peroxide detoxification system is used to ensure that these discharges comply with regulatory requirements. Following the closure of the south tailings storage facility, Damang obtained a permit to discharge and allow the tailings’ surface to dry and allow for rehabilitation. The discharge meets the relevant water quality standards and is fully covered by the operation’s environmental operating permit.

St Ives imports potable water from the Perth Water Corporation via a 650 kilometre pipeline. Its mining operations are on the edge of Lake Lefroy, a 544 km² salt lake and potable water is required to dilute saline process water sourced from groundwater supplies.

The recycling of water at St Ives is necessary as there are restrictions on the quantities of potable water that can be imported and borehole water that can be abstracted. A water users group was established at the mine to identify and investigate water use alternatives across the site. The process plant at St Ives previously discharged water with salts in excess of 60,000 milligrams per litre of total dissolved solids (TDS) into Lake Lefroy. This is now recycled.

Energy

Gold Fields’ South African operations consumed approximately 15,000 terajoules of electricity during F2003 compared with 17,000 terajoules in F2002. Benchmarking of power consumption has been set throughout all operating units down to end-use components. The main power consumers are air compressors and mine de-watering pumps, which contribute to approximately 50 per cent of the total power consumed at these operations. At the international operations the plants are the largest consumers of electricity. The second largest

Seepage interception and pollution management at Beatrix 4 Shaft

Seepage from the evaporation dams on the western boundary of Beatrix 4 shaft surfaced on neighbouring farmland and threatened to pollute farmers’ boreholes.

A ground water study found a weathered dolerite dyke passing beneath the evaporation dams, which acted as a preferential flow path for the seepage. Extraction from the farmers’ boreholes would cause the seepage plume to spread from this flow path, eventually resulting in the boreholes becoming polluted. The use of the boreholes was stopped after the mine supplied the farmer with an alternative water source. An interception trench was constructed to capture the seepage water and return it to the evaporation dams.
source of energy is diesel and petrol, used in mechanical machinery such as trucks and loaders that are used extensively at the open pit mining sites. Programmes to measure consumption and reduce inefficiencies through energy conservation initiatives are being benchmarked to highlight potential savings.

Waste
Managing waste responsibly and effectively remains a challenge at our operations. Operations have waste management procedures in place as part of their ISO 14001 environmental management systems. The largest waste item recorded for the period was tailings. Gold Fields disposed of 24 million tonnes of tailings to tailing facilities in F2003, compared to 21 million recorded in F2002.

Recyclables include metal, timber, oils, grease, paper and plastic. The South African operations recycled 12,000 tonnes of metal in F2003 compared to 9,000 tonnes for F2002. There is a continual drive to reduce the amount of hazardous waste sent to licensed disposal facilities, while general waste that is not recycled is sent to licensed landfills. Improvement in separation practices will occur as more personnel are properly trained. This process is underway.
Current waste management procedures at all operations include returning waste hydrocarbons to suppliers for recycling or secondary use, returning used batteries to recyclers, and the separation of waste contaminated with chemicals. In Ghana, on-site landfill sites approved by the Environmental Protection Agency are used to dispose of waste that is not recycled or reused.

Land stewardship
Gold Fields believes that land is a multi-dimensional store of value, capable of yielding a stream of economic, social, environmental and cultural benefits both for present and future generations. The company, in realising the unique set of challenges faced in terms of land use, from the exploration phase to rehabilitation after mine closure, has committed to an integrated approach to land management.

In Ghana, rehabilitation of land is a business imperative, as land is a source of livelihood. In F2003, the Ghana operations rehabilitated 130 hectares of land. The South African operations have postponed some tailings dam rehabilitation activity as investigations into the reprocessing of tailings continue.

At Damang, farm land is plentiful allowing for a meaningful agricultural emphasis. Enhanced farming techniques have been taught to members of neighbouring communities and have yielded excellent results with increasing and better quality crop yields. Another challenge in high rainfall areas is soil erosion and this has improved markedly since the inception of agricultural development programmes.

At our Ghanaian operations, proximity of established communities to proposed mining operations has, at times, necessitated the consideration of the resettlement of affected communities. Relocation, or totally buying out the interest of the land occupiers, is not considered, but rather resettlement to an acceptable location as close to the original site as is reasonably possible is the preferred option. Such resettlements have only been undertaken when the following criteria have been met:

- Extensive consultation with all stakeholders, including government;
- The informed consent of the affected communities and every landlord;
- Agreement by all concerned regarding alternative accommodation standards and compensation; and
- Full involvement of governmental agencies including the local District Assembly, the Land Valuation Board and the regional government.

Such resettlements can only be undertaken, and the relationships between the community and the mine sustained thereafter, when the process involves a high level of trust. At Damang some 40 households were resettled during the year as a result of the expansion of mining activities without disputes or legal actions undertaken. This bears testimony to the integrity of the process and the quality of the relationship between the company and the affected communities.

Biodiversity
While none of the areas in which Gold Fields operates have been identified as areas of valuable biodiversity, we closely monitor compliance with relevant legislation at international, regional and national levels, including the RAMSAR Convention on Wetlands of International Importance and the World Heritage Convention.

It is to this end that the company requires all operating entities to consider the preservation and conservation of biodiversity in existing and new projects.

Environmental incidents and fines
During F2003, our operations were not in breach of any environmental regulations and therefore did not pay any fines in this regard. We have taken reasonable measures to mitigate potential environmental impacts, largely attributable to the requirements of the ISO 14001 standard, with due emphasis placed on monitoring and reporting of incidents.

Systems for dealing with incidents are well developed and include notification, response and reporting procedures, while a group-wide procedure for the classification and reporting of incidents has been established.
Sustainable Development Report 2003

Gold Fields staff at St Ives are exposed to ongoing biodiversity education, particularly with regards to conserving endangered flora and fauna. The Mallee Fowl, for example, is unique to Australia but has suffered a massive decline in population and distribution over the last 100 years. This is a ground-dwelling bird approximately twice the size of a chicken. One of the most distinguishing features of the bird and its habitat is the size of its nests, which are sometimes more than four metres in diameter. Nationally the Mallee Fowl is listed as vulnerable and is recognised as a species in need of national conservation efforts. The main threats to the species come from predation by introduced cats and foxes and from a loss of habitat through clearing and fires. Considering only an estimated 2 per cent of all hatched Mallee Fowl survive to maturity, the disturbance of active nests is also a considerable threat to the birds. Exploration methods at St Ives have changed significantly due to the sensitive nature of the environment where the Mallee Fowl nests. The exploration team uses a global positioning system (GPS) and demarcates 100 metre exclusion zones to ensure minimal impact on this environment.

Environmental incidents – F2002 and F2003

<table>
<thead>
<tr>
<th>Type of incident</th>
<th>Brief description</th>
<th>F2002</th>
<th>F2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 2</td>
<td>Incident that contains minor non-compliances that result in short-term and limited adverse environmental impact.</td>
<td>59</td>
<td>144</td>
</tr>
<tr>
<td>Level 3</td>
<td>Incident that contains limited non-compliances. These non-compliances are those that result in ongoing, but limited environmental damage</td>
<td>7</td>
<td>4</td>
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<tr>
<td>Level 4</td>
<td>Incident that contains significant non-compliances. These non-compliances are those that result in medium-term environmental damage.</td>
<td>3</td>
<td>0</td>
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<tr>
<td>Level 5</td>
<td>Incident that contains major non-compliances. These non-compliances are those that result in long-term environmental damage.</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Note: Reporting on level 1 incidences has been excluded as they refer largely to administrative non-conformances with little or no significant impact on the environment.

The rise in incidents reported is considered to be a positive indicator of the greater awareness and the more stringent reporting standards which have come about as a result of the ongoing focus and training in environmental issues, rather than an increase in actual incidents.

Environmental obligations

Long-term environmental obligations are based on the operating subsidiary’s environmental management plans, in compliance with current environmental and regulatory requirements. These plans are updated and detailed annually through an operational and strategic planning process. The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation or technology or other circumstances.

For the South African operations, Gold Fields has paid R275 million to date to the Environmental Rehabilitation Trust Fund. Ghanaian mining companies are required by law to rehabilitate land disturbed as a result of mining operations. In Ghana, Gold Fields funds environmental rehabilitation costs by posting a reclamation bond, and to date an amount of US$3 million has been secured. In Australia, Gold Fields guarantees its environmental obligations by providing the Western Australian government with unconditional bank-guaranteed performance bonds to the amount of AUS$12.3 million.

Community feedback

In accordance with ISO 14001 requirements, all environmental and related grievances received are handled according to formalised procedures at each operation. This process establishes the method for receiving and dealing with environmental complaints, compliments and queries from stakeholders. The objective of the procedure is to provide rapid, satisfactory and friendly responses to matters raised.
Economic Performance Indicators

Contributing to the economy

This section provides an overview of the total economic impact of Gold Fields on its stakeholders as well as broader economic systems at a local and global level. The total economic contribution that an organisation creates through its business activities can be divided into direct and indirect impacts. Direct impacts focus on traditional financial indicators and measure the monetary flows between the organisation and its key stakeholders; while indirect impacts focus on intangible assets that do not appear in financial statements and measures the costs or benefits arising from the company’s activities within the broader economy.

Gold Fields, as the second largest producer of gold in South Africa and the fourth largest producer in the world, has made and will continue to make a meaningful contribution to the economic wealth of the areas in which we operate. With approximately 70 per cent of the group’s assets located in South Africa, most of the benefits created through our operations’ business activities have accrued to the southern African region.

Direct impacts

Employment

One of the major benefits created by our operations is job creation. This is especially true in South Africa and Ghana, both of which are characterised by high levels of unemployment and poverty. Gold Fields is one of the largest employers in the South African mining industry with a workforce of around 46,000 people (employees only). In F2003 the total wage and salary bill including all wage related costs such as pension contributions, medical contributions, housing allowances and other employee benefits amounted to R3.3 billion. According to the Chamber of Mines of South Africa, it is estimated that each employee in the mining industry has between seven and ten dependents. By implication, some 400,000 people benefit from Gold Fields’ mining activity in the country. Apart from South Africa the group also employs a further 1,400 people at its operations in Ghana and Australia.

Procurement

Our procurement activities contribute significantly to both the creation and support of a number of industries. Roughly 63 per cent of total expenditure1 is attributable to procurement and in F2003, R5.8 billion was spent on materials and services of which almost 100 per cent flowed to locally based companies in the regions associated with our operations. In South Africa, we have supported government initiatives to grow and encourage greater participation of the HDSAs in the economy. This is being achieved through the implementation of a HDSA small and medium enterprise procurement and development policy. In F2003 the procurement expenditure with black economic empowerment companies represented 7.9 per cent of total procurement spending in South Africa. Targets are in place to increase this to 30 per cent over a period of five years.

Contractors and suppliers

Through participative dialogue, Gold Fields is committed to increasing communication between the company and its suppliers. The company is in the process of developing compliance requirements to raise awareness and increase the understanding of health, safety, environment and community matters as they pertain to the procurement of goods and services.

1 Refers to cost of all goods, materials and services purchased, including cost of contractors.
Providers of capital

Providers of capital received a total of R1,834 million in F2003. This was split between R1,746 million as dividends and R43.9 million as interest. Since F1999, Gold Fields has maintained a steady dividend policy of 50 per cent of earnings for the year before taking into account investment opportunities. For F2003 the final dividend took into account the unrealised gains on financial instruments and exceptional items - this resulted in a 59 per cent payout. With a strong commitment to creating shareholder value, the group has paid more than R3.7 billion in dividends since F1999. Institutional investors who manage, inter alia, large pension and retirement funds represent a significant portion of the company's shareholder base. Hence the performance of Gold Fields as a company contributes to the savings and or retirement benefits of many individuals throughout the world.

Taxes

Given the very long-term nature of the group's business, Gold Fields is a reliable source of revenue for governments in the countries where it operates. Gold Fields has paid almost R2 billion in taxes to these governments since 1998. These taxes are a significant source of revenue to government as they contribute to the development and maintenance of various initiatives such as infrastructure development.

Indirect benefits

Economic empowerment

Beyond the political transformation of South Africa, we understand and support the need for economic transformation to encourage broad-based participation in the economy. Illustrative of the company's commitment to empowerment, Gold Fields in F2002 entered into an agreement with Mvelaphanda Resources Limited (Mvela), the first black controlled precious metals company to list on the JSE Securities Exchange South Africa. This agreement provides for participation of 15 per cent in any new project in which Gold Fields secures a right or interest within Africa. More recently in a further transaction with Mvela, and subject to a number of conditions precedent, it has been announced that Mvela will acquire a 15 per cent beneficial interest in the South African assets of Gold Fields. (Further details of this transaction are available in our F2003 annual report.)

NEPAD

Gold Fields supports the South African government's initiatives on the New Partnership for Africa's Development (NEPAD) and its commitment to contribute to the development of the whole of the continent.

We are a member of the Nepad Business Initiative and a signatory to the initiative's Business Covenant on Corporate Governance; Business Declaration on Corporate Responsibility; Business Covenant on the Elimination of Corruption and Bribery; as well as the Business Declaration on Accounting and Audit Practices.

In addition to its two mines in Ghana, West Africa, Gold Fields has extensive exploration interests in Tanzania, Kenya, Eritrea, the Democratic Republic of the Congo, Senegal, Ivory Coast, Guinea, South Africa and Burkino Faso.

Investments

Deep-level mining is a capital intensive, long lead-time industry; hence a significant amount of time and financial and human resources are invested in any project that the company undertakes before it is brought on stream. In South Africa, Gold Fields has invested approximately R1.4 billion in capital spending for the period under review, and there are a number of expansion projects currently under feasibility studies.

Gold Fields has also been a source of foreign direct investment (FDI) to Ghana and Australia. FDI is significant in that it not only creates employment and adds to the economic health of a nation, but it also allows for the development of various supportive industries and it creates a platform from which the transfer of knowledge, skills (human capital), technology and best practice can be achieved.

During F2003, we completed and approved a feasibility study which will result in an investment of a further US$159 million in Tarkwa. This investment will increase the life of mine by some five years and demonstrates our commitment to this country.

We are presently incurring annual exploration spend of AUS$30 million at St Ives mine in Australia with the aim of modernising the site and then investing a further AUS$110 million in a proposed new metallurgical plant.
Social
Income and employment
Gold Fields’ procurement activities in the various regions in which it operates have contributed to the creation of employment opportunities and income for many people. This, in turn, is supportive of local communities and the broader economy where further jobs are created as a result of an increase in consumer spending.

Community development
We are committed to uplifting the communities in which we operate by investing in community development projects. Given that many areas where the group operates are characterised by poverty, low literacy levels and inadequate health care and infrastructure development, projects such as these contribute to the economic benefit of all concerned and create good community relations. Gold Fields contributes 0.5 per cent of pre-tax profits as well as one rand per ounce of gold produced to the Gold Fields Foundation. (The work of the Foundation is described on page 26.)

Technology
Productivity
Gold Fields continuously strives to improve productivity and has introduced a number of initiatives to increase efficiency and reduce production costs at the group’s mines. These include:

Safe Quality Planned Blast (SQPB)
This is a broad-based programme covering various activities that form part of the underground mining process to provide for a safe, single blast per planned cycle at the stope face or development end to meet specific production targets.

Cost, supply and labour management
Gold Fields has implemented standardised cost reporting with uniform terminology and has introduced various systems to centralise procurement, improve vendor management and to share services among shafts and operations.

Integrated resource and reserve information system (IRRIS)
An integrated electronic mine planning software package has been implemented to provide a common mine design and scheduling planning platform to facilitate quicker, more flexible and more accurate short- and long-term planning capability.

Refrigeration and ventilation infrastructure
Refrigeration and ventilation systems in the deep-level South African gold mines have been upgraded to increase efficiency, and to establish environments conducive to high levels of productivity.

Optimising existing assets
Gold Fields seeks to exploit its assets optimally through improved planning, mining, processing and loss control, and also through expanding assets to create value. The plant modernisation programme, undertaken across the group at a cost of R383 million, is an excellent example of the group’s strategy to promote best practice, continuous improvement and the application of appropriate technology.

Gold theft
The theft of gold-containing substances from operations is something that occurs worldwide, but is perhaps more immediately apparent in South Africa given the large volumes of precious metals produced against the background of poor socio-economic conditions. In 1999, Gold Fields reviewed security arrangements at all its South African operations. Gold Fields established a mine asset protection department, which has played a pivotal role in the reduction of gold theft. A pleasing outcome has been the higher levels of employee integrity, breaking the cycle of collusion and significantly contributing to reducing the levels of theft.

Research and development
Project AuTEK
A lack of progress in downstream added value to commodities such as gold has led to a pioneering initiative to pursue research into the development of new industrial uses for gold such as in catalysts in the chemical industry. With Gold Fields’ support, AuTEK has been able to expand its focus into nano-technology and other advanced technologies, which could result in the development of potential new markets for gold. Gold Fields, AngloGold and Mintek are AuTEK’s primary partners.
Economic Performance Indicators

**Group value-added statement** for the year ended 30 June 2003

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<th></th>
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<th>%</th>
<th>2002</th>
<th>%</th>
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<td></td>
<td>Rm</td>
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<td>Turnover</td>
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<td>12,528.4</td>
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<tr>
<td>Cost of materials and services</td>
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<td>Value added by operations</td>
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<td>92.9</td>
<td>7,913.1</td>
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<td>Realised and unrealised gains on financial instruments</td>
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<td>Profit on disposal of St Helena</td>
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<td>-</td>
<td>121.7</td>
<td>-</td>
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<td>Other income</td>
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<td>1.1</td>
<td>682.0</td>
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<td>100.0</td>
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<td></td>
<td>9,416.4</td>
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<td>8,518.9</td>
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<td><strong>Employees</strong></td>
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<td>Salaries, wages and other benefits</td>
<td>38.4</td>
<td>37.6</td>
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<td>3,201.9</td>
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<td><strong>Providers of capital</strong></td>
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<td>Dividends paid to shareholders</td>
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<td>7.1</td>
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<td>Finance cost/(income)</td>
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<td>(1.0)</td>
<td>12.2</td>
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<td><strong>Government</strong></td>
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<td>Taxation</td>
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<td>8.9</td>
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<td>Amortisation and depreciation</td>
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<td>Deferred taxation</td>
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<td>5.4</td>
<td>634.9</td>
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<td>Minority shareholders’ interest</td>
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<td>1.5</td>
<td>128.0</td>
<td>123.8</td>
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<td>Retained earnings for the year</td>
<td>12.8</td>
<td>29.0</td>
<td>1,206.6</td>
<td>2,467.3</td>
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<tr>
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<tr>
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<td>9,416.4</td>
<td></td>
<td>8,518.9</td>
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</tr>
</tbody>
</table>
SECTION 4: Our story

A. Case study 1
The ISO imperative

B. Case study 2
Building relationships in Ghana

C. Case study 3
Gold Fields sponsors productivity capacity-building project

D. Case study 4
Living Gold – building a better future

E. Case study 5
Containing pollution at Driefontein

F. Case study 6
The Capanema exploration project in Brazil

G. Case study 7
A paradigm shift at St Ives’ Lake Lefroy

These businesswomen, participated in Gold Fields’ sponsored National Productivity Institute’s capacity-building programme for small and medium enterprises.

Living Gold’s long-stemmed large headed rose blooms will fetch premium prices in world markets. At full capacity this agricultural initiative in the Carletonville area of South Africa will produce 25 million top quality rose stems annually.
Case study 1

The ISO imperative

**BEST PRACTICE FOR SUSTAINABLE DEVELOPMENT**

We recognise that sound environmental management is a fundamental building block towards achieving sustainable development and have developed a strategic approach to environmental management. Our two foremost aims are to remedy damage and adopt a proactive stance in preventing further environmental impacts. In the interests of adopting best practice, the ISO 14001 management system, an internationally accepted standard for environmental management systems, was chosen for Gold Fields operations. The ISO 14001 management system is an all-encompassing system that identifies current and future potential impacts and requires that formalised management actions be compiled and committed to at all levels within the organisation. The system caters for macro issues, such as rehabilitation of disturbed land and the mitigation of potential impacts on a regional scale, through to micro issues that may arise from daily activities, such as the correct handling and disposal of all waste products that may ultimately present a cumulative impact. Furthermore, the ISO 14001 system requires environmental concerns to be fully integrated into everyday practices and responsibilities.

Considering the above, the implementation of the system has been a mammoth task. For each and every aspect that has been identified, objectives, targets and associated management plans have been developed, inclusive of responsibilities and time frames for completion. In addition, all existing non-environmental management systems have been comprehensively evaluated to identify possible conflicts or opportunities for synergy to ensure full integration and that the system adds value at our operations.

Progress towards ISO 14001 certification commenced at the South African operations in 1999/2000, with the international operations beginning to implement their systems in 2001. The South African operations were certified in June 2002. Certification of the operations in Australia and Ghana followed in June 2003. The international auditing companies Bureau Veritas Qualité Internationale (BVQI) and Société Générale de Surveillance (SGS) undertook the certification.

The development of an ISO 14001 certifiable management system encompasses the following actions:
- Development of core policies and procedures pertinent to the business, which dictate the functioning of the management system and range through all requirements from responsibilities to ultimately the review of the system;
- Intense scrutiny to determine environmental aspects and associated impacts which may arise through normal, abnormal and emergency situations;
- An evaluation of the legal requirements and repercussions;
- The development of achievable environmental management plans that are supported by appropriate management structures, objectives and targets; and
- Continual auditing to ensure that non-conformances to system requirements are identified and appropriately rectified.

In the short space of time since implementation, this proactive approach to environmental management has reaped many benefits for the company. With a structured management system in place it is easier to identify regulatory requirements and environmental aspects, which having been identified, can be monitored, inspected, audited and reported in terms of specific procedures and practices.

Certification process

The certification process is one which serves to validate the adherence of the environmental management system to the requirements of ISO 14001 and encompasses:
- An initial external audit against the strict requirements of the ISO 14001 standard that focuses primarily on procedural requirements;
- An external certification assessment that focuses on the actual implementation of the system and levels of ownership by all employees;
- Once requirements have been fulfilled, the external auditors forward a recommendation for certification to an international accreditation authority; the entire auditing process is subject to stringent validation; and
- Following successful validation, an ISO 14001 certificate is issued that is subject to continual external audits on a six monthly basis.
Case study 1 (continued)

With a formalised management review process all employees take responsibility for good environmental management and practice. These are communicated through comprehensive training programmes, an inherent requirement of ISO 14001, and take place on two levels – one as induction training and secondly through specialised and specific competency training, identified by a needs analysis.

Environmental management systems at the operations focus on prevention strategies, which are inherently more cost-effective, for example the construction of a spillage containment facility will ultimately be more cost-efficient than the remediation costs associated with constantly having to rehabilitate spillages. Other environmental cost savings are effected by setting specific targets for reductions in the consumption of water, compressed air and electricity.

Other benefits flowing from ISO 14001 certification are the recycling of waste which results in revenue generation, lower environmental liabilities, and increased investor, public and regulatory confidence.

Since certification two external audits have been performed at the South African operations, with notable improvements in environmental management recorded:

- The level of environmental awareness among employees and key personnel is greatly enhanced;
- Key performance indicator trends are positive;
- Good practice is being adhered to (proper waste disposal, correct storage and handling of chemicals, correct storage and handling of hydrocarbons);
- Environmental management is properly documented in all areas;
- Environmental management plans are being adhered to; and
- Environmental targets are being achieved.

This bears testimony to the success of this programme and the company’s commitment to conducting its business responsibly and delivering benefits to all its stakeholders.
Building relationships in Ghana

THE DMCCC LEADS THE WAY IN COMMUNITY CONSULTATION

Gold Fields Ghana’s Damang mine, acquired in January 2002, is situated in a largely rural environment, with several villages, ranging from small hamlets to communities with in excess of 5,000 residents in the surrounding area. This situation is in stark contrast to Gold Fields Ghana’s larger Tarkwa operation which is in close proximity to a number of larger settlements. The sustainable development initiatives at Damang reflect its different location and circumstances, but with the common thread of improving the quality of life for communities.

The Damang Mine Community Consultative Committee (DMCCC) is the formal structure through which the mine interacts with local stakeholders. Meetings are held every two months where the company makes presentations on various mining and processing activities, proposed and ongoing exploration activities, rehabilitation works, labour issues and upgrades to community infrastructure. Community representatives are encouraged to comment on presentations and source input from as wide a range of community members as possible. Members’ recommendations are taken into account so that all planning has mutually beneficial outcomes. The DMCCC ensures that:

■ Community issues and concerns being taken into account at the planning/development stage;

The Damang Mine Community Consultative Committee (DMCCC) was established in 2001 to function as a consultative group to ensure effective and open communication between the mining company and the surrounding communities. The composition of the DMCCC reflects the widest possible range of interest groups in the communities and include:

■ Company employees, including the general manager;
■ Traditional leaders;
■ Youth groups;
■ Local business leaders;
■ Elected officials; and
■ Community representatives from local schools.

Sustainable development programmes in Ghana include education in life and marketable skills which will provide the fundamentals necessary to initiate small businesses or to be more productive in existing ventures.
Gold Fields has recently engaged in joint venture programmes with local farmers, in co-operation with the DMCCC.

- Sponsorship for focused and fairly distributed community development programmes are requested by the communities themselves; and
- Issues raised by the communities are addressed in the appropriate manner by company representatives.

One of the major benefits of the establishment of the DMCCC was that the company, through information provided by the communities, was able to focus on three critical areas, education, health and provision of water. Previously projects had been done on a somewhat ad-hoc basis with little consideration for the actual requirements of the communities. Now projects are carried out in the most critical areas where they are most needed. The positive response among community leaders to the DMCCC initiative is reflected in a new sense of ownership of community projects. As a result projects can be speedily implemented and make an immediate difference to the quality of peoples’ lives.

In addition, focusing on critical areas has allowed the company to move forward more rapidly from the provision of infrastructure such as schools, wells, libraries and sanitation facilities to the consideration of projects that will provide ongoing income and employment for the communities.

Recently the company has engaged in a joint venture programme with a local fish farming co-operative to provide training to individuals within the local catchment areas in intensive fish farming. The company has agreed to sponsor training and the eventual set-up of the farms. The farms will provide employment, income and an additional protein source for local consumption. Snail and mushroom farming are also being investigated.

Another encouraging feature is the constructive relationship which has grown between the company and the community. Previous mistrust and suspicion have given way to successful cooperation – the DMCCC assists with the recruitment of labour from stakeholder communities, providing the company with details of skills available within the communities and contributing to the success of the company’s rehabilitation programmes.

With the development of the Kwesie/Lima pits, the company engaged with the DMCCC to provide guidance regarding the resettlement of the surrounding communities and the impacts of the proposed developments. The communication process undertaken via the DMCCC and a sub-committee resulted in the government approving the development ahead of schedule.

Gold Fields, along with the key community stakeholders, is committed to the outcomes of the DMCCC process, to facilitating the ongoing operations of the mine and to the realisation of the legitimate aspirations of stakeholders from the neighbouring communities.
Case Study 3

Gold Fields sponsors productivity capacity-building project

BUILDING CAPACITY IN THE SMME SECTOR

Gold Fields has played a major role in assisting almost 500 would-be entrepreneurs to fulfil their dreams of successfully operating productive, efficient small businesses that offer long-term growth.

Through the Gold Fields Foundation, the group donated a R1 million in sponsorship to the South African National Productivity Institute (NPI), which designed, distributed and implemented a productivity capacity-building programme (PCBP) to meet the needs of small, medium and micro-enterprises (SMMEs).

The programme formed part of the NPI's efforts to create sustainable growth and development in South Africa, where it has been ascertained that 94 per cent of all SMMEs fall by the wayside within three years.

It was decided that a pilot project should take place in Gauteng, the province where the majority of SMMEs operate. The focus was on entrepreneurship, life skills, economic concepts and productivity improvements.

The PCBP was launched in Tembisa in August 2002. Would-be entrepreneurs also received training in Tshwane, Johannesburg, Thokoza, Soweto, Bekkersdal and Sedibeng. Five business facilitators, who operate small and medium business advisory centres, participated in the pilot programme.

The handover of the report on the success of the programme took place in Johannesburg on 23 July 2003.

The NPI reported that many of the participating SMMEs had evolved from informal businesses to formal, registered companies and that there was a definite relationship between the formal company and the support received by the community.

The PCBP pilot project shows a distinct eagerness by informal businesses to formalise their operations and that there was growth in collaboration between businesses who had attended the PCBP.

Most of the PCBP participants were in the manufacturing sector with products ranging from window frames to coffins and from leather goods to cosmetics. Others were involved in clothesmaking, catering, cleaning services, arts and crafts, carpentry and small-scale farming and horticulture. For Gold Fields the roll-out of this initiative will contribute to building the necessary skills within the labour-sending areas and poverty nodes that have been defined by the South African government.

In Thokoza, where more than 100 would-be entrepreneurs were trained, some particularly positive changes were measured:

- 50 per cent of the learners started to think like businessmen and women;
- 45 per cent of community development projects became SMMEs;
- 11 learners registered as legal entities;
- 6 learners registered their businesses for VAT;
- 10 learners moved to business premises; and
- 8 learners have become partners on specific projects.

Margaret Futhani from MF Construction, Dr Yvonne Dladla, CEO of the NPI, Gold Fields CSI manager Keneiloe Mohafa (back, left to right), with the South African Minister of Minerals and Energy Phumzile Mlambo-Ngcuka at the launch of the NPI's report on capacity building among SMMEs in July 2003.
Living Gold – building a better future

Creating new business opportunities

In a unique contribution to its sustainable development initiatives, Gold Fields has invested R40 million into a R70 million state-of-the-art cut rose production facility in the Carletonville area, near the Kloof and Driefontein operations in South Africa. The project, known as Living Gold, has been developed as part of a strategic alliance established with the DTI and the IDC and the Greater West Rand District Municipality, and will produce 25 million top quality rose stems annually for export to flower markets in Europe and North America.

Cut flower cultivation in South Africa has traditionally focused on the domestic market. Trade regulations and insufficient volumes have in the past prevented farmers from exploiting global marketing opportunities. These barriers to entry have now largely disappeared with the recognition of the foreign currency earning potential of cut flowers.

Along with our partners, we are investing in the most up-to-date cultivation technology, encompassing ten hectares of sealed, plastic covered greenhouses with artificially controlled climates. Plants will be grown in an artificial growing medium produced from decomposed hulls of coconuts. Treated water laced with nutrients, will be pumped directly to the plants’ root zone.

Living Gold envisages a new industry initiative in an area which has for a long time been characterised by mining activity. Prior to this, the Carletonville area was known as the “bread basket” of the Witwatersrand. In addition to Living Gold, a hydroponics project (Golden Produce) has also been introduced as a further investment in agricultural activities to provide economic life after mine closure.

The decision to invest in an agricultural rebirth was driven primarily by the need for continued economic activity, providing opportunities for employees who would, with the passage of time, be affected by mine closures in the area; 250 direct and 100 indirect jobs will be created, while further employment opportunities will emerge in the transport and packaging industries. The company is committed to partnerships with black economic empowerment (BEE) entities to promote equal distribution of economic returns generated from such projects.

Agricultural initiatives supported by Gold Fields are chosen with the specific intention of empowering local communities, and bringing true economic prosperity to the areas where they are located.
Case study 5

Containing pollution at Driefontein

SUCCESSFUL STAKEHOLDER ENGAGEMENT IN ENVIRONMENTAL MANAGEMENT

The Driefontein gold mine in South Africa's West Wits region is one of the world's most significant operations, having produced some 97 million ounces of gold over the past 30 years. The Driefontein 5 shaft east is a relatively new shaft complex, and is destined to be one of the main producing shafts at Driefontein, sustaining the operation for a further 17 years.

In identifying the environmental impacts of the new shaft complex, it became apparent that there was potential for contamination of surface water resources downstream of the shaft complex. After various alternatives were investigated to mitigate any environmental impact, and it was concluded that a pollution containment facility had to be constructed.

Initial consultation with stakeholders included discussions with the South African Department of Water Affairs (DWAF) which proved invaluable, since they provided important insights into the DWAF's planning for the new National Water Act. The Act, which was promulgated in 1988, brought about distinct paradigm shifts in the legal requirements and many of its requirements are being phased in over a period of time.

During these initial discussions Driefontein confirmed its commitment to due process and a participative approach – all in line with its commitment to transparency. This required the active involvement of all stakeholders throughout the entire process. From a conceptual point of view, the dam had to comply with the provisions of the new National Water Act, and Driefontein was obliged to separate clean and dirty water streams. The final design comprised a 50,000 m³ dam with diversion berms to separate clean and dirty water, and an automated pump station.

The next step was to engage the local landowners. This process commenced in March 2000, and initially met with vehement opposition, mainly stemming from fears that the dam would have an adverse impact on the stream flow in the area, and also from the landowners' previous experiences with mining companies. Landowners were invited to site visits; they then recommended an alternative site as a better option and detailed design work for this site commenced. This was the critical point of the engagement process. Siting the dam in consultation with stakeholders has improved relationships and created a higher degree of trust and cooperation.

A public meeting followed. Invitations were personally delivered, while local newspapers and posters were used to advertise the meeting. Detailed designs were presented and the stakeholders were given the opportunity to present their concerns anonymously. The designs met with very little resistance and at a follow-up site meeting, a process was arrived at for stakeholders to report concerns with regard to the construction. Agreement was also reached on ad-hoc site visits, so that any concerns about the construction could be addressed timeously.

Construction of the dam commenced in February 2001, with random site visits by the local stakeholders being encouraged throughout. Visits were numerous, but were more out of interest than concern, indicating the success of the participative approach followed. In fact, the participative process that was established has served as a constructive platform for engagement with the local community on further issues, such as the siting and construction of a new gold plant.

Construction of Driefontein pollution dam, which was commissioned in 2001/2002.
The Capanema exploration project in Brazil

REAPING ENVIRONMENTAL AND ECONOMIC REWARDS

Increasingly, mining companies are seeing the development of a mine as a partnership with local communities. Consequently, there is a much stronger commitment and effort to involve local communities in project planning, construction, operation and closure. This is based on the belief that a mining project contributes to the overall sustainable development of the community involved. It is with this same belief that, in 2001, the Gold Fields’ exploration team commenced prospecting work at the Capanema Project, in Brazil’s Para State.

The area covers some 4,000km² in a region inhabited by approximately 16,000 people. Agriculture is the predominant economic activity, with some logging, which is restricted to private enterprises.

Previous illegal mining practices in the area have resulted in a high level of mercury contamination in water supplies, while large-scale deforestation has occurred as a result of fire, traditionally used as a means of preparing pasture or crop land.

Poor socio-economic opportunities in the region guided the exploration team to provide employment opportunities for local community members and contributing resources in the areas of environmental management and business skills development. For example, university interns were used to help identify, control and mitigate the environmental impacts resulting from exploration activities. The Para community is also learning the ecological and economic benefits of waste separation.

The exploration team in Brazil has implemented a mentorship programme to assist in the establishment of co-operatives with local communities. These co-operatives focus on growing and selling local produce and to date Gold Fields has been instrumental in initiating an incentive programme for establishing a plantation of Açai, a fruit rich in iron, which has enormous export potential and has already been patented in Germany as Achim Leukel.

Consultation with local stakeholders and community groups is a critical component of the team’s engagement in Capanema. Conflict arising from vested interests by various groups is being overcome by way of open and transparent communications with community groups. These communities now have a firm understanding of Gold Fields’ exploration activities in the area.

Local inhabitants are hired and trained to assist in the sampling, line-cutting and trenching work associated with geological fieldwork. These employees now have legal personal documentation, and receive above-average wages in the area.

Gold Fields has also partnered with other businesses and local government, contributing to the repair of roads and the building of water wells, in an effort to leave lasting infrastructure to improve the communities’ quality of life.

In order to provide some local health care services in this remote area, the company is planning to start training locals in first aid, while a clinic with trained local staff is being planned in the year ahead.
Case study 7

A paradigm shift at St Ives’ Lake Lefroy

St Ives’ Lake Lefroy is a mid-size salt lake, stretching 16 kilometres by 59 kilometres, and covers an area of 55,400 hectares representing a significant portion of the St Ives lease area. The lake surface consists of a 10 centimetres thick salt crust, with the water in the lake up to 10 times saltier than seawater. It is on this surface that the St Ives environmental team has discovered an innovative solution to rehabilitating the open pit mine dumps, located on Lake Lefroy.

To build the mines on the salt lake, bunds are modeled around the delineated ore body from the overburden of adjacent mines. These bunds appear as islands on the lake surface. It is on these wet, sticky island dumps that the environmental team has found a rehabilitation challenge. The physical constraints for rehabilitation include low rainfall, high salt content of waste and the lack of topsoil for placement on the dumps, which aggravate the situation.

The lake’s natural islands have some vegetation, ranging from sparse hardy coloniser species to eucalyptus trees over spinifex grasses and some native Cyprus pine.

Investigations into the properties of the lake sediment revealed that when sediment is cut off from the hypersaline water the salt crust quickly dissolves and provides favourable conditions for the germination and growth of salt tolerant plants species – proving that the once salty sediments of Lake Lefroy are a potential source of topsoil. This triggered the imagination of the St Ives team and shifted their thinking to beyond a once perceived restrictive physical environment.

Expert research revealed that although many salt tolerant plant species can survive in extremely saline soils, they first require a flush of fresh water to germinate. As rainfall in Western Australia is low, averaging 260 millimetres, the team cannot rely on rainfall in any one year to germinate the seeds or sustain tube stock. Since fresh water is at a premium in the goldfields, irrigation is not an option for broad acre use.

A trial is currently underway at St Ives on an existing mine dump where the areas to be irrigated include one plot with topsoil, and one without topsoil.

Effectively four treatment methods are being tested on the dump:
- One hectare with topsoil only;
- One hectare with topsoil and irrigation;
- One hectare with irrigation, but without topsoil; and
- One hectare without topsoil or irrigation.

Continuous monitoring of these plots will indicate the most successful method of promoting plant germination and growth and the long-term sustainability of new islands on Lake Lefroy. Results of the project are promising. Salvaged salt lake sediments have been placed on another island where good winter rains have fallen. The resulting germination is impressive.

This paradigm shift in using salt lake sediments as topsoil has resulted in an optimistic outlook for creating a more diverse environment on overburden islands in a relatively short space of time.
Women miners at Kloof 4 shaft in South Africa. Gold Fields has a dedicated task team to address the needs of women in mining, and to ensure that women’s issues are the subject of equity forums.
Relationship with the GRI

Gold Fields has adopted the Global Reporting Initiative (GRI) guidelines as a basis for the compilation of its sustainable development indicators. This is a comprehensive ongoing and dynamic process and, as such, cannot be captured fully in a print document. As a result, we have uploaded the document onto our website www.goldfields.co.za, www.gold-fields.com and undertake to update this on a regular basis. We present a summary of the issues and our compliance with them.

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<td>EN8. Greenhouse gas emissions</td>
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# Glossary of terms

<table>
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<tr>
<th>Term</th>
<th>Definition</th>
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<tr>
<td>ABC</td>
<td>Abstain, Be faithful and Condomise, the ABC of HIV prevention.</td>
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<tr>
<td>ABET</td>
<td>Adult basic education and training.</td>
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<tr>
<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome.</td>
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<tr>
<td>ART</td>
<td>Anti-retroviral therapy.</td>
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<tr>
<td>AS/NZ 4801</td>
<td>Refers to the international occupational health and safety management systems specification.</td>
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<tr>
<td>BEE</td>
<td>Black Economic Empowerment. Black Economic Empowerment seeks to ensure that black persons within South Africa gain a significant degree of control in the economy through the possession of equity stakes and the holding of management positions within an institution.</td>
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<tr>
<td>BVQI</td>
<td>Bureau Veritas Qualité International is a worldwide leading and independent certification body to ISO 9000 and ISO 14000.</td>
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<tr>
<td>CBO</td>
<td>Community based organisation.</td>
</tr>
<tr>
<td>CSI</td>
<td>Corporate social investment</td>
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<tr>
<td>Collective Bargaining Agreement</td>
<td>Collective Bargaining Agreement means a written agreement concerning terms and conditions of employment or any other matter of mutual interest concluded by a trade union(s) and the company.</td>
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<tr>
<td>Employee</td>
<td>Any person employed by Gold Fields on an indefinite, permanent contract of employment or on a fixed term contract of employment who receives, or is entitled to receive, any remuneration at the relevant report date(s).</td>
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<tr>
<td>HAART</td>
<td>Highly active anti-retroviral therapy.</td>
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<tr>
<td>HDSA</td>
<td>Historically disadvantaged South African refers to any person, category of persons or community, marginalised by unfair discrimination before the Constitution of the Republic of South Africa, 1993 came into operation. In terms of the Promotion of Equality and the Prevention of Unfair Discrimination Act, discrimination means “any act or omission, including a policy, law, rule, practice, condition or situation which directly or indirectly imposes burdens, obligations or disadvantage on, or withholds benefits, opportunities or advantages from, any person on one or more of the following grounds: race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth; or any other ground where discrimination based on that other ground causes or perpetuates systematic disadvantage, undermines human dignity or adversely affects the equal enjoyment of a person’s rights and freedoms in a serious manner that is comparable to discrimination on one of the former grounds.</td>
</tr>
<tr>
<td>HIV</td>
<td>Human Immuno-deficiency Virus.</td>
</tr>
<tr>
<td>Hydroponics</td>
<td>The practice or technique of growing plants without using soil by immersing the roots in a chemical solution that contains essential nutrients and using sand or gravel as support.</td>
</tr>
<tr>
<td>ICVCT</td>
<td>Informed Consented Voluntary Counselling and Testing.</td>
</tr>
<tr>
<td>Labour provider/contractor</td>
<td>Any person or entity who, for reward, procures for or provides to the company, other persons who rendered services to, or performed work for, the company and who were remunerated by the labour provider at the relevant report date(s).</td>
</tr>
</tbody>
</table>
Glossary of terms (continued)

LDIFR: Number of lost day injuries expressed in million man hours worked.

Life skills: Refers to generic skills that enable a person to function and participate in general life including society, economic activities, work and environment. Examples of such skills are communication, thinking, self-management, time management, problem solving, calculation abilities and how to deal with pressure from society.

NGO: Non-governmental organisations.

NPI: National Productivity Institute of South Africa.

NUM: National Union of Mineworkers.

OHSAS Management systems standards, developed in order to facilitate the integration of quality, environmental and occupational health and safety management systems by organisations, should they wish to do so.

Organised labour: In this report organised labour defines the following unions representing Gold Fields employees - National Union of Mineworkers, United Association of SA, MWU Solidarity. See Trade Union.

SADC: Southern African Development Community.

SGS: The SGS group is a leading force in verification and monitoring services for international trade in agriculture, minerals, petroleum and consumer products, together with certification and other services to governments and international institutions.

SLFR: Shifts lost frequency rate. Number of accidents where 14 days or more off work is lost and expressed in million man hours worked.

STI: Sexually transmitted infection.

TEBA: The Employment Bureau of Africa.

Trade union: An association of employees:
- whose principal purpose is to regulate relations between employees and the company;
- which has been registered;
- whose officials have been elected to represent the interests of employees within the workplace; and
- which is recognised for collective bargaining by the company.

UNAIDS: The United Nations Aids Programme which is the leading advocate for worldwide action against HIV/AIDS

Workforce: Workforce refers to current strength plus the persons referred to in the definition of labour provider/contractors.
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