



2018

Tax strategy and
policy report



GOLD FIELDS

Gold Fields' tax strategy and policy

Tax strategy and policy

Our tax strategy is to proactively manage our tax obligations in a transparent, responsible and sustainable manner, acknowledging the differing interests of all our stakeholders.

Gold Fields has invested and allocated appropriate resources in the group tax department to ensure we comply with our global tax obligations. The Group does not engage in aggressive tax planning and seeks to maintain professional real time relationships with the relevant tax authorities. In material or complex matters the Group would generally seek advance tax rulings, or alternatively obtain external counsel opinion.

Gold Fields has appropriate controls and procedures in place to ensure that we comply with relevant tax legislation in all the jurisdictions in which we operate. This includes compliance with Transfer Pricing (TP) legislation and associated TP documentation requirements, which is governed by our Group TP Policy. Our Group TP Policy is fully compliant with OECD guidelines and is regularly updated and benchmarked by independent experts. Uncertain tax positions are properly evaluated, and reported in terms of International Accounting Standard (IAS) 37 – Provisions, Contingent Liabilities and Contingent Assets. All material uncertain tax positions as per IAS 37 are fully disclosed to, and evaluated by our external auditors.

The Group is subject to South African Controlled Foreign Companies (CFC) tax legislation which is aimed at taxing passive income and capital gains realised by its foreign subsidiaries (to the extent that it was not taxed in the foreign jurisdiction). Therefore tax avoidance on passive income or capital gains cannot be achieved by shifting such passive income to low or tax haven jurisdictions.

The Group does not embark on intra-group gold sales and only sells its gold (or gold-equivalent product) directly to independent third parties at arm's-length prices – generally at the prevailing gold spot price. Active business income is therefore fully declared and taxed in the source country where the relevant mining operation is located, with the revenue accruing to the source country.

The Group is reporting its key financial figures on a country-by-country basis as from 2017 onwards. The country-by-country reports are filed with the South African Revenue Service, which will exchange the information with all the relevant jurisdictions with which it has concluded or negotiated exchange of information agreements. Gold Fields also reports its total tax contribution and indicative tax rate on a country-by-country basis in its Annual Financial Report.



2018

Human Resources Report



GOLD FIELDS

A fit for a purpose workforce

The following forms part of the Integrated Annual Report and provides further detail on some of the ongoing people-related programmes and interventions undertaken during 2018.

The HR strategy focuses on five pillars, as outlined below.

Attracting and retaining committed people with the right skills and capabilities	<ul style="list-style-type: none"> ■ A continued focus is still required to ensure we have the right people with the right skills to deliver value to the business ■ There is an increased demand for highly specialised skills and we are competing in a constantly changing environment with a number of expansion projects
Enabling our people to be agile and adaptive to remain relevant in a rapidly evolving environment	<ul style="list-style-type: none"> ■ As our industry evolves, our people will need to embrace new ways of working. Our focus is on building an agile workforce for the future
Creating an environment in which our people are engaged and enabled to take care of their wellbeing	<ul style="list-style-type: none"> ■ Financial and non-financial recognition build a compelling employee value proposition and create an environment that engages and takes care of our people
Harnessing the potential of a multi-generational and global workforce	<ul style="list-style-type: none"> ■ Strengthening the global and regional talent pipelines to sustain the future
Leveraging diversity and inclusion	<ul style="list-style-type: none"> ■ Ensuring that the work environment embraces the potential value in all employee categories or groupings, and removing any obstacles preventing such categories or groups from making meaningful work contributions.

Outlined below is a summary of the progress made during the year on interventions that support the achievement of the HR strategy – and the focus for the year ahead.

ENHANCING THE EMPLOYEE EXPERIENCE

Achieved in 2018	Focus for 2019
Promoted the value proposition for employees, gaining a deeper understanding of their experiences and needs through engagement and focus groups, particularly at regional level.	Deliver refreshed employee brand initiatives to sustain momentum.
Rolled out employee engagement surveys which enabled the business to gauge how our people think and feel about working for the Group and to ask for their input when reshaping the people solutions that will directly impact them.	Deliver on three action plans arising from gaps identified in the engagement surveys.
Conducted external peer review benchmarking ¹ to inform fit-for-purpose people strategies.	Utilise insights to calibrate fit-for-purpose people strategies and plans.
Completed the roll-out of exit interview approach across all operations to ensure that the insights gained from employees leaving the Group informs employee engagement and retention strategies.	Develop strategy to retain employees identified as high-potential and who occupy specialist/mission critical positions within the Group.
Introduced enhanced employee benefits in some regions to support a competitive employee value proposition.	Continue to improve the reward component of the employee value proposition in line with global best practices and business strategy.
Introduced flexible work arrangements.	

A fit for a purpose workforce continued

ENABLING A WORKFORCE FOR THE FUTURE

Achieved in 2018	Focus for 2019
Expanded technology-based learning platforms.	Implement all training via e-learning.
Global implementation of success factors employee central.	Expand the use of the platform and the advanced capabilities it offers.
Successful implementation of the remaining modules of success factors.	Explore technology solutions that offer employees total rewards statements with a full view of their reward and benefits.
	Implement more flexible offerings for employees in line with new ways of working.

LEARNING OPPORTUNITIES

Achieved in 2018	Focus for 2019
Training programmes rolled out in: leadership and emerging leadership development, supervisory training and management development.	Deliver a suite of leadership and management development programmes to employees.
Conducted training in the following technical areas: <ul style="list-style-type: none"> ■ Virtual reality ■ Safety (OHS). 	
Conducted training in the following leadership development areas: <ul style="list-style-type: none"> ■ Unconscious bias ■ Diversity and inclusion ■ Line manager training. 	Equip managers from team leader to executive level with the skills to confidently and flexibly lead in a rapidly changing operating environment.
Conducted training in the following skills based areas: <ul style="list-style-type: none"> ■ OIM. 	Targeted investment in customised leadership development programmes to accelerate the development of women at all levels with approximately 700 participants.

A fit for a purpose workforce continued

STRENGTHENING OUR SOCIAL COMPACT

Achieved in 2018	Focus for 2019
Aligned with various employment legislative changes across our global footprint.	Continue to build strong relationships with key stakeholders.
Delivered a range of initiatives that focused on the upliftment of the vulnerable and previously disadvantaged groups.	Implement transformation agenda.
Provided development opportunities within our host communities.	
Delivered a range of health and wellness initiatives to employees across the Group, including wellness days, medical assessments and counselling services, and offered a range of training initiatives to build personal resilience and coping skills.	Continue to provide a variety of health and wellness services to our employees to enrich their lives.
Implemented employee housing and site accommodation strategy to ensure improved standard of living.	
Participated in a range of employee volunteering programmes with a focus on community, education and development.	
No reported incidents of non-compliance to employment laws and regulations.	
Continue to make steady progress towards achieving a workforce that is more representative of local demographics.	
Provided unconscious bias training to employees and communities to address the myths and stereotypes on matters relating to diversity and inclusion.	

HIGH-PERFORMANCE CULTURE

Achieved in 2018	Focus for 2019
Rolled out the Company strategy, linked to the Group scorecard, and regional scorecards.	Introduce a new performance management philosophy and approach that drives regular line manager coaching to support personal improvement, growth and business contribution.
Enhanced our performance management system and underlying processes.	Introduce a range of reward and recognition initiatives to retain top talent and ensure sustainable long-term performance.
Encouraged collaboration by rewarding team and individual successes.	Introduce a range of enhanced and more flexible benefit solutions better suited to individual employee preferences in our South African operations.
Survey and focus groups used to get employee input on shaping new performance management approach.	Simplify and improve transparency of rewards and benefits packages to enhance employee understanding around the value of their benefits. Evolve our approach to performance management based on regular feedback from our leaders and employees.

A fit for a purpose workforce continued

INSPIRATIONAL LEADERSHIP

Achieved in 2018	Focus for 2019
<p>Clarified organisational design.</p> <p>Interviewed and hosted workshops with top leadership to design a Gold Fields leadership identity for the future.</p>	<p>Clearly understand competencies required in the future.</p> <ul style="list-style-type: none"> ■ Ensure we have catalysts for change and accountable role models ■ Embed accountability in our leaders ■ Introduce a range of learning solutions to better equip line managers as performance coaches ■ Nurture leaders capable of being catalysts for the change required to achieve our strategic objectives in an increasingly complex and rapidly changing environment ■ Deliver a leadership identity that clearly defines what great leadership needs to look like at Gold Fields ■ Design and deliver leadership development solutions that support the emerging leadership identity ■ Ongoing investment in bespoke leadership programmes for specific business areas and geographies.



2018

Salient human rights issues at Gold Fields



GOLD FIELDS

Salient issue – health and safety

Occupational incident or exposure leading to physical and/or psychological harm and/or illness



Considerations for further mitigation

- Focus on psychological harm (e.g. risks arising from Fly-In, Fly-Out work arrangements)
- Consideration of shared value opportunities, such as safety and wellness training

Salient issue – water

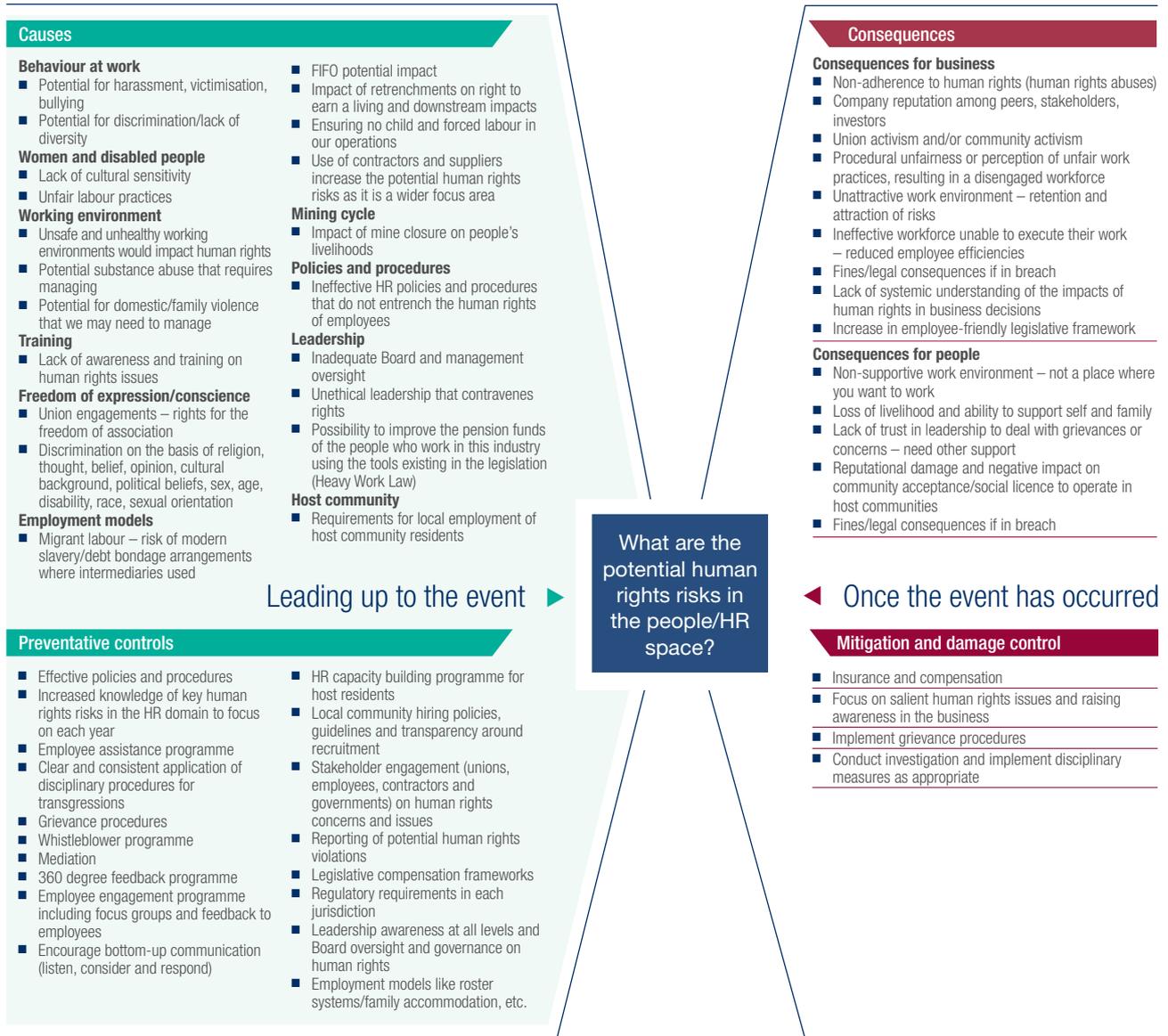
Loss of water containment



- Considerations for further mitigation**
- Region/site water management steering committees to be enhanced
 - Leverage innovation and technology opportunities
 - Implementation/integration of post closure water management plans

Salient issue – human resources

Impact on people



- Considerations for further mitigation**
- Training and awareness programmes with employees and leaders with a particular focus on groups that are at risk, e.g. security personnel and those who manage disciplinary/grievance processes (HR/legal/line managers). This would extend to suppliers and contractors
 - Human rights reporting categories included in reporting to better track and monitor human rights issues in the grievance process. Trend analysis of potential human rights violations

HUMAN RIGHTS POLICY STATEMENT

The Gold Fields Limited Group of Companies strives to ensure that every individual within the Group respects the rights and freedoms enunciated below in respect of all identified stakeholders such as fellow employees, associates, business partners, host communities, etc and to secure their effective recognition and observance throughout the Group. Gold Fields seeks to protect the right to:

- human dignity;
- not be subject to any form of unfair discrimination or harassment;
- fair treatment (subject to considerations of affirming previously disadvantaged groups);
- freedom and security of person;
- not be subjected to slavery, servitude, and forced labour;
- freedom of conscience, religion, thought, belief, opinion and cultural heritage;
- freedom of expression (subject to considerations of confidentiality and the prohibition of hate speech and incitement to cause harm);
- peacefully assemble;
- freedom of association;
- make political choices and to exercise those rights outside of working hours;
- freedom of movement including the minimisation of involuntary resettlement (subject to fair compensation where the latter is unavoidable);
- fair labour practices;

- not be employed if you are a child;
- not be arbitrarily deprived of property or possessions;
- freely participate in the cultural life of your choice;
- lawful, reasonable and fair action; and
- not be subjected to arbitrary arrest or detention.

Gold Fields supports local legislation and the United Nations Universal Declaration of Human Rights and the Voluntary Principles on Security and Human Rights.

Employees of Gold Fields will play a fundamental role in protecting the above mentioned rights by:

- integrating the protection of such rights into everyday practice;
- reacting proactively and adhering to the local legislation and Group's human rights policy;
- encouraging diversity in accordance with the local legislation and Group diversity policy;
- training of and guidance for all relevant staff, including security staff and contract personnel;
- respecting the cultural heritage of communities surrounding our mining activities; and
- stipulating that suppliers and contractors conduct themselves in accordance with local legislation and this human rights policy.

Salient issue – resettlement

Land acquisition and economic compensation and resettlement



- Considerations for further mitigation**
- Human rights impact assessments
 - Medium and long-term business planning (include future resettlement issues)
 - Learning from expert reviews (Asanko)
 - Systems for recording agreement obligations and controls
 - Compliance with international good industry practice
 - Work with local government to align national and international standards

Salient issue – procurement Human rights breach by supplier



Considerations for further mitigation

- Constant risk and gap analysis and continuous improvement
- Enhanced due diligence for risk-flagged suppliers or suppliers with confirmed screening matches
- Supplier audits?
- Develop Supplier Code of Conduct focusing on procurement requirements, as the Group CoC already covered ethical conduct requirements
- Fourth party (ultimate parent company) screening?
- Consider compliance with UK Modern Slavery Act as best practice – issuing modern slavery compliance statement (*Australia*)
- Training and ongoing awareness – scope/scale of human rights issues (*Australia*)
- Consider implementing tender requirement re human rights awareness and compliance (*Australia*)

Salient issue – mine closure

Impact on stakeholders of mine closure



Salient issue – public security Abuse of power by public and private security



Considerations for further mitigation

- Cooperation/coordination with peer companies on complaints of human rights abuse by public and private security providers.