

STRATEGIC OBJECTIVES

Improve our existing operations and guest experience

Protect and leverage our asset portfolio

Grow our business into new areas and products

Our people

Governance and sustainability

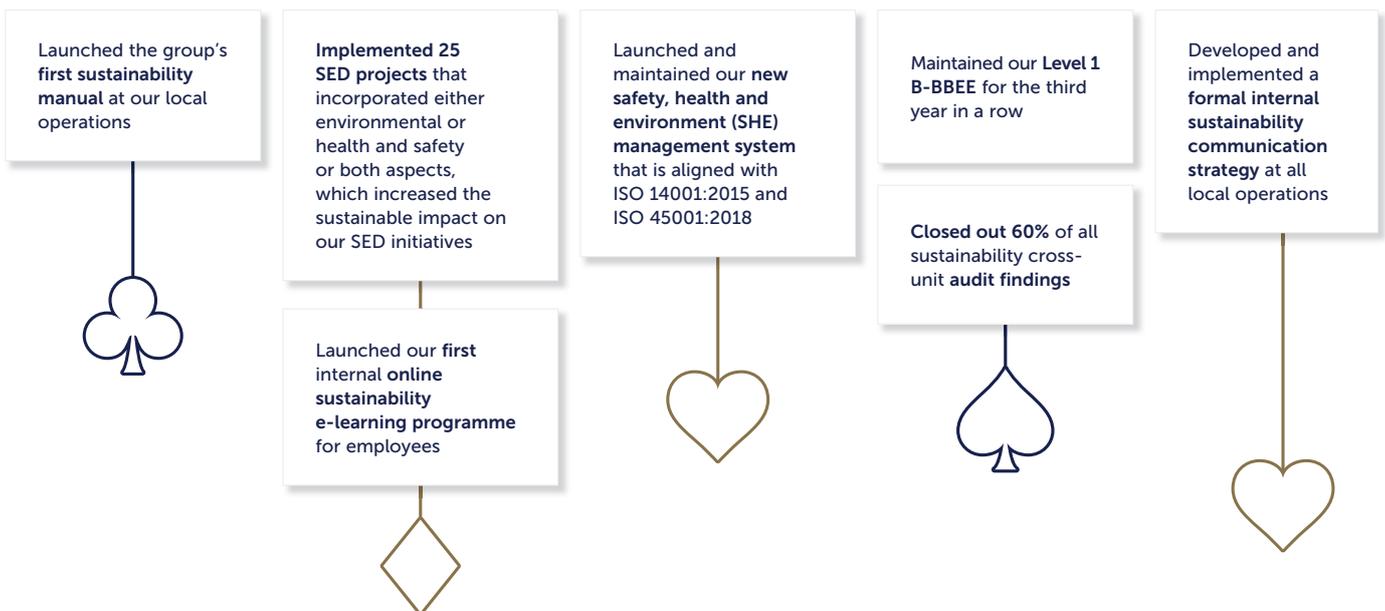
GOVERNANCE AND SUSTAINABILITY

Our sustainability strategy and commitments ensure Sun International maintains its operational and social licence to operate. Doing business sustainably is a competitive business necessity. When we integrate our business decisions and operate in line with our strategy, we create long-term shared value and ultimately create lasting memories for our guests, employees and other stakeholders.

Governance and sustainability are fundamental to Sun International's operations and are interwoven into our strategy and decision-making process, from board to operations. We remain committed to being a responsible corporate citizen.

The group's governance is comprehensively covered under the 'rules of the game' section in this report. The narrative that follows focuses on the group's sustainability strategy and performance for the year under review, including the environment, health and safety, socio-economic development (SED), enterprise and supplier development (E&SD) and group's broad based black economic empowerment (B-BBEE).

IMPACTS





Governance and sustainability continued

FOCUS AREAS IN 2019

Self-assessment: ACHIEVED/ GOOD PROGRESS IN PROGRESS LIMITED PROGRESS

<p>Launching and implementing Sun International's sustainability manual (locally and internationally)</p> <p>WHAT WE ACHIEVED</p> <p>Launched and implemented the manual at all local operations. Our Latam operations' implementation depends on their specific sustainability requirements</p>	<p>Identifying integrated SED projects that incorporate social, environmental and health and safety initiatives</p> <p>WHAT WE ACHIEVED</p> <p>Identified and implemented 25 SED projects that incorporated either an element of environmental and/or health and safety initiatives</p>	<p>Implementing and maintaining our new safety, health and environment (SHE) management system based on ISO 14001:2015 and ISO 45001:2018</p> <p>WHAT WE ACHIEVED</p> <p>Launched our new integrated SHE management system</p>
<p>Launching our internal sustainability SharePoint site</p> <p>WHAT WE ACHIEVED</p> <p>Launched the sustainability SharePoint site that has enhanced our reporting processes, standardised communication and improved overall efficiencies</p>	<p>Implementing our sustainability culture programme, including our e-learning and behavioural change programmes</p> <p>WHAT WE ACHIEVED</p> <p>Continued with our monthly awareness and culture change initiatives and launched our first internal online e-learning programme for all employees</p>	<p>Achieving our sustainability (SHE and SED) group targets</p> <p>WHAT WE ACHIEVED</p> <p>Achieved most of our sustainability group targets</p>
<p>Increasing internal and external communication around Sun International's sustainability strategy</p> <p>WHAT WE ACHIEVED</p> <p>Released our sustainability manual, conducted various internal and external presentations and continued with monthly internal awareness campaigns</p>	<p>Aligning our Latam and African operations with the new group sustainability strategy</p> <p>WHAT WE ACHIEVED</p> <p>The group sustainability strategy was communicated to all local and international operations. International operations will be responsible for the alignment and/or implementation of the strategy depending on their local requirements and unit specific strategy</p>	<p>Continuing to improve our overall B-BBEE score</p> <p>WHAT WE ACHIEVED</p> <p>Maintained our Level 1 B-BBEE status for the third year in a row</p>

SUSTAINABILITY STRATEGY

Sustainability is interwoven into Sun International's business strategy and decision-making process, from our board to employees at all levels. The group's sustainability portfolios encompass the environment, health and safety and social-economic development. An important part of the group's sustainability strategy is monitoring the performance of non-financial sustainability issues in all portfolios to enable informed business and board decisions. We integrate our sustainability management into our group standard operating procedures and policies throughout every level of our business to create value, improve efficiencies and ultimately maintain memorable guest experiences.

The group's B-BBEE and E&SD forms part of the group's overall sustainability business strategy, despite not being specific portfolios under sustainability. We report annually on our B-BBEE progress through the group's B-BBEE Commission Report, which is available on our corporate website at https://ir2019.suninternational.com/DownloadManager/2019_B-B-BBEE_Commissions_Report_for_Sun_International.pdf

E&SD remains a group priority as it benefits the group as well as our local economy and contributes to Sun International's SED commitments and B-BBEE targets. For more detail on our E&SD progress refer to the enterprise and supplier development section of this report.

Our sustainability strategy further demonstrates Sun International's commitment to advancing its financial capital, productive capital, human capital, intellectual capital, social and relationship capital, and natural capital through the continued improvement of our sustainability performance. The group sustainability policy underpins our sustainability strategy.

Sun International embraces the United Nations Sustainable Development Goals (SDGs), and we endeavour to help achieve them through our operations and business strategy. During 2019, we conducted an in-depth review of all 17 goals to determine those that best align with our business strategy and business model. Following an internal review and approval process, the group will be focusing on six SDGs most relevant to the group.



Governance and sustainability continued

SDG focus areas

To prioritise Sun International’s most relevant SDGs, the board, exco, senior management and group sustainability teams identified the most applicable SDGs. Following feedback, a weighting was applied to the selected SDGs, based on each stakeholder group’s business knowledge and insights. Exco received the highest weighting, followed by the board, senior management and sustainability teams. This review process identified the six SDGs depicted below in order of priority. These SDGs align with the group’s strategy. Progress against these SDGs will be regularly monitored by relevant board and management governance committees and reported on internally and externally. These prioritised goals may vary depending on changes in our business strategy or external environment.



Progress against Sun International’s prioritised SDGs

The table below describes Sun International’s progress against our six most relevant SDGs.

SDGs	Progress in 2019	Relevant strategic objective(s)
<p>4 QUALITY EDUCATION</p> <p>Ensure inclusive and equitable quality education</p>	<p>Our SED policy specifies education as a key pillar for projects. R25.4 million (2018: R23.7 million) was invested in SED projects in 2019</p> <hr/> <p>25 of the schools included in our ‘Adopt a School’ group project also includes aspects of SHE improvements</p> <hr/> <p>R116 million (2018: R133 million) was spent on employee training in 2019 and contributes to the improvement of our employees’ education</p> <hr/> <p>Bursaries and learnerships offered by the group to provide quality education opportunities to employees and learners</p>	Our people Governance and sustainability
<p>6 CLEAN WATER AND SANITATION</p> <p>Ensure availability and sustainable management of water and sanitation</p>	<p>Robust environmental policies and systems ensure we operate in an environmentally responsible and proactive manner</p> <hr/> <p>Several group projects (and training and awareness campaigns) are in place to reduce water consumption and ensure clean water is provided to employees and guests</p> <hr/> <p>Our group water reduction targets and environmental minimum requirements aim to continually reduce our water impact</p> <hr/> <p>Maintenance and infrastructure upkeep considers sustainable and safe technologies to improve water efficiencies and ensure clean water and sanitation is maintained across our operations</p> <hr/> <p>The group has an environmental specialist and a team of SHE officers to implement, monitor and report on environmental matters</p> <hr/> <p>Internal and external audits ensure compliance with all water regulations and requirements</p> <hr/> <p>SED projects include an element of environmental awareness and protection where possible</p>	Improve our existing operations and our guest experience Protect and leverage our existing asset portfolio Governance and sustainability
<p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work</p>	<p>Sun International employs 14 706 (2018: 14 632) employees groupwide</p> <hr/> <p>Where feasible, our E&SD programme identifies and assists businesses at our various properties, through capital funding or other business development services, to foster sustainable business growth, create jobs, and add economic value</p> <hr/> <p>The group committed R44.4 million (2018: R46 million) in supplier development during 2019</p> <hr/> <p>The group contributed R25.4 million (2018: R23.7 million) in SED spend that positively impacted communities in the areas we operate in</p> <hr/> <p>Sun International is a major tax contributor in eight of the nine provinces and contributed R625 million to taxes in the year under review</p> <hr/> <p>Strategic acquisitions</p> <hr/> <p>Time Square market share grew to 15.7%</p>	Improve our existing operations and our guest experience Protect and leverage our existing asset portfolio Grow our business into new areas and products Our people Governance and sustainability



Governance and sustainability continued

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Ensure healthy lives and promote well-being

Ongoing health and safety training and awareness for our employees and guests creates a safe and healthy environment that aims to reduce occupational and lifestyle diseases, injuries and deaths at all our units

The group conducts regular internal and external health and safety audits including food and hygiene audits, fire and safety audits, and sustainability cross-unit audits

Sun International complies with all health and safety legislation and continues to monitor compliance and, where relevant, implement best practices

Conduct medical surveillance audits

The group has a health and safety specialist and a team of SHE officers to implement, monitor and report on any health and safety issues

Recently signed a contract with a local service provider to provide on-site medical support to units. This medical assistance is available to employees and guests

Continued to integrate elements of health and safety into our SED projects



Improve our existing operations and our guest experience



Our people



Governance and sustainability



Achieve gender equality and empower all women and girls

Sun International's three-year employment equity plan supports transformation at all levels within the group

A gender diversity policy is in place for the board, focusing on race and gender. In 2019, we exceeded our race target (50%) with 57% black representation and narrowly missed our female director target (30%) with 29% female directors

Dedicated board and management governance committees ensure oversight of gender equality progress



Our people



Governance and sustainability



Responsible consumption and production

Environmental reduction targets and minimum requirements in place for water, waste, energy and emissions

Ongoing maintenance and infrastructure upkeep across operations includes sustainable and safe technologies for resource efficiencies

The group continues to aim for a zero-waste-to-landfill at all local units in the next 2 – 3 years

Alternative waste disposal projects are being considered

The group conducts regular internal and external SHE audits to minimise our environmental footprint

The group continued to integrated elements of environmental management into our SED projects

Our group water reduction targets and environmental minimum requirements aim to minimise our impact on water on an ongoing basis

By-products from waste such as bricks, compost and other materials are used at our own operations



Improve our existing operations and our guest experience



Protect and leverage our existing asset portfolio



Grow our business into new areas and products



Governance and sustainability



Governance and sustainability continued

ENVIRONMENTAL



Sun International is committed to protecting the environment and minimising our environmental footprint. Our environmental strategy recognises that the environment is integral to what we do and how we do business. We ensure our business paths are holistic, sustainable, and aligned with international standards and best practice. Our environmental journey continues to evolve as new technologies, risks and opportunities arise. This is important as the environment impacts on our local communities, guests, employees, reputation and bottom line. We have developed and implemented water and energy reduction targets and remain committed to zero-waste-to-landfill (ZWTL) for all South African units. In Latam, the next key steps are to assess the accuracy, completeness and reliability of environmental data to establish a reliable baseline for setting environmental targets.



Primary environmental objectives

Developing, implementing and maintaining an Integrated Management System (IMS) aligned with ISO 14001 and 45001 standards

Improving efficiencies, standardising environmental management approaches and ensuring compliance with relevant environmental legislation, regulations and standards

Setting and regularly reviewing environmental objectives and targets

Improving our IMS to enhance the group's environmental performance and reduce our environmental footprint

Promoting efficient use of materials and natural resources throughout our facilities through initiatives and technologies

Communicating and promoting awareness of shared employee responsibility and accountability

Engaging and informing stakeholders of our environmental commitments and promoting an environmental culture through ongoing awareness and reporting initiatives

HEALTH AND SAFETY



The health and wellbeing of our employees, guests and communities is integral to how we do business. Our health and safety strategy aligns to the requirements of international Occupational Health and Safety (OHS) standards and best practice for effective health and safety management. The group's OHS strategy enables Sun International to identify, manage and oversee our health and safety performance, risks and opportunities. This ensures we remain socially and ethically responsible and prevent harm to our stakeholders.



Primary health and safety objectives

Maintaining compliance with applicable occupational health and safety legislation

Fully integrating health and safety into all aspects of the business

Identifying, implementing and achieving health and safety targets set for the group

Reducing incident rates and improve our guest experience

Standardising and managing our activities, operations, processes and risks in an integrated, efficient and controlled manner

Positioning Sun International as an industry leader in health and safety

Fostering a proactive and caring health and safety culture and workforce that lives by the SunWay culture

Preventing harm, reputational damage, and reducing our risk and claims through implementing health and safety initiatives



Governance and sustainability continued

SOCIO-ECONOMIC DEVELOPMENT



Sun International understands the necessity of empowering and uplifting communities in the areas we operate in. We aim to create economic value and maximise the positive social impact on the communities that surround our operations through creating shared value. Our SED strategy ensures all processes are streamlined across our South African business units. Our framework guides us in adhering to the group strategy, gaming licence conditions, data reporting and group targets. It guides applicable standards when identifying, approving and implementing SED projects and provides a platform for projects that integrate environment and health and safety into the SED focus areas.



Primary SED objectives

Making a positive, sustainable and measurable impact on communities

Investing and empowering communities through our core SED focus areas

Transparently and inclusively engaging with surrounding communities and other stakeholders

Continuing to enhance the group's reputation as a caring and responsible corporate citizen

Building and improving relationships with surrounding communities

Demonstrating responsible behaviour through strategic objectives, targets, good governance, targeted engagement and SED investment

ENTERPRISE AND SUPPLIER DEVELOPMENT



The group's E&SD strategy creates procurement opportunities across a broad-based supply chain, aiding socio-economic development in the countries and communities where we operate. In South Africa, our procurement focus remains on B-BBEE compliant suppliers, where our target spend is 45%. Sun International's supplier code of conduct requires our suppliers to commit to the highest standards of ethical conduct. The code also encourages suppliers to follow specific requirements relating to labour conditions, human rights and occupational health and safety, and mitigating harmful environmental impacts.



Primary E&SD objectives

Making a positive, sustainable and measurable impact on our supply chain

Transparently and inclusively engaging with suppliers in communities where we operate

Investing and empowering suppliers through local procurement spend

Maintaining ethical procurement standards that align with our supplier code of conduct

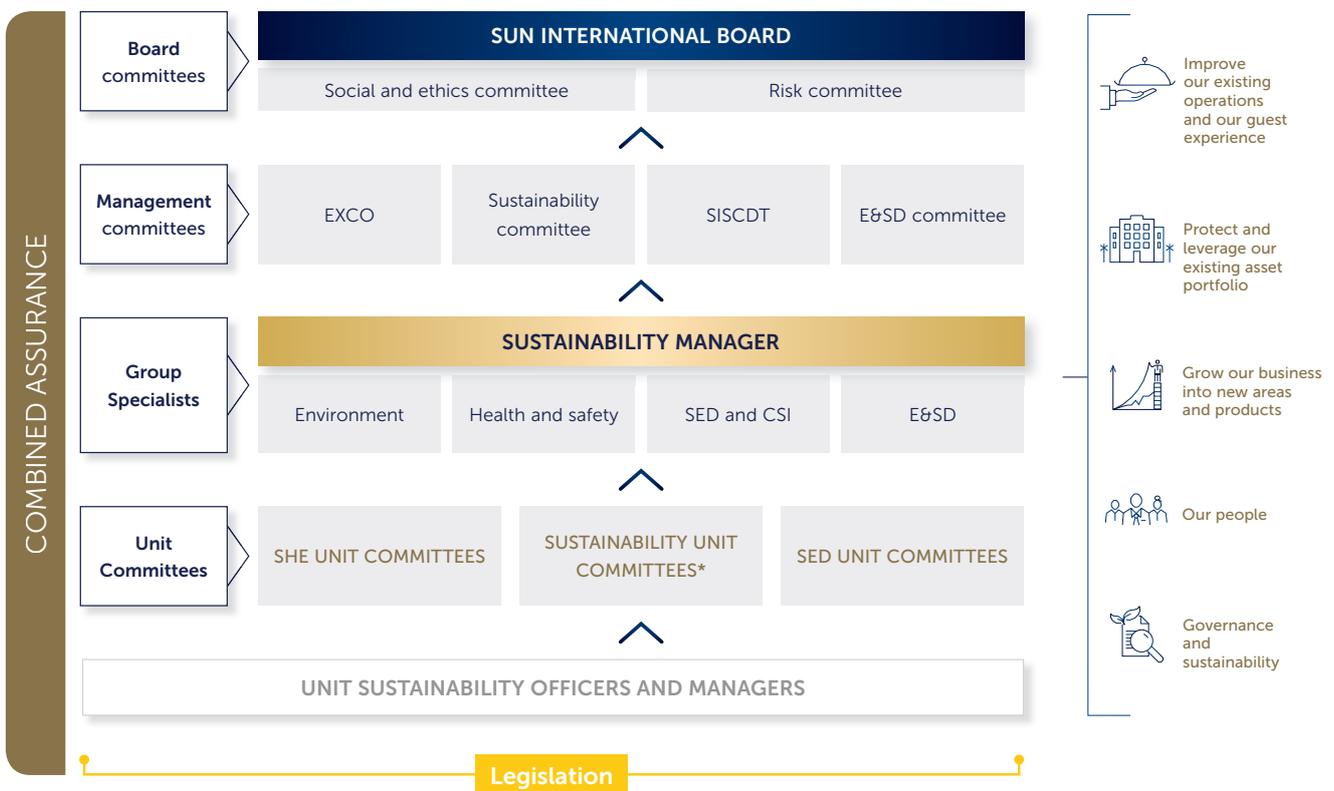


Governance and sustainability continued

SUSTAINABILITY GOVERNANCE AND COMPLIANCE

Sun International’s board is accountable for approving the group’s sustainability strategy and monitoring sustainability performance. The board is assisted by the social and ethics committee, the risk committee and various management committee including exco, the sustainability committee, Sun International’s Social Community Development Trust (SISCDT) and the enterprise and supplier development committee. Our governance process also assists the group to monitor relevant sustainability legislation standards and frameworks. The group’s assurance process further incorporates an integrated audit compliance programme across all sustainability portfolios.

Sustainability governance structure



* Only at Central Office, Sun City and GrandWest

Sustainability legislation and frameworks

Sun International complies with all relevant legislation and frameworks and best practice where relevant. The legislative requirements depend largely on unit location, namely South Africa, Nigeria, Swaziland and Latam. Each country’s compliance department is responsible for monitoring legislative developments to ensure the group remains compliant with country-specific legislation.

A SHE legal register for our South African units includes a legal library of all the SHE legislation that units need to comply with. Any regulatory changes are updated, flagged and communicated to our SHE professionals within the units. The group also considers various local and international standards, frameworks and best practice initiatives and, where relevant, aligns our sustainability strategy to these requirements.



Governance and sustainability continued

Key legislation and frameworks in South Africa



ENVIRONMENTAL

- National Environmental Management Act 107 of 1998

- National Water Act 36 of 1998

- National Environmental Management: Waste Act 59 of 2008

- Carbon Tax Act 2019

- National Environmental Management: Biodiversity Act 10 of 2004

- National Environmental Management: Air Quality Act 39 of 2004: National Greenhouse Gas Emission Reporting Regulations



HEALTH AND SAFETY

- Occupational Health and Safety Act 85 of 1993 and regulations

- Compensation for Occupational Injuries and Diseases Act 130 of 1993 and regulations

- Safety at Sports and Recreational Events Act 2 of 2010

- National Health Act 61 of 2003 and regulations

- National Building Regulations and Building Standards Act 103 of 1997

- Tobacco Products Control Act 83 of 1993



SED

- Broad-Based Black Economic Empowerment Amendment Act 46 of 2013

- Provincial and National Gaming Board requirements and licence conditions



OTHER FRAMEWORKS, STANDARDS AND BEST PRACTISE

- Carbon Disclosure Project (CDP) and CDP Water

- SDG

- ISO 45001

- ISO 14001

- OHSAS 18001

Compliance

Through our compliance management platform we focus on achieving and maintaining compliance within all aspects of sustainability. This platform facilitates a 'management-on-the-go' mindset in terms of compliance and risk management. SHE professionals continuously complete compliance checklists, SHE audits and risk assessments on the platform, providing the units with a real-time compliance status as required. This platform also provides access to all local, regional and national SHE legislation.

Audits are conducted to verify compliance with applicable SHE legislation. By training and employing dedicated SHE professionals at our South African units, we developed a SHE cross-unit audit programme whereby our internal SHE professionals were trained to serve as lead internal compliance auditors. This creates an environment conducive to sharing SHE knowledge and experience across our business, resulting in improved process and cost reductions. The group's compliance department ensures that any non-compliances identified during internal and or external audits are rectified within the specified closeout period, and escalated to the necessary management committees if required.

Our international properties are also governed by and comply with applicable local laws, policies, standards and systems.

Group SHE management system

An IMS aligned with ISO 45001:2018 and ISO 14001:2015 was developed to standardise, monitor and enhance SHE management approaches and improve reporting. The IMS was approved and implemented across our South African properties in 2019 and is hosted and managed through our compliance management platform. Further system improvements are planned for 2020 to ensure a more holistic approach to sustainability.

COMMUNICATION AND AWARENESS

We use various communication and awareness campaigns and platforms to promote group-wide sustainability. These communication and awareness campaigns help break down silos, ensuring a more sustainable culture and improving employee engagement and participation – reinforcing our SunWay formula for success.

Sustainability awareness calendar

Our group-wide SHE communications and integrated awareness strategy continues to ensure collaborative communication across all units within South Africa. Our awareness calendar provides various monthly SHE communications that are either accompanied by a competition, a video or a practical demonstration.

MONTH	AWARENESS EVENT
February	Health Lifestyle Awareness Day
March	World Water Day
April	World Day for Safety and Health at Work
May	International Biodiversity Day
June	World Environment Day
July	Corporate Wellness Week
August	Socio-economic development – projects
September	Recycling (Clean-up) Week
October	Mental Health Awareness Month
November	Sustainability
December	Prevention of injuries



Governance and sustainability continued

Sustainability culture programme

Our sustainability culture programme incorporates all sustainability portfolios to improve employee awareness, accountability and ownership in protecting the health and safety of all stakeholders, the environment, and the communities we operate in. During 2019, we successfully launched our first sustainability culture e-learning programme for employees. The programme aims to create awareness and address some of the group’s most pressing sustainability issues including water, energy and waste management, slip trips and falls, staff wellness and employee involvement in SED projects. Sun International’s awareness campaign is aligned with our e-learning initiative, which reinforces the importance of having a sustainability culture in the group.

GROUP B-BBEE SCORECARD

The group maintained its Level 1 rating with a total B-BBEE score of 103.81 out of a possible 111 points. For more detail view our B-BBEE Commission Report online at https://ir2019.suninternational.com/DownloadManager/2019_B-BBEE_Commissions_Report_for_Sun_International.pdf

Scorecard information	Actual score	Target score	Actual score	Target score
	1 July 2019 – 31 June 2020		1 July 2018 – 31 June 2019	
Ownership	22.16	27.00	26.44	27.00
Management control	13.31	19.00	13.34	19.00
Skills development	18.70	20.00	18.13	20.00
Enterprise and supplier development	41.64	40.00	38.11	40.00
Socio-economic development	8.00	5.00	8.00	5.00
TOTAL SCORE	103.81	111.00	104.02	111.00
Empowering supplier Level	Yes 1		Yes 1	

PERFORMANCE OVERVIEW

Sun International is committed to ongoing improvement in our sustainability performance. Detailed information on each sustainability portfolio is provided in this report.

LOOKING AHEAD

- Integrating the relevant SDGs into the sustainability and overall business strategy to ensure a focused approach
- Developing a fully integrated management system that includes environment, health and safety, SED and CSI to improve the current reporting and management platforms
- Increasing the number of SED projects that include a holistic sustainability approach
- Developing a sustainability communication plan to promote sustainability initiatives internally and externally
- Continuing to enhance our sustainability e-learning training and awareness campaign and to develop a reward and recognition programme to promote our culture change programme
- Reporting on the social and economic impacts of our E&SD interventions within our local communities
- Maintaining our current B-BBEE level 1 status