

## 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

### OUR PEOPLE

Our employees enable the group's ability to achieve its strategic objectives. We operate in a highly governed and competitive service-oriented industry. It is important that we continually develop and reward our employees to perform well and provide memorable guest experiences.

#### IMPACTS

Achieved 93.2% black employment in our South African operations

Standardised our scheduling system (Kronos) operating procedures across all South African units, which resulted in significant time and cost efficiencies

56.1% female representation across our South African operations (95.3% of whom are black females) and 51.9% for the group

Relaunched our CLEAR principles to improve overall customer satisfaction

Piloted Sun International's mentorship programme at our central office

#### FOCUS AREAS IN 2019

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

Tracking proposed amendments to the Employment Equity Act and ensuring that current practices are aligned

##### WHAT WE ACHIEVED

Implemented amendments to the Employment Equity Act and the Regulations of the EEA4 Income Differential Report

Integrating the new employment equity plans with our processes and practices

##### WHAT WE ACHIEVED

Completed employment equity plan integration

Embedding a multi-level succession roadmap

##### WHAT WE ACHIEVED

Succession management plans and processes were reviewed for senior management across the organisation.

Introducing a dynamic and innovative approach to talent management and skills development

##### WHAT WE ACHIEVED

Conducted bi-annual talent engagement discussions with unit general managers and operational managers as part of our talent management review

Enhancing the employee experience to improve customer service

##### WHAT WE ACHIEVED

Relaunched a refreshed CLEAR principles (connect, listen, engage, act and reconnect) approach to all employees through the leadership engagement roadshows. Incorporating CLEAR principles in customer services training to embed the principles

Continuing to provide a balanced working environment for employees, conducive to a healthy lifestyle

##### WHAT WE ACHIEVED

Partnership with LifeAssist continues to show growth in utilisation

Continuing to manage human resources risks and leverage opportunities for optimising people-driven business performance

##### WHAT WE ACHIEVED

Promptly implemented the onboarding of all temporary employee service staff to ensure compliance with the recent labour law changes regarding temporary staff  
 Launched a group reward and recognition programme based on Sun International's values, CLEAR principles, SunWay and unit-specific requirements



**Our people** continued

**KEY PERFORMANCE INDICATORS**

		December 2019	December 2018
Total group employees	Number	14 706	14 632
– South Africa including SunSlots	Number	9 340	9 001
– Other Africa	Number	550	543
– Latam	Number	4 816	5 088
Employee turnover	%	20.1	23.3
Female representation	%	51.9	51.17
Black representation <sup>1</sup>	%	93.2	92.2

1 South African operations.

**OVERVIEW**

Our employees are key value drivers to achieving the group’s strategy and providing memorable guest experiences. While it is essential that we continue to operate efficiently in this difficult economic environment it is essential to be cognisant of any uncertainty this may create among employees. Following various surveys and major operational changes over the past few years, the group’s central office was restructured during 2019. This restructure was necessary to improve collaboration across the business, avoid silo thinking and duplication of efforts; all to achieve positive financial outcomes. During this process about 80 employees were impacted.

**Workforce profile**

At 31 December 2019, we had **14 706 (2018: 14 632) employees across our operations**. Despite 996 temporary employee service staff employees appointed at Sun City, Table Bay and Time Square, the overall headcount only grew by 74, due to headcount reduction at other units

Our permanent employees in South Africa comprise:

- permanent full-time employees
- permanent part-time employees, who are paid the same hourly rate as full-time employees; and work according to a roster that guarantees minimum monthly work hours.

[For more details on our workforce by employee statistics and region and gender for 2019 refer to Annexure A.](#)

**Employment equity at our South African operations**

Our approach is to achieve legislative and substantive transformation by aligning numerical and non-numerical targets to the group’s strategic objectives. These targets are tracked and monitored quarterly and included in line managers’ performance contracts. The social and ethics committee is responsible for monitoring our progress against set targets.

During 2019 we achieved good progress against our unit-specific, three-year employment equity plan that supports the group’s strategic objectives. Each property is positioned to set its own goals and objectives for employment equity, while meeting the provincial gaming boards licensing criteria.

The Department of Labour introduced amendments to the Regulations governing the income differential report (EEA4) in 2019. These amendments assess the remuneration gap between the highest and lowest income earner (vertical gap), as well as revise the reporting on remuneration to include not only the fixed remuneration, but also the variable remuneration. Variable remuneration comprises short- and long-term incentives which consist of share-based

rewards (with a vesting period of more than one year), cash settlements, discretionary lump sum payments, bursaries, scholarships and dividends. A further requirement included an assessment of the income gap between the 10% of the highest earners, and the corresponding 10% of lowest earners. As this process is relatively new, there has not been feedback from the Department of Labour as to the whether the methodology followed for calculating the income differentials is consistent across all companies. There may be some anomalies.

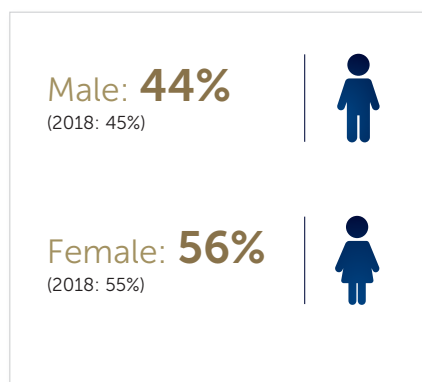
We marginally increased our South African (including SunSlots) black employee representation to 93% (2018: 92%), exceeding the distribution of the national economically active population. The management team is made up of 84% (2018: 82%) black people, and 45% (2018: 46%) are females. Challenges remain at middle and senior management levels, where representation of black people, particularly black females is lower than white people.

To mitigate our previous challenges in retaining persons with disabilities, we introduced disability capacity building workshops and disability awareness days. This resulted in the retention of persons with disabilities and provides us with an opportunity to increase representation.

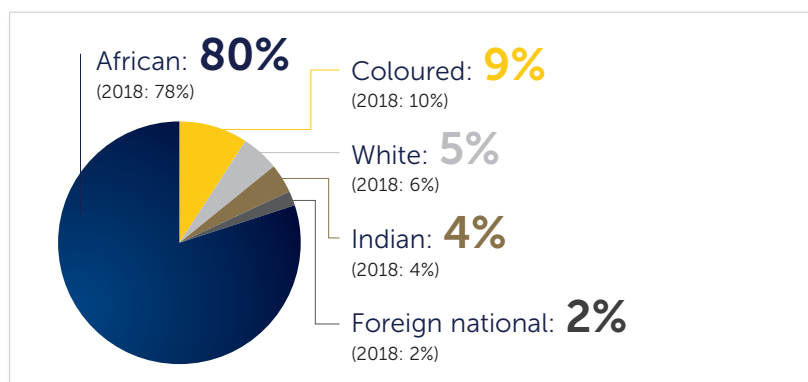


Our people continued

Workforce profile by gender



Workforce profile by race



Diversity profile South Africa<sup>1</sup>

Employee class	Occupational levels	MALE					FEMALE					FOREIGN NATIONALS		TOTAL
		A	C	I	W	Total	A	C	I	W	Total	MEN	WOMEN	
Permanent	Top management	2	1	1	2	6	1	1			2			8
	Senior management	18	4	26	38	86	11	6	9	17	43	6		135
	Middle management	88	33	32	86	239	97	25	15	42	179	12	8	438
	Skilled technical/supervisor/junior management	688	158	88	102	1 036	664	155	68	83	970	25	6	2 037
	Discretionary decision-making	2 193	202	53	33	2 481	3 519	272	53	40	3 884	73	39	6 477
<b>Permanent total</b>		<b>2 989</b>	<b>398</b>	<b>200</b>	<b>261</b>	<b>3 848</b>	<b>4 292</b>	<b>459</b>	<b>145</b>	<b>182</b>	<b>5 078</b>	<b>116</b>	<b>53</b>	<b>9 095</b>
Temporary		165	27	3	20	215	224	21	5	10	260	1		476
<b>TOTAL</b>		<b>3 154</b>	<b>425</b>	<b>203</b>	<b>281</b>	<b>4 063</b>	<b>4 516</b>	<b>480</b>	<b>150</b>	<b>192</b>	<b>5 338</b>	<b>117</b>	<b>53</b>	<b>9 571</b>

<sup>1</sup> Including SunSlots' headcount of 245.

Employee turnover

During the year under review there were 2 951 (2018: 3 257) employment terminations employment group-wide, and group turnover was 20.1% of the total headcount (2018: 23.3%).

The tables below provide the reasons for employment termination by region and by age.

Reason for termination by region

Reason	South Africa	South Africa SunSlots	Swaziland	Nigeria	Argentina	Chile	Colombia	Panama	Peru	Group
Death	41		2	3		1				47
Dismissal – Incapacity/health	10									10
Dismissal – Incapacity/poor work performance	1								55	56
Dismissal – Misconduct	388	3	2	6	9	490	2	49	70	1 019
Dismissal – Voluntary	22						5		483	510
Dismissal – Voluntary early	6				1				1	8
Dismissal – Operations requirement	51				2				113	166
Mutual agreement separation	5				11	69		17	97	102
Resignation	547	25	6	11	34	307	8	10	359	948
Retirement	79	1	5							85
<b>TOTAL</b>	<b>1 150</b>	<b>29</b>	<b>15</b>	<b>20</b>	<b>57</b>	<b>867</b>	<b>15</b>	<b>76</b>	<b>1 737</b>	<b>2 951</b>



**Our people** continued

**Reason for termination by age band**

Reason	18 – 20	21 – 30	31 – 40	41 – 50	51 – 70	Total
Death	0	5	14	17	11	47
Dismissal – Incapacity/health	0	1	1	3	5	10
Dismissal – Incapacity/poor work performance	1	31	16	6	2	56
Dismissal – Misconduct	34	410	376	139	60	1 019
Dismissal – Operations requirement, voluntary	37	317	120	27	9	510
Dismissal – Operations requirement, voluntary early retirement	1	3	2	0	2	8
Dismissal – Operations requirement	18	60	30	23	35	166
Mutual agreement separation	0	18	48	19	17	102
Resignation	43	389	367	130	19	948
Retirement	0	0	0	0	85	85
<b>TOTAL</b>	<b>134</b>	<b>1 234</b>	<b>974</b>	<b>364</b>	<b>245</b>	<b>2 951</b>

**Improving our organisational culture**

**SUNWAY FORMULA FOR SUCCESS**

Sun International implemented a progress assessment against the SunWay culture across our South African operations. Employees provided feedback on how they identified with the formula and gave ideas on how to improve process and efficiencies. The SunWay culture has been integrated and embedded in learning interventions to reinforce the message. In 2020, we will commence with a group-wide SunWay measurement to gather feedback from our employees, service providers and concessionaires.

**EMPLOYEE VALUE PROPOSITION**

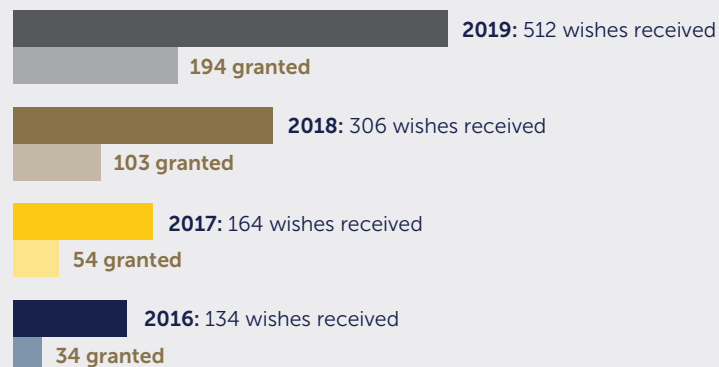
The Employee Value Proposition (EVP), 'The Home of The Game Changers' is continually reinforced within the group through our employee processes. Sun International's EVP incorporates various components such as development opportunities as well as a challenging and an enabling work environment. We positioned our EVP externally to showcase Sun International's brand and attract talent.

Sun International won an award from the Community of Human Resources Officers under the category 'Celebrating Excellence in Human Resources'. This award recognised how Sun International's EVP programme shaped the organisations culture and rewarded employees through various incentives and benefits.

**SHARING THE SUN CAMPAIGN**

Our Sharing the Sun campaign is a senior leadership initiative that grants wishes, at the end of each year, to some employees who give a lot of themselves to our business every day. The senior leadership team personally gave something back and realised some of our employees' wishes. Sun International matched the personal funds pledged by leadership to deliver a truly impactful campaign that created lasting memories from within.

**Wishes were granted for: medical assistance, shelter, food, education and security. The initiative commenced in December 2016 and wishes are granted in January of the following year:**





**Our people** continued

**Employee and union relations**

**EMPLOYEE COMMUNICATION**

We engage with our employees in an open, honest and transparent manner through our SunTalk platform. This mobile communication platform continues to gain traction, with 7 088 employees having registered to date. To enhance the SunTalk platform it was included on the Apple App and Play store in February 2020, with improved digital functionality. The App is also used to create awareness around the group's various campaigns and initiatives.

**UNIONS AND EMPLOYEE RELATIONS**

67% (2018: 64%) of our South African workforce (excluding SunSlots) is covered by collective agreements. It is imperative to maintain healthy relationships through meaningful engagements with the various unions. During 2019, we shifted our employee relations landscape from a reactive approach (industrial relations) to a proactive approach (employee relations). Sun International's employee relations goals include:

- Strengthening the employer employee relationship to create a more productive and successful organisation
- Improving the employee employer relationships and engagement of all employees
- Improving relationships with all stakeholders in the employee relations value chain
- Creating an environment that is conducive to conflict resolution and minimising disputes within operations.

**HUMAN RIGHTS AND FREEDOM OF ASSOCIATION**

The group recognises that it has a responsibility to ensure the effective management of human rights. The principle of freedom of association as it relates to the constitution of each country where we operate is formally endorsed in our employee relations policy statements, and in our recognition agreements with the trade unions in South Africa and other countries where we operate.

**CREATING A HIGH-PERFORMANCE CULTURE**

Talent management is a critical enabler to the business strategy. During 2019, talent reviews were held with exco to discuss senior management roles in the business units.

**Talent management initiatives**

**SUCCESSION MANAGEMENT**

- An integrated approach to succession management was followed whereby a select number of employees attended development programmes to assist in transitioning to new roles.
- Launched a 'Partners for Possibility' programme to develop high-performing employees as part of our talent management initiatives.

**PERFORMANCE MANAGEMENT**

- Piloted performance management training for employees across the business.
- Developed and implemented a performance management programme for all line managers to enhance effective performance management by setting objectives and incorporating coaching.

**RECRUITMENT AND ASSESSMENT**

- Focused on streamlining recruitment practices to ensure that the group attracts and retains the best talent in the market.

**MENTORSHIP**

- Piloted a mentorship programme at central office that focused on women development. It included women from different job levels being mentored by women in senior leadership roles. This programme will be rolled out in 2020 focusing on the mentorship of high potential talent group-wide.

**ORGANISATIONAL DESIGN**

- Around 97% reprofiled jobs were completed and aligned to the business strategy with defined roles and responsibilities.
- Various structural changes have been supported and implemented across various properties in 2019 to ensure enhanced efficiencies and synergies.

**Learning and development**

To ensure that our employees are equipped to carry out their responsibilities, Sun International has several learning and development initiatives aimed at empowering and developing our talent group-wide. Several of these initiatives were developed, implemented or piloted during the financial year.

**FOOD AND BEVERAGE TRAINING**

The food and beverage executive team launched a training manual that is available in three languages (English, Zulu and Xhosa) on the Sun International Intranet. They partnered with the International Hotel Training School to produce training videos, featuring Sun International employees, to create an accredited Sun Academy programme.



**Our people** continued

**LEARNING AND DEVELOPMENT INITIATIVES**

**Managing the SunWay**

We continued to embed the Managing the SunWay initiative that offers foundational management skills and knowledge customised to the SunWay of leading and managing.

**Coaching for performance**

Rolled out a coaching for performance programme with the University of Stellenbosch Business School for senior to middle managers, that includes practical application to create maximum impact.

**Customer experience**

We continued to embed Sun International's standard operating procedures across all units. This was reinforced by implementing a reward and recognition programme that rewards employees who focus on and invest in improving our service delivery and on our brand promise of 'creating lasting memories'.

In 2019, the interactive customer service training was launched. It incorporates a best practice approach to delivering memorable experiences to all our guests while upholding the Sun Values. Learners are exposed to the importance of customer interaction at all touchpoints by literally 'walking in their shoes' and role-playing a variety of typical customer experiences. The CLEAR theme is included throughout this training to reinforce excellent customer service.

**The CLEAR serving is what we do to entrench:**

- our service principles
- our CLEAR interaction process
- our people paying attention to detail and focusing on our customers.

**Skills development spend**

We launched the Sun Academy training journey that incorporates face-to-face training as well as virtual training (blended learning) for specific functions within the group. In 2019, the food and beverage, gaming and managers learning offering was made available. Going forward, this offering will be expanded to include other core functions within the organisation such as front of house, financial gaming and shared services.

Group training spend was R116 million (2018: R133 million), a decrease of 13%. The total number of employees trained was down 5%. Our skills development spend across our South African operations, excluding SunSlots, decreased by 13% to R100 million (2018: R117 million). This investment included formal and informal learning interventions, with 4 100 South African employees (2018: 4 714) benefiting. Interventions are targeted at employees' roles and growing the leadership pipeline. The number of employees trained per region includes employee terminations during this period.

**SKILLS DEVELOPMENT SPEND PER REGION AND COUNTRY**

Region	Country	Total expenditure December 2019 R million	Total learners December 2019 Number
<b>SOUTH AFRICA</b>	South Africa	100.3	4 100
	SUNSLOTS South Africa	2.1	245
<b>SUN DREAMS LATAM</b>	Argentina	0	840
	Chile	12.7	2 737
	Colombia	0	0
	Panama	0	193
	Peru	0.4	764
<b>AFRICA</b>	Nigeria	0.1	40
	Swaziland	0.4	172
<b>TOTAL</b>		<b>116.00</b>	<b>9 091</b>

**TRAINING COSTS AS A PERCENTAGE OF LEVIABLE PAYROLL (SOUTH AFRICAN UNITS ONLY EXCLUDING SUNSLOTS)**

**Leviable payroll**  
**R1 861 million**  
(December 2018: R1 753 million)

**Training costs**  
**R100 million**  
(December 2018: R117 million)

**% of leviable payroll**  
**5.4%**  
(December 2018: 6.7%)



**Our people** continued

**Grants and levies**

To access skills development grants from the Culture, Art, Tourism, Hospitality and Sport Sector Education and Training Authority under the levy grant scheme, we are required to:

- pay a skills development levy to SARS
- submit an MGP detailing all learning interventions to be undertaken for the year
- submit a mandatory grant report confirming the implementation of the MGP for the previous year.

Mandatory grants recovery, which is 20% of levies paid to SARS, decreased to 83% due to changes in company registration numbers at three business units as well as outstanding tax payments to SARS in respect of Wild Coast Sun.

**SOUTH AFRICA: GRANTS AND LEVIES**

Skills development levy paid <b>R18.6 million</b> <small>(December 2018: R17.5 million)</small>	Mandatory grants received <b>R3.1 million</b> <small>(December 2018: R3.5 million)</small>
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**Remuneration and benefits**

We participate in and consider market remuneration surveys and align our pay decisions to the principles set out in our remuneration policy. We made progress in aligning our 'equal pay for equal work of value' legislative requirements following an extensive benchmarking exercise. We have again addressed anomalies in the March 2019 increase process. We continue to conduct an annual 'equal pay for equal work of value' process to ensure that we remove any disproportionate income differentials over time.

**RETIREMENT BENEFITS**

Following a detailed process, which was approved by the remuneration committee, management moved from the in-house restricted membership provident fund to a large commercial umbrella provident fund, while retaining its bespoke investment strategy and insured benefits. Contributions to the umbrella fund commenced in July 2019 and we anticipate Financial Sector Conduct Authority approval to transfer the assets across in due course.

**Performance management**

We accurately measure and provide feedback on performance by linking employee performance to business objectives through a KPI scorecard. The scorecard includes KPIs for managing and developing people and transformation, as these are important areas of our business.

Individual employment contracts include minimum requirements and standards for each role. Reward is directly linked to performance at group, team and individual levels. Performance feedback sessions provide opinions on achieving or exceeding the standards set and are used to address performance that fails to meet requirements. These sessions include a review of development needs and the setting of plans for future development, talent and career management discussions.

**Employee wellness**

In 2019, the case utilisation increased and reached 11.5% of headcount, which is above the employee wellness programme norm. This confirms that there is a continued need in our business operations for support in psycho-social matters and through proactive interventions, the propensity for referrals to the programme is likely to increase.

Current utilisation levels confirms that the business operations are responding to the needs identified within the workplace and therefore positioning activities that are relevant to the employees. The five top reasons that impacted on our employee wellness are:

- Personal stress
- Bereavement
- Couple/marital counselling
- HIV/AIDS
- Legal

Focus areas for 2020 include obesity, hypertension, mental health, HIV management and financial wellbeing.

**Workplace absenteeism management (WAM)**

The WAM programme is available to all South African units. Contact was made with 3 048 employees who were flagged for being absent. Most employees contacted by WAM had musculoskeletal, respiratory, digestive or HIV issues. Employees who identified with domestic and personal issues that resulted in absenteeism were referred to the employee wellbeing programme for further counselling and advice. The WAM service assists with sick note verification to ensure that sick leave is managed appropriately. The most prevalent absenteeism reasons relate to musculoskeletal, respiratory, digestive and domestic/personal matters.

**Primary healthcare cover**

Commencing in 2018, Sun International rolled-out comprehensive primary healthcare cover to all employees (in South Africa) that were not already covered by a compulsory medical aid membership. During 2019, we conducted extensive awareness campaigns resulting in a significant uptake in benefit utilisation. This is a clear indication of the need for quality, private medical services provided by the programme.

**HIV management programme**

In South Africa we rolled out an improved HIV management programme commencing in January 2018, applicable to employees who are not members of a medical aid scheme. The purpose of the programme is to: assist HIV-positive employees on primary healthcare with maintaining ARV treatment adherence; help them overcome any barriers; and ensure they live a healthy and productive life. This improved programme had significant success in its first year. Since inception, 131 Sun international employees have been enrolled onto the LifeSense HIV Disease Management programme. Currently 121 members are active. Members of medical aid schemes are covered by their specific scheme's HIV rules.



**Our people** continued

**Onsite testing**

The onsite testing service is active at all units. A total of 2 296 onsite tests were conducted (which includes HIV and health risk assessments) during the year. The prevalence of HIV is approximately 2%, while TB symptoms are low at 1.65%. Ongoing awareness campaigns on employees knowing their HIV and TB status continued. Post exposure prophylaxis cover is also provided which can prevent employees contracting HIV through accidental exposure.

**FINANCIAL ASSISTANCE PROGRAMME**

We acknowledge that employees are impacted by the difficult economic climate. To assist employees with financial literacy training and retirement planning, we rolled out financial literacy workshops, in conjunction with the ASISA Foundation, to employees earning R20 000 or less per month. Over the past two years (2018 and 2019) 97 Saver Waya Waya WageWise sessions were held and attended by approximately 3 000 employees.

**LOOKING AHEAD**

- Completing the roll-out of Sun International's Sun Academy learning platform
- Developing and implementing additional training modules on the Sun Academy platform for other core functions
- Continuing to implement the CLEAR principles to improve customer satisfaction levels
- Rolling out Sun International's mentorship and coaching programme across all South African units as part of our succession strategy

**ANNEXURE A: EMPLOYEE STATISTICS**

**Regional employee statistics**

		SOUTH AFRICA		SUNSLOTS		AFRICA		SUN DREAMS LATAM	
		December 2019	December 2018	December 2019	December 2018	December 2019	December 2018	December 2019	December 2018
Permanent full-time employees	Number	4 501	4 773	244	229	550	543	4 229	4 512
Permanent part-time employees	Number	4 594	3 997	1	2	0	0	587	576
Skills development spend	R million	100.3	117	2.1	1.8	0.05	0.27	13.1	13.17
Female management employees	%	46	45	37	38	39	38	34	32
Employee turnover	%	13	11	12	19	8	10	35	44
Employees in bargaining unit	%	67	64	0	0	19	21	37	35

**Number of employees**

Region	Country	DECEMBER 2019				DECEMBER 2018			
		Female	Female (%)	Male	Total	Female	Female (%)	Male	Total
South Africa	South Africa	5 131	56.42	3 964	9 095	4 847	55.27	3 923	8 770
SunSlots	South Africa	105	42.86	140	245	100	43.29	131	231
<b>South African total</b>		<b>5 236</b>	<b>56.06</b>	<b>4 104</b>	<b>9 340</b>	<b>4 947</b>	<b>54.96</b>	<b>4 054</b>	<b>9 001</b>
Other Africa	Nigeria	104	29.13	253	357	105	30.88	235	340
	Swaziland	77	39.9	116	193	78	38.42	125	203
<b>Africa total</b>		<b>181</b>	<b>32.91</b>	<b>369</b>	<b>550</b>	<b>183</b>	<b>33.70</b>	<b>360</b>	<b>543</b>
Sun Dreams	Argentina	199	42.16	273	472	295	48.36	315	610
	Chile	1 529	48.22	1 642	3 171	1 562	48.20	1 679	3 241
	Colombia	30	54.55	25	55	23	50.00	23	46
	Panama	71	41.04	102	173	71	39.89	107	178
	Peru	383	40.53	562	945	406	40.08	607	1 013
<b>Sun Dreams Latam total</b>		<b>2 212</b>	<b>45.93</b>	<b>2 604</b>	<b>4 816</b>	<b>2 357</b>	<b>46.32</b>	<b>2 731</b>	<b>5 088</b>
<b>GROUP TOTAL</b>		<b>7 629</b>	<b>51.88</b>	<b>7 077</b>	<b>14 706</b>	<b>7 487</b>	<b>51.17</b>	<b>7 145</b>	<b>14 632</b>