Sun International

2020

Environmental, Social and Governance Report

CONTENTS

01 Strategic leadership

02 Sustainable value creation

03 Strong business response

04 Supporting good governance

01

STRATEGIC LEADERSHIP

ABOUT THIS REPORT

We are pleased to present Sun International Limited's (Sun International) 2020 environmental, social and governance report (ESG report) to our stakeholders, which focuses primarily on the group's sustainability and governance information.

Sun International reports in a holistic, transparent and integrated manner to assist our stakeholders to make informed decisions about our business. We aim to provide our stakeholders with a focused and balanced report that demonstrates our integrated thinking and our ability to create and preserve value but also highlights the areas where we eroded value for the year under review.

Our ESG report, covers the financial period 1 January 2020 to 31 December 2020 and incorporates all Sun International's subsidiaries and operating units in the geographic locations where we operate – South Africa and the rest of Africa. Our previous reporting period included our operations in South Africa, Latin America (Latam) and the rest of Africa. During 2020, we disinvested in Sun Dreams, which represents an entire geographic area (Latam).

The rationale for this disinvestment is outlined in the **chief executive's overview**

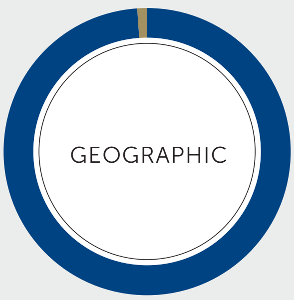
This report is structured around our leadership overviews, business overview, our sustainability performance and outlook and our governance transparency and accountability. The tourism and entertainment industry was one of the worst hit by the Covid-19 pandemic. With prolonged lockdowns at various alert levels since March 2020 until the date of this report, our business operations were severely impacted.

The other suite of reports includes the integrated annual report (IAR), the group's annual financial statements (AFS) and statutory information.

Our ESG content covers the reporting period's most material matters and where applicable content includes the period up to the report's finalisation on 31 March 2021. Sun International's material matters are topics that could substantively influence the assessment of providers of capital and other stakeholders, regarding the group's ability to create, preserve and even erode value over the short, medium and long term. The process of determining materiality, outlined in the materiality section of the IAR, involves reviewing and assessing our risks, opportunities, the external environment and stakeholder concerns. This process is dynamic and evolves annually to ensure our material matters remain relevant and enable the group to achieve its strategic objectives, vision and purpose. Our materiality determination and methodology process received specific focus in 2020, with a more inclusive and transparent review and approval procedure. Our relevant governing bodies provided input into this process and where applicable, we continued to align to best practice.

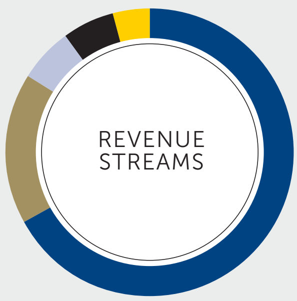
South African operations are the group's single biggest revenue contributor and gaming remains the group's primary revenue generator.

CONTRIBUTION TO GROUP REVENUE



99% South Africa
(2019: 97%)

1% other African countries
(2019: 3%)



67% Casino
(2019: 66%)

17% Alternate gaming
(2019: 12%)

6% Food and beverage
(2019: 9%)

6% Rooms
(2019: 9%)

4% Other
(2019: 4%)

REPORTING SUITES, REPORTING FRAMEWORKS AND ASSURANCE

The group's suite of reports is guided by various frameworks. Our ESG report is guided by the Global Reporting Initiative (GRI) Standards, with certain information externally assured by IBIS ESG Assurance. The group also embraces the United Nations Sustainable Development Goals (SDGs), which encourage companies and individuals to take the necessary action to achieve the SDGs by 2030. Our IAR is primarily guided by the International Integrated Reporting Council's (IIRC) recommendations for integrated reporting (the <IR> framework). It is also prepared in accordance with the JSE Limited Listings Requirements (JSE LR) and the South African Companies Act, 71 of 2008, as amended (Companies Act). Our AFS follow the International Financial Reporting Standards (IFRS) and are externally assured by PricewaterhouseCoopers Inc. Our statutory report is guided by the Companies Act, JSE LR and the King Code on Corporate Governance™ for South Africa 2016 (King IV™). A detailed register of our King IV™ application of governance principles is available online.

Suite of reports and reporting frameworks

For ease of stakeholder reference to specific information, we have included our four separate online reports that follow various reporting frameworks.

Integrated annual report

- IIRC <IR> framework
- Companies Act
- King IV™
- JSE LR
- SDGs
- GRI

Group audited consolidated financial statements

- IFRS
- Companies Act
- JSE LR

Environmental, social and governance report

- IIRC <IR> framework
- Companies Act
- King IV™
- JSE LR
- SDGs
- GRI
- AA1000AS

Annual statutory report

- Companies Act
- King IV™
- JSE LR

Combined assurance model

Sun International's combined assurance model provides comfort to stakeholders that our financial and non-financial information are verified. This model also enables an effective internal control environment and supports the integrity of information that management and the board use in decision-making.

REPORTING FOOTPRINT AND NAVIGATION

Sun International continues to minimise its environmental footprint by only producing online annual reports. Our reporting design and report generator function enhances the overall user experience and enables the reader to select and print any section of the report or create their own report in a PDF format. Our interactive icons, footnotes and links further add to the user experience and interface.

The icons below represent the various aspects relevant to the group's strategy, capitals, sustainability, stakeholders, governance, SDGs and social media.

STRATEGIC OBJECTIVES
- 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
- Our people

CAPITALS
- Financial
- Productive
- Human
- Intellectual
- Social and relationship
- Natural

SUSTAINABILITY
- Environment
- Health, safety and wellbeing
- Socio-economic development
- Enterprise and supplier development

STAKEHOLDERS
- Communities
- Customers and guests
- Employees
- Equity partners and debt funders
- Gambling boards
- Partners and suppliers
- Regulators and industry bodies

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

SUN INTERNATIONAL'S TOP SIX SDGs
- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 6 CLEAN WATER AND SANITATION
- 8 DECENT WORK AND ECONOMIC GROWTH
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

FULL LIST OF SDGs

SUSTAINABLE DEVELOPMENT GOALS
- 1 NO POVERTY
- 2 ZERO HUNGER
- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 6 CLEAN WATER AND SANITATION
- 7 AFFORDABLE AND CLEAN ENERGY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 10 REDUCED INEQUALITIES
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 14 LIFE BELOW WATER
- 15 LIFE ON LAND
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
- 17 PARTNERSHIPS FOR THE GOALS

ADDITIONAL INFORMATION
- Indicates where additional information can be found in this report
- Indicates where additional information can be found on our website, www.suninternational.com
- Indicates an email address

SOCIAL MEDIA
- Facebook
- Twitter
- YouTube
- Instagram

INTERACTIVE PDF
- Contents
- Previous page
- Next page
- Back

OTHER
- Covid-19
- King IV™
- Risk

FORWARD-LOOKING STATEMENTS

This report may contain certain forward-looking statements other than the statements of historical fact which cannot be construed as reported financial results. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein, as they have not been reviewed or reported on by the group's external auditors. Such statements may include predictions of or indicate future earnings, objectives, savings, events, trends or plans based on current expectations, forecasts and assumptions. As with any forward-looking statement, prediction or forecast, there are inherently unexpected events which could cause uncertainty and unexpected change which have not, and could not, be accounted for. Whereas the company has made every effort to accurately and reasonably ensure the accuracy and completeness of the information contained within this report, any forward-looking statements speak only as at the date that they are made. The actual results may vary materially from those expressed or implied and the company undertakes no obligation to publicly update or alter these or to release revisions after the date of publication of this report.

STAKEHOLDER FEEDBACK

We welcome stakeholders' feedback on our reporting, particularly regarding our suite of reports. Feedback can be sent to:

or

LEADERSHIP MESSAGE

The 2020 financial year was certainly a year like no other, globally and in Sun International's history. Over and above the economic headwinds, from a public health crisis perspective, the global pandemic (Covid-19) had a devasting impact on lives and livelihoods. Sun International's business operations were severely impacted, financially and operationally and our recovery will take some time.

Sustainability is central to our group's strategy and certain sustainability elements were amplified during the pandemic. Our health, safety and wellbeing practices became a focal point for employees, concessionaires, suppliers, guests and customers. The World Health Organisation defines health as being a state of complete physical, mental and social wellbeing and not merely the absence of disease or infirmity. This definition can also be compared to a responsible corporate citizen's health. The health of employees and of companies is an enabling factor, which is a prerequisite for sustainable development. The United Nation's Sustainable Development Goals (SDGs) includes good health and wellbeing as SDG 3, which is one of Sun International's six SDG focus areas. In addition, as a responsible corporate citizen Sun International's integrated sustainability approach assisted in ensuring that the group was healthy enough to ensure a resilient and agile response to the Covid-19 crisis.

The group's leadership was quick to react and mobilise a response programme. We established a crisis management committee and the board availed itself to more frequent interactions with the executive management team. Critical decisions were made to ensure the group's financial viability and sustainability. These decisions included the disposal of Sun Dreams, a R1.2 billion rights offer, closing The Carousel and Naledi Sun as well as deciding to change our casino management system. We also made good strategic progress, given the challenging circumstances, as elaborated further in the strategic objectives section of the integrated annual report and this report.

The group's financial results were severely impacted by the Covid-19 pandemic. Income from continuing operations declined by 49% to R6.1 billion and continuing adjusted EBITDA reduced by 72% to R897 million. Our total group adjusted headline earnings declined from R763 million to a R1.1 billion loss, with an adjusted headline earning loss of 633 cents per share. Operationally, we finalised the central office restructure in February 2020, which realised savings of in excess of R50 million. The chief financial officer's overview and annual financial statements provide a comprehensive review of our financial results.

To ensure a safe environment for our stakeholders, Covid-19 health and safety protocols were drafted, implemented and shared on our internal communication platform, Sun Talk and on our corporate website. Through our robust governance structures, Covid-19 compliance officers were appointed at each property to implement and monitor Covid-19 protocols and a Covid-19 committee was established at each unit. All property Covid-19 committees reported to the central crisis management committee, who kept the board and relevant board committees apprised and updated on the group's Covid-19 progress and any challenges. Regrettably, even with all our best practice and industry-leading Covid-19 protocols, five Sun International employees passed away from coronavirus. On behalf of the group, we extend our sincere condolences to their families and loved ones.

While a crisis is normally synonymous with negativity, some positives were noted as a direct result of Covid-19 and the prolonged lockdown. When lockdown was instituted and our operations closed at the end of March 2020 until the end of June 2020, we achieved significant resource (water, electricity and waste) savings; however, most of our onsite environmental initiatives could not be implemented as a result of the lockdown. As part of our new five-year environmental strategy, ENVIRON-AMBITION 2025, we will be implementing strategic initiatives that will focus on reducing our environmental footprint even further.

"To ensure a safe environment for our stakeholders, Covid-19 health and safety protocols were drafted, implemented and shared on our internal communication platform, Sun Talk and on our corporate website."

We will also be investing in green energy solutions to be a more energy-efficient and sustainable organisation. Further, we realigned our socio-economic development (SED) policy to allow units to contribute to special projects based on community needs during Covid-19. Encouragingly, we invested R18.8 million (2019: R25.4 million) in SED projects and R7.1 million (2019: R3.6 million) in corporate social investment (CSI) initiatives. Partnerships during a crisis are also important and our suppliers and service providers were understanding of the financial constraints we were up against when our operations closed, which impacted our cash flow. By revising service provider contracts and outsourcing certain functions (facilities management, maintenance and certain food and beverage outlets) we realised cost savings in excess of R250 million.

Our employees went above and beyond their duties during this challenging time. While all customer training was halted during more stringent lockdown levels, Covid-19 training became a necessity to prepare for our properties reopening. Most training during 2020 was conducted online through our Sun Talk digital communication platform, until properties were reopened. Communication became even more critical during 2020 as employees were fearful of the unknown. We enhanced employee engagement throughout the year by using the Sun Talk communication platform, email, WhatsApp, social media platforms, podcasts and video messages. The content that resonated most with our employees included Covid-19 self-assessments, leadership messages and employee question-and-answers, as well as vacancies. The Sun Talk platform also created awareness around the group's various Covid-19 and health and safety campaigns and was used to spread messages of encouragement and goodwill.

We appreciate that employees have faced severe hardships during 2020, therefore Sun International's One Sun Wellness programme was upscaled to support employees and their families during the pandemic. This support has contributed to helping employees grasp and better cope with the impact that the pandemic had on their lives and livelihoods. Going forward, we will be reinforcing our employee culture to embrace the group's vision, purpose and values in these uncertain times as we recover from this crisis.

> "Our employees went above and beyond their duties during this challenging time. While all customer training was halted during more stringent lockdown levels, Covid-19 training became a necessity to prepare for our properties reopening."

The board remains engaged and active in promoting an ethical and diverse leadership stance. In 2020, a board skills matrix was developed to assess what the future board composition should look like from a skills, diversity, field of knowledge and experience perspective. This matrix aligns with the group's strategy and complies with best international corporate governance practices. Encouragingly, the board has exceeded its black and female diversity targets and the group continues to focus on the principle of equal pay for work of equal value, and will be implementing a diversity and inclusion strategy. Management is also researching how best to create a work environment where gender disparities can be addressed, and more opportunities exist for women in leadership positions. The group maintained its Level 1 B-BBEE status as part of its transformation journey. For more information on the group's governance progress as well as the board changes during 2020, refer to the corporate governance report.

We would like to thank all our stakeholders for their continued support as we navigate our way through these uncertain times. While many challenges lie ahead, the group is in a strong position to deal with them, and we are confident that we will emerge stronger.

JABU MABUZA
Chairman

31 March 2021

ANTHONY LEEMING
Chief executive

31 March 2021

SUSTAINABLE VALUE CREATION

VALUE CREATION

Sun International's vision, purpose and sustainable business strategy aims to create value for all our stakeholders. This is achieved through our business model, which is supported by our strategy, core value propositions and our robust governance and risk management processes.

1 OUR PURPOSE

To create great memories for our guests, people and stakeholders

2 OUR VISION

To be an internationally recognised and respected gaming and hospitality group that provides memorable experiences for our guests, offers rewarding employment for our people, delivers returns for our shareholders and creates value for the communities in which we operate

3 OUR VALUES

Our values represent our unwavering commitment to behaving in a consistent, positive manner every day, in everything we do.

TEAMWORK
We treat each other with respect and work together to create great memorable experiences for all our stakeholders

CUSTOMER FIRST
Our customer is at the heart of all we do and we exceed their expectations every time

PASSION
We inspire each other with our positive attitude and energy as we strive to be the best

PROFESSIONALISM
We use our skills and competence to provide the highest standard of work and ethical conduct at all times

Sun International supports the United Nations Sustainable Development Goals (SDGs) and continue to report on the contributions we make to the achieve these goals

4 OUR CAPITAL RESOURCES

Financial Capital Our source of funds includes debt and equity which we use for business operations including running costs, property refurbishments and maintenance and strategic acquisitions.

Productive Capital Our unique properties form the bricks and mortar where our business activities are carried out to ensure we offer our guests an unforgettable experience. Our unused land also creates opportunities for development.

Social and relationship Capital Our guests, shareholders, employees, communities, gambling boards, government and regulators are key stakeholders and we actively engage and manage these stakeholder relationships to promote a shared value proposition.

Human Capital Our people are the primary interface with our guests and the custodians of the memorable experience we strive to offer our guests.

Intellectual Capital Our intellectual capital includes our gaming licences, brand and know-how, which provides our licence to operate and cultivates a wealth of management expertise and innovative IT.

Natural Capital Our business activities depend on natural resources, particularly water and energy. Some of our properties are in pristine environments rich in biodiversity which we protect and preserve.

5 DIFFERENTIATORS

- Social and economic contributions
- Pioneers in gaming
- International footprint
- Industry leaders in memorable events
- Strong brand, proud legacy and iconic properties

6 STRATEGIC OBJECTIVES

- 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

7 MATERIAL MATTERS AND RELATED RISKS

MATERIAL MATTERS	RELATED RISKS
Managing conditions through tough economic conditions	1, 2, 5, 6
Customer attraction and retention	1, 2, 3, 5, 10
Health and safety of group stakeholders	1, 2, 5, 10
Service delivery and customer satisfaction	1, 2, 5, 9, 10
Transformation at senior management level	5, 8
Digital transformation	1, 2, 5, 6, 9
Socio-economic challenges (inequality, unemployment, procurement, communities, pandemics)	1, 2, 5
Climate change	1, 2, 5, 10
Key staff retention	1, 2, 5, 8

8 RISKS

1. Coronavirus (Covid-19)
2. Weak economic conditions
3. Smoking legislation
4. Increase in gaming taxes and levies
5. Increased demands from stakeholders (minority shareholders, communities and local suppliers)
6. Erosion of market share due to other forms of gaming
7. Ongoing changes in licence conditions
8. Succession plans for critical roles
9. Cyber threats and information security
10. Infrastructure management and maintenance

9 KEY STAKEHOLDERS

- Communities
- Customers and guests
- Employees
- Equity partners and debt funders
- Gambling boards
- Partners and suppliers
- Regulators and industry bodies

OUR PRESENCE AND GROUP STRUCTURE

Sun International is an international hotel, casino and entertainment company that has a presence in South Africa, Nigeria and Swaziland. During 2020, we disposed of our Sun Dreams operations in Latin America and closed The Carousel and Naledi Sun in South Africa.

Going forward we will focus on protecting, leveraging and growing our existing asset portfolio in the areas where we operate to ensure we continue to provide memorable guest experiences. Casino operations, including alternate gaming, contributes the largest share of group revenue at R5.1 billion (83%) with hospitality contributing R391 million (6%).

GROUP CASINO GAMING LICENCES
15
(2019*: 15)

GROUP ROOMS
3 636
(2019**: 3 679)

GROUP SLOTS
10 541
(2019**: 11 077)

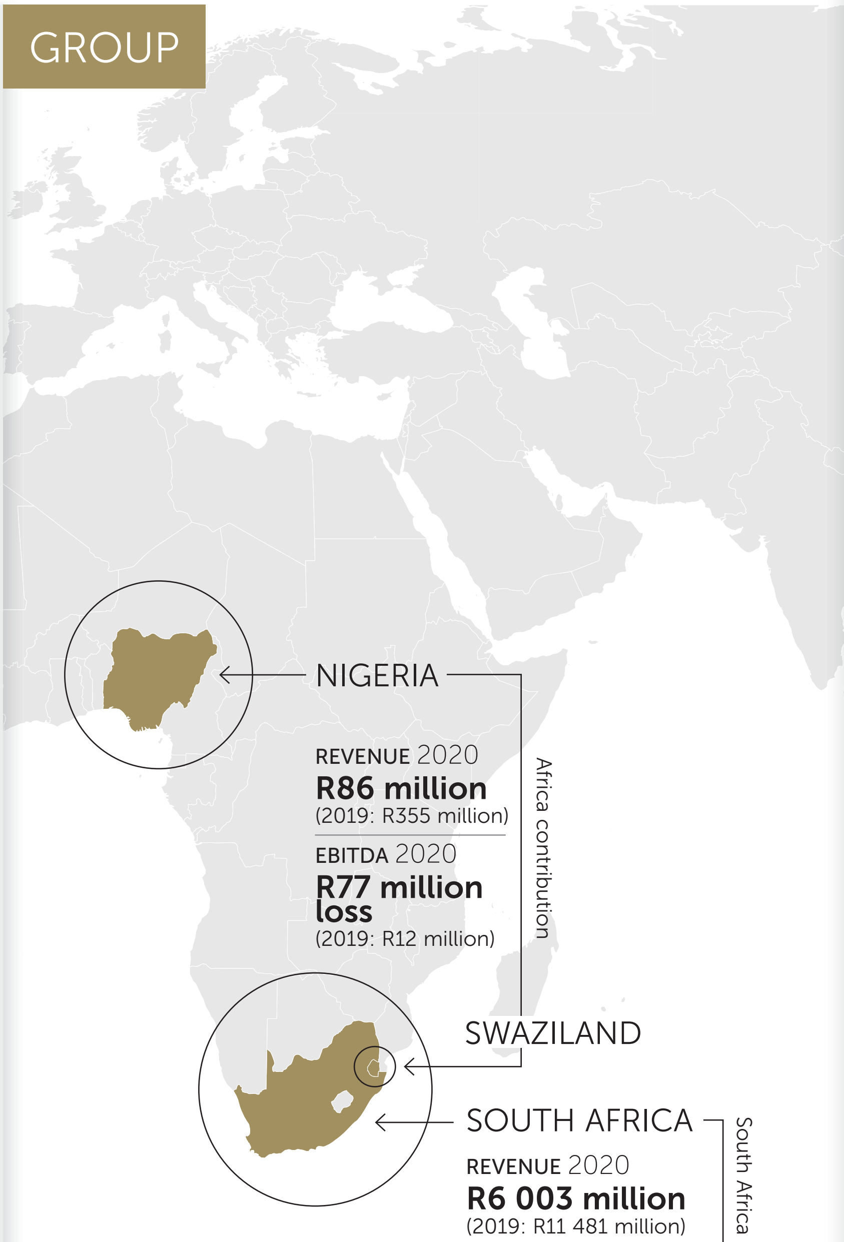
GROUP LPMS
4 481
(2019**: 4 328)

GROUP TABLES
392
(2019**: 397)

GROUP EMPLOYEES
7 548
(2019**: 9 890)

* Restated numbers excluding Latam
** Restated numbers excluding Latam, The Carousel and Naledi Sun

GROUP



NIGERIA (Africa contribution)

REVENUE 2020
R86 million
(2019: R355 million)

EBITDA 2020
R77 million loss
(2019: R12 million)

SWAZILAND

SOUTH AFRICA (South Africa contribution)

REVENUE 2020
R6 003 million
(2019: R11 481 million)

EBITDA 2020
R984 million
(2019: R3 237 million)

SOUTH AFRICA

SA GAMING LICENCES
13
(2019: 13)

SA SLOTS
10 332
(2019*: 10 819)

LPMS
4 481
(2019*: 4 328)

SA TABLES
373
(2019*: 379)

SA ROOMS
3 139
(2019*: 3 182)

VACATION CLUB UNITS
384
(2019*: 384)

SA EMPLOYEES
7 045
(2019*: 9 340)

* 2019 numbers exclude The Carousel and Naledi Sun

FINANCIAL	Economic interest (%)[1]	Slots*	LPMs*	Tables*	Rooms	Employees
Property						
GAUTENG						
Carnival	91	1 399	–	48	105	634
The Maslow Sandton	100	–	–	–	281	109
Maslow Time Square	82	1 722	–	60	238	824
WESTERN CAPE						
GrandWest	62	2 563	–	72	39	1 001
The Table Bay	62	–	–	–	329	167
Golden Valley	61	227	–	6	98	172
KWAZULU-NATAL						
Sibaya	87	1 272	–	49	154	649
LIMPOPO						
Meropa	68	400	–	17	60	147
NORTH WEST						
Sun City	100	700	–	51	1 299	1 593
Carousel	–	–	–	–	–	4
NORTHERN CAPE						
Flamingo	71	300	–	10	–	129
EASTERN CAPE						
Boardwalk	82	798	–	27	140	391
Wild Coast Sun	50	550	–	18	396	410
FREE STATE						
Windmill	70	401	–	15	–	143
ALTERNATIVE GAMING						
SunSlots	70	4 481	4 481	–	–	237
SunBet	100	–	–	–	–	39
MANAGEMENT						
Sun International Management	100	–	–	–	–	396
TOTAL		**14 813**	**4 481**	**373**	**3 139**	**7 045**

1 Economic interest excludes the interest held by the Sun International Employee Share Trust (SIEST).
* Due to Covid-19 requirements and social distancing not all licensed slots, LPMs and tables are operational. The numbers indicated in the table above are operational slots, tables and LPMS in 2020. Sun International has licences to operate a total of 10 336 slots, 6 267 LPMs and 381 tables.

Sustainability

WATER CONSUMPTION (kl)
3 110 231
(2019: 4 510 042)

ENERGY CONSUMPTION (kWh)
162 283 056
(2019: 231 403 213)

WASTE (kg)
4 296 011
(2019: 7 495 585)

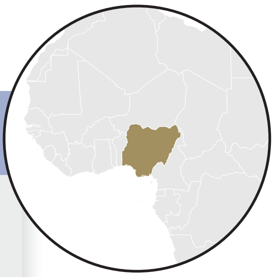
LOST TIME INJURY FREQUENCY RATE
0.58
(2019: 0.96)

SED SPEND (RAND)
18 834 174
(2019: 25 449 873)

B-BBEE LEVEL
1
(2019: 1)

OTHER AFRICA

NIGERIA



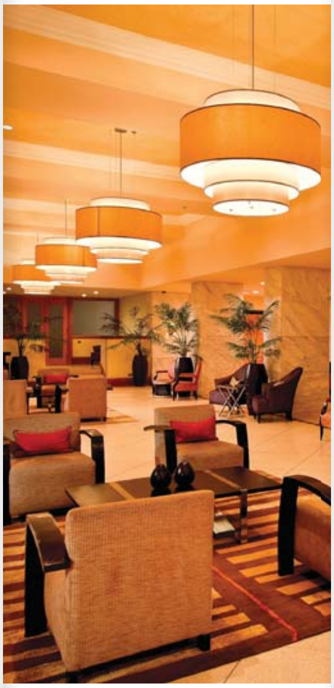
GAMING LICENCES
1
(2019: 1)

ROOMS
146
(2019: 146)

SLOTS
52
(2019: 100)

TABLES
5
(2019: 5)

EMPLOYEES
323
(2019: 376)



SWAZILAND

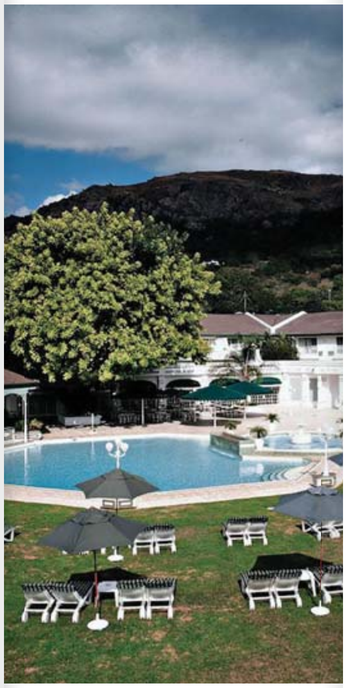
GAMING LICENCES
1
(2019: 1)

ROOMS
351
(2019: 351)

SLOTS
157
(2019: 158)

TABLES
14
(2019: 13)

EMPLOYEES
180
(2019: 193)



BUSINESS MODEL

Value creation, preservation or erosion over time

CAPITAL INPUTS

We use the six capital resources interchangeably and appreciate that there are trade-offs between them. These trade-offs are carefully considered to preserve shareholder value

INPUTS

Human	7 548 Employees Board
Intellectual	15 Gaming licences Respected brand and reputation IT systems
Productive	Properties across South Africa and rest of Africa
Social and relationship	Key Stakeholders
Financial	Debt Equity
Natural	Resources energy and water Fauna and flora at our pristine properties

BUSINESS ACTIVITIES

Our business activities draw on the various capital resource inputs and convert these into our activities and outputs – gaming and hospitality which are supported by various central service functions

Gaming

Our gaming licences are the most critical enabler allowing us to operate and fulfil our purpose and vision. We continuously review and evaluate our licence conditions to ensure we fully comply and maintain our licence to operate.

Hospitality

Our unique hotels and resorts, their pristine location and superior offerings are some of our key differentiating factors that keep our guests choosing Sun International as a destination of choice. The group's food and beverage offering provides something for all food lovers. Most of our properties have the facilities and infrastructure to host world-class events and conferences, which drives footfall at properties and creates memorable experiences.

Business support

This division leads innovation, technology and administrative services for business operations to enable optimal use of digitalisation, technology and business processes in achieving our strategic objectives.

Central services

These support services include finance, IT, HR, marketing, sustainability and legal and corporate services that are critical to providing sound financial business models, achieving efficiencies across the group, building relationships with key internal and external stakeholders and providing governance in areas aligned to legislation and regulations.

OUTPUTS

- Tables
- Slots
- Alternate gaming such as LPMs
- Online sports betting

- Innovation
- Technology
- Administrative services

- Hotels and resorts
- Food and beverage
- Events and conferencing
- Property development and refurbishments

- HR
- IT
- Marketing
- Finance, legal and corporate services
- Sustainability

PILLARS/FOUNDATION Corporate governance • Risk management • Sustainable business practices

KEY DIFFERENTIATORS

- Strong brand and proud legacy
- Unique iconic properties
- Gaming pioneers in South Africa
- Significant economic contributor

OPERATING ENVIRONMENT/ GAME CHANGERS

- Regulation
- Industry and gaming bodies
- IT advancements
- Society

OUTCOMES

Our business model culminates in specific stakeholder outcomes that have far-reaching impacts on the economies and societies where we operate

Key stakeholders

SUPPLIERS

R30.9 million INVESTED IN SUPPLIER DEVELOPMENT

R6.9 million COMMITTED IN ENTERPRISE DEVELOPMENT

COMMUNITIES

COMMUNITY UPLIFTMENT **R18 834 174 million** (SED investment) and **R7 130 844 million** (CSI contributions)

SED AND **CSI** SUSTAINABILITY PROJECTS

EMPLOYEES

TRAINING AND DEVELOPMENT **R51.6 million**

EMPLOYEE REMUNERATION **R1.6 billion**

EMPLOYEE WELLNESS PROGRAMMES

ZERO WORK-RELATED FATALITIES

REGULATORS

REGULATORY COMPLIANCE – **ZERO fines**

IFRS 16 IMPLEMENTATION

B-BBEE LEVEL **1**

STRATEGIC PARTNERSHIPS

ICONIC EVENTS

CUSTOMERS AND GUESTS

CUSTOMER SATISFACTION

MEMORABLE EXPERIENCES

ICONIC EVENTS

GAMBLING BOARDS

SIGNIFICANT TAX CONTRIBUTION **R1.2 billion**

15 GAMING BOARD LICENCES

SHAREHOLDERS

REDUCED DEBT LEVELS

SHARE PRICE – **decreased**

NET CASHFLOWS **R340 million**

SOCIETY

43% OF GENERAL WASTE RECYCLED

Reduce WATER AND ELECTRICITY CONSUMPTION

RESOURCE EFFICIENCIES

SUPERIOR WILDLIFE EXPERIENCES

P U R P O S E

STAKEHOLDER ENGAGEMENT

Sun International's robust stakeholder engagement was enhanced during the global pandemic to ensure all stakeholders were kept informed of our Covid-19 protocols and operating procedures. Extensive lobbying of government resulted in trading activities opening earlier, in Level 3 lockdown, as opposed to Level 1. All shareholders are encouraged to provide constructive feedback and to voice legitimate concerns, comments and suggestions through our various communication channels. This engagement process ensures we continue to add stakeholder value.

STAKEHOLDER ENGAGEMENT APPROACH

Relationships with our stakeholders, or social and relationship capital, impact directly and indirectly on our business and reputation. These relationships influence whether consumers decide to become our customers and guests whether suppliers want to be vendors whether employees want to work for us whether communities feel we address their needs and whether government believes that we comply with regulations and drive economic growth. Therefore, it is important to continually engage with all key stakeholders in an open and transparent manner group-wide. During 2020, stakeholder engagement with employees, concessionaires, suppliers and government was more frequent as the group faced an uncertain operating environment and we steered our way through the Covid-19 crisis.

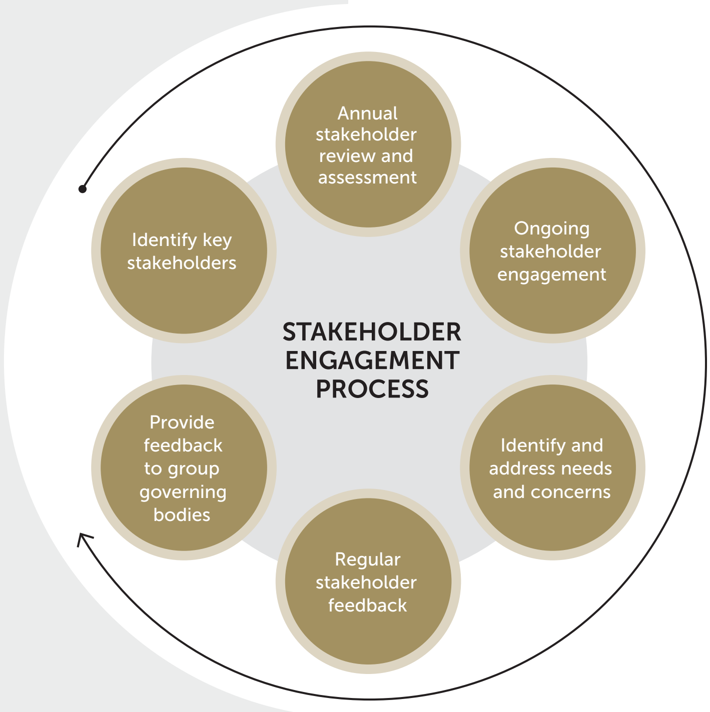
Achieving our five strategic objectives depends on our ability to proactively engage with and respond to our stakeholders. Our various engagement methods include face-to-face interactions, formal and informal communication platforms, results presentations, reports and our annual general meetings (AGMs). We also engage through our marketing campaigns, digital platforms, advertising, electronic media, newsletters, events and roadshows. Our regular surveys among our guests and employees, with the aim of continually improving service delivery, guest experience and employee satisfaction, were hampered during the year due to Covid-19.

ENGAGEMENT PROCESS

We annually assess our stakeholder universe based on stakeholders' influence on the group, and the group's impact on stakeholders. This engagement process allows us to identify any material concerns and opportunities that may exist, and purposefully engage to resolve and build on these matters and acquire a better understanding of our stakeholders' needs. The risk and social and ethics committees provide oversight of the group's stakeholder engagement and are responsible for keeping the board abreast of material matters arising.

Focused engagement within the communities in which we operate is particularly important as most of our properties are situated within or close to surrounding communities. Stakeholder concerns and demands, particularly from communities and local suppliers, continue to increase as the socio-economic environment weakens. Cultivating positive relationships with these stakeholders ensures that Sun International offers shared value and sustainable socio-economic development (SED) opportunities.

The group's community engagement methodology ensures that all engagements and interventions are aligned with the group's sustainable business strategy and, more broadly, with provincial and national growth and development plans. This engagement methodology involves identifying communities and implementing a dialogue process to identify and assess various social aspects related to their wellbeing, as well as identifying the collective needs of these communities. Based on these assessments, possible interventions are identified and discussed with the affected stakeholders.



EMPLOYEES

Employees are the heart of our business. They are the primary interface with our guests and the custodians of the memorable experiences we strive to offer our guests.

INTERNAL GOVERNANCE STRUCTURES

- Social and ethics committee
- Executive committee
- Unit operational committees

2020 engagement opportunities

- Virtual engagement sessions on Microsoft 365
- Various leadership podcasts
- Quarterly meetings between executive leadership and senior management

Methods of engagement

- Sun Talk
- Social media
- Email notifications
- Face-to-face meetings
- Podcasts

Sun International and stakeholder value add

- Building on the SunWay culture and employee value proposition
- Proactively engaging and supporting employees
- Ongoing training and development
- Retaining and attracting key skills
- Ongoing talent management

KEY STAKEHOLDER CONCERNS	ACTIONS TO ADDRESS STAKEHOLDER CONCERNS
Reduced remuneration during lockdown	• Adjusting salaries to maintain costs and ensuring business sustainability • Ongoing employee communication through various communication channels • Regular leadership podcast messages
Retrenchments at certain units	• Proactively negotiate with unions on retrenchments • Ongoing employee engagement and free financial council • Enhancing wellness programmes to provide employee counselling and support
TERS payments not being paid on time	• Applying to Temporary Employer/Employee Relief Scheme (TERS) fund on behalf of employees • Paying employees TERS contributions despite late TERS payments received from government
Uncertainty around the group's viability and sustainability	• Regular dialogue on the Sun Talk platform between leadership and employees • Lobbying gaming boards and government for early opening of properties • Successfully concluded a R1.2 billion rights offer • Disposal of the group's interest in Sun Dreams • Announcing the closure of The Carousel and Naledi Sun
Impact on employees' wellbeing	• Enhancing wellness programmes to provide employee counselling and support • Ongoing support to Covid-19-positive employees and their families • Supporting remote working opportunities • Ongoing leadership podcast messages • R1.6 million invested in employees' family educational needs
Slow transformation	• Continuing to implement the diversity strategy and supporting the diversity policy • Focusing on implementing an equal pay for work of equal value strategy • Tracking the group's progress on transformation related to the employment equity plan
Lack of retaining and replacing critical skill	• Continuing to implement succession plans across the group with a specific focus on critical skills

CUSTOMERS AND GUESTS

Our livelihood depends on our guests, as they have a direct impact on our financial sustainability. We constantly need to innovate and create memorable experiences to remain relevant and attract and retain our guests.

INTERNAL GOVERNANCE STRUCTURES

▶ Executive committee

2020 engagement opportunities

- Key events e.g. Black Pearl Tournament and the South African Open Golf Tournament
- MVG loyalty programmes

Methods of engagement

- Customer surveys
- Digital communication platforms
- In-room TVs
- Media releases
- Website
- Social media
- Face-to-face engagements

Sun International and stakeholder value add

- Growth in revenue with the early opening of operations in a safe and controlled environment
- Increasing our MVG customer base
- Enhancing customer service through new product offerings
- Creating lasting memories

KEY STAKEHOLDER CONCERNS	ACTIONS TO ADDRESS STAKEHOLDER CONCERNS
Ongoing customer concerns on Covid-19 and safety protocols at our operations	• Implementing industry-leading Covid-19 protocols • Updating Covid-19 protocols and training employees on an ongoing basis • Ongoing communication on our health and safety protocols to customers via social media, digital platforms and marketing campaigns
Customer service complaints and perception of value	• Ongoing learning and development programmes for employees to enhance customer service • Innovative product offerings • Focused refurbishments and upgrades
Inconsistent customer communication around our facilities and service offerings	• Ongoing customer surveys and proactive customer feedback • Ongoing updates on our website, social media and digital marketing platforms • Improving branding and marketing campaigns • Enhancing direct MVG communication
Decrease in discretionary spend in a tough economic climate	• Special offers as part of the reopening of operations

GAMBLING BOARDS

Gambling boards provide our legal licence to operate and guide the group on how best to create shared value for the communities where we operate. They also provide oversight on the gaming industry to ensure a fair and responsible industry.

INTERNAL GOVERNANCE STRUCTURES

- Risk and social and ethics committees
- Sustainability committee

2020 engagement opportunities

- Regular provincial gaming board meetings

Methods of engagement

- Virtual and face-to-face meetings
- Written correspondence

Sun International and stakeholder value add

- Supporting South Africa's economy by creating jobs and supporting empowerment opportunities through sustainable gaming operations investment in SED and corporate social investment (CSI)
- Creating co-operative interactions with regulators
- Increasing Covid-19 measures to safeguard gambling communities while gambling
- Making contributions towards Broad-Based Black Economic Empowerment (B-BBEE), SED and CSI which are linked to gaming revenue generation

KEY STAKEHOLDER CONCERNS	ACTIONS TO ADDRESS STAKEHOLDER CONCERNS
Electronic Bingo Terminal (EBT) licencing	• Continue to build relationships with all provincial gambling boards through regular interaction to better regulate the EBT sector
Increase in gaming taxes and proposal to impose new operator fees for casinos and route operators in South Africa	• Challenging the proposed increase in gaming taxes
Outstanding legal disputes between gaming regulators and the group	• Engaging with the respective gaming regulators to resolve all outstanding legal disputes
Illegal gambling	• Engaging with various stakeholders, including SAPS and the Specialised Investigations Unit, to identify illegal gambling activities and institute criminal action against offenders
Securing the new Wild Coast Sun Casino licence	• Ongoing negotiations and interactions with the Eastern Cape Gaming and Betting Board to finalise the conditions of the new licence

COMMUNITIES

Communities form an integral part of our operating environment as they provide our social licence to operate. It is imperative to create shared value for these communities to sustain our operations.

INTERNAL GOVERNANCE STRUCTURES

- Sun International Social Community Development Trust (SISCDT)
- Risk and social and ethics board committees
- Sustainability committee

2020 engagement opportunities

- Supporting programmes and forming partnerships within local government
- Ongoing engagements with schools where learners are benefiting from opportunities like bursaries and improved school infrastructure
- Communicating positive and uplifting initiatives relating to SED and CSI
- Enhancing education facilities in tourism, hospitality and consumer studies classrooms
- Supporting preferential local procurement
- Contributing to enterprise and supplier development, SED/CSI and skills development

Methods of engagement

- Site visits
- Virtual meetings
- Stakeholder face-to-face meetings
- Written correspondence

Sun International and stakeholder value add

- Building strong relationships and positively impacting on local communities
- Supporting local initiatives and creating employment opportunities
- Creating sustainable project opportunities
- Supporting community upliftment

KEY STAKEHOLDER CONCERNS	ACTIONS TO ADDRESS STAKEHOLDER CONCERNS
Increased needs of communities as a direct result of Covid-19	• Enhancing community stakeholder engagement opportunities • Ongoing SED and CSI contributions • Approving special SED projects to support the immediate needs of the communities
Lack of tendering and procurement opportunities, particularly for black women owned (BWO) businesses	• Sun International suppliers bulletin board available to suppliers • Participating in community business forums • Reviewing procurement processes and inviting black women owned (BWO) businesses to stakeholder engagement sessions
Reduced local procurement and job opportunities	• Group and unit-specific engagement and request for proposal (RFP) opportunities • Providing ad hoc local job opportunities and training

PARTNERS AND SUPPLIERS

Partners provide support to ensure that we do not operate in isolation, thereby minimising potential value creation. Suppliers provide the necessary supplies, services and systems to enable the group to carry out its business activities and improve the overall guest experience.

INTERNAL GOVERNANCE STRUCTURES

- Risk and social and ethics board committees
- Enterprise and supplier development committee
- Sustainability committee
- Social and ethics committee

2020 engagement opportunities

- Unit RFP notifications
- Supplier workshops
- Regular forums with local business

Methods of engagement

- Emails
- Procurement notice board
- Workshops
- Virtual meetings

Sun International and stakeholder value add

- Creating a pipeline of suitable business in the group's supply chain
- Developing local suppliers for employment and growth opportunities
- Empowering smaller businesses and service providers
- Partnering with local business to leverage synergies
- Maintaining our level 1 B-BBEE rating

KEY STAKEHOLDER CONCERNS	ACTIONS TO ADDRESS STAKEHOLDER CONCERNS
Lack of work and tender opportunities	• Work and service delivery opportunities are advertised on unit-specific portals • RFP and tender opportunities are displayed on the group and unit tender bulletin boards • Ongoing unit-specific engagements with relevant local suppliers • Preferential procurement for small and medium-sized enterprises (SMEs), black owned companies and level 1 – 3 B-BBEE suppliers

EQUITY PARTNERS, SHAREHOLDERS AND DEBT FUNDERS

Equity partners, shareholders and debt funders provide us with the financial resources to deliver on our strategic objectives and create shareholder value.

INTERNAL GOVERNANCE STRUCTURES

- Nomination and remuneration committees
- SIL Board committee
- Audit and investment committees

2020 engagement opportunities

- Communication to shareholders on capital structure, capital requirements and the group's remuneration policy
- Structured and continual engagement with equity partners and debt funders

Methods of engagement

- Board and committee meetings
- Virtual and face-to-face meetings
- Written correspondence
- Interim and year-end financial results presentations
- Circulars and integrated annual report
- Regular business updates on SENS
- Monthly and quarterly financial submissions to lenders
- AGM

Sun International and stakeholder value add

- Participating in the growth of the business at a local operating level
- Ensuring acceptable shareholder returns on investments
- Leveraging local equity partners' experience and insights in to local communities
- Ensuring short-term liquidity and optimal capital structures
- Optimising cost of debt and transactional banking
- Ensuring sound corporate governance
- Improving lender insights into the group's financial performance, risks and strategy

KEY STAKEHOLDER CONCERNS	ACTIONS TO ADDRESS STAKEHOLDER CONCERNS
Concern around the long-term business sustainability and return on investment of the group as well as ensuring an acceptable dividend flow	• Ensuring all operational and growth strategies are well communicated and implemented • Improving the liquidity position and strengthening the balance sheet • Complying with all the requirements of good governance
Current debt and liquidity levels and the ability to ensure financial recovery post Covid-19	• Securing the group's liquidity position • Strengthening the balance sheet through a capital raise by way of a rights issue • Disposing of Sun International's interest in Sun Dreams, realising net cash proceeds of the transaction

REGULATORS AND INDUSTRY BODIES

Regulators provide the guidance within which we are required to operate, and industry bodies provide a platform to influence policy and legislation. This continues to create value for all stakeholders within the confines of the law.

INTERNAL GOVERNANCE STRUCTURES

- SIL Board committee
- Risk and audit committees
- Executive committee

2020 engagement opportunities

- Lobbying government to open operations at Level 3

Methods of engagement

- Written submissions
- Virtual meetings
- Face-to-face and virtual meetings

Sun International and stakeholder value add

- Early opening of operations from 1 July 2020
- Maintaining our reputation of being a responsible corporate citizen
- TERS contributions to employees
- Remaining abreast of any legislation change and/or new legislation

KEY STAKEHOLDER CONCERNS	ACTIONS TO ADDRESS STAKEHOLDER CONCERNS
Non-compliance with relevant legislation	• Ongoing monitoring of legislative changes directly impacting the group • Ongoing lobbying and actively engaging through the Casino Association of South Africa (CASA), the Tourism Business Council of South Africa, and the Federated Hospitality Association of South Africa for the early opening of casinos and hotels during lockdown • Internal and external compliance audits on relevant legislative aspects
Maintaining Covid-19 safety protocols	• Industry-leading, best-practice Covid-19 protocols in place • Updating Covid-19 protocols and training employees on changes in requirements

03

STRONG BUSINESS RESPONSE

COVID-19 RESPONSE

The Covid-19 pandemic had a significant impact on the group, its people and the results for the year ended 31 December 2020. Sun International responded to the crisis quickly, taking decisive action to protect liquidity and minimise cash outflow. Key to our response was our active engagement and communication strategy with government, regulators, lenders, customers, suppliers, partners and employees.

CAPITAL DEPLOYED

Financial | Intellectual | Social and relationship | Human

Material matters targeted	Risk impacted
• Health and safety of group stakeholders • Socio-economic challenges • Managing through tough economic conditions • Customer attraction and retention	• Coronavirus (Covid-19) • Weak economic conditions • Increased demands from stakeholders • Succession plans for critical roles

SDGs IMPACTED

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH

COVID-19 A GLOBAL PANDEMIC

The World Health Organisation (WHO) declared the Covid-19 outbreak a global pandemic on 11 March 2020. On 15 March 2020, President Cyril Ramaphosa declared a National State of Disaster under the Disaster Management Act Regulations Alert Level Framework, following which the gaming, leisure and hospitality sector in South Africa went into a full lockdown.

SUN INTERNATIONAL IMPACT ON OPERATIONS

From the beginning of the National State of Disaster and lockdown in March 2020, Sun International supported government's initiatives to flatten the curve. In response to South Africa's lockdown restrictions, which commenced on 27 March 2020, all our group's operations were closed from late March 2020 to 30 June 2020. With the easing of the lockdown restrictions, our South African casino operations were able to resume trading with effect from 1 July 2020, Sun City recommenced trading in September 2020, once the restrictions on interprovincial travel were lifted, and The Maslow Sandton and The Table Bay hotels resumed operating in October 2020 and November 2020, respectively. Our operations in eSwatini remain closed while our operations in Nigeria resumed trading in September 2020. Casino operations were able to resume operating, subject to strict operational protocols being put in place, and limitations on the number of guests permitted in the casinos of up to 50% of normal guest capacity.

The South African lockdown regulations, which were amended several times materially, impacted our operations. Sun International developed industry-leading interventions in response to Covid-19 and continued updating its Covid-19 protocols accordingly, to ensure ongoing compliance. Regulations included the imposition of curfews, the prohibition of the sale and distribution of alcohol, venue capacity limitations linked to strict sanitation protocols and social distancing measures. As at the date of this report, our casinos continue to be impacted by the curfew and are trading at reduced capacity.

Preventing stakeholder harm remains a priority, as well as protecting our reputation as a memorable destination of choice.

From a governance perspective, Sun International acted swiftly to ensure a proactive Covid-19 response by forming a management crisis committee comprising five key executives, who steered the group through the crises. Covid-19 compliance officers were appointed at each unit to implement and monitor Covid-19 protocols developed. A Covid-19 committee was established at each unit that reported to the management crisis committee, which kept the board updated on the group's progress.

We also implemented best practice Covid-19 protocols at all operations prior to their reopening. These protocols helped us to significantly minimise the risk of Covid-19 exposure at all properties. The group's actions not only ensured that Sun International was in a strong position to deal with the lockdown and the restrictions imposed on its operations, but more importantly, they have placed the group in a strong position for a post-Covid-19 sustainable recovery.

SPECIFIC KEY STAKEHOLDER ACTION TAKEN IS DISCUSSED BELOW.

EMPLOYEES

Our employees showed tremendous resilience and commitment during this unprecedented time as they faced both personal and financial hardships. Specific actions impacting employees included:

- Ongoing engagement and communication (Sun Talk, WhatsApp, email, videos and podcasts)
- Extensive Covid-19 protocol training
- Remote working opportunities
- Formulating start-up post-lockdown operational plans, including detailed safety protocols
- Wellness programme – One Sun Wellness for employees and their families
- Salary adjustments from April 2020 and reduced work hours
- R1.6 million education funding contribution to employees and their families through the group's Changing Lives campaign
- Prescribed personal protective equipment (PPE) – masks, shields, sanitiser

COMMUNITIES

Most of our properties are located within communities. We implemented the following to cater for our communities' needs through the pandemic:

- Expanded our SED policy to cater for special projects to align with the needs of communities
- Increased community engagement and communication
- Implemented CSI projects to address specific needs identified in communities

CUSTOMERS AND GUESTS

It was imperative to ensure that we provided a safe environment when our customers and guests returned to our casinos, hotels and resorts. Specific actions taken to achieve this included:

- Ongoing engagement and communication on property closures and reopening, and Covid-19 protocols
- Social distancing initiatives and limited capacity at resorts
- Staff training to provide Covid-19-compliant customer and guest service
- Formulating start-up post-lockdown operational plans, including detailed safety protocols
- PPE – sanitiser and industry best practice screens installed at our casinos between slots and table seats
- Providing innovative product offerings like the Black Pearl Tournament
- Transitioning to a new gaming system, which includes an omni-channel solution that combines online and land-based casinos into one platform with a shared wallet, rewards system, marketing and reporting

SUPPLIERS

Due to Covid-19 and with operational closures, procurement spend declined significantly. Suppliers were understanding of the group's financial constraints when operations were closed. Specific actions impacting suppliers included:

- Ongoing engagement and communication
- Payment holidays and waivers were granted during lockdown to certain suppliers who had enterprise and supplier development loans from Sun International
- Continued to provide business development support
- Renegotiated supplier contracts where relevant

GOVERNMENT AND INDUSTRY BODIES

These stakeholders were vital to ensuring that our industry opened at alert Level 3 as opposed to alert Level 1. Specific actions taken to achieve this included:

- Proactively collaborating with industry bodies and lobbying government to open our industry at alert Level 3
- Assuring government that Sun International's Covid-19 health and safety protocols were best practice, and that employees, customers and guests would be safe once operations opened
- Continuing to monitor, review and update our Covid-19 protocols in line with required lockdown specifications

EQUITY PARTNERS, SHAREHOLDERS AND DEBT FUNDERS

Due to a sharp decline in economic activity and the prolonged operations' closure, it was critical to maintain cash flows and safeguard our funding facilities, in order to keep paying service providers and salaries and position the group when operations reopened. Critical actions taken included:

- Proactively engaging with lenders in respect of debt service and covenant waivers
- Addressing the short-term liquidity risks, including up to a 60% reduction in payroll costs, deferring all capital investment other than critical spend, reducing operating costs and negotiating with service providers and suppliers for either a waiver, reduction or deferment of payments
- Focusing on cost reductions, optimising working capital, prioritising capital investment, formulating plans to achieve operational efficiencies and articulating plans to restructure certain parts of the group's business
- Announcing the closure of both Naledi Sun and Carousel
- Concluding a R1.2 billion rights offer to preserve liquidity and strengthen the group's balance sheet
- Disposal of the group's interest in Sun Dreams

LOOKING AHEAD

It is clear from our recent trading results that the above-mentioned actions are paying off with growth in market share in key markets since the lockdown and, despite lower revenues, satisfactory adjusted EBITDA and margins achieved in the last quarter of 2020. During the fourth quarter the South African operations generated EBITDA of R678 million at an EBITDA margin of 32% with income at only 70% of 2019 levels.

The South African government vaccine rollout strategy follows a three-phased approach, and it is envisaged that Sun International will follow a similar process.

Phase 1 is not applicable to the group as it involves the vaccination of healthcare workers. Phase 2 will include all guest-facing staff and employees with comorbidities within Sun International. Phase 3 will include all other Sun International employees.

A group vaccination policy is also being developed that will outline how we will manage the workplace vaccination programme. Importantly, even when our employees are vaccinated, general Covid-19 protection measures, such as the wearing of masks and physical distancing, will continue until such time as the regulations prescribing these control measures are retracted.

STRATEGIC OBJECTIVES

Sun International's five strategic objectives are the foundation of how we operate our business, identify and manage risks and opportunities and measure value preservation, creation and/or erosion. These strategic objectives are informed and shaped by our material issues and operating environment. The information contained in this section expands on the chief executive's overview according to each of the group's five strategic objectives.

The group's strategic objectives remained unchanged for the year under review. To distinguish our progress on and priorities for guests through process and system improvements, the first strategic objective has been divided into two focus areas, namely 'Improve our guest experience' and 'Efficiency and optimisation of our processes'.

This ESG report focuses mainly on our people, governance and sustainability. For more information on our other strategic objectives review our online report or our IAR report.

IMPROVE OUR EXISTING OPERATIONS AND OUR GUEST EXPERIENCE

The environment we operate in is constantly changing. We therefore frequently review how our business is structured and how we operate to maximise the value we create and improve our guest experience. This ensures that Sun International remains a destination of choice for our existing and new guests.

PROTECT AND LEVERAGE OUR EXISTING ASSET PORTFOLIO

Our diverse portfolio of assets includes world-class hotels, modern and well-located casinos and some of the world's iconic resorts. We regularly evaluate our portfolio to identify those properties that can be better leveraged, those that need protection and those that may no longer be core to our strategy.

GROW OUR BUSINESS INTO NEW AREAS AND PRODUCTS

We monitor organic and acquisitive growth opportunities on an ongoing basis. Additionally, the alternate gaming market also offers growth opportunities as it continues to grow.

OUR PEOPLE

Our people enable the group to achieve its strategic objectives. Given the highly regulated and service-orientated industry in which we operate, our people's motivation and competence to perform and provide a memorable guest experience are key determinants of the group's ongoing success and sustainability.

GOVERNANCE AND SUSTAINABILITY

Our group is a responsible corporate citizen that has developed a credible track record that underpins our reputation. Governance and sustainability are fundamental to Sun International's operations and are interwoven into our strategy and decision-making process, from board level to our operations.

GOVERNANCE AND SUSTAINABILITY

Doing business sustainably is a competitive business necessity. Sun International's ongoing commitment to sustainability ensures that we maintain our operational and social licence to operate. We integrate our business decisions and operate in line with our sustainability strategy to create long-term shared value and, ultimately, lasting memories for all key stakeholders.

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

Governance and sustainability are one of the group's five strategic objectives. To allow for detailed feedback on both aspects the group's governance is comprehensively covered under the 'supporting good governance' section. The narrative that follows focuses mainly on the group's sustainability strategy and performance for the year under review, including the environment; health, safety and wellbeing; socio-economic development (SED); enterprise and supplier development (E&SD) and the group's broad-based black economic empowerment (B-BBEE).

OUTCOMES

Covid-19 impacts:

- Water, waste and electricity consumption decreased
- Decrease in work related injuries
- Cross-unit audits replaced with self-assessment sustainability audits
- Postponed the integrated management system (IMS) implementation
- Aligned SED projects to also include projects that addressed the immediate needs of communities during Covid-19

Improved reporting and increased spending on corporate social investment (CSI) (2020: R7.1 million vs 2019: R3.6 million)

Won the CGISA/JSE Integrated Reporting Award for Small-Cap Company

Received acknowledgement for the group's Covid-19 health and response plans and controls

Maintained our B-BBEE level 1 rating for the fourth year in a row

FOCUS AREAS

SELF-ASSESSMENT: Achieved/Good progress | In progress | Limited progress/No progress

OUR FOCUS FOR 2020	WHAT WE ACHIEVED	SELF-ASSESSMENT
Integrating the relevant UN Sustainable Development Goals (SDGs) into the sustainability and overall business strategy to ensure a focused approach	Reviewed and updated our sustainability strategy to link all aspects of sustainability to applicable SDGs. Aligned environmental, health, safety and wellbeing and SED initiatives to address SDGs where possible	Achieved/Good progress
Developing a fully integrated management system that includes environment, health and safety, SED and CSI to improve the current reporting and management platforms	IMS implementation was placed on hold due to financial constraints and the Covid-19 lockdown. The group is committed to implementing this system going forward	Limited progress/No progress
Increasing the number of SED projects that include a holistic sustainability approach	Various SED projects now include environmental and health, safety and wellbeing aspects. For more detail refer to the case studies in the SED section of this report	Achieved/Good progress
Developing a sustainability communication plan to promote sustainability initiatives internally and externally	Due to Covid-19 several sustainability projects were placed on hold, resulting in limited external communication. Internally, the employee communication focus was on health, safety and wellbeing to address the risk of Covid-19	In progress
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	E-learning videos were placed on hold until lockdown alert Level 2. The reward and recognition programme had to be postponed until all e-learning videos are completed, which is planned for mid-2021	In progress
Reporting on the social and economic impacts of our E&SD interventions within our local communities	The group's online tender bulletin board continues to provide advertising opportunities for local suppliers. Larger units have representatives to facilitate procurement opportunities	Achieved/Good progress
Maintaining our current B-BBEE level 1 status	Sun International maintained a B-BBEE level 1 rating	Achieved/Good progress

LOOKING AHEAD

- Implementing the updated and revised sustainability strategy that includes new group environmental and health, safety and wellbeing (HSW) and SED targets
- Implementing a reward and recognition initiative to encourage employee participation in sustainability e-learning videos
- Launching the second series of sustainability e-learning videos
- Implementing an internal and external communication strategy to promote and share sustainability initiatives
- Focusing on key environmental; health, safety and wellbeing and SED projects to support the sustainability strategy (refer to the relevant sections for more information)
- Building sustainable relationships with our key suppliers to support and enhance our own sustainability strategy
- Continuing to integrate, monitor and report on the group's relevant SDGs
- Monitoring progress and continuing to conduct sustainability self-assessment and/or cross-unit audits at all local units.

SUSTAINABILITY STRATEGY

Sustainability remains an integral part of 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, HSW and SED. 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 at all levels of our business to create value, improve efficiencies and ultimately maintain memorable guest experiences.

While the group's B-BBEE and E&SD are not specific portfolios under the sustainability strategy, these portfolios form part of Sun International's sustainable business focus.

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 demonstrates Sun International's commitment to advancing all its capital resources in a balanced manner (financial, productive, capital, social and relationship, and natural) through our sustainability performance. The group sustainability policy underpins our sustainability strategy and is annually reviewed to ensure the group remains relevant in the sustainability arena. To address the group's changing needs each sustainability portfolio's strategy, framework and targets were updated in 2020. These updates were consolidated in the group's revised sustainability strategy, which was approved by the sustainability committee and the social and ethics committee in March 2021.

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://corporate.suninternational.com/investors/investors-governance/comittee-terms-ofreference/

SUSTAINABILITY VISION

Fully integrate sustainability into Sun International's business strategy, goals, activities and planning processes

SUSTAINABILITY PURPOSE

Creating long-term value through reduced business costs, innovative sustainable service offerings, cooperative engagement and enhanced reputation and corporate image

SUSTAINABILITY PORTFOLIO VISIONS

Environment	Instil a culture of environmental responsibility among stakeholders with the aim to reduce our environmental footprint
Health, safety and wellbeing	Become an industry leader in proactive health, safety and wellbeing management
Socio-economic development	Positively change the lives of our community members whilst creating shared value for all
Supply chain	Build a more sustainable supply chain to ensure economic growth, long-term partnerships and responsible behaviour

Some key updates in the new revised sustainability strategy are listed alongside. In addition, all sustainability policies as well as our sustainability website are reviewed and updated annually.

- A strategic internal and external sustainability communication strategy
- Developing a more sustainable supply chain through strategic partnerships
- Updating water, waste, electricity and emissions targets
- Specifying energy reduction targets (previously part of the emissions target)
- Updating health and safety targets, which now include wellbeing aspects
- Identifying new group SED projects and more sustainability SED projects (including environmental and HSW aspects) that support the needs of communities and business alike

Sun International supports the United Nations SDGs, and we endeavour to help achieve them through our operations and business strategy. The six SDGs that are most relevant to the group are discussed below and are aligned with the group's strategy. Progress against these SDGs will be regularly monitored by relevant board and management governance committees and annually reported on internally and externally.

3 GOOD HEALTH AND WELL-BEING | 6 CLEAN WATER AND SANITATION | 8 DECENT WORK AND ECONOMIC GROWTH | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

PROGRESS AGAINST SUN INTERNATIONAL'S PRIORITISED SDGs

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

SDG	PROGRESS IN 2020	STRATEGIC OBJECTIVE
4 QUALITY EDUCATION **Ensure inclusive and equitable quality education**	• Our SED policy specifies education as a key pillar for SED projects. R18.8 million (2019: R25.4 million) was invested in SED projects in 2020 of which R10.5 million was allocated to educational projects • Continued supporting 25 schools as part of our group SED Adopt a School project, including environmental, health and safety projects • Bursaries and learnerships we offered by the group to provide quality education opportunities to employees and learners • R1.6 million was allocated to employees and their families, to fulfil educational wishes in our Changing Lives campaign	
6 CLEAN WATER AND SANITATION **Ensure availability and sustainable management of water and sanitation**	• Robust environmental policies and systems ensure we operate in an environmentally responsible and proactive manner • Several group projects (and training and awareness campaigns) are in place to reduce water withdrawal and ensure clean water is provided to employees and guests • Revised group water consumption targets and environmental minimum requirements aim to continually minimise our water impact • Revised preventative maintenance and infrastructure programmes have been implemented to monitor and identify sustainable and safe technologies, to improve water efficiencies and ensure clean water and sanitation is maintained across our operations • The group has an environmental specialist and a team of safety, health and environment (SHE) officers at each unit to implement, monitor and report on environmental matters, including water consumption and treatment • Internal and external environmental audits ensure compliance with all water regulations and requirements • SED projects include an element of environmental awareness and protection where possible	
8 DECENT WORK AND ECONOMIC GROWTH **Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work**	• Sun International employs 7 548 (2019: 14 706) employees group-wide • 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 • The group committed R30.9 million (2019: R44.4 million) in supplier development during 2020 • The group contributed R18.8 million (2019: R25.4 million) in SED spend that positively impacted communities in the areas where we operate • Sun International is a major tax contributor in eight of South Africa's nine provinces and contributed R94 million (2019: R625 million) to taxes in the year under review	

SDG	PROGRESS IN 2019	STRATEGIC OBJECTIVE
3 GOOD HEALTH AND WELL-BEING **Ensure healthy lives and promote wellbeing**	• Established a new central wellbeing committee that will meet regularly to discuss the wellbeing of our employees • Included wellbeing as part of our health and safety portfolio to ensure a more focused approach to the overall wellbeing of our employees and customers • Specific health and safety focus on Covid-19-related matters (refer to the Covid-19 and health and safety sections for more information) • Ongoing health and safety training and awareness for our employees and guests create 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 life safety audits, and sustainability unit audits • Sun International complies with all health and safety legislation and continues to monitor compliance and, where relevant, implement best practices • 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 • Continued to incorporate elements of health and safety into our SED and CSI projects	
5 GENDER EQUALITY **Achieve gender equality and empower all women and girls**	• Sun International's three-year employment equity plan supports transformation at all levels of the group • A gender diversity policy is in place for the board, focusing on race and gender. In 2020 the board exceeded its black and female diversity targets • Dedicated board and management governance committees ensure oversight of gender equality progress • Renewed focus on ensuring equal pay for work of equal value • Transformation and gender equality are incorporated in all new employee appointments	
12 RESPONSIBLE CONSUMPTION AND PRODUCTION **Responsible consumption and production**	• Revised five-year environmental reduction targets for water, waste, electricity and emissions • Ongoing maintenance and infrastructure upkeep across operations improved resource efficiencies • The group did not achieve its zero waste to landfill (ZWTL) target by 2020, but has recommitted to achieving this target by 2025, with detailed unit-specific waste disposal and beneficiation projects being compiled • The group conducts regular internal and external SHE audits to minimise our environmental footprint • The group continued to integrate elements of environmental management into our SED projects • Consumption of water and electricity decreased significantly due to lockdown and although these reduced levels are not sustainable, it did allow us the opportunity to undertake infrastructure repairs and explore further opportunities • The group established an energy working group to investigate and consider alternative energy supply at some of our units	

Additional information

- Sustainability policy
- 2020 B-BBEE commission report
- Independent sustainability assurance statement

AWARDS

The Institute of Risk Management South Africa (IRMSA)

Industry award winner for Sun International's Covid-19 response plan

IRMSA

Sun International's health and safety specialist was the runner-up in the Up-and-Coming Risk Specialist of the Year award for her efforts in developing and implementing the group's Covid-19 health plan

CHARTERED GOVERNANCE INSTITUTE OF SOUTH AFRICA

Awarded first place for integrated reporting in the small-cap sector

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. In 2020 the group developed a new ENVIRO-AMBITION 2025 strategy. This five-year strategy outlines our key performance indicators (KPIs) and mechanisms for realising our environmental ambition across five key areas. It has been developed taking various factors into consideration, namely the group's sustainable business strategy, the SDGs and international best practice. We continue to review and update our water, energy and emissions reduction targets in line with the requirements of the business and new technology. As a group we also remain committed to ZWTL for all South African units by 2025.

COVID-19

Covid-19 had a significant impact on our resource consumption during 2020, as outlined in the environmental section. While operations resumed towards mid-2020, consumption remains lower than the prior year as not all employees are back at our properties. The pandemic also hampered most of our initiatives to further reduce resource consumption, with an additional delay due to budget constraints. However, we remain committed to reduce resource consumption.

PRIMARY ENVIRONMENTAL SUSTAINABILITY OBJECTIVES

- Maintaining and continually improve our IMS aligned with ISO 14001 and 45001 standards
- Improving efficiencies, standardising environmental management approaches and ensuring compliance with relevant environmental legislation, regulations and standards
- Regularly reviewing environmental objectives and targets to align with the needs of the business and changing technology, to reduce our environmental footprint
- Promoting efficient use of materials and natural resources throughout our facilities by means of environmental 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

Additional information

- Environmental policy
- Sustainability policy
- CDP report
- CDP water report
- Independent sustainability assurance statement
- Sustainable Seafood policy

HEALTH, SAFETY AND WELLBEING

The health and wellbeing of our employees, guests and communities is integral to how we do business. Our health, safety and wellbeing 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 HSW strategy enables Sun International to identify, manage and oversee our health and safety performance, risks and opportunities.

Our revised health, safety and wellbeing strategy outlines a holistic approach to making our business safe, healthy, socially responsible, ethically responsible and economically sustainable. The management of business impacts related to health and safety is critical to ensuring that we maintain our operational and social licences to operate.

COVID-19

As a responsible employer and corporate citizen, we continually provide a safe and healthy working and operating environment for our stakeholders at our properties. We developed comprehensive health and safety protocols for all units that included the collection and protection of personal information, measures to ensure physical distancing, sanitisation and hygiene practices for our people and facilities, provision of personal protective equipment (PPE) where required, contingencies for the protection of vulnerable individuals, and measures to deal with a potential Covid-19 incident on site, including contact tracing. As a result of our already well-established health and safety protocols, the group was able to expedite the implementation of these industry protocols throughout the group.

Our protocols align with the World Health Organisation (WHO), National Institute for Communicable Diseases (NICD), Department of Health (DOH), Department of Employment and Labour (DEL) and Department of Tourism (DT) directives, guidelines and advice. We monitor these institutions for changes and updates and continue to make the necessary changes to our protocols.

This comprehensive Covid-19 policy and protocols is available online at **https://corporate.suninternational.com/media/covid-19-protocols/**.

This policy remains in force as long as the declaration of a national disaster remains in force. Specific measures implemented to address Covid-19 are tabled in the health, safety and wellbeing section.

PRIMARY HEALTH, SAFETY AND WELLBEING SUSTAINABILITY OBJECTIVES

- Proactively control and mitigate our risks
- Prevent harm to our stakeholders and create memorable experiences
- Implement innovative solutions to manage and improve our health, safety and wellbeing performance
- Embed a caring and vigilant safety culture
- Maintain legal compliance, and where relevant, align to international standards and adopt best practice

Additional information

- Health, safety and wellbeing policy
- Smoking policy
- Covid-19 protocols
- Sustainability policy

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 that we support and contribute to communities through our SED and CSI initiatives and ensure a robust stakeholder engagement process, while also engaging our staff on the group's employee volunteering initiatives.

Our framework guides us in adhering to the group strategy, gaming licence conditions, data reporting and group targets and ensures that all processes are streamlined group-wide. It guides applicable standards when identifying, approving and implementing SED projects and provides a platform for projects that integrate environment and, health, safety and wellbeing into the SED focus areas.

COVID-19

Covid-19 instilled a heightened level of fear and anxiety in communities as lives and livelihoods were in disarray due to lockdown measures, and fears of contracting the virus ran high affected community members. As part of our ongoing community engagement processes, we identified specific needs in our communities. Sun International decided to broaden its social investment to extend beyond the mandated categories of education, sports and arts and culture. Allowance was made for units to apply for special projects, as referred to in our SED policy, that aligned more closely with communities' needs during the Covid-19 lockdown period.

A total of R1.2 million was invested in these special projects, which included community feeding schemes, support to old age homes and general support to families and communities in need of clean water and energy, among others. Refer to the SED section for more information.

PRIMARY SUSTAINABILITY SOCIO-ECONOMIC OBJECTIVES

- Have a positive, sustainable and measurable impact on our communities through our core SED focus areas
- Transparently and inclusively engage with surrounding communities and other stakeholders to build and improve relationships
- Continue to enhance the group's reputation as a caring and responsible corporate citizen
- Actively communicate and promote our SED and CSI initiatives to create awareness and encourage staff volunteerism
- Demonstrate responsible behaviour through strategic objectives, targets, good governance, targeted engagement and SED and CSI investments

Additional information

- SED policy
- Community and stakeholders' engagement policy
- Sustainability policy

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 communities where we operate. In South Africa, our procurement focus remains on local B-BBEE compliant suppliers.

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, SED and a reduced environmental footprint.

COVID-19

The group is committed to creating opportunities for all suppliers, especially B-BBEE-compliant small, medium and micro enterprises; however, procurement spend was significantly impacted due to business closures during lockdown and spend targets were revised downwards.

PRIMARY SUSTAINABILITY ENTERPRISE AND SUPPLIER DEVELOPMENT OBJECTIVES

- Have a positive, sustainable and measurable impact on our supply chain
- Transparently and inclusively engage with suppliers in communities where we operate
- Invest and empower suppliers through local procurement spend
- Maintain ethical procurement standards that align with our supplier code of conduct
- Preferential procurement for suppliers with a B-BBEE level 1–3 rating

Additional information

- Supplier code of ethics policy
- Anti-fronting statement
- Ethics declaration

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 committees including exco, the sustainability committee, Sun International's Social Community Development Trust (SISCDT), energy working group and the enterprise and supplier development committee. Our governance process also assists the group in monitoring relevant sustainability legislation standards and frameworks. The group's assurance process further incorporates integrated internal and external compliance programmes across all sustainability portfolios.

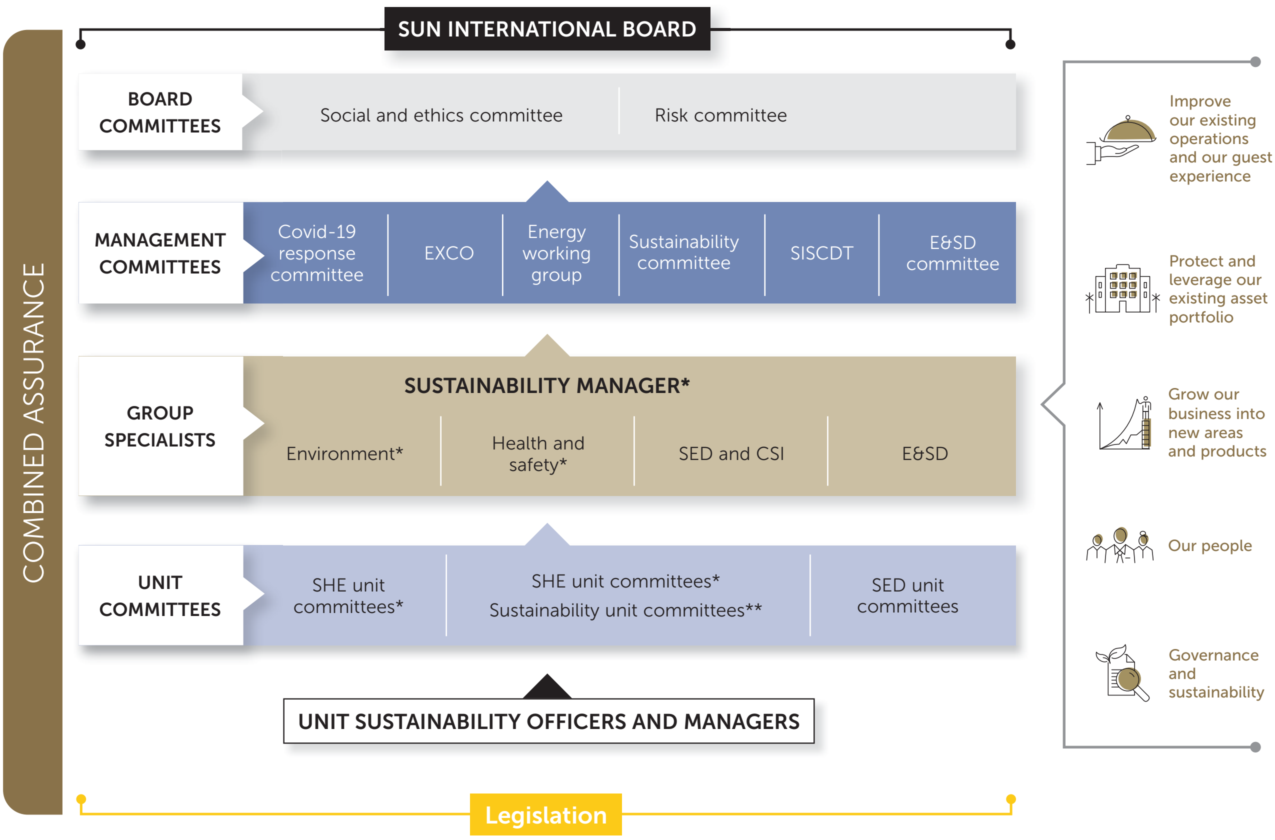
SUSTAINABLE CORPORATE GOVERNANCE

Support and enhance a culture of ethical behaviour, compliance and social responsibility

COVID-19

In compliance with relevant legislative requirements, Sun International appointed a Covid-19 compliance officer (Covid-19 officer) and established a Covid-19 risk committee that consists of key departments. This cross-functional team reports to the Covid-19 officer and unit general managers. The Covid-19 officer reports to the risk committee and provides updates on all Covid-19-related matters.

Sustainability governance structure



* Part of the Covid-19 compliance team.
** 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 and Swaziland. 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.

COVID-19

Due to the severity of Covid-19's impact globally, various new legislations, regulations and guidance documents were implemented in our areas of operation. In South Africa, over 17 Covid-19-related regulations, directives and guidelines were issued by government. Some of the key Covid-19 legislation the group adheres to is tabled below. The compliance of all Covid-19 legislation forms part of the Covid-19 risk committee's mandate. This committee also keeps the board's risk committee apprised of all Covid-19 related matters.

Key legislation and frameworks in South Africa

ENVIRONMENT

- National Environmental Management Act 107 of 1998
- National Water Act 36 of 1998
- National Environmental Management: Waste Act No. 59 of 2008
- Carbon Tax Act 15 of 2019
- National Environmental Management: Biodiversity Act No. 10 of 2004
- National Environmental Management: Air Quality Act No. 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 No 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
- Requirements and licence conditions of the National Gambling Board and provincial gaming boards

OTHER FRAMEWORKS, STANDARDS AND BEST PRACTICE

- Carbon Disclosure Project (CDP) and CDP Water
- SDG
- ISO 45001
- ISO 14001
- OHSAS 18001

COVID-19-RELATED LEGISLATION AND GUIDANCE DOCUMENTS

- Disaster Management Act 57 of 2002 and Consolidated Regulations Disaster Management Act (17 April 2020)
- Basic Conditions of Employment Act 75 of 1997
- Occupational Health and Safety Act 85 of 1993, and regulations
- Regulations for Hazardous Biological Agents 2001
- Facilities regulations (Regulation 924 of 2004)
- Protection of Personal Information Act 4 of 2013
- Consolidated Covid-19 Direction on Health and Safety measures in certail Workplaces, 2020
- WHO: Getting your workplace ready for Covid-19, 2020
- Department of Employment and Labour: Workplace Preparedness: Covid-19 (SARS-CoV-19 virus), guidelines, 2020
- Guidelines for quarantine and isolation relating to Covid-19 exposure and infection
- Department of Health:
  - Covid-19: Environmental Health Response Guidelines, 2020
  - Rational Use of PPE Guidelines, 2020

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 continually 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.

Annual sustainability assurance audits, various health and safety audits and selective environmental audits are conducted to verify compliance with applicable SHE legislation. Our trained and dedicated SHE professionals at our local units serve as lead internal compliance auditors and perform SHE cross-unit audits. In 2020 the cross-unit audits were replaced with sustainability self-assessment audits due to travel restrictions. These self-assessments allowed units to do an internal assessment of their own units, resulting in improved process and cost reductions. Once lockdown restrictions are lifted the group will continue with the cross-unit audits.

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

Group SHE management system

The group's SHE IMS is aligned with ISO 45001:2018 and ISO 14001:2015. This system ensures a standard approach to SHE monitoring and has improved reporting. The IMS is hosted and managed on our compliance management platform. Planned system improvements were placed on hold due to Covid-19 and will be revisited in 2021, depending on the availability of financial resources.

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. The revised sustainability strategy has a specific objective of improving internal and external communication, through structured engagement processes, active marketing and ongoing events.

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 poster, a competition, a video or a practical demonstration.

Month	Awareness event
January	Electricity safety
February	Staff volunteering
March	World Water Day
April	Ergonomics
May	Sustainable Development Goals
June	World Environment Day
July	Plastic-free July
August	Work-life balance
September	Combine with 'Share the warmth' campaign across properties
October	Mental health awareness
November	SED 'Adopt a School' – Integrating sustainability into our SED and CSI programmes
December	Fatigue management

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 2020, we launched six of the 10 sustainability e-learning videos prior to lockdown and the remaining videos will be released in 2021. The programme creates ongoing awareness and addresses some of the group's most pressing sustainability issues. Sun International's awareness campaign is aligned with our e-learning initiative, which reinforces the importance of having a sustainability culture in the group. A reward and recognition initiative will be developed in 2021 to encourage employee participation.

GROUP B-BBEE SCORECARD

The group maintained its level 1 rating with a total B-BBEE score of 102.42 (2019: 103.81) out of a possible 111 points.

For a more detailed view of our **2020 B-BBEE commission report** or visit

//ir2020.suninternational.com/DownloadManager/2020_B-BBEE_Commissions_ Report_for_Sun_International.pdf

Scorecard information	Actual score	Actual score	Target score
	1 November 2020 – 31 October 2021	1 July 2019 – 31 June 2020	31 June 2021
Ownership	22.38	22.16	27.00
Management control	12.95	13.31	19.00
Skills development	17.78	18.70	20.00
Enterprise and supplier development	41.31	41.64	40.00
Socio-economic development	8	8.00	5.00
Total score	**102.42**	103.81	**111.00**
Empowering supplier	Yes	Yes	
LEVEL	**1**	1	

OUR PEOPLE

Our employees enable the group to achieve its strategic objectives. We operate in a highly governed and competitive service-oriented industry. We continue to develop our employees and reward them for performing well. During Covid- 19, our employees went above and beyond the call of duty to ensure that memorable guest experiences would still be created after a three-month full shutdown of operations. Even though the group could only operate partially from July 2020, our employees were ready and able, after attending health protocol training made available on our unique Sun Talk mobile application platform.

OUTCOMES

Good transformation progress:
- **92.4%** (2019: 93.2%) black employees in our South African operations
- **56.9%** (2019: 56.1%) female representation across our South African operations (95.3% of whom are black females) and 51.9% for the group
- **55.4%** of all group employees are female

Covid-19:
- Implemented salary adjustments to ensure all employees were remunerated when operations were closed (March to June 2020) and partially opened (July 2020)
- Developed a Covid-19 site on Sun Talk to monitor employees returning to work
- Five employees lost their lives to Covid-19

Training:
- Developed and rolled out a Covid-19 training site on our Sun Talk communication platform for remote employee Covid-19 training
- The trainers were trained on a digital platform to be prepared for employees returning to work in accordance with Covid-19 protocols
- We were unable to launch our Sun Academy learning platform, but various videos were launched to address Covid-19 requirements

- Restructured and downsized operations

- Upscaled our wellness programme to support employees during the pandemic

FOCUS AREAS

SELF-ASSESSMENT: Achieved/Good progress | In progress | Limited progress/No progress

OUR FOCUS FOR 2020	WHAT WE ACHIEVED	SELF-ASSESSMENT
Completing the roll-out of Sun International's Sun Academy learning platform	The Sun Academy platform was placed on hold due to Covid-19. Training was focused on Covid-19 protocols	Limited progress/No progress
Developing and implementing additional training modules on the Sun Academy platform for other core functions	Our Sun Talk communication platform was used for remote employee training, including train the trainer and Covid-19 protocols	In progress
Continuing to implement the CLEAR principles to improve customer satisfaction levels	Continued to reinforce the CLEAR principles via our online platform (Sun Talk). Various podcasts and videos by exco members emphasised the importance of excellent customer service	Achieved/Good progress
Rolling out Sun International's mentorship and coaching programme across all South African units as part of our succession strategy	Programme rollout was limited due to Covid-19 restrictions, however, we focused on senior talent group-wide to manage and build our talent pipeline	In progress

LOOKING AHEAD

- Improving succession planning and transformation at a senior management level and maintaining a talent pipeline and development plan for top black talent
- Building critical skills and core competencies necessary in the gaming and hospitality industry
- Instilling an employee culture that embraces the group's vision, purpose and values
- Ongoing engagement with employees through Sun Talk
- Ongoing focus on equal pay for work of equal value as well as gender pay equality
- Managing change management with organisational design revisions
- Providing ongoing employee wellness support, education and awareness around Covid-19 and government's vaccination rollout plans.

KEY PERFORMANCE INDICATORS

		December 2020	December 2019
Total group employees	Number	**7 548**	14 706
– South Africa including Sun Slots	Number	**7 045**	9 340
– Other Africa	Number	**503**	550
– Latam[1]	Number	**0**	4 816
Group employee turnover	%	**30.9%**	20.1
Group female representation	%	**55.4%**	51.9
Black representation[2]	%	**92.4%**	93.2

1 Disposal of Latam operations prior to year-end.
2 South African operations.

PERFORMANCE OVERVIEW

Our employees are key value drivers to achieving the group's strategy and providing memorable guest experiences. The year 2020 can be described as one of business unusual, as the global pandemic played havoc with employees and employers. Sun International continued to provide employees with the necessary tools to carry out their duties, whether remotely or at our units once operations reopened. The prolonged lockdown did however hamper our ability to conduct face-to-face training and employee engagement.

Workforce profile

At 31 December 2020 we had 7 548 (2019: 14 706) employees across our operations. This decrease is attributed to the Latam disposal (4 816), the closure of non-performing units and a headcount reduction at certain units due to decreased economic activity since January 2020. Our permanent employees in South Africa including Sun Slots are shown below:

3 621 permanent full-time employees

3 424 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.

Restructuring

For Sun International, it was critical to balance our liquidity (available funds) and the wellbeing of our employees, including safety, saving jobs and being able to pay a portion of salaries. The extended closure of our business, the uncertainty about when we would open and the lower than anticipated business levels when we did open placed increasing pressure on both. Our ability to look after the wellbeing of our employees is dependent on us securing the required liquidity, to ensure we see out the closure until we can open again and return to profitability. This led to various restructuring in 2020.

Closure of The Carousel and Naledi Sun properties

Sun International is not in the business of closing units but of running profitable units. However, it was no longer financially feasible to keep The Carousel and Naledi Sun units open as they continued to incur costs.

Reduction of staffing levels

Our reopening plans in 2020 indicated that approximately 40% of our total headcount, at property level, was anticipated to be at work at 30% capacity. While we were unable to predict the length of such trading levels should this occur, it became apparent that some of our units had significant excess staff, which was exacerbated by the contraction in demand in all the hospitality market segments. International (rest of Africa) and domestic corporate, meetings, incentives, exhibitions, conferences, events, gaming and individual leisure segments will take a long time to recover and are not expected to trade anywhere near full capacity. Therefore, restructuring took place at several properties – Sun City Resort, The Maslow Sandton, The Table Bay Hotel, The Boardwalk and The Wild Coast Sun – resulting in a reduction in headcount.

In addition, our smaller units – Golden Valley, Windmill Meropa and Flamingo – were also restructured as they operated in an already depressed economic environment and the Covid-19 pandemic further reduced customer activity. To address this situation we, among others, changed operating hours, reduced tables, outsourced the food and beverage function, consolidated certain staff functions and reviewed department staffing levels.

Gaming operations

To sustain our group-wide gaming operations, we consolidated several gaming positions to align with the proven business model at Maslow Time Square. Positions consolidated included the count and cash desk as well as the guest service attendant and gaming technical assistants, which create career prospects for employees in these entry-level positions. We also moved MVG employees from the slots department into the marketing department.

EMPLOYMENT EQUITY AT OUR SOUTH AFRICAN OPERATIONS

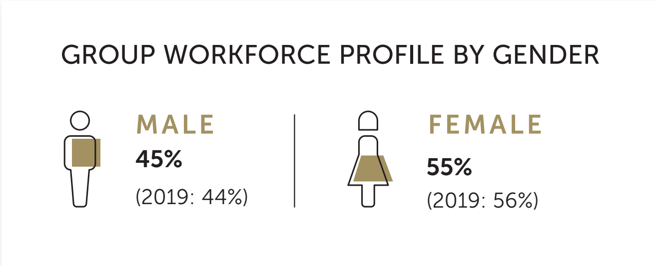
Overview

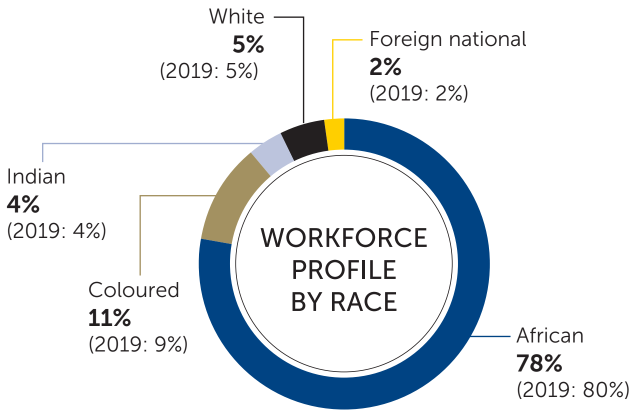
We aim to achieve legislative and substantive transformation by aligning numerical and non-numerical targets to the group's strategic objectives. These targets are tracked and monitored quarterly and are included in line managers' performance contracts. The social and ethics committee is responsible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

During 2020, 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.

We marginally decreased our South African (including Sun Slots) black employee representation to 92.4% (2019: 93.2%), while exceeding the national economically active population distribution. The management team is made up of 84% (2019: 84%) black people, and 46% (2019: 45%) are females. Challenges remain at middle and senior management levels, where representation of black people, particularly black females, is lower than white people.

Sun International's recruitment of persons with disabilities remains challenging. Positively, Maslow Time Square employed 13 (the equivalent of 1.5% of the workforce) people with disabilities as the building was constructed with people with disabilities in mind, whereas some of the older units were not constructed to accommodate people with disabilities. We continued with our disability capacity-building workshops and disability awareness days. This resulted in the retention of people with disabilities and provides us with an opportunity to increase representation.





Diversity profile South Africa[1]

Employee class	Occupational levels	Male					Female					Foreign nationals		Total
		A	C	I	W	Total	A	C	I	W	Total	Men	Women	Total
Permanent	Top management	2	1	1	4	**8**	0	1	0	0	1	0	0	**9**
	Senior management	17	4	23	28	**72**	12	4	8	19	43	4	0	**119**
	Middle management	83	31	27	69	**210**	76	23	15	39	153	8	6	**377**
	Skilled technical/ supervisor/ junior management	506	135	79	75	**795**	503	135	54	68	760	18	5	**1 578**
	Discretionary decision-making	1 508	168	50	28	**1 754**	2 609	222	44	31	2 906	37	28	**4 725**
Permanent total		2 116	339	180	204	**2 839**	3 200	385	121	157	3 863	116	39	**6 808**
Temporary		160	8	6	19	**193**	196	10	3	9	218	2		**413**
TOTAL		**2 276**	**347**	**186**	**223**	**3 032**	**3 396**	**395**	**124**	**166**	**4 081**	**118**	**39**	**7 221**

1 Including Sun Slots' headcount of 237.

EMPLOYEE TURNOVER

During the year under review there were 2 836 (2019: 2 951) employment terminations group-wide, and group turnover was 30.9% of the total headcount (2019: 20.1%). The tables below provide the reasons for employment termination by region and by age.

Reason for termination by region

Reason	South Africa	South Africa Sun Slots	Swaziland	Nigeria	Argentina	Chile	Colombia	Panama	Peru	Group
Death	39	0	1	1	0	0	0	0	0	**41**
Dismissal – Incapacity/ health	10	1	0	0	0	0	0	0	0	**11**
Dismissal – Incapacity/ poor work performance	0	0	0	0	0	0	0	0	0	**0**
Dismissal – Misconduct	156	6	0	4	0	0	0	0	0	**175**
Dismissal – Voluntary	1 154	0	0	0	0	0	0	0	0	**1 154**
Dismissal – Voluntary early retirement	184	0	0	0	0	0	0	0	0	**184**
Dismissal – Operations requirement	857	0	0	0	0	0	0	0	0	**857**
Mutual agreement separation	1	0	0	0	0	0	0	0	0	**1**
Resignation	307	6	6	8	0	0	0	0	0	**327**
Retirement	79	0	5	2	0	0	0	0	0	**86**
TOTAL	**2 798**	**13**	**12**	**15**	**0**	**0**	**0**	**0**	**0**	**2 836**

Reason for termination by age band

Reason	18 – 20	21 – 30	31 – 40	41 – 50	51 – 70	Total
Death	0	6	12	11	12	**41**
Dismissal – Incapacity/health	0	0	1	4	6	**11**
Dismissal – Incapacity/poor work performance	0	0	0	0	0	**0**
Dismissal – Misconduct	0	53	85	29	8	**175**
Dismissal – Operations requirement, voluntary	2	221	446	318	167	**1 154**
Dismissal – Operations requirement, voluntary early retirement	0	0	0	0	184	**184**
Dismissal – Operations requirement	0	236	324	196	101	**857**
Mutual agreement separation	0	0	0	1	0	**1**
Resignation	1	102	159	58	7	**327**
Retirement	0	0	1	0	85	**86**
TOTAL	**3**	**618**	**1 028**	**617**	**570**	**2 836**

IMPROVING OUR ORGANISATIONAL CULTURE

SunWay formula for success

Sun International's progress assessment against the SunWay culture across our South African operations provides employees with an opportunity to provide feedback on how they identified with the formula and give ideas on how to improve processes and efficiencies. The SunWay culture has been integrated and embedded in learning interventions, wellness and recruitment. Due to the pandemic, we were unable to commence with a group-wide SunWay measurement to gather feedback from our employees, service providers and concessionaires. Going forward, we aim to reinforce an employee culture that resonates with our group vision, values and purpose.

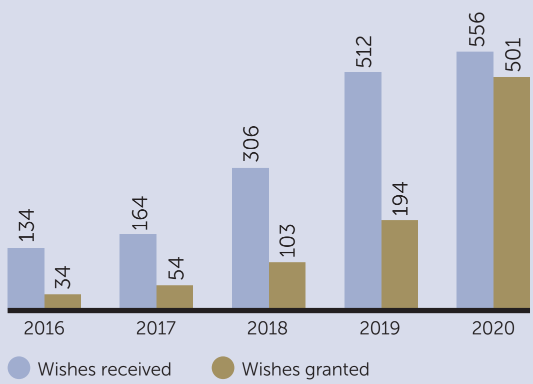
Employee value proposition

Our Employee Value Proposition (EVP), 'The Home of The Game Changers' is 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 enabling work environment. We drive the 12 EVP messages internally and externally and integrate them into various group initiatives so that it is embedded in all our processes. One EVP employee statement, 'I am proactive about taking care of my own health, appearance and wellbeing' was especially relevant in 2020 and helped drive the message for employees to take the necessary precautions against Covid-19. Another statement, 'I am part of an integrated team and I am committed to collaborating and sharing information' was demonstrated by the camaraderie that employees demonstrated during the lockdown by inspiring each other and posting positive messages for colleagues on the Sun Talk platform. A further EVP statement, 'I am a Sun International citizen and I positively contribute to the environment and the broader community' was embraced by Sun international employees, who became actively involved in feeding programmes and other charity initiatives in their own communities. We continue to position our EVP externally to showcase Sun International's brand and attract talent. The EVP has helped to create a great brand for the group's talent attraction, which is evident in the positive results seen in attracting new talent to the organisation.

Sharing the Sun campaign

Our Sharing the Sun campaign senior leadership initiative grants wishes annually to some employees who give a lot of themselves to our business every day. The senior leadership team personally give something back and realise 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.

Our employees experienced great financial hardship during 2020 due to the pandemic, therefore wishes were granted to assist employees regarding financial contributions to their children's education. Contributions were made to educational needs such as school fees, uniforms and stationery. In prior years, the wishes were granted for medical assistance, shelter, food, education and security. The wishes granted since inceptions are shown below.



EMPLOYEE AND UNION RELATIONS

Employee communication

We engage with our employees in an open, honest and transparent manner through our Sun Talk platform. This mobile communication platform continues to gain traction, with an 86% (6 935) employee registration (2019: 7 088) to date. The app is also used to create awareness around the group's various campaigns and initiatives.

SUN TALK REACH
Sun Talk has over **6 935** registered members out of **8 098** candidates
Decrease in candidate numbers by **605**
There were **46** new registrations in December
Property with the highest registrations in December **Wild Coast Sun (16)**

SUN TALK ACTIVITY
Sun Talk peak time has been driven by **Covid-19**
Messages from **leadership/vacancies**
11:00 and **12:00** most active times
Busiest days of the week are **Tuesday** and **Thursday**
SMS send-out delivery success **94.2%**
SMS failures often driven by outdated numbers

POPULAR CONTENT

Top content for December

- Self-assessment form
- Covid-19
- Vacancies
- My assessment results
- Messages from Anthony Leeming
- Your questions
- Leadership messages
- 18 December: Sanlam Umbrella Provident Fund

Unions and employee relations

Sixty-five per cent (2020: 67%) of our South African workforce (excluding Sun Slots) is covered by collective agreements. It is imperative to maintain healthy relationships through meaningful engagements with the various unions. During 2020, Sun International's employee relations goals included:

- Strengthening the employer-employee relationship to create a more productive and successful organisation
- Improving the employee-employer relationships and employee engagement
- 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.

The bulk of 2020 was dominated by active union engagement regarding the Covid-19 recovery business model, while operating under the National Disaster Management Act provisions. Discussion topics included employee remuneration, downsizing of the business and closure of certain non-performing units that affected the job security of employees covered under collective agreements.

Human rights and freedom of association

The group 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. It is also part of our recognition agreements with the trade unions in South Africa and other countries where we operate.

We closely follow the requirements of the Employment Equity Act, the Broad-Based Black Economic Empowerment (B-BBEE) Act, the Labour Relations Act, the Basic Conditions of Employment Act and other pertinent legislation which ensures that we promote fairness in the workplace and have zero tolerance for any discrimination. Our policies and practices are underpinned by the requirements of the South African Constitution, particularly the Bill of Rights, which require that we promote equality, ensure fair employment practices, respect the right to human dignity, Ubuntu and freedom of all individuals.

TALENT MANAGEMENT INITIATIVES

Creating a high-performance culture

Talent management is a critical enabler of our business strategy and the building of a high-performance culture. Our various talent management functions work together to support a streamlined approach to the employee life cycle.

Succession management

The Covid-19 pandemic highlighted the need to continue focusing on robust talent management processes. The annual talent process was completed and culminated in an online talent review session. The established talent management approach was enhanced with additional assessment processes to refine the approach and create greater momentum in the building of succession talent pools. Senior leaders were selected to spearhead the diverse talent pools so as to ensure ready and available talent for critical roles.

Performance management

The performance management discipline was maintained in the organisation and managers were equipped with remote working performance management guides. The work climate in 2020 for all employees was challenging. One-on-one performance management check-in sessions were encouraged to boost staff morale and provide sufficient support and guidance in the delivery of performance objectives.

Recruitment and assessment

Sun International used LinkedIn as a key source for the attraction of talent, which enabled a broader talent recruitment pool. We also focused on streamlining recruitment practices to ensure that the group attracts and retains the best talent in the market.

Mentorship

Mentorship is an important talent development tool. Due to Covid-19 constraints we could not roll out the full female mentorship programme to the business as envisaged. However, mentorship continued in smaller numbers through online platforms.

Organisational design

There were various structural changes in the organisation in 2020 to ensure enhanced efficiencies and synergies. The projects focused on structural reviews, the amalgamation of roles and the change in reporting structures.

LEARNING AND DEVELOPMENT

Since South Africa's hard lockdown in March 2020 and with Sun International's operations being closed for parts of 2020, all classroom training activities were suspended. To comply with legislated Covid-19 education, we mobilised our Sun Talk communication platform to accommodate remote employee training. All employees completed the Covid-19 education awareness (a four-module programme) remotely, either on their cell phones or their laptops. The training also included assessments that enabled us to track and monitor all training. Employees who did not have data at home, were trained at their business units, with adherence to the required Covid-19 health and safety protocols.

The national lockdown in March 2020 precipitated a greater focus on online learning. Our strategic partner, the International Hotel School, developed and completed the online content for most of their catalogue on their digital online platform – FUSE. This 'blended learning' approach allows for assessments to be face to face, but the content for both learnerships and skills programmes are available online. Learnerships such as the Further Education and Training Certificate in Generic Management L4 and short courses are now also available on FUSE.

All learnership training was suspended due to lockdown and will commence once it is safe for learners and facilitators to work in the learning areas allocated to them. There are 371 learners who still need to complete their learnerships. There are plans in place to fast-track the learnerships so that they can be completed in 2021.

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 2020, the learning and development team began developing a holistic Sun International customer services training initiative, which incorporates the CLEAR principles and the Sun Way culture. In the interim employees have attended the customer service development programme offered by our learning partner, the International Hotel School.

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

Training incorporated face-to-face training as well as virtual training (blended learning) for specific functions within the group. In 2020 group training spend was R52 million (2019: R116 million), a 55% decrease (2019: 13% decrease). The number of employees trained also decreased significantly, mainly due to Covid-19 limitations (2019: down 5%). Our skills development spend across our South African operations, excluding Sun Slots, decreased by 62% (2019: 13% decrease) to R38 million (2019: R100 million). This investment included formal and informal learning interventions, with 1 523 South African employees (2019: 4 100) 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 2020 R million	Total learners December 2020
SOUTH AFRICA	South Africa	**37.72**	**1 523**
	Sun Slots South Africa	**2.06**	**245**
SUN DREAMS LATAM	Argentina	**0**	**840**
	Chile	**11.76**	**2 737**
	Colombia	**0**	**0**
	Panama	**0**	**193**
	Peru	**0.4**	**764**
AFRICA	Nigeria	**0.05**	**0**
	Swaziland	**0.01**	**0**
TOTAL		**52**	**6 302**

Training costs as a percentage of leviable payroll (South African units only, excluding Sun Slots)

LEVIABLE PAYROLL
R1 335 million
(2019: R1 861 million)

TRAINING COSTS
R38 million
(2019: R100 million)

% OF LEVIABLE PAYROLL
2.8%
(2019: 5.4%)

Grants and levies

To access skills development grants from the Culture, Art, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA) 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 the following:

- outstanding tax payments to SARS in respect of Wild Coast Sun
- desktop Mandatory Grant verification to be conducted by CATHSSETA for Meropa
- desktop Mandatory Grant verification to be conducted by CATHSSETA for Maslow Time Square.

We did not pay skills development levies to SARS for three months as per the payment reprieve during the national lockdown.

South Africa: Grants and levies

SKILLS DEVELOPMENT LEVY PAID
R13.4 million
(2019: R18.6 million)

MANDATORY GRANTS RECEIVED
R3.4 million
(2019: R3.1 million)

REMUNERATION AND BENEFITS

We participate in and consider market remuneration surveys, and align our remuneration decisions to the principles set out in our remuneration policy. Due to the significant financial pressures our business faced with lockdown and operation closures, employees' salaries across the board were adjusted downwards to ensure that all employees could be paid while simultaneously sustaining the business. As operations opened on a staggered basis and cashflow resumed, salaries have been readjusted accordingly and continue to be monitored.

Equal pay for work of equal value

In 2019, the Department of Labour introduced amendments to regulations governing the income differential report (EEA4). 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 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 10% of the highest earners, and the corresponding 10% of lowest earners. During 2020, we assessed the remuneration gaps across all our units and noted some discrepancies, which have been addressed. A process has also been identified to regularly monitor all new appointments, at specific levels, where discrepancies occurred more regularly, to ensure that no pay disparities are created. Going forward, the group will conduct a quarterly review on these employment levels so that the principle of equal pay for work of equal value, is adhered to for new recruits and promotions. This process will also apply to all bargaining unit employees.

PERFORMANCE MANAGEMENT

We measure and provide feedback on performance by linking employees' key performance indicators (KPIs) 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

Covid-19 has placed employee wellness centre stage and our One Sun Wellness programme, through its collaboration and integration approach, offered a single entry point to deal with employee concerns and to reinforce the group's EVP. In 2020, the case utilisation decreased and reached 9% (2019: 11.5%) of headcount, which is above the employee wellness programme norm (5% – 7%) for similar-sized organisations. National lockdown triggered an immediate drop in the case load in Q2 (68%) due to, among others, the drop in manager referrals. However, it was pleasing to note an upturn in the trend from Q3, although the case load has not yet recovered to pre-Covid-19 levels. It will be important to promote the proactive support offered by the employee wellness programme (EWP) in 2021 to attract people when they are ready to engage. Considering the touch points summarised below, overall employee engagement was at 110% of employee headcount.

Psychosocial support

Covid-19 impacted people personally and financially. This year has been characterised by people experiencing the loss of lives and livelihoods. Tragically five employees lost their lives to Covid-19. Sun International's EWP continues to provide 24/7 access to professional counselling, wellness consultations, legal advice, financial coaching and debt management services for employees and members of their household (including domestic helpers). This reach is particularly important as many employees will be working from home, and productivity will be influenced by domestic dynamics.

Our EWP registered 665 cases, which translates to a case load of 9% of headcount for the year, which is above the industry norm. The top five reasons related to stress, bereavement, couple/marital, legal advice and anxiety. High-risk cases related to physical abuse, substance abuse, stress and suicidal thoughts.

Workplace absenteeism management

Our workplace absence management programme (WAM) identifies employees who have particular sick leave patterns and offers professional health coaching and counselling to address the underlying reasons for absenteeism. During 2020, contact was made with 3 290 employees (2019: 3 048) who were flagged for being absent. The most prevalent absenteeism reasons relate to respiratory and musculoskeletal disorders, Covid-19 and domestic matters.

WAM was well positioned to help the business to absorb the impact of Covid-19. In anticipation of the outbreak of the pandemic, guidelines were issued to line managers to promote the referral of Covid-19-related cases. Employee contact was made in 228 instances and included safety concerns, symptom checking, self-isolation, self-quarantine, and return to work preparation. Vaccination education will be a focus in 2021.

On-site testing: health and lifestyle risk assessments

This workplace service is voluntary and confidential. Rapid health risk screening and lifestyle self-assessments promote the early identification of chronic lifestyle diseases and provide an opportunity for employees to engage with a health coach to set goals and, if necessary, be referred to the EWP, WAM or a chronic disease management programme. This assessment also informs our risk mitigation strategy. For example, the 2019 data determined the ratio of employees vulnerable to Covid-19 (diabetes, cardiovascular disease, obesity, HIV and TB). This early-warning assessment encouraged employees to pro-actively address their health vulnerabilities. The 2020 on-site testing rollout commenced in January 2020 at The Table Bay and Golden Valley Casino. This was interrupted by the national lockdown but should resume when there is sufficient attendance on site to justify the resources. Employees were also encouraged to do their own screening through healthcare providers until the on-site testing resumes.

Managing HIV/Aids and TB

Sun International's LifeSense HIV disease management programme (LDM) assists HIV-positive employees on primary healthcare to maintain antiretroviral (ARV) treatment to ensure they live a healthy and productive life. Since inception (2018), 168 employees have been enrolled in this LDM programme, with 106 active members. All employees and household members have access to the post-exposure prophylaxis programme, which can prevent HIV infection through accidental exposure.

Addressing gender-based violence

Prior to the manifestation of gender-based violence (GBV) during Covid-19, the group maintained zero tolerance for any form of violence and abuse, and victims received counselling and legal advice through our EWP. We also support South Africa's national strategic plan to eliminate GBV and femicide to ensure human dignity and equality. During 2020, we launched a virtual campaign over the 16 Days of Activism period, in which 1 372 employees participated. Activities were delivered through videos and interactive media and included a variety of topics like abuse, human and legal rights, self-esteem, personal safety plans and inspirational stories. The post-exposure prophylaxis programme also assists rape and assault survivors through trauma counselling as well as treatment for sexually transmitted infections, and prophylaxis to prevent HIV transmission.

Training and wellness interventions

Before lockdown there were 60 on-site wellness activations, however, since March 2020, new technologies were embraced to substitute for in-person training. There was also a shift from unit-centric workshops, to group-wide workshops, drawing delegates from across the business. A series of nine videos promoted One Sun Wellness benefits, and 30 webinars were broadcast with relevant topics. In addition, a game was created to facilitate connection between teams, stimulate conversations, promote positive psychology and reinforce Covid-19 health and safety regulations.

Communication

In March 2020, a coronavirus zone was added to the One Sun Wellness website to disseminate credible health information and promote safety practices and life skills. Content kept pace with the appetite for information and fluidity of the pandemic. With people off-site and offline, Sun Talk proved to be an excellent communication platform – providing a vital connection to content, wellness benefits and campaigns and resources. The introduction of the Let's Talk social media platform in 2021 will further enhance communication.

Managing and mitigating health and safety risks

The scope of services and the active engagement confirm that the business is geared to address the key drivers of human capital risk in the current South African context, including Covid-19 , HIV, TB, mental health, absenteeism and GBV. One Sun Wellness is well positioned to measure, monitor and mitigate these risks and to provide support to employees.

ANNEXURE A: EMPLOYEE STATISTICS

Regional employee statistics

		SOUTH AFRICA		SUN SLOTS		AFRICA		SUN DREAMS LATAM	
		December 2020	December 2019	**December 2020**	December 2019	**December 2020**	December 2019	**December 2020[1]**	December 2019
Permanent full-time employees	Number	**3 385**	4 501	**236**	244	**503**	550	**0**	4 229
Permanent part-time employees	Number	**3 423**	4 594	**1**	1	**0**	0	**0**	587
Skills development spend	R million	**37.7**	100.3	**1.6**	2.1	**0.1**	0.1	**0**	13.1
Female management employees	%	**46**	46	**40.9**	37	**41**	39	**0**	34
Employee turnover	%	**33.2**	13	**5.4**	12	**2.5**	8	**0**	35
Employees in bargaining unit	%	**65**	67	**0**	0	**21**	19	**0**	37

Number of employees

		DECEMBER 2020				DECEMBER 2019			
Region	Country	Female	Female (%)	Male	Total	Female	Female (%)	Male	Total
South Africa	South Africa	**3 902**	**57.31**	**2 906**	**6 808**	5 131	56.42	3 964	9 095
Sun Slots	South Africa	**103**	**43.46**	**134**	**237**	105	42.86	140	245
South African total		**4 005**	**56.85**	**3 040**	**7 045**	5 236	56.06	4 104	9 340
Other Africa	Nigeria	**101**	**31.27**	**222**	**323**	104	29.13	253	357
	Swaziland	**73**	**40.56**	**107**	**180**	77	39.9	116	193
Africa total		**174**	**34.95**	**329**	**503**	181	32.91	369	550
Sun Dreams[1]	Argentina	–	–	–	–	199	42.16	273	472
	Chile	–	–	–	–	1 529	48.22	1 642	3 171
	Colombia	–	–	–	–	30	54.55	25	55
	Panama	–	–	–	–	71	41.04	102	173
	Peru	–	–	–	–	383	40.53	562	945
Sun Dreams Latam total						2 212	45.93	2 604	4 816
GROUP TOTAL		**4 179**	**55.37**	**3 369**	**7 548**	7 629	51.88	7 077	14 706

1 Disposal of Latam operations prior to year end.

GOVERNANCE AND SUSTAINABILITY

ENVIRONMENTAL
HEALTH, SAFETY AND WELLBEING
SOCIO-ECONOMIC DEVELOPMENT
ENTERPRISE AND SUPPLIER DEVELOPMENT

ENVIRONMENTAL

Sun International boasts some of the most iconic and pristine resorts and hotels in South Africa. We are committed to protecting these pristine environments and minimising our environmental footprint by managing our natural resources responsibly. Our environmental strategy is integral to Sun International's business strategy. Lockdown had an impact on the group's waste, water and energy reporting, as most operations were closed or had reduced occupancy for prolonged periods in 2020.

OUTCOMES

Group-wide environmental footprint reduction, mainly due to Covid-19:

- **30%** (2019: 6%) decrease in electricity
- **31%** (2019: 1% increase) reduction in water
- **43%** (2019: 7 472 tonnes) reduction in waste generated

Conducted our first self-evaluation audits for all local units – average scores achieved were 74%. Due to lockdown cross-unit audits could not be done.

CDP ratings:

- Entered the leadership band with an A- rating for our Carbon Disclosure Project (CDP) water
- Maintained a B rating for our climate CDP

R44 690 in carbon tax liability for five units from July 2019 to December 2019

FOCUS AREAS

SELF-ASSESSMENT: Achieved/Good progress | In progress | Limited progress/No progress

OUR FOCUS FOR 2020	WHAT WE ACHIEVED	SELF-ASSESSMENT
Waste management – achieving zero-waste-to-landfill (ZWTL) at additional units and conducting external and internal audits to assess progress towards achieving our ZWTL target. The development of a self-assessment tool for units to track and manage progress	Progress towards these targets was hindered by lockdown. Operations had to reassess the cost of contracts and adjust resources based on volumes generated. No additional units achieved their ZWTL target. Targets will be reviewed and aligned in 2021 On-site visits and audits were also cancelled and the assessment tool development has been moved out to 2021, pending the continued impact of the pandemic	In progress
Alternative energy supply – identifying a suitable approach for local units to undertake energy supply projects, with a pilot project to commence in 2020	With finances constrained, this project was postponed until operations return to pre-Covid-19 levels	Limited progress/No progress
Determining Scope 3 carbon emissions and identifying baseline indicators for reporting	This project was postponed to 2021 due to Covid-19	Limited progress/No progress
Developing an integrated safety, health and environmental (SHE) management system to improve data accuracy, consistency and reporting on a monthly basis	Commenced the SHE management system update, however, the transition to a new electronic platform was postponed due to financial constraints	In progress
Setting water targets for the period 2021 to 2025	Baseline work for establishing the approach and methodology for determining the targets commenced in 2020, but will only be completed in 2021	In progress

LOOKING AHEAD

Enviro-ambition 2025

- Developing and implementing our ENVIRO-AMBITION 2025
- Implementing environmental reduction targets (water, waste, electricity and Scope 1 and 2 emissions)
- Conducting a Scope 3 survey to identify targets
- Procuring sustainably sourced seafood
- Reducing our carbon footprint through our supply chain
- Improving collaboration between sustainability and maintenance departments to identify and address areas of concern
- Eliminating the use of palm oil by 2021 and plastic straws by 2022

KEY PERFORMANCE INDICATORS

Sun International remains committed to reducing its environmental footprint across all units. Our environmental reporting is aligned to the Global Reporting Initiative (GRI) disclosures and we comply with the CDP requirements for water and emissions. We also implement the World Wide Fund for Nature-South African Sustainable Seafood Initiative (WWF-SASSI) requirements and, where possible, align our environmental initiatives to address specific Sustainable Development Goals (SDGs), namely:

SDG 6 Clean water and sanitation

SDG 12 Responsible consumption and production.

The tables below represent our South African environmental performance for 2020.

South Africa		December 2020	December 2019
Water usage (withdrawals)	kl	**3 110 231**	4 510 042
Waste generated	kg	**4 296 011**	7 472 487
Energy consumption	kWh	**162 283 056**	231 434 377
Carbon emissions (Scope 1 and 2)	tonnes CO_2e	**173 121**	267 952

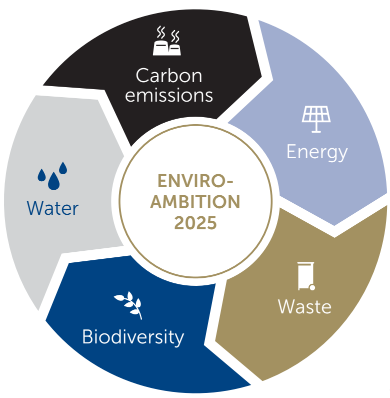
PERFORMANCE OVERVIEW

ENVIRO-AMBITION 2025

While the pandemic delayed our progress towards key environmental goals, it also provided an opportunity to reassess how we should manage the group's environmental portfolio going forward. Based on lessons learned and the anticipated business changes due to the pandemic effects over the short to medium term, we will be developing our ENVIRO-AMBITION 2025 in 2021. This five-year strategy/approach will map our journey towards being at the forefront of sustainable environmental management in the hospitality sector and outline our key performance indicators (KPIs) and mechanisms for realising our environmental ambition. This approach will also consider the group's sustainable business strategy, the SDGs and international best practices.

Our various KPIs will be updated to reflect our journey and to monitor and evaluate the progress of our mechanisms in achieving our ambition. Mechanisms to achieve our KPIs will address annual implementation over the five-year period group-wide and at unit level. These will include strategies, proposed projects/initiatives, toolkits and training and awareness programmes.

ENVIRO-AMBITION 2025 will also instil an environmentally responsible culture in our key stakeholders. We aim to reduce our environmental footprint by being more environmentally conscious across all facets of our business and ultimately contribute to a more sustainable future for all.



WATER MANAGEMENT

Water is a critical resource and key focus area. We are committed to using it responsibly, while ensuring we have a secure supply to all our units. We continue to investigate additional sustainable water sources for each unit, based on what is feasible from a cost, time and efficiency perspective.

Baseline work for establishing the approach and methodology for determining the 2021 – 2025 water targets commenced in 2020, but was delayed due to Covid-19. We aim to implement new targets in 2021.

Impact of water scarcity

Water scarcity remains a national concern across South Africa and some units are particularly vulnerable. We continue to monitor this, implementing initiatives, where feasible, to deliver ongoing memorable guest experiences.

Our progress towards developing and implementing supplementary water supply projects for several operations in 2020 had to be postponed due to financial constraints owing to the pandemic. In the short to medium term, as our business recovers to pre-Covid-19 levels, we will work collaboratively with our maintenance teams to assess how to improve efficiencies and identify suitable projects requiring minimal capital outlay, to achieve higher returns in terms of consumption and cost savings.

Water key performance indicators

South Africa	2020	% change	2019
Total water usage (withdrawals)	**3 110 231**	-31	4 510 042
Recycled water	**156 072**	-59	380 169
% water recycled	**5%**	-38	8%
Cost of water[1]	**55 757 602**	-30	79 860 323

1 This covers both withdrawal, sewage and operational and maintenance costs for our purification plants

Water usage (withdrawals)

	2020	2019
Africa	**242 774**	355 581
South Africa	**3 110 231**	4 510 042

Municipal water supply remains the largest source of overall water withdrawals (water usage) and accounts for 92% of the main water supply used in our units. The targets are based on a scientific target-aligned methodology over a three-year time horizon for each unit. The 2020 target was to reduce cumulative water withdrawals by 11% using a 2017 baseline. Over the three-year period, the group experienced a 0.15% reduction from 2017 to 2018 with a 0.13% reduction between 2018 and 2019. At the end of 2020, the group achieved an overall reduction of 32% (2017: 4 522 730 compared to 2020: 3 110 231). This reduction was primarily brought about by the various lockdown levels instituted in 2020 to manage the Covid-19 pandemic.

Sun City, Wild Coast Sun, Carousel and Sibaya are the only units that monitor the use of recycled water. Recycled water volumes decreased collectively by 59% (2019: 48%) for the group, mainly due to reduced volumes of water withdrawn and treated on-site.

While tariffs increased in 2020, there were reductions in withdrawals at the units as a result of the pandemic. Water costs in 2020 reduced 30% to R56 million (2019: R80 million). The lockdown period allowed units to identify, isolate and repair infrastructural issues which was previously not possible. The resulting savings from these interventions were only realised once the units resumed operations in the second half of 2020.

For Africa, both units extract water from boreholes and the reported volumes were 32% lower than 2019, with Royal Swazi showing a 43% reduction and Federal Palace a 13% reduction.

Sun International participates in the CDP's annual water disclosure programme. In 2020 we improved to a A- rating, which is in the leadership band and higher than the Africa regional average of B and the same as the entertainment facilities sector average of A-. According to the CDP scorecard, Sun International forms part of the group of companies that reached the leadership level in the entertainment facilities group. We anticipate maintaining this rating in 2021.

CDP water security scoring

2017	2018	2019	2020
B	B-	B	A-

To reduce our overall water consumption, and increase unit-level efficiencies and cost savings, the group is committed to implementing electronic water meters. Due to the pandemic and financial constraints in 2020, some of our operations postponed the water meter implementation to 2021. We anticipate that all operations will complete this project by the end of 2021.

Going forward, the group will continue to create awareness around water-saving initiatives through our monthly environmental awareness programme, planned sustainability culture programme, e-learning initiatives and training programmes. The sustainability department, along with the SHE teams at unit level, continue to work closely with the maintenance department to identify areas of concern and possible infrastructure improvements. The central office team has implemented monthly strategy meetings with the group's maintenance department to ensure the group can achieve water, waste and energy reduction targets.

WASTE MANAGEMENT

While progress towards ZWTL was slow, Sun International remains committed to achieving this target for all local units as part of our commitment to minimising our waste footprint, improving efficiencies and saving costs. By reducing our waste to landfill, we reduce our carbon footprint, create job opportunities, improve our reputation and positively impact our bottom line.

With the long-term benefits of ZWTL and recognising some of the challenges that have been experienced, Sun International has decided to address this target through milestone recyclable rates set for each unit. Units will take the following into consideration:

- Volumes and types of waste generated
- Resources available for on-site management
- Training and awareness for employees and guests
- Identifying ZWTL projects (beneficiation of waste that cannot be recycled and which would have been sent to landfill).

The focus group-wide is to improve the reporting of waste data, minimise waste generation, and increase waste separation at source. This will result in more effective waste recycling and cost reductions.

South Africa	2020 (kg)	%	2019 (kg)	%
Total volume of general waste to licensed landfill	**1 635 234**	38	3 201 326	43
Total volume of general waste diverted from landfill for beneficiation	**77 720**	2	93 253	1
Total volume of general waste recycled	**18 999 712**	44	3 662 523	49
Total volume of hazardous waste to licensed landfill	**32 230**	1	23 267	0
Total volume of hazardous waste recycled	**651 115**	15	515 215	7
TOTAL WASTE	**4 296 011**	100	7 495 585	100

During 2020, the total waste measured throughout our local units was 4 296 011 kg (2019: 7 495 585 kg), a 43% decrease (2019: 10% increase). The decrease in the total volume of waste is directly related to low occupancy levels and operational activities as a result of lockdown. Based on the adjusted lockdown levels and the resulting impact on the business operational levels, all operations reassessed the waste management services contracts scope to align with the anticipated reduced volumes of waste generated.

Boardwalk joined Wild Coast in diverting 49% of generated waste for beneficiation within the group and is planning to investigate further approaches to minimise the 14% waste that is currently going to landfill. In 2020, the process for monitoring and evaluating progress towards achieving ZWTL was to undertake monthly reporting and tracking of waste reduction and recycling initiatives, to analyse trends and monitor year-on-year cost savings in the group. While this was not possible due to lockdown, it will be initiated in 2021.

With operational shutdowns during 2020, the transition of all remaining operational waste service providers to the group's ZWTL programme was delayed. This will be addressed once business operations return to pre-Covid-19 levels.

In 2020, Sun City was due to commence with a waste pyrolysis plant to enable the unit to achieve ZWTL, however, due to lockdown and financial constraints this project was postponed. Therefore, Sun City applied to extend the closure date for the existing landfill site and to continue with existing waste management practices.

In 2020, GrandWest investigated an on-site solution to transform non-recyclable waste that would have ordinarily been sent to landfill into a viable reusable product, to assist in achieving ZWTL. This project implementation was temporarily put on hold due to Covid-19 and the unit had to finalise supplier requirements prior to commencement. It is anticipated that the project will be reinstated in 2021.

ENERGY MANAGEMENT

Our energy management initiatives focus on improving energy efficiency, energy optimisation and energy conservation. We aim to achieve this by continuing to implement different unit-specific energy-saving initiatives, investing in renewable energy projects at relevant units, an improved maintenance schedule and concentrating on behavioural changes related to electricity consumption by our employees, concessionaires and customers.

We continue to track energy consumption against our reduction targets as well as to analyse trends and anomalies through the eco-intelligence dashboard. Units with electronic meters were able to accurately capture data, identify anomalies and implement corrective actions. While data capturing for the dashboard is currently done manually, once units have implemented the metering project, the data will pull directly from the meters into the dashboard.

Due to the pandemic and financial constraints, some of our operations postponed the metering project in 2020 and should complete this project in 2021.

Total electricity (Scope 2) purchased by our local units was 162 283 056 kWh (2019: 231 403 213 kWh), reflecting a 30% decrease (2019: 7% decrease). The Level 5 lockdown impacts resulted in the highest reduction in electricity consumption when compared to the remainder of the year. Although units were closed during lockdown, key systems on the properties remained operational to ensure the stability and integrity of the systems such as boilers, cooling towers and heating, ventilation and air conditioning (HVAC).

Liquefied petroleum gas (LPG) data reflected a 65% decrease in 2020 (248 337 kg) when compared to 2019 (700 819 kg) which is in line with the overall reduction for the group's environmental indicators due to the pandemic.

Our two African operations showed a decrease in electricity consumption due to reduced operational capacity. LPG is only reported for Royal Swazi and the decrease was due to the operational closure from April 2020. Nigeria accounts for 99% of the diesel usage for generators and experienced an 80% decrease in 2020 with the generators only operational in January 2020 and February 2020. Royal Swazi had minimal diesel consumption in 2020 (600 litres).

Energy data

	2020			2019	
Electricity purchased	kWh	Rand	Year-on-year % change	kWh	Rand
South Africa	**162 283 056**	**197 679 985**	-30	231 403 213	260 583 005
Africa (Nigeria and Swaziland)	**9 162 096**	**23 892 341**	-24	12 039 744	22 345 481
TOTAL ELECTRICITY	**171 445 152**	**221 572 326**	-30	243 442 957	282 928 486

	2020			2019	
Direct: Fuel use for generator	litres	Rand	Year-on-year % change	Litres	Rand
South Africa	**380 473**	**5 662 494**	-34	576 543	8 203 360
Africa (Nigeria and Swaziland)	**374 155**	**3 435 416**	-80	1 905 201	18 790 563
TOTAL FUEL	**754 628**	**9 097 910**	-70	2 481 744	26 993 923

	2020			2019	
Direct: LPG	kg	Rand	Year-on-year % change	Kg	Rand
South Africa	**248 337**	**4 695 530**	-65	700 819	13 653 454
Africa (Nigeria and Swaziland)	**6 857**	**133 803**	-80	33 618	662 098
TOTAL LPG	**255 194**	**4 829 333**	-65	734 437	14 315 552

EMISSIONS MANAGEMENT

Science-based intensity targets for Scope 1 and 2 emissions encourage all units towards low-carbon energy sources. Going forward, Sun International is also committed to addressing the impact of our Scope 3 emissions. While we planned to undertake a Scope 3 emissions survey in 2020, this was postponed to 2021 when we will determine KPIs and mechanisms for monitoring and evaluation. Scope 3 targets will be set in 2022.

Sun International participates in the annual CDP. In 2020 we maintained our B rating, which is in the management band and is higher than the Africa regional average of C and of the entertainment facilities sector average of B-. We anticipate maintaining this score in 2021.

C 2017 | B 2018 | B 2019 | **B 2020**

South Africa carbon emissions data

Scope	Source	Total 2020[1] (tonnes CO_2e)	Total 2019 (tonnes CO_2e)	Year-on-year % change
Scope 1	Company-owned vehicles	**823**	2 603	-68
	Stationary fuels	**1 752**	3 549	-51
	Refrigerant gas (Kyoto gases)	**5 017**	21 109	-76
	SUBTOTAL SCOPE 1	**7 592**	27 261	-72
Scope 2	Electricity consumption	**165 529**	240 692	-31
	SUBTOTAL SCOPE 1 AND 2	**173 121**	267 953	-35
Out of scope	Fugitive emissions (non-Kyoto gases)	**1 399**	2 543	-45
	TOTAL EMISSIONS	**174 520**	270 496	-35

1 Science-based intensity targets have been set for the South African units. The target is calculated by taking our total Scope 1 and Scope 2 emissions and dividing them by the unit total person hours worked.

Total Scope 1 emissions decreased in 2020 by 72% (2020: 7 592 tonnes) from the 66% in 2019 (2019: 27 261 tonnes), largely due to lockdown, with a significant decrease in emissions from company-owned vehicles and refrigeration gases. Total emissions for Scope 2 was 165 529 tonnes CO_2e (2019: 240 692 tonnes CO_2e), a 31% decreased (2019: 1% increase) that can be linked to the closure of our operations during lockdown and the gradual resumption of services at the properties. The units have a 2023 intensity target of a 15% reduction, which is calculated annually using the combined Scope 1 and Scope 2 emissions data and the person hours worked.

By using the person hours worked, this enables a more realistic target tracking based on either organic business growth (increase in person hours worked (PHW) or a declining/streamlining of business operating environment.

We continue to investigate the feasibility of group-wide renewable projects based on financial implications, as well as how these projects will affect our gaming licence duration.

In 2021, we will focus on a back-to-basics approach for energy management, which is interlinked with our carbon emissions. Regular equipment maintenance will take place to ensure optimal operating levels, which could translate into immediate savings without any significant capital expenditure.

BIODIVERSITY

WWF SASSI

Units continue to monitor and support biodiversity initiatives in and around their operations, including rhino and coastline protection. Sun International is also a member of the WWF. While most units have a limited impact on biodiversity, units such as Wild Coast Sun and Sun City are situated in sensitive areas and we continue to monitor their impact. Supplying sustainable seafood is important as we recognise the global concern over exploiting marine resources and the environmental impacts of fishing and aquaculture activities on marine ecosystems. Our partnership with WWF-SASSI ensures we continually implement a sustainable seafood strategy across our food and beverage outlets and restaurants. We are committed to driving positive change in the way we source and serve seafood in our restaurants through various initiatives. This includes sourcing our seafood from legally and responsibly managed seafood suppliers as well as providing our guests with information on seafood products, allowing them to make environmentally responsible choices.

In 2020 we completed our 8th WWF-SASSI organisation assessment, where we:

- updated our seafood policy
- identified all red-listed species for removal from our procurement database
- commenced with tracking the traceability of our purchased seafood with the assistance of our suppliers
- had relevant managerial and procurement staff attend WWF-SASSI training, updated all menus with new WWF-SASSI logos and communicated our commitment to sourcing seafood responsibly.

Single-use plastics

Aligning with our journey towards ZWTL, we will be considering single-use plastic items in our supply chain and identifying approaches to transition away from or eliminate the use of single-use plastics. One of the low-hanging fruits in this journey is plastic straws. Units were encouraged to assess the volume of straws that are used by guests and will investigate the feasibility of removing straws completely in 2021 versus transitioning to a biodegradable or reusable straw. Our target is to be a plastic straw-free group by the end of 2022. Following plastic straws, we will look further into our supply chain to identify further items to address, such as packaging and wrapping plastic.

Palm oil

Sun International uses small volumes of palm oil and we aim to eliminate its use and transition to a suitable alternative by the end of 2021.

CASE STUDIES

WORLD WETLANDS DAY

The theme for 2020 was Wetlands and Biodiversity. This was marked by an event to raise global awareness about the vital role of wetlands for people and our planet and encourage conservation and restoration of wetlands and their habitats. At GrandWest this day was celebrated by various stakeholders, including representatives from the WWF and the Cape Town Environmental Education Trust. Activities included the clean-up of the wetland areas by staff and service provider volunteers as well as schools that joined on the day. All volunteers received a cap and water bottle as a token of appreciation for their time and commitment to conserving, restoring and protecting the wetland that exist within their working environment.

HEAD OFFICE – WASTE SEPARATION PROJECT

As part of our zero waste to landfill journey, our central office commenced with its waste separation at source initiative. Waste separation signage was developed for mixed recyclables, food waste and general waste. The team assessed the waste streams generated in the building and provided additional guidance on how to place waste in the correct bin. Additional employee training and awareness will be rolled out in 2021.

GOVERNANCE AND SUSTAINABILITY

HEALTH, SAFETY AND WELLBEING

The health, safety and wellbeing of our employees, guests and communities are our responsibility and important to our business, as they directly impact our reputation and sustainability. Our health, safety and wellness framework enables the group to manage and monitor health and safety group-wide, protect relevant stakeholders, maintain legislative compliance, and position the group to become an industry leader in health and safety. The framework further contributes toward the group's sustainability agenda, not only through its contribution to our sustainability strategy, but also to the Sustainable Development Goals (SDGs).

OUTCOMES

Covid-19

- No work-related facilities in 2020, but five employees succumbed to Covid-19
- Developed and implemented comprehensive group-wide Covid-19 health and safety protocols, standard operating procedures (SOPs) and guidelines
- Established Covid-19 risk committees at all properties to ensure that employees remain apprised of all Covid-19-related matters
- Achieved a group-wide average Covid-19 risk audit score of 86%

Revised the existing health and safety targets to reflect and measure health, safety and wellness performance indicators

Trained 8 030 employees (2019: 2 651 employees), and 1 573 (2019: 5 467) service providers and contractors on health and safety related topics, including Covid-19

Received two accolades from the Institute of Risk Management South Africa for Sun International's Covid-19 response: the Hospitality and Tourism Industry Award and the Risk Specialist of the Year (runner-up) Award

Closed out 68% of all fire and life safety audit findings from 2019, as well as 66% of all risk control audit findings from 2018 – 2019

Communicated the group's five-year health, safety and wellness strategy

FOCUS AREAS

SELF-ASSESSMENT: Achieved/Good progress | In progress | Limited progress/No progress

OUR FOCUS FOR 2020	WHAT WE ACHIEVED	SELF-ASSESSMENT
Implementing the necessary control measures to prevent the spread of Covid-19 among our employees, contractors and guests	Implemented measures at all units and received zero infringement notices, penalties or fines	Achieved/Good progress
Reducing inefficiencies and improving holistic enterprise risk management through a single electronic system	This project was put on hold due to Covid-19 but will be reassessed in 2021 for possible implementation in 2022	Limited progress/No progress
Improving data analytics to inform incident reduction initiatives at all local business units	This project was put on hold owing to Covid-19. It will be achieved through the enterprise risk management system that is being revised in 2021	Limited progress/No progress
Developing new and improved sustainability awareness e-learning videos relating to occupational health and safety (OHS)	This project was put on hold due to Covid-19 but will continue in 2021	Limited progress/No progress
Developing an OHS compliance e-learning solution for the group that adopts a blended learning approach	This project was put on hold due to Covid-19. Based on learnings in 2020 the e-learning solution will be reconsidered in 2021	Limited progress/No progress
Reviewing, updating and achieving new OHS targets	All 2020 targets were achieved. Targets were also revised for 2021 to ensure alignment with the new health, safety and wellbeing strategy	Achieved/Good progress
Implementing the medical surveillance programme at our South African operations	Some properties have fully implemented the programme while others are still in progress	In progress

LOOKING AHEAD

- Training and awareness
  - Improving training on the SHE management system procedures at all properties
  - Improving risk-based and compliance-related training and awareness facilitation
  - Achieving greater participation in our sustainability awareness e-learning initiative
- Achieving zero work-related fatalities, penalties, infringements or convictions as well as reducing and/or preventing injuries from occurring at all properties
- Improving customer satisfaction scores in relation to health, safety and wellness matters
- Improving auditing and incident reporting functionality usage on the electronic SHE management platform as well as achieving improved internal and external audit scores at all properties
- Implementing innovative solutions to improve risk management and employee wellbeing
- Implementing a reward and recognition framework to encourage sustainable behaviour
- Implementing the entire group medical surveillance programme at all properties

KEY PERFORMANCE INDICATORS

Sun International remains committed to reporting on relevant and applicable indicators as tabled below. Data is segmented by region to ensure our key performance indicators (KPIs) are accurately reflected group-wide.

		South Africa		Africa[7]	
		December 2020	December 2019	**December 2020**	December 2019
Fatal injury frequency rate (FIFR)[1]	Rate	**0.00**	0.00	**0.00**	0.00
Lost time injury frequency rate (LTIFR)[2]	Rate	**0.58**	0.96	**0.00**	0.00
Total recordable injury frequency rate (TRIFR)[3]	Rate	**1.42**	1.96	**0.43**	1.97
Total injury frequency rate (TIFR)[4]	Rate	**7.05**	7.84	**17.65**	28.49
Total number of guest injuries[5]	Number	**65**	262	**0**	0
Total number of employee/contractor injuries[6]	Number	**102**	323	**2**	20
Total work-related fatalities	Number	**0**	0	**0**	0

1 FIFR is the frequency of fatalities resulting from a work injury or work-related disease/illness, i.e. the number of fatalities per 200 000 employee hours worked.
2 LTIFR is the frequency of LTIs, i.e. the number of LTIs per 200 000 employee hours worked.
3 TRIFR is the frequency of all reportable injuries (RIs) – inclusive of all fatalities, LTIs and medical treatment cases (MTCs) per 200 000 employee hours worked.
4 TIFR is the sum of all injuries (i.e. first aid cases (FACs), MTCs, LTIs and fatalities) per 200 000 employee hours worked, where the difference between TRIFR and TIFR is the addition of FACs.
5 Total number of recordable guest injuries includes all injuries that required treatment other than first aid.
6 Total number of recordable employee and contractor injuries that required treatment other than first aid.
7 Data for Royal Swazi has been estimated using the past two years records due to the unit's continued closure and unavailable data. This affects the overall Africa data including LTIFR, TRIFR, TIFR, guest and employee injuries.

Health and safety targets

	Targets 2020	**Achieved 2020**	Targets 2019	Achieved 2019
LTIFR	**0.83**	**0.58**	0.56	0.99
TRIFR	**1.73**	**1.42**	1.01	1.96
TIFR	**6.92**	**7.05**	4.64	7.84
Fatalities	**0**	**0**	0	0

Sun International's South African operations focused on training in 2020. While this was primarily Covid-19-related training, there was an average training improvement of 67% group-wide.

A significant challenge during 2020 was the postponement of most health, safety and wellness initiatives due to business closures and reduced operating levels. These challenges have improved our injury frequency rates significantly; but this is not a true reflection of the operations' health and safety performance.

Windmill and the Wild Coast Sun launched their very first employee incentive programmes to promote the sustainability e-learning initiative. It is anticipated that similar initiatives will be launched at other units in 2021.

The group's health, safety and wellness strategic framework was revised during 2020 and will be implemented in 2021. The health and safety targets for 2020 have been expanded and aligned to this strategy and will be reflected as health, safety and wellness KPIs from 2021 to 2025. The revised KPIs cover a broader measurement scope and enable an assessment of our performance and ensure improvement against several internal benchmarks.

PERFORMANCE OVERVIEW

Our revised health, safety and wellness framework for 2021 to 2025 focuses on five safety, health and wellness pillars discussed below. Progress is measured and reported according to these pillars.

Preventing stakeholder harm

Covid-19

The World Health Organisation (WHO) declared the Covid-19 outbreak a global pandemic on 11 March 2020. In South Africa, the President announced lockdown alert Level 5 on 26 March 2020, which was the highest and most stringent level and included the closure of all business operations, except for essential services. Tourism is the highest-risk industry according to the South African government's risk-adjusted strategy and was scheduled to reopen only once the national lockdown was eased to Level 1.

From the beginning of the National State of Disaster and lockdown in March 2020, Sun International supported government's initiatives to flatten the curve and ensured active engagement and lobbying with government, regulators, partners, customers and staff. Sun International developed industry-leading interventions in response to Covid-19 and continued lobbying with relevant authorities, which resulted in casinos opening under an enhanced Level 3 lockdown effective 1 July 2020, significantly earlier than expected. All our South African operations have reopened, with Sun City having recommenced trading in September 2020, when inter-provincial travel restrictions were lifted. The Maslow Sandton and The Table Bay resumed operating in October 2020 and November 2020, respectively, and Sun International's Federal Palace Hotel in Nigeria opened in September 2020. Ongoing collaboration with industry and relevant authorities has assisted in navigating the business through this crisis.

Throughout lockdown the group continued to demonstrate resilience and adaptability in adhering to all legislation by promptly closing operations and ensuring the safety of all stakeholders. We also moved swiftly to ensure a proactive Covid-19 response by implementing best-practice protocols at all operations prior to the operations reopening. These protocols helped us to significantly minimise the risk of Covid-19 exposure at all properties. Despite our efforts, we are deeply saddened that five of our employees passed away from this very disease.

The health and safety of our customers and employees remain a priority, along with protecting our reputation as a memorable destination of choice.

COVID-19 RESPONSE MEASURES

- A Covid-19 risk prevention and control programme was developed which provided guidance to the units on their risk assessments and control measures required to minimise and control Covid-19 exposure.
- A Covid-19 policy and health plan was developed, submitted to the Department of Employment and Labour and published on our website for our guests to view.
- Covid-19 compliance officers were appointed at each unit to implement and monitor Covid-19 protocols developed and a Covid-19 committee was established at each unit.
- Unit-specific risk assessments and return to work plans were developed and submitted to the Department of Employment and Labour prior to operations opening.
- PPE, cloth masks, physical barriers, disinfectants, sanitisers and dispensers were procured, installed and supplied to employees with the necessary training.
- Thermal scanning devices and an online screening questionnaire was developed to ensure that individuals with symptoms or a risk of exposure are assessed, and the relevant protocols implemented.
- Training content was developed and launched on our Sun Talk platform for employees to complete training at home. Where this was not possible classroom training was facilitated for employees returning to work.
- Internal awareness signage and videos about Covid-19, prevention and protection measures were developed for our back of house and front of house areas.
- Return to work readiness communications were sent out on Sun Talk in preparation for opening for employees to acquaint themselves with the new way of working, what to expect and what their responsibilities are.
- All contractors/service providers/concessionaires were requested to provide updated safety files to ensure their Covid-19 readiness.
- SOPs were developed to guide our employees in managing the Covid-19 risks associated with frontline activities such as in our hotels, casinos and food and beverage departments, as well as other areas such as incident management, employee hygiene and PPE.

Group SHE management system

Our group SHE management system foundation has been developed and aligned to ISO 14001 and ISO 45001 standards. This foundation contains our approach to managing safety, health and environmental risks and impacts, and outlines how we intend to achieve zero stakeholder harm and environmental protection. Our procedures provide guidance to the units and the revised documents will be implemented in 2021, including training for employees and outsourced workers. Additional focus in 2021 will be on health, safety and wellness improvement in response to our internal customer satisfaction feedback. We will facilitate all process improvements through the SHE management system.

Injury reduction and prevention

Fatalities

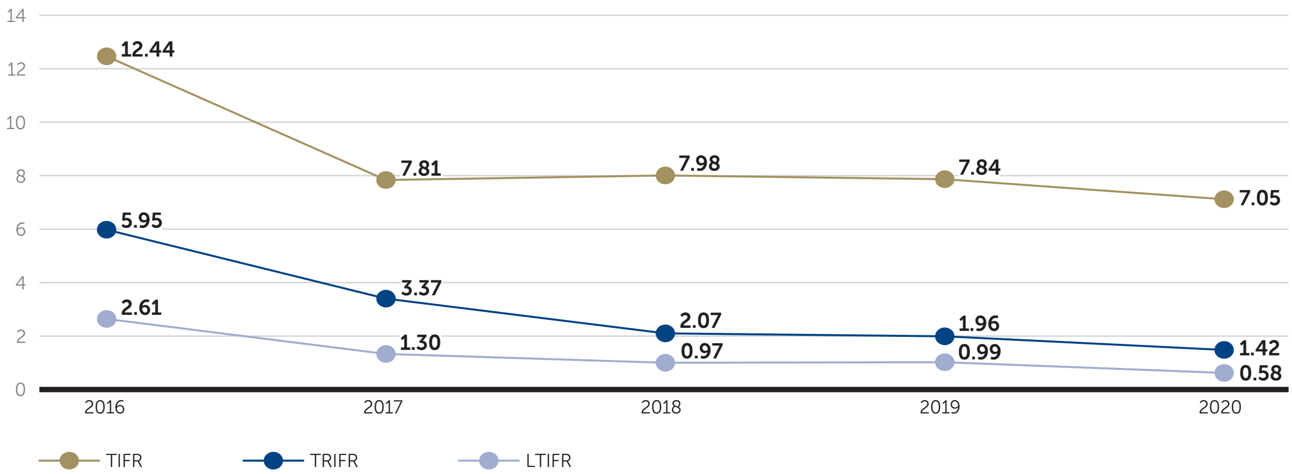
Sun International achieved zero work-related fatalities group-wide. We remain committed to keeping our employees, contractors and guests safe by maintaining a zero-fatality rate and continuing to reduce and prevent injuries group-wide.

Injury frequency rates

Our South African operations reduced its LTIFR by 41%, TRIFR by 28%, and TIFR by 10%. We achieved a LTIFR of 0.58% (2019: 0.99), TRIFR of 1.42 (2019: 1.96) and TIFR of 7.05 (2019: 7.84). The reductions achieved in the LTIFR and TRIFR are primarily due to our properties being closed for a period of three to seven months and a reduced staff complement once properties reopened. This reduction is therefore not a true reflection of performance in relation to injury reduction. Our focus for 2020 was primarily on our Covid-19 response and additional initiatives focusing on injury prevention were not implemented. These initiatives will resume in 2021 in line with our revised strategy.

Our African operations maintained an LTIFR of zero, reduced their TRIFR by 78%, and TIFR by 38%. We achieved a TRIFR of 0.43 (2019: 1.97) and TIFR of 17.65 (2019: 28.49). The significant reduction is primarily due to Royal Swazi being closed since March 2020 and to date not reopened, as well as the Federal Palace being closed for 5 months.

INJURY FREQUENCY RATE REDUCTIONS 2016 – 2020



Proactive control and risk mitigation

Compliance and risk management platform

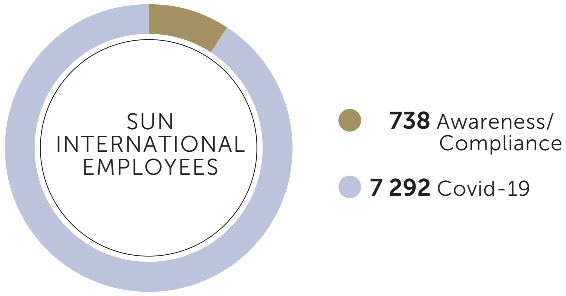
The new electronic enterprise risk management solution was placed on hold due to Covid-19. We are still using our current system and focus will be placed on extended usage of our auditing, improvement and incident reporting modules in 2021, to ensure proactive risk management.

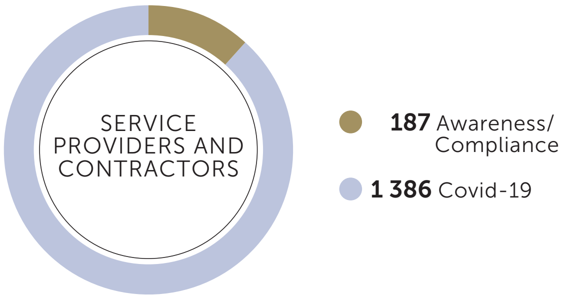
Training and awareness

In 2020, our focus on employee training was diverted primarily to training on Covid-19, related matters. Where possible some units also completed our conventional health and safety training. We trained 8 030 employees in total (2019: 2 651), of which 7 292 received training on Covid-19 topics.

The Covid-19 training focused on the risks associated with the disease, how employees can protect themselves and others, the duties of the employer and employees, PPE, and our return-to-work plans. Training content was developed and launched on our Sun Talk platform for employees to complete at home, and classroom training was facilitated for employees who could not complete training at home. SOPs were also developed and implemented at all units, on-the-job training was provided, and internal awareness signage and videos were also used. The Covid-19 training assisted in preparing all units for reopening and for the safe return of guests and employees to our properties.

We also trained 1 573 service providers and contractors (2019: 5 467) on health and safety related topics, including Covid-19. The significant reduction in service provider and contractor training is due to a reduction in contractor numbers coming on site and requiring induction. The graphic below outlines the focus on Covid-19 training and numbers of employees trained.





Innovative solutions to manage health, safety and wellness

Occupational health and wellness integration

One Sun Wellness, our internal wellness programme, provides employees with health and personal wellbeing facilities to support and improve overall wellbeing. This programme also provides trauma counselling to employees and their immediate family members, and facilitates HIV/Aids monitoring through on-site testing, which includes HIV and health risk assessments.

Previously, wellness was managed and continues to be managed by Human Resources. To integrate our occupational health approach with our wellness programme, we established a centralised and integrated wellness committee. We also provided a framework for unit wellness committees. This approach allows us to include sustainability in our overall wellness approach and improve employee wellbeing. This framework will be implemented in 2021.

Embedding a caring and vigilant culture

Sustainability awareness e-learning

We intended to release sustainability e-learning videos in 2020, however, due to lockdown, we will only release the next 10 videos in 2021. This will be accompanied by a reward and recognition framework to encourage participation and identify sustainability champions.

Sustainability awareness initiatives

Embedding a caring and vigilant culture within our workforce is essential to achieving zero harm. To accomplish this in 2020, we focused awareness around Covid-19 as well as topics such as personal care and mental wellbeing.

Maintaining compliance, alignment to standards and best practice

Medical surveillance

Our medical surveillance programme implementation was delayed due to lockdown and resource constraints and will be prioritised in 2021. This programme will ensure that all employees have undergone the necessary assessments.

Internal audits

Sustainability cross-unit audits

Sustainability cross-unit audits scheduled in May 2020 were changed to self-assessments in October 2020, and conducted by each property and reviewed by the central office health and safety specialist. Self-assessments were administered through our compliance and risk management platform. The scope of the assessments covered health and safety compliance matters including, but not limited to, administration, training, instruction, record keeping, emergency preparedness, Covid-19 control and occupational health. Incident reporting and progress monitoring of prior audit findings were also conducted. South African properties achieved an average audit score of 76% against a target of 80% or higher.

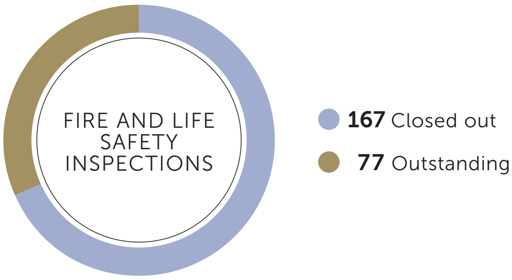
External audits

Government and local authority inspections

Following 22 formal inspections by government and local authorities, and numerous informal inspections, we received zero penalties, fines or infringement notices. Inspections were done by the provincial gambling boards; municipal, district and provincial departments of health; the Department of Employment and Labour; Department of Environmental Health; fire and disaster management services; and the South African Police Service. These inspections focused on Covid-19 compliance with the Disaster Management Regulations, issued in response to the National State of Disaster.

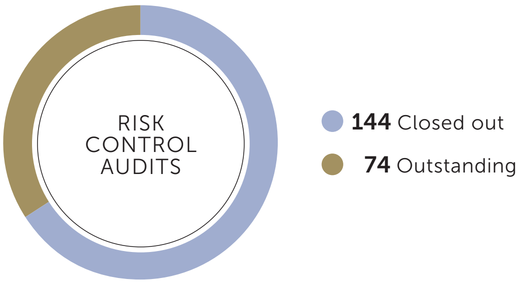
Fire and life safety inspections

Sun International employs an external consulting firm to conduct independent fire and life safety inspections at our South African operations. Due to lockdown and resource constraints, the 2020 inspections were postponed and will be completed in the first quarter of 2021. The graphic below illustrates the progress made in closing out findings from the 2019 fire and life safety inspections.



Risk control audits

An external consulting firm conducts independent risk control audits. These audits relate primarily to insurance risk, however they also provide us with independent feedback on matters concerning fire protection and safety, OHS Act compliance, public health and safety, and emergency preparedness. Due to the business closure, these audits only began in September 2020. The graphic below illustrates the progress made in closing out findings from the 2018 – 2019 risk control audits.



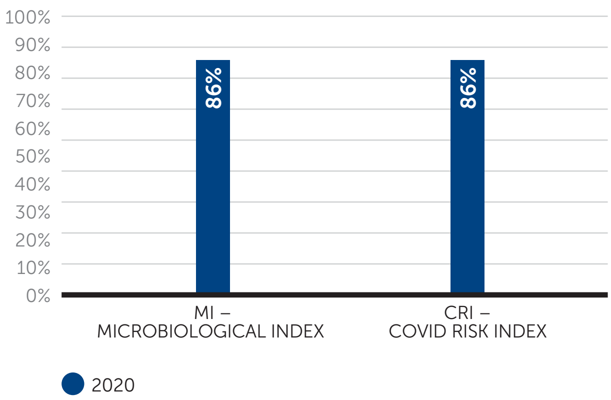
Hygiene audits

We pride ourselves on maintaining the highest food safety standards. Independent third-party assurance food safety audits are performed and the scope of these audits was expanded in 2020 to include a Covid-19 hygiene audit. Areas covered in these audits include microbiological evaluation, visual cleanliness, food safety practices, inspection of facilities and compliance with legislation relating to food hygiene, as well as compliance with Covid-19 regulations.

Covid-19

Our first round of Covid-19 audits began in July 2020 at Time Square and the remaining units' audits started from September 2020. These audits took place at the same time as our scheduled food safety audits and focused on verifying compliance, in our hotels, casinos and restaurants, to our internal Covid-19 protocols, government regulations and best practice. Units were issued with a Covid-19 audit certificate confirming compliance if they met the required 90% pass rate. To date all our properties have been audited and the group achieved an average of 86%. All challenges identified during these audits, which were primarily related to poor record-keeping, were escalated to the property Covid-19 committees for action.

SUN INTERNATIONAL GROUP COVID-19 AVERAGES

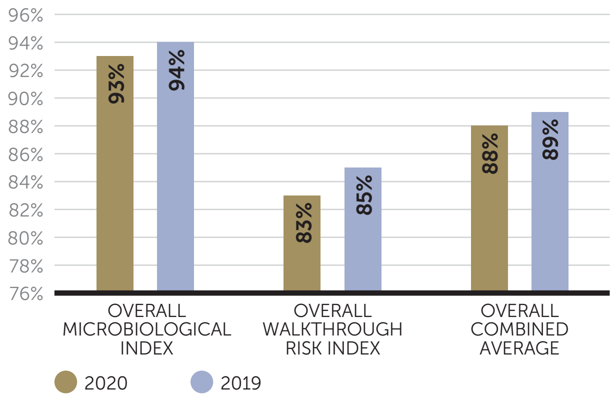


Food safety

Various food safety measures are implemented within our properties including cleaning and sanitising, personal hygiene, food storage and handling. All new employees are trained by accredited training providers to maintain food safety and hygiene standards. Refresher training is provided annually to all food and beverage employees and ongoing awareness campaigns reinforce the need to practice good hygiene group-wide. Our external audits provide us with assurance that these processes remain fit for purpose and that we continually improve.

As depicted in the graph below, Sun International achieved 93% (target of 90%) compliance in its overall microbiological index for the South African and African units (2019: 94%). This demonstrates that our food and beverage departments are managing cleanliness and hygiene in critical areas. We achieved 83% compliance (2019: 85%) in the overall walkthrough risk index. The primary contributor to this result is a challenge with documentation control, which deteriorated further post the lockdown period. The combined average (microbiological and walkthrough risk indexes combined) reduced to 88%.

SUN INTERNATIONAL GROUP HYGIENE AVERAGES YEAR-ON-YEAR

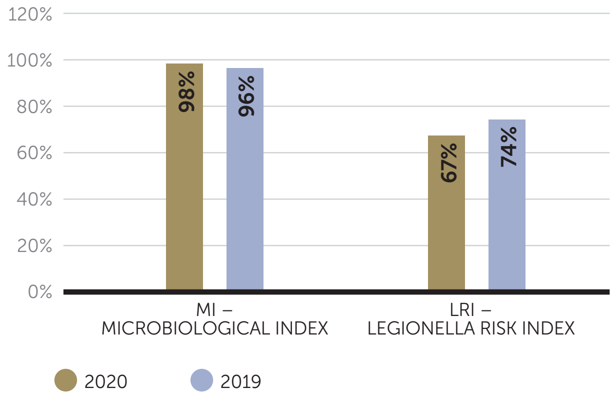


Legionella

Legionnaires' disease is a significant risk in the hospitality industry. Sun International continues to monitor this risk annually through our independent third-party and South African National Accreditation System-accredited laboratory. These assessments include evaluating the management and overall control of legionella risks, including key risk areas such as hot- and cold-water systems, shower heads and cleaning devices.

As depicted in the graph below, Sun International achieved 98% (target of 90%) compliance in its overall microbiological index for the South African and African units (2019: 96%). We achieved 67% compliance in our legionella risk index (2019: 74%). The primary contributor to this reduction is due to a lack of documented records available at certain units.

GROUP LEGIONELLA AVERAGES YEAR-ON-YEAR



HEALTH, SAFETY AND WELLBEING CASE STUDIES

CASE STUDIES

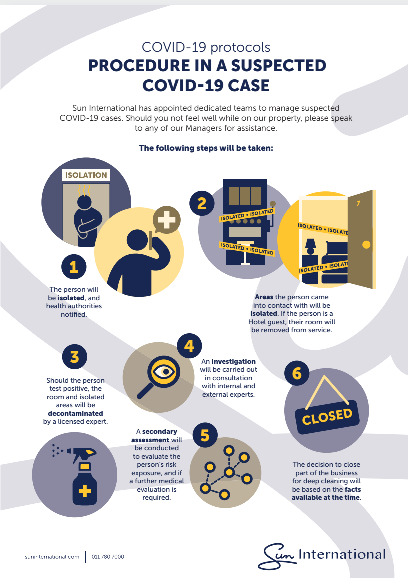
IRMSA AWARDS CEREMONY

Sun International was awarded the Hospitality and Tourism Industry Award for its robust and proactive response to the Covid-19 pandemic. Sun International's health and safety specialist was also awarded the Risk Specialist of the Year (runner-up) award for her contribution to developing and implementing the group's Covid-19 response.

COVID-19 AWARENESS

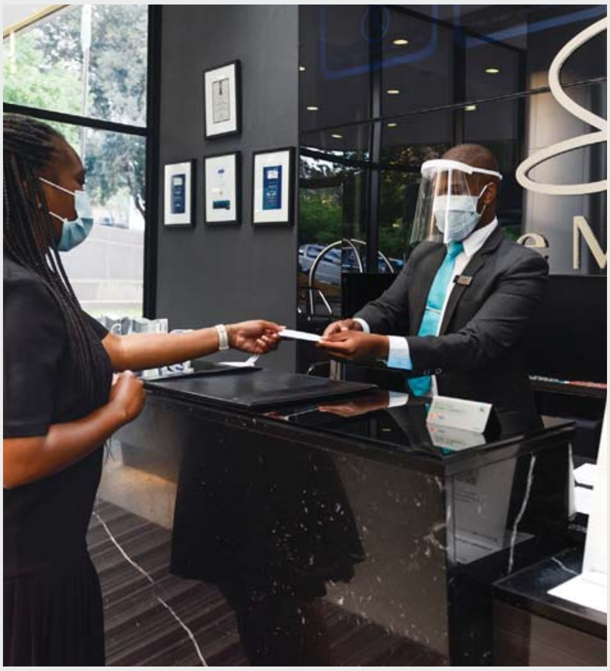
Internal awareness

As part of Sun International's Covid-19 response, an awareness campaign was launched during and post lockdown to sensitise our employees to the Covid-19 protocols implemented group-wide. These included specific information on our protocols such as hygiene, physical distancing, and the wearing of masks. A separate poster range on return-to-work protocols as well all other posters were published on our Sun Talk platform.



External awareness

To ensure that our guests are aware of Sun International's readiness to protect their health and safety while enjoying our facilities, a separate awareness approach highlighted the critical protocols implemented group-wide.



Sun International branded masks

Sun International purchased and issued branded masks to all Sun International employees across our South African operations.

GOVERNANCE AND SUSTAINABILITY

SOCIO-ECONOMIC DEVELOPMENT

Our investment in socio-economic development (SED) creates shared value and empowers and uplifts the communities we operate in. It also helps us fulfil our licence conditions and promote B-BBEE and corporate governance processes. While Covid-19 impacted our SED and corporate social investment (CSI) spend, we continued to support and address the needs of our communities through various special projects.

OUTCOMES

- Aligned and adapted our SED policy to be more congruent with the current needs within our communities
- Formulated standard operating procedures to ensure precautionary hygiene measures
- Implemented a sustainability SED self-assessment questionnaire group-wide as part of our ongoing monitoring and assessment processes
- Investment in SED projects and CSI spend was impacted by Covid-19, resulting in a decrease in spend in 2020, however the spend was focused on the needs of the communities during the pandemic
  - SED R18.8 million (2019: R25.4 million)
  - CSI spend R7.1 million (2019: R3.6 million)

FOCUS AREAS

SELF-ASSESSMENT: Achieved/Good progress | In progress | Limited progress/No progress

OUR FOCUS FOR 2020	WHAT WE ACHIEVED	SELF-ASSESSMENT
Embedding the community engagement approach across all local units; monitoring, actioning and communicating interventions	Fostered positive relations with communities through regular engagement. A formal monitoring and response system will be developed to enhance effective and transparent communication with communities	Achieved/Good progress
Ongoing recording, monitoring and analysis of CSI spend, improving online CSI management tracking and analysis	Implemented a self-assessment questionnaire to improve online CSI management tracking and analysis. Established regular meetings with units' finance managers and SED teams to ensure correct CSI spend is reported	Achieved/Good progress
Developing a cohesive internal and external public relations communication plan for SED and CSI initiatives	Revised our sustainability awareness calendar and improved our communication channels to include our website, Sun Talk, employee competitions, and press releases. A formalised communication strategy will be introduced in 2021 to ensure regular internal and external communication to share our narratives	In progress
Identifying and developing an integrated sustainability management system that incorporates all aspects of SED and CSI to improve data accuracy and reporting processes	Due to Covid-19 and financial constraints, this system will only be implemented in 2022	Limited progress/No progress

LOOKING AHEAD

- Continuing to create shared value through the group's SED focus areas – education, sports and arts and culture with increased emphasis on supporting communities' needs due to the pandemic
- Developing and implementing hospitality career programmes/events for our communities and our Adopt a School programme
- Implementing a skills-based employee volunteering programme to assist communities with necessary skills
- Developing an SED and CSI communication plan to showcase the group's corporate citizenship commitment
- Rolling out and managing sustainability SED projects incorporating health, safety, wellness and environmental elements
- Conducting SED project impact assessments for group-wide projects

KEY PERFORMANCE INDICATORS

SED spend

Sun International's 1% net profit after tax (NPAT) SED spend for the period under review amounted to R18.8 million (2019: R25.4 million). The decrease in spend was due to the impact of Covid-19 on our operations. Encouragingly, we obtained the maximum eight points allocated to SED spend during 2020 (five points for the SED spend with three bonus points for our tourism marketing levy for South Africa as part of our B-BBEE commitment.

Our SED investment is normally allocated according to Sun International's SED project focus areas – education, sports, and arts and culture, with an emphasis on education, as it is critical in alleviating poverty and ensuring economic stability. Our focus areas unify the Sun International brand and meet various gaming board licence conditions in different gaming regulatory authorities. We strive to be known for innovative, inspired projects that positively impact our communities and improve their access to the economy. We also recognise the value of developing a sustainable model that connects our social investment to our core business strategy.

Due to Covid-19, the group's SED policy was realigned to allow units to contribute to any SED project, based on local community needs, during the Covid-19 period and not only to education, sport and arts and culture. Units completed a special projects motivation, which is reviewed and approved by the SED specialist as opposed to the Sun International social community development trust (SISCDT) or chief executive, as per the group's normal project approval process.

The social and ethics committee, SISCDT and the sustainability committee provide input and oversight for all approved projects.

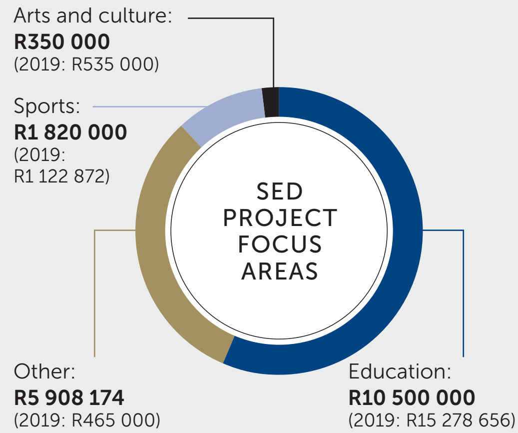
Unit	1% NPAT (SED 2020) rand	1% NPAT (SED 2019) rand
Boardwalk	**500 000**	581 000
Carousel*	**n/a**	n/a
Carnival City	**653 220**	1 098 000
Flamingo	**42 000**	84 000
Golden Valley	**189 361**	234 742
GrandWest	**2 288 286**	6 201 294
Meropa	**272 000**	775 782
Sibaya	**1 151 000**	3 440 590
Sun City	**1 509 637**	1 485 903
Wild Coast Sun	**1 210 262**	803 636
Windmill	**162 930**	494 878
The Table Bay	**132 000**	396 500
Maslow Time Square	**376 000**	623 498
The Maslow Sandton**	**Loss-making unit**	45 000
Central office	**86 320**	810 000
Sun Slots	**9 811 158**	8 048 345
SunBet	**450 000**	320 000
TOTAL	**18 834 174**	25 443 168

* Carousel did not contribute to SED as the group disposed of the unit in 2020.

** Calculation of NPAT in loss-making situations:

Requirements as per the external verification consultant shall determine whether the NPAT, five-year average NPAT or the indicative profit margin applies to the SED calculations. The target of 1% of NPAT for the SED scorecard is based on the NPAT of the measured entity for the measurement period unless:

- The measured entity did not make a profit during the measurement period; or
- The net profit margin (NPAT/revenue) of the measured entity for the measurement period was less than a quarter of the industry norm during the measurement period.



Special projects due to COVID19: **R1 256 000**
(2019: not applicable)

COVID-19 RESPONSE
STRATEGIC OBJECTIVES
Governance and sustainability
Our people
Environmental
Health, safety and wellbeing
Socio-economic development
Enterprise and supplier development

SED project approval governance process

The group follows a robust process for identifying and governing SED approvals. This process ensures that the group makes a positive impact on one of our most vulnerable stakeholders — our communities. During 2020 a special projects category was included to align with community needs during the Covid-19 period. The approval process differed from the group's usual project approval process depicted alongside, but still adhered to robust governance protocols.

1. **SUBMIT** annual unit SED project implementation plans including any special projects
2. **REVIEW** unit information and request any additional information
3. **SUBMIT** special project requests to the group SED for review and round robin approval from the Sun International SISCDT committee
4. **REVIEW AND APPROVE** all projects at the SISCDT committee meeting. Management representatives from various functions within the group attend the SISCDT meetings to address any questions
5. **PRESENT** final list of approved projects at the sustainability committee meeting for noting and sign-off
6. **CONFIRM** project approvals with units and capture all SED projects on IFS
7. **MONITOR AND EVALUATE** projects on a quarterly basis and provide updates to the SISCDT committee

CSI spend

The group invested in various CSI initiatives — both in-kind monetary and non-monetary — including donations, sponsorships and charitable givings that totalled approximately R7.1 million (2019: R3.6 million) across our South African units. This amount includes a R1.6 million education funding contribution to employees and their families through the group's Changing Lives campaign.

The 97% increase is mainly due to improved reporting and increased community needs, as well as the employee contribution referred to above. The community needs were identified thanks to improved stakeholder engagement.

Sun International has contributed to CSI spend since our inception, but only started recording actual CSI contributions at unit level in 2019. Our CSI system tracks in-kind donations, which are distinguished as donations with and without rand value. In-kind donations with a rand value include the donation of venues, accommodation, show tickets, restaurant vouchers and any other donations that could have been sold. During 2020, we implemented a self-monitoring questionnaire to improve the accuracy, completeness and comparability of the CSI spend and to ensure compliance against relevant Gaming Board requirements. Sun Slots and SunBet did not distinguish between SED and CSI spend in 2020, but will be implementing a system in 2021 to start differentiating between SED and CSI spend.

The table below provides an overview of the reported CSI spend for 2020.

Unit	CSI donations
Carnival City	**R447 943**
Flamingo	**R160 944**
Golden Valley	**R40 805**
Meropa	**R14 793**
Sibaya	**R21 000**
Sun City	**R463 467**
Boardwalk	**R428 218**
The Maslow Sandton	**R220 610**
The Table Bay	**R152 147**
Wild Coast Sun	**R13 500**
Windmill	**R212 000**
Maslow Time Square	**R61 500**
GrandWest	**R3 258 397**
Group contribution*	**R1 600 000**
TOTAL CSI SPENT	**R7 095 324**

* Group contribution of R1.6 million to employees and their families for education funding.

SED vs CSI

CSI is a unit-specific operational expense allocated to projects of interest to the group and its employees. Most of our CSI initiatives are funded by their relevant business units, and donations received from our guests and partners. Although the gaming boards recognise CSI spend, the B-BBEE Act only recognises the SED spend based on 1% NPAT. These in-kind donations do not form part of the NPAT for calculating the group's SED spend per the B-BBEE Codes. Our SED projects are allocated to initiatives that facilitate sustainable access to the economy for our beneficiaries and are governed by our SED policy.

Community stakeholder engagement

Effective community stakeholder engagement is important in building and maintaining transparent relationships in our communities and continues to receive focus. Some of our stakeholders include communities and traditional leaders, provincial and national government, NGOs, NPOs, PBOs, foundations, and labour organisations. The group SED stakeholder engagement specialist and the SED unit professionals are responsible for engaging with these stakeholders. This engagement ensures a transparent line of communication that enables shared value and sustainable SED initiatives. Our robust engagement approach allowed the group to identify and respond to our communities' needs during the pandemic. Over the long term we aim to:

- Assess risks and impacts through implementing a community stakeholder engagement risk register
- Develop a group community engagement platform to capture engagements with stakeholders
- Conduct an independent community stakeholder engagement impact assessment to identify monitoring and reporting gaps
- Identify community needs by building capacity through resources and knowledge sharing.

CREATING SHARED VALUE

Our social capital is accumulated through the contributions of our units and group initiatives that resonate with our communities. Social capital investments ensure our long-term business sustainability by maximising shared value in the communities we operate in. Return on investment is measured by the lasting positive impact and self-sustaining structure of all SED projects. Our employees actively invest their personal time in the social investment projects that resonate with them, from volunteering and mentoring bursary students to providing business advice and training.

As a group 70% of our spend is allocated to group-wide SED projects and 30% is allocated to unit-specific projects, still focusing on **education, sports and arts and culture** projects. However, in 2020, due to the pandemic the group temporarily revised the SED spending policy to allow units to also spend their SED percentage on special projects to meet community needs during the pandemic.

CREATING SHARED VALUE THROUGH OUR PROJECTS

Creating shared value is at the core of our business strategy. We support programmes that focus on empowering our youth through education, helping to alleviate food insecurity and creating economic value by supporting community-based organisations. We do this while simultaneously addressing societal needs and challenges.

2020 was an extraordinary year with the pandemic and resulting budget constraints. Our units will resume their various projects and commitments in 2021. Specific focus will be placed on our group projects:

- ***Adopt a School*** – each unit has identified a school or schools in their local community that needed support and guidance to improve learners' daily experience. Units will support their schools in respect of environmental needs, health, safety and wellbeing, sports, career days and hospitality daily needs of learners
- ***International Literacy Day*** – the group support learners in early childhood development by sponsoring books and arranging reading days with children
- ***Inspired Stages*** – our arts and culture project hosts various youth during school holidays. The aim is to keep children off the streets and provide a safe place during holidays, while providing them with counselling sessions, team-building opportunities and providing an opportunity to be creative through song, dance and acting.

CASE STUDIES

GAUTENG GAMING BOARD COVID-19 SCHOOLS PROJECT

Sun International committed R5 million to supplying essential PPE for learners and teachers at 51 schools. In partnership with the Gauteng Gambling Board, Sun International is ensuring that the schools are supplied with foot pedal dispensers, soap dispensers, surface sprays, hand sanitisers and thermometers along with plastic aprons, plastic and rubber hand gloves, face shields for teachers and admin staff, and masks for everyone. Approximately 60 000 students and 1 500 teachers and administration staff will benefit from the donation. In addition to the contribution from Sun International Group, various units participated in this project including Time Square, Carnival City, SunBet and Sun Slots.

SUN CITY PROVIDES FOOD AND HYGIENE PACKS DURING COVID-19

The lockdown had a devastating impact on those who are marginalised as their lives and livelihoods were shattered. To assist, Sun City provided food and hygiene and educational materials to several households and community-based centres. Various institutions were supported, including Tsoga Re Thuse Foster Care and Vulnerable Children, Dimakatso Safe House, Itekeng home-based care centre, Thari Mmelegi Orphans, as well as the Rustenburg local municipality disaster centre.

SUN CARNIVAL CITY AND CARNIVAL CITY COMMUNITY TRUST (CCCT) PROVIDE RELIEF FOR THE COMMUNITY OF EKURHULENI DURING COVID-19

Since the beginning of lockdown, Carnival City and the CCCT has donated 600 food parcels at a value of R200 000. Each parcel contained groceries and other essentials that aided various people including the elderly and disabled.

TABLE BAY HOTEL KITCHENS REOPENED FOR MANDELA DAY COOK-A-THON

Chefs at our 5-star Table Bay Hotel on the V&A Waterfront reopened the hotel's kitchens on Mandela Day, 18 July, to prepare 1 000 litres of soup to feed needy communities. This formed part of the national South African Chefs Association challenge to participate in a cook-a-thon. The chefs made about 67 000 litres of soup in professional kitchens across the country. This initiative highlighted the power of making a difference by combining various skills and resources.

CASE STUDIES continued

MEROPA ADDRESSES CRITICAL WATER SHORTAGES IN COMMUNITIES

Three previously disadvantaged communities received a total of 600 water drums from Sun International's Meropa Casino and Entertainment World in Polokwane. Water was sourced from boreholes the casino had drilled for each community. The 600 drums were allocated equally among three recipients – the Morwakola drop-in centre in Ga-Mashashane, the Ranoto drop-in centre in Mmotong, and the Baswane drop-in centre in Ga-Molepo. The boreholes and drums represent a lifeline in Limpopo, a water-scarce area that has previously faced threats of a day zero when dam levels dropped to critical levels. The children being cared for by the three centres receive fresh water daily and the water is also available to struggling households in the vicinity of the centres.

FEEDING THE NEEDY AT BOARDWALK

The Boardwalk Casino and Entertainment World handed over a food parcel to Healing Minds, a non-profit organisation from the Walmer township that focuses on community development, health and wellness. The food was used to feed the more than 300 disadvantaged adults and children in the area whom Healing Hands assists daily through its nutrition scheme and early childhood development centre.

SIBAYA COMMUNITY TRUST INVESTS IN GROUND-BREAKING HOME WATER TREATMENT PLANT IN RURAL KZN

Families living in rural communities will soon be able to exercise their basic right to safe drinking water in the comfort of their own homes thanks to the Sibaya Community Trust initiative. The pilot project rollout, at a cost of R850 000, will benefit 100 families living in rural areas who will become recipients of the Amanzi eKhaya, a home water-treatment plant.

The recipients will be trained to operate the sustainable, innovative and easy-to-use plant that will see their lives and health improved. This project was designed to allow for ease of transportation, handling, operation and cost-effectiveness to make the plant sustainable and ideal for South Africa's rural communities.

The project has a grassroots approach with a shared global vision towards sustainable development for all, in line with the United Nation's Sustainable Development Goal of Clean Water and Sanitation for all.

The Amanzi eKhaya is a decentralised water treatment system that provides clean and low-cost drinkable water to families in marginalised rural communities that have no access to or difficulty in accessing existing infrastructure.

CASE STUDIES continued

2020 ARBOR WEEK AWARENESS DRIVE FOR MEROPA CASINO AND ENTERTAINMENT WORLD, LIMPOPO

South Africa celebrates National Arbor Week in September by planting trees annually. The planting of trees is a symbol of life and hope for future generations. Lantern Learning focuses on spreading environmental awareness to communities with a specific target to reach the younger generation. For Arbor Month 2020, Meropa partnered with KE Dinaledi, which is a community organisation run by Miss Earth (South Africa) semi-finalist Ms Lehlogonolo Mashego and Meropa Casino to celebrate what trees mean in our lives. Meropa will plant the indigenous Cape Ash tree on its property. Going forward, it will revisit some of the staff members who received trees, to document the status of those trees and interview people on how those trees have impacted and served them and their families over the years.

GRANDWEST ASSISTS NEEDY SCHOOLCHILDREN WITH UNIFORMS

The economic downturn and Covid-19 exacerbated people's financial challenges, including the need for basic school essentials. Absenteeism in schools is often attributed to a lack of school uniforms. To make a difference, GrandWest Casino and Entertainment World supplied 1 141 learners at two schools in the Western Cape with uniforms valued at about R600 000. The Dress for Success handover to Mokone Primary Shool and Langa High School was a collaborative effort between the NGO New Build Relationships, Sun International and the provincial MEC for education. Schoolchildren from previously disadvantaged communities received a complete school uniform. By supporting this cause, we hope to give the children a confident start to the new academic year. GrandWest realises a good education opens doors and it is critical to invest in our children and by extension, the future of the country.

2020 CHANGING LIVES CAMPAIGN

Covid-19 has reminded us of the importance of family and the value of health and wellness. This is no different in our Sun Family and the leadership remains committed to helping employees weather this storm. The year 2020 was particularly challenging for all employees and the group believes in the value of education to ensure continued upliftment. Therefore our 2020 Changing Lives campaign focused on helping employees fund their children's education. More than 500 wishes were submitted and, to support as many employees as possible, the group increased the funds available for educational assistance. In total, R1.6 million was paid out to education funding in a fair and transparent manner, with most wishes having been granted in part or in full. This contribution is a show of our appreciation to all employees and we hope that it will help to ease the financial burden faced by so many employees during this difficult time.

GOVERNANCE AND SUSTAINABILITY

ENVIRONMENTAL
HEALTH, SAFETY AND WELLBEING
SOCIO-ECONOMIC DEVELOPMENT
ENTERPRISE AND SUPPLIER DEVELOPMENT

ENTERPRISE AND SUPPLIER DEVELOPMENT

Our supply chain helps create value across the group's broad supplier base and supports the group's vision of creating genuine value for the communities in which we exist. This is achieved by investing in local procurement opportunities in the areas where we operate. The group also maintains an efficient and equitable supply chain aligned to ethical standards and practices through a robust governance process. Procurement spend was significantly impacted due to business closures during lockdown and spend targets were revised downwards.

OUTCOMES

R30.9 million (2019: R44.4 million) invested in supplier development and distributed to 70 (2019: 77) business beneficiaries from within our local communities

R6.9 million (2019:R12.3 million) committed in enterprise development to 29 (2019: 37) business beneficiaries from within our local communities

Supported 10 (2019: 15) beneficiaries through formal business development support (BDS) in line with our enterprise and supplier development (E&SD) programme requirements

FOCUS AREAS

SELF-ASSESSMENT: Achieved/Good progress | In progress | Limited progress/No progress

OUR FOCUS FOR 2020	WHAT WE ACHIEVED	SELF-ASSESSMENT
Entrenching the principles of formal BDS into all existing and new projects by enhancing adoption of the group's E&SD programme	Our BDS assisted with supplier development and financial education to achieve project success	In progress
Reporting on the economic and social impact of our interventions within our local communities	Procurement spend declined due to Covid-19 resulting in limited enterprise supplier and development	In progress
Continuing to develop opportunities for including local suppliers into sourcing activities and the group's supply chain	The group's online tender bulletin board continues to provide advertising opportunities for local suppliers, and larger units have representatives to facilitate procurement opportunities	Achieved/Good progress
Improving management and recovery of E&SD loans, and ensuring ongoing capacity to support new beneficiaries within our E&SD programme	The recovery of loans remains an ongoing challenge and was further exacerbated by business closures in lockdown. Payment holidays were granted to certain suppliers during lockdown and our BDS programme continued to provide business development support	In progress
Addressing spend imbalances within the business unit supply chains to ensure optimal preferential procurement outcomes	Provincial spend is monitored at our sustainability committee and spend is managed strategically to ensure optimal procurement spend	In progress

LOOKING AHEAD

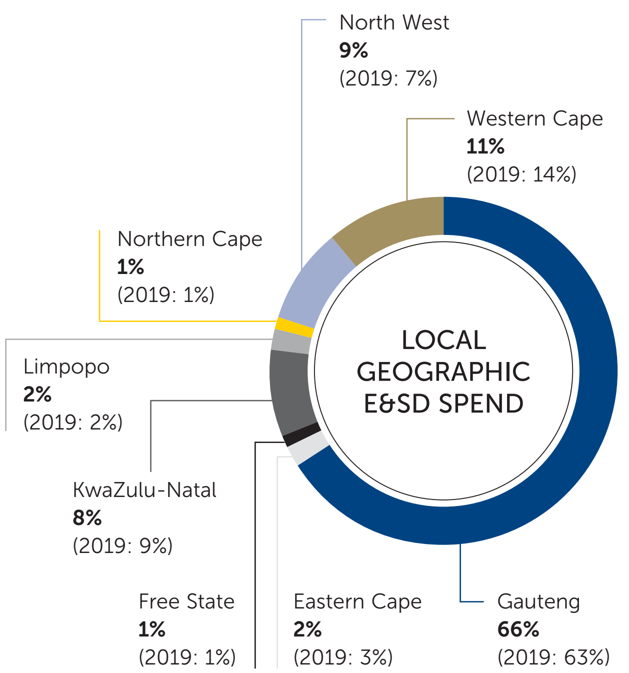
- Monitoring E&SD loans to ensure an improved recovery rate
- Continuing to monitor our group-wide supplier base and focus on locally based communities by apportioning spend across local small, medium and micro enterprises (SMMEs) and national suppliers as well as supporting suppliers through our BDS programme
- Engaging our top 20 suppliers to identify areas of collaboration and/or support on Sun International's sustainability strategy
- Encouraging our top 100 suppliers to become part of the group's endeavours in building stronger sustainable partnerships by signing our sustainability memorandum of understanding
- Implementing our new Broad-based Black Economic Empowerment (B-BBEE) system to assist with information accuracy and monitor trends to optimise B-BBEE spend

KEY PERFORMANCE INDICATORS

	Spend 2020 R million	Spend 2019 R million
Preferential procurement	**1 851**	3 223
Supplier development	**30.9**	44.4
Enterprise development	**6.9**	12.3
Total points out of a possible 40.00	**40**	40

PERFORMANCE OVERVIEW

The group is committed to creating opportunities for all suppliers, especially B-BBEE-compliant SMMEs. We maintained our B-BBEE levels across all pillars in support of economic upliftment, through our supply chain nationally. While our focus remains on improving spend allocation across a broader base, the group spend was impacted by the prolonged lockdowns in 2020. We continue to promote procurement spend across the provinces where we operate while ensuring optimal strategic spend. In 2020, we procured most B-BBEE spend from Gauteng (66%).



Note: Mpumalanga data not available.

Sun International's online tender bulletin board advertises formal sourcing activities on an open and transparent platform. This platform also allows prospective suppliers to submit online quotes for direct inclusion in ad hoc sourcing opportunities and can be accessed on our corporate website.

Our suppliers have given positive feedback about the tender bulletin board benefits. This engagement platform has assisted in growing our registered supplier base to about 14 000, of which 3 500 are active suppliers that used by Sun International for procurement spend.

Preferential procurement

Sun International's total measured procurement spend for the financial year was R1.85 billion (2019: R3.2 billion), of which R1.66 billion (2019: R2.99 billion) was procured from 2 513 (2019: 3 138) verified B-BBEE-compliant suppliers. This 90% (2019: 93%) valid spend, mainly due to business closures owing to lockdown compliance was below the group target of 95% for 2020. Our 2021 goal is to reach and maintain 95%.

	Suppliers		Spend	
EME	1 354	54%	R385 165 519	21%
QSE	380	15%	R251 596 305	14%
Generic	419	17%	R1 025 393 101	55%
Non-compliant	343	16%	R188 877 886	10%
B-BBEE SPEND			**R1 851 032 811**	

The group continues to engage suppliers that support our objectives and meet our optimum B-BBEE standard: black-owned with a level 3 rating or better. 71% (2019: 51%) of group spend met this optimum requirement, exceeding our 20% target for 2020 (2019: 45%). Our revised 2021 goal is to reach and maintain 70% (2019: 60%).

B-BBEE compliance controls are in place to ensure only B-BBEE-compliant suppliers are included in the group's supplier database and any non-compliant suppliers are suspended until they prove B-BBEE compliance. At the end of 2020, 16% (2019: 7%) of our suppliers were non-compliant.

Indicator categories	Revised target by 2021 (%)	Achieved in 2020 (%)	Achieved in 2019 (%)
Black-owned spend	65	**54**	52
Black women spend	30	**54**	21
Level 1 to 3	80	**71**	73
Optimum spend[1]	70	**54**	51
SMMEs	60	**34**	36
Valid B-BBEE spend	95	**90**	93

1 Actual contribution invested, not the recognised values as per the B-BBEE codes.

Sourcing and supplier onboarding process within Sun International

Sourcing suppliers is commercially driven, and we remain committed to economic transformation in South Africa by adopting the B-BBEE framework that encourages black SMME participation. We give preference to commercially competitive suppliers who meet our optimum B-BBEE compliance standard and have a local presence. All potential suppliers must register on the Sun International supplier database for inclusion in any sourcing opportunity, and ensure they keep their registration information updated. Sourcing opportunities are also advertised on our corporate website and closely monitored by our procurement team. The units also identify and continue to engage with local suppliers and service providers to encourage them to register on the supplier data base.

ONBOARDING PROCESS

PRODUCT + PRICE + SERVICE + B-BBEE = BEST FIT SUPPLIER

Preference will be given to commercially competitive suppliers who demonstrate optimum Sun International B-BBEE compliance.

Empowering supplier → Black ownership ≥ 51% → Level 1-3

Enterprise and supplier development

Sun International's E&SD strategy remains a group priority, emphasising responsible corporate citizenship and a commitment to the environment, community and economy. These objectives drive our supplier sourcing and create opportunities for small businesses to enter our supply chain.

Community engagement

Communities' concerns about inequality in certain operational areas remain an issue, especially around securing local procurement spend and local employment to provide socio-economic upliftment. To facilitate proactive community engagement each unit has been tasked with working closely with local communities to develop their local supply chain. Units are using our e-portal to advertise for services and supplies where the unit operates. Local communities have the opportunity to respond directly to these advertisements online, making the process fair and transparent. Where necessary a dedicated liaison officer is appointed to streamline this engagement process. In addition, central procurement continues to assist units in implementing these and other initiatives.

The group's E&SD programme identifies and assists businesses at our various properties through capital funding or other business development services, with the goal of:

- Fostering sustainable business growth, creating jobs and adding economic value
- Supporting the development of black-owned SMMEs
- Offering consistent and structured application of E&SD projects
- Focusing on the sustainability of our beneficiary organisations
- Supporting South Africa's National Development Plan 2030
- Supporting strategic category management plans
- Achieving meaningful value through effective use of funding

The group committed R30.9 million (2019: R44.4 million) in supplier development, including early settlements substantially above the claimable value. An additional R6.9 million (2019: R12.3 million) was committed in enterprise development, supporting a pipeline of new business in the supply chain.

Sun International's E&SD beneficiaries per category

The endorsement of a small business goes a long way in supporting market access, job opportunities and uplifting local and regional communities.

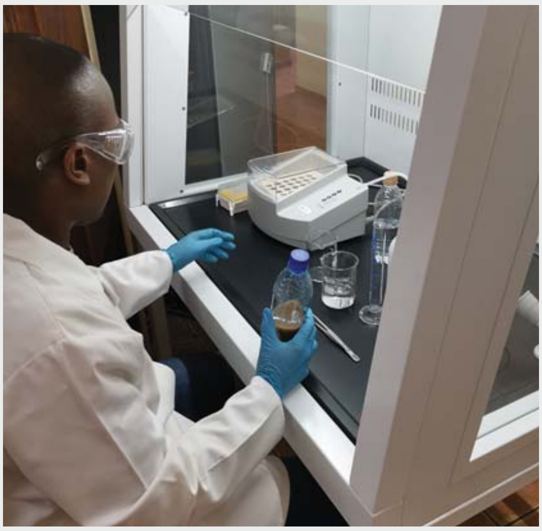
CASE STUDIES

E&SD INITIATIVES

SWEET ANGEL WATER

Sweet Angel Water is a local North West water supplier operating from a small factory where still water is packed by hand and ice is produced for customers. It supply several businesses and won a tender to supply Sun City's back of house water. As part of the contract Sweet Angel Water needed to supply water (20lt) and approximately 60 dispensers for bulk containers across Sun City, which required it to expand and automate its operations. To assist this supplier's expansion plans, Sun City issued a loan (R990 000) which was used to purchase the necessary equipment to introduce carbonated (sparkling) water into its product offering.

Furthermore, Sun City's management and the marketing department assisted Sweet Angel Water to develop labels for Sun City branded water and the company has commenced supplying branded still and sparkling water.

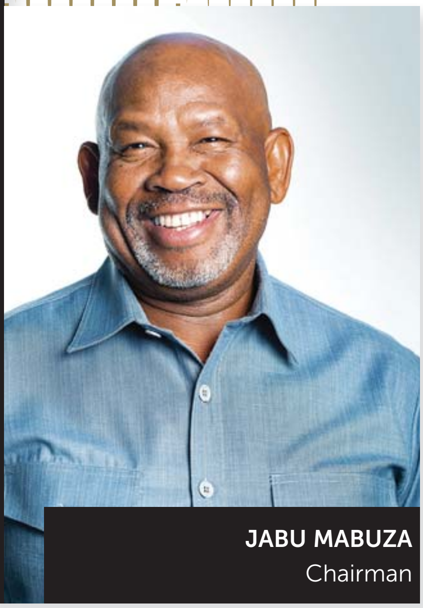


GLAMCARWASH AT THE BOARDWALK

As part of our enterprise development beneficiary initiative, GlamCarWash was selected for a business opportunity at The Boardwalk in 2020. The beneficiary is 100% black-owned and sourced its six employees from the unemployed youth of Walmer township, located close to The Boardwalk. The Boardwalk Casino visitors now are able to have their vehicles cleaned while enjoying the various facilities available at the casino.

04

SUPPORTING GOOD GOVERNANCE



JABU MABUZA
Chairman

CORPORATE GOVERNANCE REPORT

Good corporate governance is of paramount importance to Sun International. We embrace the pillars of integrity, responsibility, fairness, transparency, honesty and accountability for all stakeholders. These pillars preserve the group's long-term sustainability so we can create and deliver value to all stakeholders. Good corporate governance ensures an ethical and cohesive culture, effective control, compliance and accountability, responsive and transparent stakeholder engagement, performing to strategic expectations, and legitimacy and trust.

MESSAGE FROM THE CHAIRMAN

Dear stakeholders

During the past year, there were several changes to the board of the group. Mr Leon Campher, lead independent non-executive director, and Dr Lulu Gwagwa both retired as non-executive directors on 12 May 2020. Mr Vusi Khanyile resigned as a non-executive director effective on 29 October 2020. Ms Sindi Mabaso-Koyana was appointed as a non-executive director effective 20 March 2020 and Mr Tapiwa Ngara was appointed as a full non-executive director effective 20 November 2020. Mr Graham Dempster was appointed as the lead independent non-executive director on 8 June 2020. I, Mr Jabulane (Jabu) Mabuza was reappointed as chairman with effect from 1 January 2021 at the nomination committee meeting held during November 2020. Encouragingly, the board has exceeded its black and female diversity targets. Following these board changes, board committee memberships were modified to ensure alignment with King IV™ and to deliver on our strategic objectives.

Mr Zaine Miller, chief information officer of Sun International, resigned with effect from 23 February 2021 and hence as a member of the risk committee. Mr Graham Wood, chief operating officer of Sun International, was appointed a member of the risk committee with effect from 11 March 2021.

Collectively the board, in its exercise of effective and moral leadership, continues to drive and maintain an ethical culture from the top. The board achieves this by maintaining a zero-tolerance approach towards unethical conduct group-wide and by guiding the group based on the principles of integrity, competence, transparency, honesty, accountability, fairness and responsibility.

The coronavirus pandemic has had a significant impact on our tourism and hospitality industry. The board reacted quickly and the executive management team took proactive steps to mitigate the negative impacts, to ensure the group could navigate its way through this crisis and ensure that its businesses remain sustainable and a going concern.

Additional board meetings were convened to focus on the group's strategic direction taking into account the coronavirus pandemic's impact on its operations. Some tough but necessary decisions were taken. These included our disinvestment from Sun Dreams, a R1.2 billion rights issue, the significant downsizing of our workforce and other cost saving measures, replacing the group's current gaming system with a more cost-effective system over the next few years and the closure of certain loss-making properties (The Carousel and Naledi Sun). Unfortunately this resulted in the unavoidable retrenchment of a significant number of employees.

Sun Latam sold its remaining 64.94% stake in Sun Dreams SA for approximately US$160 million, with future earnouts being provided for, and avoided a purported hostile takeover during the year. On 16 November 2020,Sun International Limited released a SENS announcement stating that the transaction had become unconditional and had been implemented by the parties. Sun International's chief executive, Mr Leeming, and chief financial officer, Mr Basthdaw, have resigned from the relevant Sun Latam boards and committees and Sun International's company secretary, Mr Johnston, is no longer acting as secretary for these committees.

The group's compliance with King IV™ is detailed in our King IV™ application register. The board is satisfied with the extent of the group's application of the King IV™ principles, the group's regulatory universe, and compliance with the JSE Listings Requirements, as articulated later in this report.

The Tourist Company of Nigeria's (TCN's) governance structure includes a statutory audit committee, finance and risk committee, and a nomination and governance committee that monitors remuneration and governance policies in Nigeria. Sun International's director: corporate services is a director of TCN and chairs the nomination and governance committee. He is also a member of the finance and risk committee. Further alignments and disciplines have been made to bring Nigeria's governance framework in line with South Africa's regarding terms of reference, mandates and policies. All committees operate under approved mandates and terms of reference and all non-executive directors have letters of appointment. The non-executive directors' fees are determined by the nomination and governance committee and shareholders.

Sun International's risk management committee is satisfied with the group's integrated risk methodology. The risk management process is embedded throughout the group and has identified, rated and ranked the risks facing the group in all territories. The chairman of the risk committee reports to the board at each board meeting to provide assurance that the identified risks are being addressed in accordance with principle 11 of King IV™. While the management of the identified risks is the responsibility of certain nominated executives within their areas of responsibility and expertise, the executive management team assumes collective responsibility through the executive committee for monitoring risk mitigation and providing the risk committee with regular progress reports.

The group's sustainability committee focuses on environmental, health, safety and wellness, socio-economic development (SED), enterprise and supplier development (E&SD) and the group's progress against broad-based black economic empowerment (B-BBEE targets). Further, the policy revitalisation management sub-committee continues to review, update and consolidate group policies. With the coronavirus pandemic, the health, safety and wellness of employees and guests were amplified.

The group's IT governance structures remain resilient and responsive in securing the information stored across the group's various systems. These structures continue to strengthen group-wide IT investment decision-making practices and enhanced alignment with business needs. During 2020, we focused on supporting our business with working from home in an effective and secure environment. While cyber security remained our top IT risk, we are comfortable that our revised cyber strategy will position us well for facing new threats.

The stewardship of customer information and data protection is paramount. The group engaged with an external service provider to assist with an implementation action plan to ensure compliance with the Protection of Personal Information Act (POPIA) and the General Data Protection Regulation (GDPR).

Sun International's remuneration policy, which was adopted at the 2020 annual general meeting (AGM), outlines performance incentives and ensures that executive salaries are aligned to shareholders' interests.

There were no material instances of non-compliance with relevant legislation and regulations during the year under review. The board is satisfied with the group's level of compliance in accordance with applicable governance and regulatory requirements and it will continue to review the group's governance against best practice.

LOOKING AHEAD OUR KEY FOCUS AREAS INCLUDE:

- Continuing to embed an ethical culture through regular ethics awareness campaigns and regularly monitoring incidents and providing feedback on findings
- Continuing to provide guidance and direction as the group navigates its way through the pandemic
- Continuing to remain resilient to cyber threats through robust it systems, policies and processes
- Continuing to improve corporate reporting practices and transparency around activities and performance in supporting the fight against corruption
- Continuing to ensure that the board composition reflects the needs of the group as well as our diversity.

We are satisfied that the group meets the requisite standards of governance and compliance, and that matters for our consideration have been robustly interrogated and canvassed. We will continue to apply our minds individually and collectively to guide the group's strategic direction and to facilitate the group's delivery of its strategic objectives.

I would like to thank the board and management for their ongoing support, particularly in this unprecedented year. The board is confident that the group's resilience, diversity, robust corporate governance and strong leadership will steer the group through these turbulent times and will emerge stronger than before.

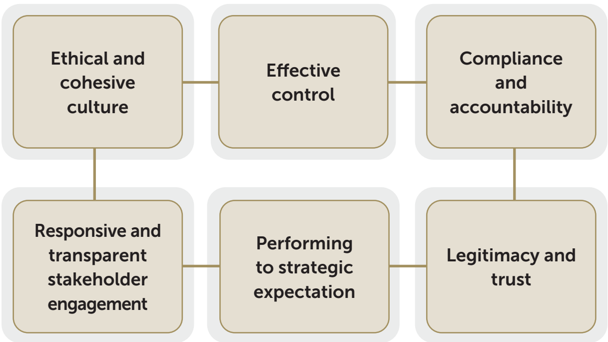
JABU MABUZA
Chairman

31 March 2021

This governance report should be read with the separate sub-committee reports – audit, remuneration and social and ethics – in order to obtain a holistic view of the governance matters under consideration during the year under review. Certain fundamental principles are discussed in this report. These reflect the governance and workings of the board, given that the board's primary role is to exercise effective, ethical and responsible leadership in determining the group's strategy, overseeing the implementation of this strategy by the management team, and closely monitoring business performance.

SUPPORTING VALUE CREATION THROUGH GOVERNANCE OUTCOMES, SUSTAINABILITY AS WELL AS EFFECTIVE AND ETHICAL LEADERSHIP

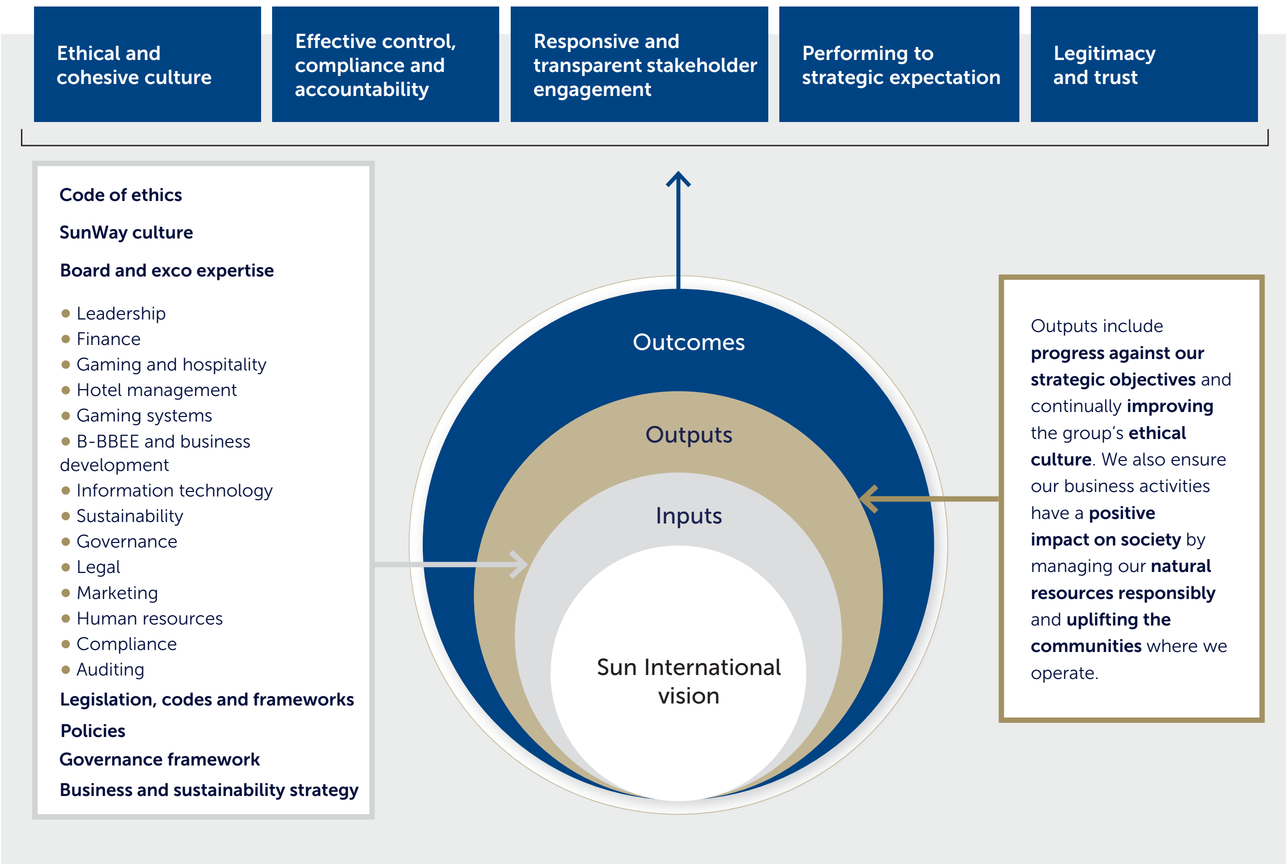
The governing body (the board) is the custodian of Sun International's corporate governance framework. It acknowledges its responsibility to lead the group in an ethical, effective and sustainable manner through the mindful application of King IV™, with substance prevailing over form. This entails the integration of the King IV™ recommended 16 principles and practices that culminate in specific outcomes mentioned below.



The group's corporate governance and sustainability approaches embrace ethical practices that are responsive to stakeholders and the environment in which we operate. Good corporate governance and sustainability are important enablers in managing the group's reputation, making strategic progress and creating stakeholder value.

Collectively, the Sun International board and executive management have a wealth of knowledge that spans across South Africa and internationally to provide the necessary expertise to guide the group towards achieving its strategic objectives and ultimately create great memories for its guests, employees and stakeholders. The SunWay culture and code of ethics further reinforce positive behaviours to ensure a cohesive ethical culture group-wide.

Sun International's governance framework and policies are the foundation of responsible, accountable and transparent reporting. Through the various inputs and outputs, the board achieves specific outcomes that support the group's sustainable value creation. These outcomes include maintaining an ethical culture from the top down and demonstrating our commitment to responsible corporate citizenship. Through effective control of our risk universe, material matters and responsive stakeholder relations, the group maintains compliance with relevant legislation, codes and frameworks. These enable performance according to strategic expectations to enhance its legitimacy and trust among its stakeholders.



GOVERNANCE FRAMEWORK

Sun International's governance framework provides clear direction for implementing robust governance practices in line with the Companies Act, the JSE Listings Requirements, King IV™ and Sun International's memorandum of incorporation (MoI). Our framework is underpinned by our corporate governance policies, ethics and human rights to promote an organisational culture that embraces the SunWay culture and ensures that we remain a good corporate citizen.

BOARD

SOCIAL AND ETHICS
CHAIRMAN: Boitumelo Makgabo-Fiskerstrand
Monitors the social, economic and environmental activities of the group and reports to the board and the group's stakeholders on developments and progress

IT governance sub- committee

RISK
CHAIRMAN: Peter Bacon
Evaluates group-wide risks of the risk universe in which the group operates

REMUNERATION
CHAIRMAN: Sam Sithole
Reviews the group's remuneration practices and structures and ensures best corporate governance practices are applied

NOMINATION
CHAIRMAN: Jabu Mabuza
Evaluates the skills requirements of the board and executive management and makes recommendations on board, committee and executive composition and succession planning

INVESTMENT
CHAIRMAN: Graham Dempster
Reviews and recommends new merger, acquisition and disposal opportunities aligned to the group's strategy

AUDIT
CHAIRMAN: Caroline Henry
Reviews activities and performance of the internal audit function, while the external auditor oversees effective governance of the group's financial results

GROUP COMPANY SECRETARY

SUSTAINABILITY COMMITTEE
CHAIRMAN: Jannette Horn
Reports, reviews and approves all sustainability aspects

EXECUTIVE MANAGEMENT
CHAIRMAN: Anthony Leeming
Oversees the implementation of decisions and strategy endorsed by the board, throughout the group

GROUP • ETHICAL CONDUCT • STAKEHOLDERS

KING IV™ APPLICATION AND GOVERNANCE OUTCOMES

The board is committed to best practice governance through the application of King IV™ principles. All 16 principles are applied and align with our governance outcomes as detailed in the King IV™ application register.

BOARD OVERVIEW

The board's role is to exercise effective and ethical leadership, as well as sound judgement in directing Sun International, and thereby the group, to achieve sustainable growth in the best interests of all its stakeholders.

Board charter

The board operates under a formal and defined board charter that sets out specific responsibilities collectively discharged by board members and the roles and responsibilities of individual directors. This board charter is reviewed periodically as and when necessary to ensure relevance. The board is satisfied that it has fulfilled its responsibilities in accordance with the charter for the reporting period.

To comply with best corporate governance practices, Sun International conducts board evaluations every other year. These reviews are anonymous and focus on evaluating the board individually and collectively, as well as governance issues and the group company secretary's performance of statutory and other administrative duties. The board's most recent review took place in 2020 and overall findings were pleasing, with no material deficiencies identified. The board, assisted by the nomination committee, reviews the board composition to take into account the future strategy of the group.

Board and committee attendance: 1 January 2020 to 31 December 2020

	Board	Remuneration committee	Nomination committee	Audit committee	Social and ethics committee	Risk committee	Investment committee
NON-EXECUTIVE DIRECTORS							
Peter Bacon	7/7			3/3		3/3	
Leon Campher[1]	1/1	2/2	1/1	1/1	1/1		5/5
Enrique Cibie	7/7	5/5		3/3		3/3	
Graham Dempster[2]	7/7		2/2			3/3	10 /10
Dr Lulu Gwagwa[3]	1/1	2/2	1/1			1/1	
Caroline Henry	7/7			3/3	3/3	3/3	
Vusi Khanyile[4]	5/5				2/2		
Jabu Mabuza[5]	7/7	5/5	3/3				10/10
Boitumelo Makgabo-Fiskerstrand	7/7		2/2		3/3		
Sindi Mabaso-Koyana[6]	5/5	3/3					2/2
Tapiwa Ngara (alternate)[7]	7/7						
Sam Sithole	7/7	5/5					9/10
Zimkhitha Zatu	6/7			3/3	2/2		
EXECUTIVE DIRECTORS							
Norman Basthdaw	7/7			3/3	3/3	3/3	10/10
Anthony Leeming	7/7	5/5	3/3	3/3	2/3	3/3	10/10

1 Mr Leon Campher retired on 12 May 2020
2 Mr Graham Dempster appointed lead independent director on 8 June 2020
3 Dr Lulu Gwagwa retired on 12 May 2020
4 Mr Vusi Khanyile resigned as a non-executive director effective 29 October 2020
5 Mr Jabu Mabuza reappointed as chairman of the Sun International board effective 1 January 2021
6 Ms Sindi Mabaso-Koyana appointed as a non-executive director effective 20 March 2020
7 Mr Tapiwa Ngara appointed as a full director at the end of the meeting held on 20 November 2020

BOARD COMPOSITION

Sun International's unitary board structure comprises both executive and non-executive directors, with the latter being predominantly independent non-executive directors. The non-executive directors have the necessary skills, qualifications, industry experience and diversity to provide judgement independent of management on material board issues. In 2020, the nomination committee developed a board skills matrix to assess what the future composition of the board should look like from a skills, diversity, field of knowledge and experience perspective. The board skills matrix aligns with the group's strategy and complies with best international corporate governance practices.

Age (at 31 March 2021)

- 2 **30 – 40 years /** (2019: 2)
- 2 **41 – 50 years /** (2019: 3)
- 4 **51 – 60 years /** (2019: 3)
- 3 **61 – 70 years /** (2019: 4)
- 1 **70+ years /** (2019: 2)

Average age = (2020: 54 years) (2019: 56 years)

INDEPENDENCE

The board, through the nomination committee, annually assesses the independence of the non-executive directors against the criteria set out in King IV™ and the JSE Listings Requirements. During March 2020 and prior to the date of this report, the nomination committee agreed that 11 non-executive directors satisfied the independence criteria. These directors are/were: Messrs Bacon, Campher, Cibie, Dempster, Khanyile and Mabuza, and Mesdames Gwagwa, Henry, Makgabo-Fiskerstrand, Mabaso-Koyana and Zatu. Messrs Sithole and Ngara are not classified as independent non-executive directors as they represent a major shareholder of the group.

During 2020, the nomination committee conducted a rigorous independence assessment of the retiring directors, particularly those independent non-executive directors who had served on the board for nine years or longer (this being Ms Makgabo-Fiskerstrand) and concluded that she retained her independence in character and judgement, notwithstanding her length of service. There were also no relationships or circumstances that were likely to affect or be perceived to affect her independence. The board concurred with these findings and is of the view that this non-executive director continues to be effective and bring valuable experience and skills to the board, and that she will continue to exercise independent judgement.

Independence
at 31 December 2020

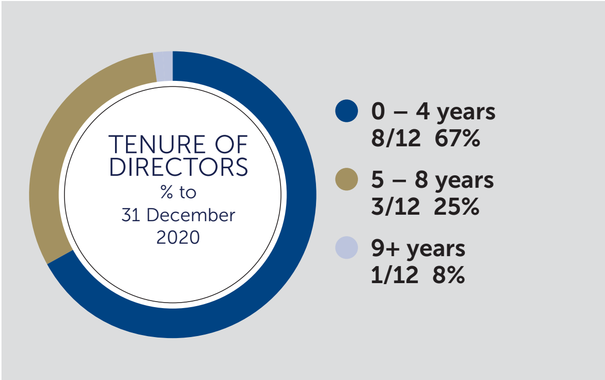
Independent
8/12 **67%**
2019: 10/14 71%

Non-independent
4/12 **33%**
2019: 4/14 29%

Executive and non-executive directors
at 31 December 2020

Executive directors
2/12 **17%**
2019: 2/14 14%

Non-executive
10/12 **83%**
2019: 12/14 86%



Group diversity policy

Sun International's board-approved gender and race diversity policy, which is in line with the JSE Listings Requirements changes, includes diversity requirements broader than just gender and race and also includes culture, age, field of knowledge, skills and experience. These requirements help maintain the group's competitive advantage and optimal composition. The board's and committee's composition, collective skills (industry knowledge, experience, technical skills and governance competencies) and competency are documented and monitored in terms of a board skills matrix. Governance competencies are considered in terms of strategy and strategic planning, policy development, financial performance, risk and compliance oversight, gaming and hospitality strategy, commercial experience, stakeholder engagement and knowledge and experience in companies with operations internationally. Gaps identified on the main board included lack of sufficient youth, black female directors in terms of the B-BBEE codes of good practice, and alternate gaming and other IT skills. In respect of other diversity indicators, the group's board is satisfied that the composition of the board adequately reflects diversity and demographics.

Factors considered in ensuring appropriate gender and race targets included the current composition and expected changes in the board, the B-BBEE Codes of Good Practice, the sectoral charter for the tourism industry, the gaming board licences and their respective requirements, and the group's employment equity plan. The board achieved beyond its 30% target for female directors (33%) and exceeded its race target of 50% black directors with 58% black representation.

Gender
at 31 December 2020

8
males
2019: 10

4
females
2019: 4

Ethnicity
at 31 December 2020

7
black
2019: 8

5
white
2019: 6

EFFECTIVE LEADERSHIP

The board provides effective leadership and directs the group within the group governance framework and delegation of authority.

Chairman and lead independent director

The board is chaired by Mr Jabulane (Jabu) Mabuza, an independent non-executive director appointed as board chairman effective 14 May 2019. The chairman of the board is responsible for, among others, ensuring the integrity and effectiveness of the board's governance processes.

In terms of the company's MoI, the board chairman is subject to an annual appointment from its board members. Following the recommendation by the nomination committee, the board approved the reappointment of Jabu Mabuza as independent non-executive chairman of the group effective 1 January 2021.

The board charter, which is aligned with King IV™, requires the appointment of a lead independent director. This is particularly relevant where the board chairman is conflicted in relation to executive management, other directorships or stakeholders. Following the retirement of Mr Leon Campher on 12 May 2020, the nomination committee recommended and the board appointed Mr Graham Dempster as lead independent non-executive director, effective 8 June 2020, and he was reappointed effective 1 January 2021.

In terms of the board charter, the chairman, lead independent director and chief executive have separate responsibilities as tabled below.

CHAIRMAN'S RESPONSIBILITIES
Responsible for providing ethical and effective board leadership by encouraging candid board debates, overseeing the group's strategy, board succession and performance, managing any conflicts of interest, actively engaging with the chief executive, and ensuring positive stakeholder relations are maintained.

LEAD INDEPENDENT DIRECTOR'S RESPONSIBILITIES
Responsible for providing support and advice to the chairman as a trusted confidant. If the chairman has a conflict of interest, the lead independent director maintains ethical and effective leadership without undermining the chairman. The lead independent director is instrumental in leading and introducing discussion at board and committee meetings regarding the performance and evaluation of the board chairman and his remuneration.

CHIEF EXECUTIVE'S RESPONSIBILITIES
Responsible for effectively monitoring and managing the business and implementing the policies and strategies adopted by the board ensuring appropriate internal control mechanisms are in place to maintain compliance with all relevant laws and best practice as well as safeguarding assets and guiding and assessing executive management's performance against strategic objectives. The chief executive delegates the appropriate authority to his management team in terms of defined levels of authority and retains accountability to the board.

Chief executive and delegation of authority

Mr Anthony Leeming is the chief executive. The board's governance and management functions are linked through the chief executive. The chief executive's role and function is formalised, and the board, through the remuneration committee, annually evaluates his performance against specified key performance indicators. In addition, the chief executive's performance as a director is assessed by the chairman of the board in conjunction with the nomination committee. Following a performance assessment conducted in 2020, the chief executive was found to be adequately equipped and suitable to carry out the duties of his role.

Group company secretary

Mr Andrew Johnston continued to serve as group company secretary during the year under review. Mr Johnston holds the following qualifications: BA, LLB, FCIS PGDip in Environmental Law and a Certificate in Advanced Corporate and Securities Law. He was a member of the Accounting and Auditing Task Force of The King Committee responsible for implementing the King Report on Corporate Governance for South Africa 2016. He is a qualified and admitted attorney and served as a senior executive and group company secretary of several large publicly listed companies in South Africa over the past 28 years. The appointment and removal of the group company secretary is a matter for the board as a whole.

In line with the JSE Listings Requirements, the board is satisfied that, following an assessment by the nomination committee, the group company secretary has the requisite competence, qualifications and experience to carry out the duties of his role. The board believes that in each instance, the group company secretary has maintained an arm's-length relationship with the board and its directors.

Group company secretary responsibilities include the following:

Guides	Provides	Ensures	Facilitates	Distributes	Certifies
The board and committees (collectively and individually) on how their responsibilities should be discharged in the company's best interests.	Ongoing legal, secretarial and corporate governance support and advice to the board.	Appropriate induction of board members on joining the board in terms of their responsibilities.	Ongoing board training to ensure directors are made aware of relevant legislation, codes or frameworks impacting the group.	Board packs and the minutes of all the board and committee meetings and ensures that copies of the group's annual financial statements are distributed to relevant persons.	That the group has filed the required returns and notices as per the Companies Act and complied with the JSE Listings Requirements.

ETHICAL LEADERSHIP

CODE OF ETHICS

The group subscribes to the highest standards of lawful, ethical and responsible business conduct. The group seeks to achieve sustainable growth by recognising the vested interests of all stakeholders and the group's commitment to sustainable business practices. The code of ethics is premised on the SunWay culture, aimed at identifying enabling and disabling behaviours across the group, our values (teamwork, passion, customer first and professionalism), and our CLEAR (connect, listen, engage, act and reconnect) principles and strategy. A copy of the group code of ethics can be accessed on Sun International's corporate website https://corporate.suninternational.com/investors/investors-governance/code-of-ethics/.

In Nigeria, the TCN has its own code of ethics and regularly reports any ethical issues to the TCN board.

ETHICS ADVICE FACILITIES AND WHISTLEBLOWING HOTLINE

Stakeholders have several avenues to report and discuss ethical issues and concerns. These include the group's 24-hour anonymous tip-off hotline independently run by Deloitte, an in-house walk-in function at any of the ethics office representatives, and a dedicated, secure and confidential ethics office email address to which whistleblowing incidents and/or ethical concerns or dilemmas can be emailed. Anonymity is always maintained to curb perceptions of victimisation or fear of intimidation. All stakeholders are encouraged to report events or suspected events of bribery, corruption, improper inducement, or any other unlawful conduct, through these incident reporting channels.

The group has a confidential ethics whistleblowing hotline facility, in compliance with section 159(7) of the Companies Act and the Protected Disclosures Act, which is made available to all group stakeholders.

The Deloitte anonymous tip-off hotline has trained operators who respond to calls in all South Africa's official languages and guide stakeholders through standardised questions. Once a tip-off has been reported, the ethics office is notified and all tip-offs reported are confidentially investigated, monitored and actioned accordingly. The chief executive is advised of any matter involving senior management.

Closed sessions are held between the social and ethics committee chairman and the ethics officer after each social and ethics committee meeting, to discuss any material ethical issues reported group-wide.

ETHICS MANAGEMENT

The ethics office acts on the mandate set out in the social and ethics committee's terms of reference. The ethics office is an active and dedicated department within the group, comprising Sun International's group ethics officer, chief financial officer, director: corporate services and director: internal audit. Its duties include creating awareness around ethical behaviour and discouraging unethical behaviour.

Sun International has several processes, policies, codes and controls in place and supports several initiatives to ensure a cohesive ethical culture is seamlessly applied group-wide. The code of ethics is supported by associated ethics-related policies which include, among others, the group supplier code of conduct, anti-fronting statement, the suite of group sustainability related policies, the anti-corruption and economic crime policy, the fraud policy, the code of conduct policy, and the conflict of interest policy.

The board and executive committee will be signing renewed declarations during 2021 reflecting their personal commitment to the Sun International code of ethics as part of their commitment to ethical leadership. The ethics office predominantly uses the mobile communication platform, SunTalk to enhance and promote an ethical culture, which allows real-time communication between the group, management and employees.

The code of ethics helps the group fulfil its responsibility to all stakeholders and proactively enforces all stakeholders to abide by, and operate within, the code of ethics. All suppliers and service providers are also required to abide by the group's supplier code of conduct, which is based on recognised international standards, principles and best practices relating to, among others, labour conditions, human rights, competitive conduct, occupational health and safety, environmental impacts and combating bribery and corruption.

GROUP VALUES

Our values represent an unwavering commitment to behaving in a consistent, positive manner every day, in everything we do.

- Team work
- Customer first
- Passion
- Professionalism

SUNWAY

Employees are committed to the group's SunWay culture, which is consistently driven through all employee and customer services initiatives. The SunWay culture confirms that employees recognise their responsibilities to uphold the principles that support the establishment of an ethical culture and that they abide by the principles enforced in the code of ethics.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Sun International embraces the United Nations SDGs, and we endeavour to contribute to achieving them through our operations and business strategies. The six SDGs depicted below are the most relevant to Sun International and remain a focus for 2021. Progress against Sun International's SDGs is detailed in the governance and sustainability section.

CONFLICTS OF INTEREST

Directors are required to inform the board of any conflicts or potential conflicts of interest that they may have in relation to any area of business. Directors are required to recuse themselves from discussions or decisions on any matters where they have conflicts, or potential conflicts of interest, in terms of the Companies Act, board charter and a separate policy.

INSIDER TRADING AND DEALING IN SECURITIES

The following policies are in place:

Group disclosure policy
This policy deals with the determination of price-sensitive information, the maintenance of confidentiality and the prompt dissemination of such information in accordance with JSE Limited guidelines. This policy is applicable to all group employees.

Dealing in securities policy
This policy regulates the dealings in securities of Sun International by directors, the group company secretary, directors of major subsidiaries, prescribed officers and other employees of the group in compliance with this policy, the JSE Listings Requirements and the Securities Services Act 36 of 2004.

This policy is applicable to all employees and directors who may be deemed to be insiders for the purposes of dealing in the company's securities. Furthermore, this policy is binding on the immediate family members of all persons deemed to be insiders and any persons who may have acquired insider information from an insider.

EQUAL PAY FOR WORK OF EQUAL VALUE

The work around equal pay for work of equal value (EPWEV) is an ongoing process. The EPWEV principles are applied when appointing new employees, promoting existing employees as well as reviewing all employees to ensure EPWEV.

TRANSPARENCY IN CORPORATE REPORTING SOUTH AFRICA

Sun International remains committed to improved reporting practices and transparency around activities and performance in combating corruption. During 2020, Sun International participated in the survey by Transparency in Corporate Reporting (TRAC) 2020 prepared by Corruption Watch and the Overseas Development Institute (ODI) in London, with support from the National Business Initiative (NBI). TRAC 2020 was a follow-up to TRAC 2016. TRAC 2020 included an expanded survey drawing on both Transparency International and on the Global Reporting Initiatives (GRI) Standards. Based on publicly available information, this benchmarking study ranked 100 corporations in South Africa, with Sun International being ranked number 24. Among industries, retail and tourism scored highest overall and on anti-corruption programmes (70.7% and 69.1% respectively), followed by finance, insurance and real estate (65.5% and 65.1%) and heavy industry and machinery (61.9% and 62.1%).

Sun International fared well in terms of anti-corruption reporting transparency and remains focused on continual improvement thereof. The table below reflects the scoring of the sample average as compared to Sun International's score awarded across the benchmarking criteria.

Theme	Sample average score	Sun International score
Across all three themes listed below (100%)	59.5%	73.5%
Anti-corruption programmes in terms of policy, management and activities (weighted at 80%)	58.7%	70.6%
Organisational transparency relating to information on subsidiary and associated companies (weighted at 10%)	89.9%	100%
Country-by-country reporting of key financial data for operations outside South Africa (weighted at 10%)	36.2%	70%

UNITED NATIONS GLOBAL COMPACT

Sun International remains committed to embedding the 10 United Nations Global Compact (UNGC) Principles as part of its business strategy, culture and day-to-day operations. These principles cover human rights, labour, environment and anti-corruption.

ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

The group adheres to the guidelines for multinational enterprises regarding anti-corruption.

RESPONSIBLE GAMBLING

Being a responsible corporate citizen is part of the group's DNA and we fully support responsible gambling through the South African Responsible Gambling Foundation, the entity that supervises the National Responsible Gambling Programme (NRGP) in cooperation with the gambling industry operators and governmental regulators. The NRGP integrates education, research and treatment into one programme. In 2020, Sun contributed R4.5 million (2019: R8.5 million) towards the NRGP in respect of casinos, sports betting and limited payout machines (LPMs) collectively.

BOARD PROCESSES

To operate effectively, the board and its committees conduct several processes and procedures that align to legislative requirements, King IV™ and best practice.

Board appointments and rotation of directors

Procedures for appointment to the board are formal, transparent and concern the whole board. The board is assisted in this process by the nomination committee, which applies specific criteria for selecting board directors. In terms of the company's MoI, new non-executive directors appointed since the last AGM may only hold office as casual vacancies until the next AGM, at which time they will be required to retire and offer themselves for election.

In accordance with the company's MoI, one-third of the non-executive directors are required to retire at each AGM and, if eligible, may offer themselves for election or re-election, as the case may be. The directors who are to retire are firstly those who have been appointed to fill a casual vacancy and secondly those who have held their positions the longest period since their last election or re-election. In addition thereto, and if at the date of any AGM of the company any non-executive director will have reached the age of 70 years or older and/or held office for an aggregate period of nine years since his or her first election or appointment, he or she shall retire at such meeting, either as one of the non-executive directors to retire in pursuance of the foregoing. Additionally thereto, and being eligible, they may offer themselves for election or re-election. At the forthcoming AGM, Mr Peter Bacon, Mr Jabu Mabuza, Ms Boitumelo Makgabo-Fiskerstrand, Mr Sam Sithole and Ms Zimkhitha Zatu will retire from the board in accordance with articles 25.6.1 and 25.17 of the company's MoI while Mr Tapiwa Ngara retires from the board in accordance with articles 25.5 and 25.17 of the company's MoI.

The nomination committee reviewed the board composition against corporate governance and transformation requirements and recommended the election/re-election of these directors.

A brief CV of each director offering themselves for election/re-election is provided online as Annexure B to the annual statutory report.

Nomination and selection process for board appointments

The nomination committee is mandated by the board and its terms of reference to regularly review the composition of the board and its committees. If deemed necessary, the nomination committee makes recommendations to the board on its composition, any new appointments and board committee membership. The nomination committee reviews the annual employment equity results of the group and the board skills matrix, and ensures succession planning for the board and committees.

Board induction

The chairman, in consultation with the group company secretary, is responsible for ensuring each director receives an induction on joining the board, as well as training in terms of their board responsibilities. During the induction process, each new non-executive director meets with key executive management to better understand the group's operations. The company conducts specific JSE Listings Requirements training for each new director, so they are familiar with the regulations affecting listed companies. The directors also meet with the company's sponsor, Investec. The directors have access to a directors' handbook that includes a quick reference to their duties and responsibilities.

Ongoing director training and development

Keeping up to date with key business developments within the group and industry is essential to enhancing the board's effectiveness. During 2020 the scheduling of face-to-face training sessions was impacted by the coronavirus pandemic. Where possible, keeping up to date with key business developments was however achieved by:

- presentations from executives on matters of significance to the group
- engagement with the major investors on their market views
- circulation of articles, briefings and updates on the regulatory environment, from external specialists and the group company secretary. A training session on money laundering risk mitigation took place during the first quarter of 2021.

Following the board's ongoing review of its effectiveness, the board is confident that all members have the requisite knowledge, skills and experience to perform the functions required of a director of a listed company.

Succession planning

Succession planning, which involves identifying, developing and advancing future leaders and executives of the group, is an ongoing board responsibility and is facilitated by the nomination committee. Detailed succession and talent plans are presented annually to the nomination committee. The nomination committee reviews the composition of the board and all committees, and the committee members' readiness to succeed a committee chairman if the need arises. This also applies to the executive committee, prescribed officers and general managers of the units.

Board, directors and committee evaluations

The board, board chairman, lead independent director, board committees and board members are evaluated every other year, or more frequently as required, on their performance in relation to their governance of economic, environmental and sustainability issues, and board and committee processes and procedures. Every other year, the board reviews the performance of each of the board committees and the statutory audit committee to ensure that their composition, mandate and authority enable them to provide effective assistance to the board in the key areas in which they function. In 2020, Sun International conducted board and committee evaluations, which revealed no material deficiencies. Overall, the findings were pleasing and committee members felt that the board and committees were run effectively.

An external board and committee evaluation is conducted every six years. Sun International remains cognisant that the performance of the board, and statutory and board committees is essential considering the increased focus on accountability, transparency and creating value.

Board meetings

A minimum of four board meetings are scheduled for each financial year. However, due to the pandemic and in order to constantly monitor and mitigate the negative effects on the business, two additional meetings were held during 2020. Regular briefings took place between management and the board. An independent committee of the board met to deal with the purported takeover and to deal with the Takeover Regulations Panel and the rights offer in 2020. The board held a seventh meeting in the form of its annual strategy session with the broader executive management team, to deliberate on the group's strategic direction and agree on the group's annual budget as proposed by management. The group's key strategic objectives are set at the strategy meeting and progress is reported at each board meeting.

BOARD COMMITTEES AND ATTENDANCE

The board and its committees have a symbiotic relationship that ensures knowledge is shared, and not siloed, across the committees. The board is authorised to form committees to assist in executing its duties, powers and authorities, and has one statutory committee, and five board committees.

The board approved the strategy developed and presented by management and oversees that management implements the strategy. This is supported by committees that focus on specific areas within the business. The committees' composition and committee member attendance during the year are tabled in the sections to follow.

Each committee comprises three or more members, the majority of whom are independent. All committees operate in accordance with their terms of reference, which are reviewed and updated annually where applicable, to ensure alignment with the latest developments in legislation, King IV™, the JSE Listings Requirements and business requirements. Key senior management members are invited to attend certain meetings as invitees and to provide input on matters for discussion.

Sun International's audit committee performs the same function for all Sun International's subsidiary companies as well as Meropa, being an associate company. This is subject to annual confirmation. The Sun International social and ethics committee performs the same function for all Sun International subsidiaries. Meropa has however established its own social and ethics committee.

Each committee satisfied itself that it discharged its responsibilities in accordance with its terms of reference during the year under review.

AUDIT COMMITTEE

Committee member	Number of meetings	Attendance
Caroline Henry	3	3
Enrique Cibie	3	3
Leon Campher[1]	1	1
Zimkhitha Zatu	3	3
Peter Bacon	3	3
Right of attendance		
Anthony Leeming (CE)†	3	3
Catherine Nyathi[2]†	2	2
Muxe Mambana[3]†	1	1
Norman Basthdaw (CFO)†	3	3

1 Mr Leon Campher retired on 12 May 2020
2 Ms Catherine Nyathi resigned as director of internal audit on 30 September 2020
3 Mr Muxe Mambana was appointed as the director of internal audit on 1 October 2020
† Executive
In addition to the above, certain key members of senior management attend the audit committee meeting by invitation, as well as the external audit

Committee purpose:

- enhances the credibility of financial reporting
- ensures an effective control environment is maintained by supporting the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and controls, risk management and the integrity of financial statements and reporting
- reviews activities of the internal audit function and the external auditor
- oversees effective governance of the group's financial results.

FOCUS AREAS IN 2020

Reviewed the:

- group's financial position, capital and liquidity, going concern
- impact of relevant accounting standards
- internal controls within the business and satisfied itself that there were no material breakdowns in systems and controls and that the company has established appropriate financial procedures and that those procedures are working effectively
- group's integrated annual report
- reports from the company's legal, compliance, audit and tax departments
- feedback on the Sun Dreams financial review and risk committee deliberations
- embedding of combined assurance initiatives across the group
- ongoing integrated approach in relation to the risk and audit committees, with oversight on the material risks facing the group
- the audit committee self-evaluation exercise
- group's tax reports and noted the provisional tax deferrals granted by SARS in light of Covid-19.

Approved the:

- non-audit related services provided by the company's external auditor PricewaterhouseCoopers (PwC)
- auditor's terms of engagement and the audit fees to be paid to the auditor
- recommendation to shareholders of the reappointment of PwC as the external auditor FY 2021 at the AGM.

Satisfied itself as to the:

- fulfilment of the audit committee's duties pursuant to Section 94 of the Companies Act
- competence of the chief financial officer, who is an executive director, and was satisfied with his expertise and experience
- establishment of appropriate financial reporting procedures and that those procedures are operating, which included consideration of all entities included in the consolidated group IFRS financial statements to ensure that the audit committee has access to all the financial information of Sun International to allow Sun International to effectively prepare and report on the financial statements of Sun International
- audit committee having access to all financial information to allow the group to effectively prepare and report on the financial statements
- chief executive's and chief financial officer's signed responsibility statement which confirms that the company's annual financial statements are complete and an accurate reflection of the group's financial performance as well as confirming that adequate and effective internal controls are in place. See audit committee report for more detail
- information received from the external auditor in accordance with paragraph 22.15(h) of the JSE Listings Requirements (and following consultations with the external auditor in this regard) in the assessment of their suitability regarding the external auditor's reappointment, as well as the designated individual partner, and that the appointment and independence of the external auditor as per the requirements of the Companies Act, and that the individual audit partner was an accredited auditor (as per the JSE Listings Requirements)
- appointment and independence of the external auditor as per the requirements of the Companies Act and that the individual audit partner was an accredited auditor (as per the JSE Listings Requirements)
- group's ability to meet all obligations and operate as a going concern for the following 12-month period
- risk committee's overview of the top risks within the group
- absense of material concerns in terms of cyber attacks
- self-evaluation assessment of the committee and was satisfied overall that is was extremely positive
- performance of audit committee functions required under Section 94(7) of the Companies Act on behalf of the company's subsidiaries and associate companies
- Non-audit-related services performed by PwC not impairing the independence of PwC
- that the audit committee has executed its responsibilities set out in paragraph 3.84(g) of the JSE Listings Requirements

Recommended the:

- company's interim and audited annual financial statements to the board for consideration and approval
- reappointment of the external auditor PwC.

Looking ahead the committee will focus on:

- the rotation of auditors in compliance with IRBA's mandatory audit firm rotation requirement – in terms of Section 92(1) of the Companies Act, the same individual auditor may not serve as the designated individual auditor for more than five consecutive years and was replaced for FY2021.
- continuing to review reports presented by the JSE regarding its proactive monitoring process
- implementing recent changes to the JSE Listings Requirements.
- monitoring accounting reporting standards.
- monitoring POPIA action plans and appropriate compliance controls to be implemented.
- continuing with its obligations of an audit committee in terms of the Companies, JSE and King IV™.

NOMINATION COMMITTEE

Committee member	Number of meetings	Attendance
Jabu Mabuza	3	3
Leon Campher[1]	1	1
Lulu Gwagwa (Dr)[2]	1	1
Graham Dempster[3]	2	2
Boitumelo Makgabo-Fiskerstrand[4]	2	2
Right of attendance		
Anthony Leeming (CE)†	3	3

1 Mr Leon Campher retired on 12 May 2020
2 Dr Lulu Gwagwa retired on 12 May 2020
3 Mr Graham Dempster was appointed a committee member on 8 June 2020
4 Ms Boitumelo Makgabo-Fiskerstrand was appointed a committee member on 8 June 2020
† Executive

Committee purpose:

- evaluates the skills requirements of the board, committees and executive management
- continuously evaluates the performance of the chairman, lead independent director, board committees and its members, and the group company secretary for recommendation to the board
- makes recommendations on board, committee and executive composition, succession planning and diversity
- considers the independence of directors and their correlating classification and thereafter makes recommendations to the board
- ensures that employment equity and race diversity is considered in all appointments and that the board's employment equity status is either maintained or improved
- confirms the appointment of employer-appointed trustees to the provident fund.

FOCUS AREAS IN 2020

Reviewed the:

- performance of the non-executive directors and the audit committee members standing for re-election at the AGM held on 12 May 2020
- composition of the board committees with specific focus on succession planning and recommended changes to the membership to further strengthen the committees, in terms of the compiled board skill matrix
- gender and race targets and other diversity considerations, to ensure these were addressed
- self-evaluation feedback on the committee reviewed, which was positive
- development of black employees for top and executive management positions.

Assessed the:

- independence of the non-executive directors
- performance of the chairman, deputy chairman and the lead independent director
- competence of the group company secretary.

Satisfied itself as to the:

- competence, experience and qualifications of the group company secretary
- succession plan for Sun International's executive management, the group chairman, chief executive, chief financial officer and prescribed officers
- fact that a diversity policy is in place and is on the company's website
- fact that there is a board skills matrix in place
- achievement of voluntary targets of black directors and female directors on the main board.

Recommended the:

- appointment of Mr Tapiwa Ngara and Ms Sindisiwe Mabaso-Koyana as non-executive directors on the main board
- reappointment of Mr Jabu Mabuza as chairman of Sun International and the appointment and reappointment of Mr Graham Dempster as the group's lead independent director, as well as appointments to the board, board committees and the Sun International Employee Share Trust.

Confirmed the:

- various trustee appointments to the pension and provident funds and sub-committees.

Looking ahead the committee will focus on:

- monitoring the skills, experience and composition requirements of the main board and committees, with specific focus on increasing the black female, youth and alternate gaming skills complement considering the group's gender, race and diversity policy and diversity requirements per the JSE Listings Requirements
- ongoing monitoring of non-executive directors' independence and potential conflicts of interest
- succession and developmental planning throughout the group and on the main board to ensure talent is retained and/or sourced, especially black talent, particularly black females.

RISK COMMITTEE

Committee member	Number of meetings	Attendance
Peter Bacon	3	3
Norman Basthdaw (CFO)†	3	3
Dr Lulu Gwagwa[1]	1	1
Anthony Leeming (CE)†	3	3
Enrique Cibie	3	3
Caroline Henry	3	3
Graham Dempster	3	3
Thabo Mosololi (COO)[2†]	1	1
Verna Robson†	3	3
Zaine Miller[3†]	3	3

1 Dr Lulu Gwagwa retired on 12 May 2020
2 Mr Thabo Mosololi resigned on 30 April 2020
3 Mr Zaine Miller resigned on 23 February 2021
4 Mr Graham Wood was appointed on 11 March 2021
† Executive
In addition to the above, certain key members of senior management attend the risk committee meetings by invitation

Committee purpose:
- reviews the adequacy, effectiveness and integrity of the group's risk management and internal controls, and assists the board to discharge its functions in terms of the management, assurance and reporting of risks
- provides oversight of the IT governance risks
- monitors and reviews stakeholder engagement with regard to assessing and dealing with stakeholder issues and concerns
- assesses the compliance environment in which the group operates
- reviews and satisfies itself regarding the group's insurance portfolio.

FOCUS AREAS IN 2020

Reviewed the:
- material matters and top risks which had the potential of significantly impacting the group's ability to create and sustain value
- risk methodology and ranking of risks that were implemented to assess group-wide risks
- policies within the group to ensure they are updated and align with best practice
- group insurance and claims
- committee's self-evaluation results for FY2020, which were positive
- cyber risk, which was generally well covered; however, the committee required a deeper dive into cyber risks.
- group's key risks and ensured adequate mitigation actions are in place to manage them
- sustainability risks impacting the group across the environmental, health, safety and wellbeing and SED functions
- IT systems in place to address the increase in cyber crime
- all proposed legislation that will/could impact the group including POPIA, FICA, gaming tax, carbon tax and smoking legislation
- risk relating to further downgrading of South Africa's credit rating
- impact of Covid-19 and related lockdown restrictions
- interaction and continued improvement of relationships with minority stakeholders.

Monitored the:
- progress on the renewal of gaming licences in South Africa, as well as GrandWest licensing exclusivity
- progress of the National Gambling Amendment Bill and Companies Amendment Bill.

Considered the:
- insurance policies and practices for the group and reviewed the consolidated insurance cover for the group
- impact of Covid-19 on the business.

Looking ahead the committee will focus on:
- continuing to monitor the group's IT governance structure to ensure it addresses critical IT risk and IT investments, particularly retaining IT resources, and other critical skills
- ongoing monitoring of the Covid-19 impact on revenue generation and focus on domestic leisure industry
- ongoing monitoring of cyber security controls as cyber-attacks increase
- ongoing monitoring of legislation impacting the group, including the proposed Tobacco Bill, Protection of Personal Information Act, General Data Protection Regulation, Companies Amendment Bill, National Gambling Amendment Bill and increases in gaming taxes and levies
- ongoing focus on continued relationship building with minority shareholders
- employee wellness and retention as a risk to the group.

SOCIAL AND ETHICS COMMITTEE

The social and ethics committee is constituted as a statutory committee in respect of its statutory duties in terms of Section 72(4) of the Companies Act, read together with Regulation 43 of the Companies Act, and as a board committee in respect of its responsibilities prescribed by the board in its mandate and terms of reference.

A separate social and ethics report is available online.

Committee member	Number of meetings	Attendance
Boitumelo Makgabo-Fiskerstrand	3	3
Leon Campher[1]	1	1
Caroline Henry	3	3
Vusi Khanyile[2]	2	2
Anthony Leeming (CE)[†]	3	2
Zimkhitha Zatu[3]	2	2
Right of attendance		
Norman Basthdaw (CFO)[†]	3	3
Andrew Johnston[†]	3	3
Jannette Horn[4]	3	3
Verna Robson[4†]	3	3

1 Mr Leon Campher retired effective 12 May 2020
2 Mr Vusi Khanyile resigned effective 29 October 2020
3 Ms Zimkhitha Zatu was appointed a member of the committee on 8 June 2020
4 Mrs Jannette Horn is the head of sustainability and Ms Verna Robson is director: human resources
† Executive
In addition to the above, certain key members of senior management attend the audit committee meeting by invitation.

Committee purpose:
- monitors the group's social, transformation, economic and environmental performance and the social impact of its reputational risk
- reports to the board and the group's stakeholders on social, transformation, economic and environmental developments and progress
- oversees the group's ethical conduct and confirms that it carries out its responsibilities in accordance with Section 72 and Regulation 43 of the Companies Act and Companies Regulations 2011, respectively as well as the JSE Listings Requirements and Sun International's memorandum of incorporation (MoI).

FOCUS AREAS IN 2020

Reviewed the:
- cannabis and smoking policies and approved the same
- sustainability matters pertinent to the group, such as energy and water consumption, and zero-waste-to-landfill at certain operations
- reports issued in relation to consumer relations and adherence to consumer laws, and the group's marketing practices
- policies and procedures implemented across the group in terms of Covid-19 protocols
- whistle-blowing report
- B-BBEE verification process
- implementation of practices and policies to ensure the group's remuneration policies are fair and equitable
- committee's self-evaluation assessment. No material concerns were highlighted by committee members.

Monitored the:
- material matters arising from the group's ethics hotline and feedback received from the ethics office
- company's employment equity progress in accordance with the group's employment equity plan and the company's B-BBEE results as issued by the verification agency
- group's social, health, safety and wellness and environmental and transformation performance in line with relevant codes and legislation, and the principles set out in the UNGC, as well as the OECD recommendations regarding corruption
- projects undertaken in relation to SED and the CSI spend
- ongoing pressures being exerted on the group by various community forums
- group's engagement with stakeholders on the group's social, transformation, economic and environmental progress
- group's employee wellness programme, especially in the light of the pandemic
- group's communication with employees during the pandemic, especially through emails and the online platform (Sun Talk app).

Satisfied itself that:
- it has fulfilled its mandate in terms of Regulation 43 of the Companies Regulations, 2011. There were no known instances of material non-compliance with legislation or regulations, or non-adherence with codes of best practice in terms of the areas within the committee's mandate during the year under review or repeated regulatory penalties, fines, centures or compliance orders
- the group has operated as a socially responsible corporate citizen demonstrating an ongoing commitment to sustainable development
- Sun International was compliant in all material aspects with the requirements of the Companies Act, the Companies Regulations 2011, the JSE Listings Requirements and its MOI.

Looking ahead the committee will focus on:
- monitoring the group's social, transformation, economic and environmental performance
- ongoing transparent and proactive engagement with communities where we operate
- monitoring the group's progress against the six prioritised sustainable development goals
- implementing a diversity and inclusion strategy and focusing on equal pay for work of equal value to reduce the gender pay gap within the group
- increasing training and communication with employees through the Sun Talk platform, and engagement with employees in terms of their wellness through the employee wellness programme
- monitoring adherence to Covid-19 protocols, policies, and procedures group-wide
- provisions relating to a social and ethics committee in the proposed Companies Amendment Bill.

REMUNERATION COMMITTEE

Committee member	Number of meetings	Attendance
Leon Campher[1]	2	2
Dr Lulu Gwagwa[2]	2	2
Enrique Cibie	5	5
Sam Sithole[3]	5	5
Jabu Mabuza	5	5
Sindi Mabaso-Koyana[4]	3	3
Right of attendance		
Anthony Leeming (CE)†	5	5
Verna Robson†	5	4

1 Mr Leon Campher retired effective 12 May 2020
2 Dr Lulu Gwagwa retired effective 12 May 2020
3 Mr Sam Sithole appointed as the chairman of the committee on 8 June 2020
4 Ms Sindi Mabaso-Koyana appointed as a member of the committee on 8 June 2020
† Executive

Committee purpose:

- assists the board to discharge its responsibilities to ensure fair and responsible remuneration by the group
- reviews and recommends the group's remuneration policy and oversees its implementation
- oversees benefit schemes in the group such as pension, provident fund and medical aid
- reviews proposed changes to the short-term incentive scheme (STI) and the long-term share-based incentive plans.

FOCUS AREAS IN 2020

Reviewed the:

- group remuneration policy and practices, the annual STIs (executive bonus scheme) and the long-term share-based incentives following engagement with shareholders
- non-executive directors' fees with effect from 1 July 2020 and recommended approval of fees following a benchmark exercise conducted by 21st Century
- retirement funding matters and healthcare benefits
- succession planning
- equal pay for work of equal value evaluations
- improved disclosure practices relating to a gender pay gap analysis.

Approved the:

- KPIs for executive committee members and general managers for FY2020 and confirmed the performance rating for the chief executive for the 2019 financial year
- confirmation of the total cost of employment increases for exco members and general managers FY2020 and approved annual bonuses for the 2019 financial year
- new share incentive plan rules known as the Conditional Share Plan, which was approved by shareholders
- remuneration policy and implementation report submitted to shareholders at the AGM.

Looking ahead the committee will focus on:

- continuing to improve annual remuneration practices disclosure
- improving engagement with shareholders in accordance with the principles enunciated by King IV™
- continued dialogue with shareholders around evolving remuneration practices and policies
- progressing the EPWEV analyses initiated by Human Resources and ensuring remuneration practices are aligned with the principles of fairness and responsibility, in terms of the gender pay particularly among female, lowest paid to highest paid
- assessing talent requirements in conjunction with succession plans.

INVESTMENT COMMITTEE

Committee member	Number of meetings	Attendance
Graham Dempster	10	10
Leon Campher[1]	5	5
Sam Sithole	10	9
Jabu Mabuza	10	10
Sindi Mabaso-Koyana[2]	2	2
Right of attendance		
Anthony Leeming (CE)[†]	10	10
Norman Basthdaw (CFO)[†]	10	10

1 Mr Leon Campher retired effective 12 May 2020
2 Ms Sindi Mabaso-Koyana appointed as a member of the committee on 8 June 2020
† Executive

Committee purpose:

- operates under a separate mandate of the board and is chaired by an independent non-executive director
- considers and evaluates, on an ad hoc basis, the viability of proposed investment opportunities (mergers and acquisitions), disposals and expansion projects for recommendation to the board for consideration and approval
- reviews the capex budget of the group
- regularly values the portfolio of group assets to see where returns on investment are being achieved.

FOCUS AREAS IN 2020

- disposal of Sun Dreams during the year
- reviewed and approved the committees mandate and terms of reference
- noted the capex budget for 2019 and capex budget for 2020
- reviewed a number of small acquisitions and disposals
- the combined valuation of the group.

Looking ahead the committee will focus on:

Due to the nature of the price-sensitive information discussed during the investment committee meeting, which may not already be in the public domain, no further details pertaining to the deliberation of this committee or focus areas are disclosed in this report.

IT GOVERNANCE

The board is responsible for overseeing IT governance within Sun International, which operates within its IT mandate, incorporating King IV™ IT governance requirements and is aligned with the group's strategic objectives. The board delegates the group's IT responsibilities to the IT governance sub-committee, which reports to the risk committee. This IT governance sub-committee provides oversight to ensure appropriate governance and management of enterprise IT, which includes updates on key IT strategic projects and investments, operational stability and cyber threats. In addition, it provides assurance on managing key risks and audit findings together with the status of mitigation plans. Sun International's director: information and technology reports directly to the chief executive and is responsible for IT operations and IT strategy within the group.

Sun International's IT governance framework continues to strengthen group-wide IT investment decision-making and has enhanced its alignment to business needs. This has positioned the group to better co-ordinate delivery of group-wide initiatives, identify internal efficiencies and standardise systems and processes. Further detail on IT governance developments are included in the chief executive's review, improve our existing operations and our guest experience as well as protect and leverage our existing asset portfolio.

Driving the 2021 strategy requires us to build foundational and differentiating IT capabilities that enable data and information as a key differentiator; develop strong security and cyber resilience, enable digital opportunities and achieve operational simplicity.

SUPPORTING SUSTAINABLE BUSINESS PRACTICES

The group is aware of its responsibility to be a good corporate citizen as it considers sustainability and the potential business impact on all stakeholders and the environment. Sustainability is interwoven into Sun International's business strategy and decision-making process, from board and management level to our employees at each unit.

Achieving the group's key strategic imperatives is underpinned by the group's sustainable business practices and is often an enabler by ensuring that a sound corporate reputation and the group's brand are synonymous. Two strategic objectives – our people and governance and sustainability – ensure that sustainability remains at the heart of our business operations. The group's sustainability agenda also influences three other strategic objectives: improving our existing operations and our guest experience, protecting and leveraging our existing asset portfolio, and growing our business into new areas and products.

The group's sustainability approach continues to evolve and includes, among others, measurable sustainability practices that engage all our stakeholders through relevant internal and external sustainability reporting, face-to-face community engagement; health, safety, wellbeing and environmental initiatives; and sustainability campaigns.

During 2020, the board engaged the services of an external assurance provider to provide an independent assurance statement on the group's sustainability reporting. This external review assessed the processes and data reported in the integrated annual report for the environment, occupational health and safety and SED, and also performed a readiness audit on the group's corporate social investment information. The external review gives our stakeholders the assurance that the sustainability information we report on is accurate, relevant and transparent. The review also helps identify areas for improvement. The group continues to use the GRI Standards as the basis for its integrated sustainability reporting.

THE ACTS, REGULATIONS, FRAMEWORKS AND LISTINGS REQUIREMENTS THAT APPLY TO SUN INTERNATIONAL

Sun International conducts business in a highly regulated industry. We have identified our legal and regulatory universe, which we continuously monitor given the increased changes in law and the varied jurisdictions we operate in. Being a responsible corporate citizen is imperative for maintaining our casino licences and we provide a snapshot of our legal and regulatory universe below.

WHAT WE COMPLY WITH

JSE Listings Requirements	Sun International is a public company listed on the Johannesburg Stock Exchange and accordingly complies with the JSE Listings Requirements.
King IV Code on Corporate Governance™ for South Africa 2016 (King IV™)	King IV™ and its recommended practices are applied throughout the group as shown in our King IV™ application register. The board confirms that the group applied the 16 principles of King IV™ and that the spirit of King IV™ is preserved and embedded in the way the group operates.
Local and international legislation	Sun International is committed to complying with all relevant legislation and best practices in the jurisdictions it operates in. The group identified the main areas of legislation that materially affect its operations and regularly engages with key regulators to make public comments and submissions on proposed new industry and other relevant legislation.
Licence conditions and directives issued by the various gambling boards	The gaming industry is highly regulated and subject to significant probity and external regulatory monitoring both locally and internationally. In addition, the casino licence conditions contain their own requirements, which must be adhered to.

WHAT WE CHOOSE TO COMPLY WITH

Carbon Disclosure Project (CDP) – water and energy	Sun International participates annually in the CDP.
International Integrated Reporting Council's (IIRC) <IR> Framework	Sun International applies the IIRC's <IR> Framework in compiling its integrated annual report.
United Nations Global Compact (UNGC)	Sun International embeds the 10 UNGC Principles as part of its business strategy, culture and day-to-day operations.

KING IV™ APPLICATION REGISTER

Sun International's board steers the group ethically and effectively towards achieving our sustainable business strategy and instilling confidence in our stakeholders. The board is aided by the group's governance framework that is based on the mindful and relevant application of the King IV Code of Corporate Governance South Africa 2016 (King IV™[1]) principles and practices. The company's governance framework provides a sound foundation for the implementation of King IV™ and the board applies these recommended principles to drive the company's value creation process.

The summary below outlines how Sun International applied the King IV™ principles, the outcomes thereof, and references to further information contained in our report.

APPLICATIONS AND EXPLANATIONS	OUTCOMES	OTHER REFERENCES
PRINCIPLE 1: The governing body should lead ethically and effectively		
APPLICATION: Ethics training is provided to all newly appointed directors through an induction programme and directors are kept apprised of the group's codes and policies. Directors attend various board committee meetings, which allows direct oversight of group operations. The delegated levels of authority and terms of reference relating to the committees are regularly reviewed. The board determines the group's strategic direction in support of a sustainable business and monitors management's implementation and execution thereof. The group sustainability manager continues to enhance synergies across the group in relation to health, safety, the environment and socio-economic development (SED) initiatives. The nomination committee is responsible for identifying and recommending suitable appointments to the board to ensure effective governance group-wide.	• Ethical and cohesive culture • Effective control, compliance and accountability • Responsive and transparent stakeholder engagement • Legitimacy and trust	• Corporate governance report • Ethics declaration • Governance and sustainability • Board committees and attendance
EXPLANATION: Induction and ethics training ensures directors have the necessary competence and knowledge to execute their functions and responsibilities. Committee meeting attendance ensures oversight in delivering group objectives and executing delegated powers. Committee meeting attendance is greater than 95%. This is testament to the members' commitment and purposeful oversight of the group's activities. Attendance at the board and various committee meetings are: • Board: 2020: 99% (2019: 99%) • Audit committee: 2020: 100% (2019: 100%) • Investment: 2020: 98% (2019: 87%) • Nomination committee: 2020: 100% (2019: 85%) • Remuneration committee: 2020: 97% (2019: 92%) • Risk committee: 2020: 100% (2019: 86%) • Social and ethics committee: 2020: 96% (2019: 91%) Board members and committee members competencies in terms of collective skills (industry knowledge, experience, technical skills and governance competencies) are documented and monitored in terms of a board/committee matrix. Governance competencies are considered by the nomination committee in terms of strategy and strategic planning, policy development, financial performance, risk and compliance oversight, gaming and hospitality strategy, commercial experience, stakeholder engagement and knowledge and experience in companies with operations internationally.		

APPLICATIONS AND EXPLANATIONS	OUTCOMES	OTHER REFERENCES
PRINCIPLE 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture		
APPLICATION: The directors set the overall tone for ethical leadership of the board. The directors, together with the executive committee, are signatories to a declaration that lists their commitment to Sun International's ethical principles. Sun International's code of ethics and policies, as well as a dedicated ethics officer are assigned to overseeing ethics within the group. Contracts with third parties include a provision on adherence to Sun International's code of ethics. The social and ethics committee ensures the group's ethics are managed effectively. The group adopts a zero-tolerance approach to breaching ethical standards. **EXPLANATION:** The board's commitment to ethical practices sets the tone for the company's conduct. Sun International's anonymous tip-offs ethics hotline is managed by Deloitte.	• Ethical and cohesive culture • Effective control, compliance and accountability • Responsive and transparent stakeholder engagement • Legitimacy and trust	• Code of ethics • Ethics declaration • Supplier code of conduct policy • Anti-fronting statement and policy
PRINCIPLE 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen		
APPLICATION: Several initiatives ensure the workplace becomes more responsive to the needs of society and the environment in which the company operates. Compliance with relevant laws, including the Constitution of South Africa and the Bill of Rights is core. The SunWay project continues to promote enabling values and continues to discourage disabling ones. Despite Covid-19, the group continued to conduct training and awareness around health, safety and environmental aspects. Specific focus was placed on Covid-19 training and awareness. Several projects are in place group-wide to develop small businesses, facilitate transformation and uplift local communities. The total spend on SED initiatives over the past year was R18.8 million (2019: R25.4 million) and applied mainly to projects related to education, sports, and arts and culture. The group also invested in various CSI initiatives — both in-kind monetary and non-monetary — including donations, sponsorships and charitable givings of over R7.1 million (2019: over R3.6 million) across our South African units. This amount includes a R1.6 million education funding contribution to employees and their families. Most initiatives were related to Covid-19 relief projects in and around our communities. Supplier development and enterprise and supplier development (E&SD) spend was R30.9 million (2019: R44 million) and R6.9 million (2019: R12.3 million) respectively. The closure of our units during lockdown due to Covid-19, resulted in this decreased spend. **EXPLANATION:** As a responsible corporate citizen, Sun International focuses on community upliftment through its SED, CSI and E&SD initiatives. Due to Covid-19, the group spend was impacted; however, the group adapted its SED policy to incorporate the community needs over and above the three core pillars. Additionally, Sun International is committed to supplier development and upliftment through its business development support programme.	• Ethical and cohesive culture • Effective control, compliance and accountability • Responsive and transparent stakeholder engagement • Performing to strategic expectation • Legitimacy and trust	• Governance and sustainability • Our people • Environmental • Health, safety and wellbeing • Socio-economic development • Enterprise and supplier development

APPLICATIONS AND EXPLANATIONS	OUTCOMES	OTHER REFERENCES
PRINCIPLE 4: The governing body should ensure that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process		
APPLICATION: The board convenes an annual strategy meeting to approve the strategy and goals for each financial year and measures performance against the targets established for the comparative year. Management is responsible for implementing this strategy to achieve the desired goals and to assess and respond to any issues that may impact the group's activities and outputs. The risk assessment and ranking methodology led by the executive team ensures that the board is apprised of the risks and opportunities facing the group and it takes an integrated approach to assessing risks and material matters. The sustainability committee assists with assessing and monitoring environmental, health and safety, SED, E&SD and B-BBEE issues, internal and external, to the business. The audit committee and board consistently monitor the going-concern status of the group.	• Effective control, compliance and accountability • Responsive and transparent stakeholder engagement • Performing to strategic expectation	• Strategic objectives • Integrated annual report
EXPLANATION: Sun International's strategy is discussed prior to the start of the new financial year, following which an executive conference is held where senior and executive management are advised on the group's performance over the past year and the strategy for the upcoming year. The strategy implementation is included in the key performance areas for executives to ensure the effective execution of the group's objectives, and their individual performance is measured against the achievement of the company's objectives. Bonuses are linked to the execution and delivery of group performance to ensure that the correct behaviour is driven group-wide, ultimately creating value for all stakeholders. Strategy sessions are held by the executive committee throughout the year at the units during July/September and by the full board during November. The risk committee continues to annually review and update the material risks specific to Sun International. The top 10 risks are discussed in detail in the risk section. In 2020, the group conducted an in-depth review of its material matters by considering specific material issues related to Sun International, its industry and other JSE listed companies. The review is done every three years to ensure the group's material matters remains relevant. Material matters are discussed in the directors' report, governance report and the material matters section.		

APPLICATIONS AND EXPLANATIONS	OUTCOMES	OTHER REFERENCES
PRINCIPLE 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects		
APPLICATION: Several operations issue reports to the board committees, namely the executive, risk, social and ethics, remuneration, nomination, audit and investment committees. These reports incorporate areas of the business including, *inter alia*, human resources, operations, finance, sustainability, procurement, compliance and B-BBEE. The committees prepare a final report, which is included in the online integrated annual report. The company issues unaudited interim results and audited consolidated financial statements for year-end results. Reports are issued as necessary to comply with legal requirements. Internal and external role players ensure the integrity of all reporting, which forms part of the integrated assurance process. **EXPLANATION:** The regular tabling of reports at the various committee meetings ensures the board is aware of all developments group-wide and can track progress against established targets in the short, medium and long term. Each committee chairperson provides feedback to the board. The chairman of the social and ethics committee reports back to shareholders at each annual general meeting. This bottom-up approach is vital. The integrated annual report provides details on the operations and performance of the company over the past year and allows stakeholders to assess and gauge how value is created, preserved and/or eroded. This report sets out the group's highlights, challenges and future focus areas to provide stakeholders with a realistic view of the company.	• Effective control, compliance and accountability • Responsive and transparent stakeholder engagement • Performing to strategic expectation	• Corporate governance report • Investor presentations • Social and ethics committee report • Audit committee report • Annual statutory report
PRINCIPLE 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation		
APPLICATION: A protocol guides the board in relation to obtaining external advice. The board charter guides the board in executing its duties and is revised periodically. A director's handbook guides directors on their duties under the Companies Act and King IV™. The group's memorandum of incorporation (MoI) aligns with several corporate governance practices. **EXPLANATION:** The board charter sets out the board's expectations in relation to its duties towards the group, including in Nigeria. With various directors sitting on the different committees, there is first-hand oversight on the group's activities. The external advice protocol allows the board to understand what process to follow regarding obtaining external advice, and ensures the board obtains the necessary advice and expertise in the execution of and delivery of the group's objectives. Though the board remains ultimately responsible, the committees provide focused attention on areas to ensure initiatives and projects are properly assessed and implemented. The company secretary is pivotal in ensuring good corporate governance. The board is comfortable that it has fulfilled its responsibilities in accordance with its charter and is satisfied with the strategic direction set for the group. It appropriately manages its duty, as custodian of corporate governance.	• Ethical and cohesive culture • Effective control, compliance and accountability • Performing to strategic expectation • Legitimacy and trust	• Corporate governance report • Board of directors • Board charter • Memorandum of incorporation • Committees' terms of reference

APPLICATIONS AND EXPLANATIONS	OUTCOMES	OTHER REFERENCES
PRINCIPLE 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively		
APPLICATION: The board consists of a diverse group of people in terms of gender, race, age, skills and experience. The race and gender targets for the board were reviewed to ensure that future appointments align with the group's diversity policy on gender and race diversity, and the B-BBEE Codes. The board comprises of executive, non-executive and independent directors. The chief executive and chief financial officer are executive board members. The board includes more independent than executive or non-executive directors. **EXPLANATION:** The board embraces diversity by improving gender, race, age and skills representation. The variety of board member qualifications provides further assurance, that the business is considered from different perspectives to provide a holistic review of the group's strategy. A brief CV of each director is available. The board-approved diversity policy incorporates gender, race, age and skills diversity, as required by the JSE Listings Requirements. The board and nomination committee reviews progress in respect of the diversity policy and on agreed voluntary targets and why any diversity indicators have not been met. Members of committees are carefully selected, having regard to race, gender, age and skills and experience, and the provisions of the Companies Act, the JSE Listings Requirements and good corporate governance practices. Directors' independence is monitored in accordance with King IV™ and the JSE Listings Requirements. We believe that the board has the appropriate mix of knowledge, skills and experience, diversity and independence. The company secretary and chief financial officer are evaluated annually in terms of their skills, experience and expertise. The remuneration committee conducts annual evaluations of each executive director and prescribed officer.	• Ethical and cohesive culture • Effective control, compliance and accountability • Responsive and transparent stakeholder engagement • Performing to strategic expectation	• Corporate governance report • Board of directors • Executive leadership • Board charter • Diversity policy

	Target	2020	2019
Race	50% black directors	58%	57%
Gender	30% female directors	33%	29%

APPLICATIONS AND EXPLANATIONS	OUTCOMES	OTHER REFERENCES
PRINCIPLE 8: The governing body should ensure that its arrangements for delegation within its own structure promote independent judgement, and assist with balance of power and the effective discharge of its duties		
APPLICATION: There are six standing committees: nomination, audit, risk, remuneration, social and ethics, and the investment committee. Most committee members are independent non-executive directors. The executive committee has two sub-committees, the sustainability and IT governance committees. These committees comprise of senior executives and management only. The board charter and composition of the committees are determined and approved by the board. **EXPLANATION:** The committees are pertinent to overseeing the group's business and its core operations. The non-executive directors are included across the various committees, with many sitting on more than one committee, to ensure that there is effective collaboration across the committees and an integrated approach is adopted in relation to the execution and evaluation of all strategic projects and plans. The committees regularly provide feedback to the board, which facilitates the execution of its responsibilities. The independent directors provide an objective assessment of the company's projects, plans and initiatives. The composition of the board committees contributes to effective collaboration, balanced distribution of power and the board's effectiveness in fulfilling its duties. The board and its committees' composition are monitored in terms of King IV™ recommendations. The board and committees are compliant. While the chairman of the remuneration committee is classified as non-executive, all other committees are chaired by an independent non-executive chairman. There is a clearly defined delegation of authority matrix for all executives and senior managers of the group.	• Ethical and cohesive culture • Effective control, compliance and accountability • Performing to strategic expectation • Legitimacy and trust	• Corporate governance report • Committees' terms of reference
PRINCIPLE 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness		
APPLICATION: The board chairman, the lead independent director, board members and the board committees are evaluated every other year, and by an independent third party every six years regarding their performance, processes and procedures. The members of the board are evaluated annually by the nomination committee, and the executive directors' performance is assessed by the remuneration committee and nomination committee by way of an annual performance review for purposes of awarding total cost of employment (TCOE) incentives and short-term incentives (STIs). Non-executive directors are evaluated by the nomination committee annually, to determine eligibility for election and re-election. The chief financial officer and company secretary are evaluated annually by the audit committee and board respectively. **EXPLANATION:** The evaluations assess individual and committee performance against the specific terms of reference, the board charter and best governance practices. The nomination committee annually considers the competence of the group company secretary and the audit committee annually considers the competence of the chief financial officer. As recorded in the annual financial statements, the chief financial officer and the group company secretary were declared competent and have the necessary expertise and experiences to carry out their functions and duties on behalf of the company. Bonuses and remuneration of the executive directors are linked to their performance reviews. Sun International is aware that the performance of the board, statutory and board committees is essential considering the increased focus on accountability, transparency and adding value.	• Ethical and cohesive culture • Effective control, compliance and accountability • Responsive and transparent stakeholder engagement • Performing to strategic expectation • Legitimacy and trust	• Corporate governance report • Audit committee report • Board charter

APPLICATIONS AND EXPLANATIONS	OUTCOMES	OTHER REFERENCES
PRINCIPLE 10: The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibility		
APPLICATION: The chief executive was appointed by the board and the nomination committee considers executive succession planning. The chief executive's performance is evaluated annually by the chairman and the remuneration committee. The board annually reviews the delegation of authority to the chief executive, who in turn delegates authority to other executives and prescribed officers. Professional governance services are provided by the group company secretary, who is evaluated annually by the nomination committee and board. Following an assessment by the nomination committee, the group company secretary has the requisite competence, qualifications and experience to carry out his duties. The board has access to governance support and guidance at all times.	• Ethical and cohesive culture • Effective control, compliance and accountability • Responsive and transparent stakeholder engagement • Performing to strategic expectation • Legitimacy and trust	• Corporate governance report • Board of directors • Executive leadership • Committees' terms of reference
EXPLANATION: The nomination committee has the experience and skills required to ensure a balanced board constitution and is most suitably placed to evaluate the executive team's performance. The chief executive's delegation of authority to the executive committee ensures the company's strategy delivery and implementation. The executive management team includes the property general managers of key units, to improve decision-making and enhance alignment with the group strategy. In 2019, the central office operating structure was revised to ensure a more efficient way of working together and serving the units. In 2020 the revised structure was implemented and includes a chief operating officer. The nomination committee evaluates the board and the company secretary. The chief executive evaluates other executives and prescribed officers. The remuneration committee evaluates the performance of executive directors and prescribed officers for TCOE and STIs. The audit committee reviews the chief financial officer and the director internal audit. The board is comfortable and satisfied that the delegation of authority framework provides for effective exercise of authority and responsibilities.		
PRINCIPLE 11: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives		
APPLICATION: Sun International's risk methodology and risk ranking system require each division, under the direction of their respective executive, to complete a risk assessment dashboard. The results are consolidated using a formula that categorises all risks in order of importance and details actions to mitigate the risks. This risk categorisation guides the group in relation to its business operations' priorities going forward. The risk function is assisted by the audit and risk management committees.	• Effective control, compliance and accountability • Performing to strategic expectation • Responsive and transparent stakeholder engagement	• Corporate governance report • Risk management
EXPLANATION: An evaluation of risks group-wide ensure all risks and opportunities are identified and ranked, which informs the group's material matters and strategy. The risk methodology ensures each executive is assigned responsibility for a specific area and that risks are managed and mitigated. The main three key risks identified in 2020: • Coronavirus (Covid-19) • Weak economic conditions • Smoking legislation		

APPLICATIONS AND EXPLANATIONS	OUTCOMES	OTHER REFERENCES
PRINCIPLE 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives		
APPLICATION: The IT governance sub-committee is an executive committee sub-committee. This sub-committee is responsible for monitoring, developing, and communicating the processes for managing IT governance, information and cyber security and technology group-wide. The deliberations of the IT governance sub-committee do not reduce the individual and collective responsibilities of the executive committee, risk committee members and board members regarding their fiduciary duties and responsibilities. They continue to exercise due care and judgement in accordance with their statutory obligations. The board has the ultimate responsibility for IT governance of the company, and the IT governance sub-committee assists the risk committee and the board in fulfilling this responsibility. The company monitors the IT governance structure to ensure it addresses critical IT risks and IT investments. IT governance includes group business continuity, data governance, IT policies, cyber-security threat (which is a key focus area), IT projects and key incidences management.	• Effective control, compliance and accountability • Performing to strategic expectation • Responsive and transparent stakeholder engagement • Legitimacy and trust	• Corporate governance report • Efficiency and optimisation of our processes • Protect and leverage our existing asset portfolio • IT policies
EXPLANATION: Through the IT governance sub-committee, operations report to the board, which ensures significant information and technology risks are identified with the mitigating controls. Adequate controls are in place to address any potential cyber threats. Projects involving various areas of the business are monitored and overseen by the IT governance sub-committee, as well as the IT steering committee. Progress is reported to the risk committee to ensure an integrated approach to monitoring and assessing IT risks within the business.		
PRINCIPLE 13: The governing body should govern compliance with applicable laws and adopted non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen		
APPLICATION: The compliance function supports the broader group sustainability objectives. Polices are reviewed and revised as necessary and the policy revitalisation management sub-committee reviews, updates and consolidates group policies. Where necessary, policies are reviewed and updated pursuant to changes with latest legislative developments.	• Ethical and cohesive culture • Effective control, compliance and accountability • Responsive and transparent stakeholder engagement • Performing to strategic expectation • Legitimacy and trust	• Corporate governance report • Chairman's overview • Social and ethics committee report • Code of ethics
EXPLANATION: The compliance function ensures all aspects of the business are covered. By monitoring policy access and review, the group ensures that employees keep abreast with the latest developments and can address any evident gaps. The central policy portal prompts employees on any policy updates. There were no material or repeated regulatory penalties, fines, censures or compliance orders for the year under review.		

APPLICATIONS AND EXPLANATIONS	OUTCOMES	OTHER REFERENCES
PRINCIPLE 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term		
APPLICATION: The remuneration committee reviews the group's remuneration policy annually, which is approved by the board and tabled at the AGM for a non-binding shareholder advisory vote. The policy is published online as a part of the remuneration committee report. **EXPLANATION:** The remuneration policy is reviewed annually to ensure that Sun International attracts top talent and returns value to shareholders in a fair, transparent and balanced manner. Remuneration is linked to performance to ensure executives and employees are motivated to achieve the company's strategic objectives and goals, and that their interests are aligned with those of shareholders. Sun International engages with its shareholders around its remuneration policy and procedures, which are disclosed in the 2020 remuneration policy and report. This remuneration policy and report was approved by the board and by shareholders at the AGM.	• Ethical and cohesive culture • Responsive and transparent stakeholder engagement • Legitimacy and trust	• Remuneration committee report • Annual statutory report
PRINCIPLE 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports		
APPLICATION: The board, in the statement of responsibility of directors, provides their independent assurance of the company's integrated annual report and confirms this to be an accurate reflection of the company to all stakeholders. The chief executive and chief financial officer's responsibility statement confirms that the company's annual financial statements are complete and an accurate reflection of the group's financial performance, as well as confirmation that adequate and effective internal controls are in place. An external independence assurance provider is appointed to review the sustainability aspects of the sustainability practices of the company, and external auditors assure the financial information. **EXPLANATION:** The company follows a combined assurance model to ensure objectivity of all information provided to stakeholders. The board and its committees consist of persons from varied backgrounds with diverse skills and experience to ensure risks and opportunities are considered from various perspectives.	• Effective control, compliance and accountability • Responsive and transparent stakeholder engagement • Performing to strategic expectation • Legitimacy and trust	• Audit committee report • Independent assurance statement

APPLICATIONS AND EXPLANATIONS	OUTCOMES	OTHER REFERENCES
PRINCIPLE 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time		
APPLICATION: The risk committee reviews the stakeholder register regularly. The stakeholder register comprises, *inter alia*, the gambling boards, the communities, and shareholders. Engagement with stakeholders is undertaken throughout the year and material matters are reported to the board. Due to Covid-19's impact the group could not complete the new community stakeholder engagement strategy development and rollout. The group aims to complete and implement this strategy in 2021 across all local units. Procurement departments at each unit have been tasked to establish and address community concerns in respect of developing local business. The board is the custodian of Sun International's corporate governance framework. **EXPLANATION:** Regular stakeholder engagement ensures the board is advised of all material matters that may impact the company. The group's revised community stakeholder engagement will ensure that all community engagement and interventions align with the group's sustainability strategy and, more broadly, with provincial and national growth and development plans. Specific executives are tasked with stakeholder engagement according to their executive responsibilities. A group SED specialist is responsible for targeted community engagement. Sun International does not subscribe to the shareholder-exclusive model but rather the stakeholder-inclusive model.	• Responsive and transparent stakeholder engagement • Performing to strategic expectation • Legitimacy and trust	• Corporate governance report • Stakeholder engagement • Social and ethics committee report

BOITUMELO MAKGABO-FISKERSTRAND
Chairman of the social and ethics committee

SOCIAL AND ETHICS COMMITTEE REPORT

Sun International is committed to ethical and responsible leadership. Being a good corporate citizen includes driving an ethical culture group-wide; ensuring our customers' and employees' health, safety and wellbeing; engaging with local communities; providing opportunities for shared socio-economic value; protecting our environment; monitoring our transformation progress; and complying with relevant legislation and codes.

MESSAGE FROM THE CHAIRMAN

Dear stakeholders

I am pleased to present Sun International's social and ethics committee (the committee) report for the year ended 31 December 2020. The purpose of this report is to inform our stakeholders on the discharge of our duties as set out in the Companies Act as supplemented by the committee's terms of reference.

Our ethical and responsible commitment is driven by the board and the executive committee approved ethics declarations, as well as the group's code of ethics (the code) which commits management and employees to the highest ethical conduct and standards. The board and executive committee members will be signing renewed declarations during 2021, reflecting their personal commitment to the Sun International code. Ongoing awareness ensures all employees understand how to contribute to the group's ethical conduct, brand reputation and integrity. The group's whistleblowing and fraud response policies, which are disseminated group-wide, contain clear guidelines for reporting any criminal, illegal, discriminatory or other inappropriate behaviour without fear of discrimination, intimidation or occupational detriment. Employees can contact the Deloitte Tip-Offs hotline anonymously through a 24/7 toll-free number. The ethics officer oversees ethics throughout the group and receives regular feedback on any matters of concern. Employees can email a secure and private address with any ethics concerns or dilemmas, which will be handled confidentially. Closed sessions are held between the chairman of the social and ethics committee and the ethics officer after each social and ethics committee meeting, to discuss any material ethical issues reported.

The committee performs the requisite statutory functions on behalf of all subsidiary companies across the group, including those that score above 500 points in terms of Regulation 26(2) as contemplated in Regulation 43(1)(c) of the Companies Regulations, 2011. This ensures that group-wide practices are consistent and aligned, and that our ethical practices are applied irrespective of the jurisdiction we operate in. Meropa, an associate company, has established its own social and ethics committee. While we continued to review Sun Dreams' operations from a social and ethics perspective, Sun Latam sold its remaining 64.94% stake in Sun Dreams S.A. during November 2020. In Nigeria, TCN has its own code of conduct and regularly reports any ethical issues to the TCN nomination and governance committee as well as the board. Furthermore, the Sun International director: corporate services attended all committee meetings in Latam and chairs the nomination and governance committee in Nigeria in his capacity as a director of TCN, which reinforces the group's governance structures framework and practices.

Composition, meetings and assessment

During the year under review there were changes to the social and ethics committee's composition. Effective 8 June 2020, Ms Zimkhitha Zatu was appointed as a committee member. Mr Leon Campher, who retired from the board effective 12 May 2020 (as lead independent director) and Mr Vusi Khanyile, who resigned from the board effective 29 October 2020, are no longer members of the social and ethics committee. Following these changes, the committee's composition includes three non-executive directors, all of whom are independent directors, and one executive director. The committee met three times during the year, which was adequate to deal with the various matters contemplated in the Companies Act as well as the committee's mandate and terms of reference. In addition, Sun International executives whose areas of discipline are covered by the committee, and who have rights of attendance on the committee include the chief financial officer, chief executive (who is now a member), director: corporate services, director: human resources, and the sustainability manager. As per the mandate of the committee, its terms of reference were reviewed and approved, and we achieved a 96% meeting attendance for the year under review.

Ongoing stakeholder participation from various areas within the group assures that appropriate feedback on all matters is provided. The mix of committee experience allows for robust debate on topics put forward to the committee. Furthermore, we are satisfied that initiatives undertaken by the group are adequately challenged when tabled at committee meetings.

Roles and responsibilities

The committee is required, among other duties, to:

- monitor the social, economic, employment and environmental activities of the group and report to the board and stakeholders in terms of development and progress
- assist the board in assessing aspects of governance applicable to the committee's function and terms of reference
- ensure that Sun International remains a socially committed corporate citizen
- monitor the group's six prioritised sustainable development goals (SDGs).

We operate in a highly regulated industry and our corporate credentials and socially responsible behaviour are critical in terms of our licence to operate. To guide us in this oversight role, we task management with implementing principles contained in relevant legislation, regulations and prescribed legal requirements or prevailing codes of best practice. This includes the group's standing in terms of the goals and purpose of the:

- 10 principles set out in the United Nations Global Compact (UNGC) principles
- Organisation for Economic Cooperation and Development (OECD) recommendations regarding anti-corruption
- Employment Equity Act
- B-BBEE Act and amended B-BBEE Codes of Good Practice
- Six SDGs prioritised by the group.

Management discharges this duty by reporting to the committee on the group's:

- good corporate citizenship, including the company's promotion of equality and the prevention of unfair discrimination
- implementation of its sustainable business strategy
- contribution to the development and upliftment of the communities around which it operates
- environmental, health, safety, wellness and procurement initiatives across all relevant areas
- progress on the group's contribution towards the six prioritised SDGs
- consumer relationships and marketing initiatives
- implementing the National Responsible Gambling Programme (NRGP)
- labour and employment activities, including the company's standing in terms of decent work and working conditions, and our relationships with our employees
- contribution towards the educational and skills development of our employees.

"As part of our independent assurance scope, IBIS ESG Assurance conducted a review of the group's environmental, health, safety and wellness as well as SED portfolios."

These reports correlate with the committee's mandate and the areas mentioned above are reported on at each meeting. As chairman of the committee, I also provide regular feedback at board meetings regarding the committee's activities and provide feedback to the shareholders at the annual general meeting (AGM). The 2019 social and ethics report was tabled at the Sun International AGM held on 12 May 2020.

The group's sustainability committee, a sub-committee of the group's executive committee, includes several senior and executive managers from relevant areas within the group. In 2020 the sustainability committee met quarterly to discuss relevant sustainability matters – particularly environmental; health, safety and wellness; socio-economic development (SED) and enterprise and supplier development (E&SD) matters. Any areas of concern identified at these meetings are elevated to the group's social and ethics committee.

As part of our independent assurance scope, IBIS ESG Assurance conducted a review of the group's environmental, health, safety and wellness as well as SED portfolios. Based on the corporate social investment (CSI) readiness audit conducted in the prior year, the group embarked on a full CSI assessment for 2020. Due to Covid-19 the assurance audits were conducted online and by way of a desktop review, with additional evidence provided and interviews conducted to ensure a fair and transparent process. The 2020 assurance audits were conducted on Meropa, Sun Time Square, Carnival City, Flamingo and Central Office. No material issues were identified during the assurance audit that needed to be brought to the attention of the committee, the board or other stakeholders.

Salient matters of interest

Several matters dealt with by the committee during the period under review are highlighted as items of interest to our stakeholders.

The committee continues to review the group's standing and progress in accordance with the 10 principles of the UNGC and the OECD recommendations regarding anti-corruption. The company monitors compliance with its policies in relation to bribery and corruption; gifts, entertainment and tips; and responsible gambling. The committee concluded that the group substantially complied with the requirements of the UNGC principles, and that there were no material areas of concern. Sun International remains committed to improved reporting practices and transparency around activities and performance in combating corruption. During 2020, Sun International participated in the survey by Transparency in Corporate Reporting (TRAC) 2020 prepared by Corruption Watch and the Overseas Development Institute (ODI) in London, with support from the National Business Initiative (NBI). TRAC 2020 was a follow-up to TRAC 2016. TRAC 2020 included an expanded survey drawing on both Transparency International and on the Global Reporting Initiatives (GRI) Standards. Sun International fared well in terms of anti-corruption reporting transparency and remains focused on continual improvement thereof, as detailed in the corporate governance report.

Sun International's SunWay culture and employee value proposition (EVP) are critical in embedding the group's culture as well as attracting and retaining top-performing employees. All SunWay icons are consistently integrated into Sun International's people practices such as learning and development, wellness and recruitment and selection. The EVP reinforces the world-class employee benefits and positive working environment in Sun International. While a group-wide culture survey based on the SunWay was planned for 2020, this was delayed due to pertinent matters arising from Covid-19. Matters addressed during the year under review included employee health, safety and wellness, Covid-19 training, communication and counsel on reduced wages, the complexities associated with the Temporary Employer/Employee Relief Scheme (TERS) applications and the staggered return to work, resulting in some employee layoffs.

Transformation is integral to Sun International's sustainability and is entrenched in our South African operations. The committee monitors appointments, retirements and resignations to ensure we achieve a demographic workforce in line with both internal targets and commitments to legislation. During 2020, our overall black employee representation was 92% (2019: 93%), exceeding the distribution of the national economically active population. The management team is made up of 84% (2019: 84%) black people, and 46% (2019: 45%) are females. The group exceeded its employment equity targets at all levels except middle management, and it achieved its targets for black (African, Coloured and Indian) females at all management levels.

The disability capacity-building workshops and disability awareness days continue to remove the stigma and fear of victimisation experienced by employees living with disabilities.

The committee is reviewing the gender pay gap throughout the group and plans to address inequality by implementing a diversity and inclusion strategy. This review aims to ensure that appropriate processes and procedures of equal pay for work of equal value are in place and adhered to when new appointments and promotion decisions are made. Specific factors which may have contributed towards the pay gap were historical organisational restructures that did not focus on equal pay for work of equal value principles, and unintentional regional pay differences for similar sized casinos and units. All new appointments of employees are being monitored to ensure that the principles of equal pay for work of equal value are adhered to when reviewing new recruits, promotions, gender and possibly retarding of increases for high earners. Data further revealed that female gaming employees were not stepping up for promotions and that more males were being promoted. The reason for this appeared to be that the gaming environment was not very accommodating for those with children and other family responsibilities when it came to long working hours with unpredictable shifts. Management is in the process of conducting further research on how best to create an environment where females can step up, in order to create an environment of women with more seniority in their roles and responsibilities.

Considering the impact that Covid-19 has had on the group's employees, employee wellbeing remains a priority for management and the committee. The One Sun Wellness programme provides a range of independent professional services to employees and members of their households to attend to mental, social, emotional and financial wellbeing, and physical health. This support was instrumental in helping people to deal with the impact of the Covid-19 pandemic on their lives and livelihoods, and to guide them as they adjust to a new normal. This was particularly relevant during the Sun International restructuring processes. The programme also addressed the parallel pandemics of violence, in particular gender-based violence and abuse, as well as HIV wellness.

> "The committee is reviewing the gender pay gap throughout the group and plans to address inequality by implementing a diversity and inclusion strategy."

Sun International's board diversity policy recognises and embraces the benefits of having a diverse board, as increasing board diversity is essential in maintaining a competitive advantage. In accordance with the JSE Listings Requirements, Sun International's board diversity policy incorporates additional diversity elements including, among others, skills and experience, regional and industry experience and age. Good progress was noted against the board's race and gender targets. In 2020, the board exceeded its black director target of 50%, with 58% black representation, and exceeded the female director target of 30%, with 33% female representation. The board's and committee's composition, collective skills (industry knowledge, experience, technical skills and governance competencies) and competency are documented and monitored in terms of a board skills matrix. This assists with assessing what the future composition of the board should look like from a skills and experience perspective and assists in terms of identifying key gaps. The board skills matrix aligns with the group's strategy and complies with best international corporate governance practices.

Governance competencies are considered in terms of strategy and strategic planning, policy development, financial performance, risk and compliance oversight, gaming and hospitality strategy, commercial experience, stakeholder engagement and knowledge, and experience in companies with international operations.

In 2020, Sun International was externally rated and maintained a Level 1 B-BBEE rating in accordance with the Tourism Sector Codes as at 31 July 2019. Sun Slots was the only unit to be verified under the Generic Codes of Good Practice and achieved a Level 1 B-BBEE rating compared to a Level 5 rating in the prior year. Going forward, the committee will be monitoring the proposed amendments to the Tourism Sector Code, which has been submitted to the Department of Trade and Industry (dti) and is expected to be gazetted during 2021.

"The group's SED strategy continued to positively impact the communities with whom we interact, especially during Covid-19."

Communities' concerns about inequality in certain operational areas remain an issue, especially around securing local procurement spend and local employment to provide socio-economic upliftment. Going forward, each unit has been tasked with working closely with local communities to develop their local supply chain. To do this units are using an e-portal to advertise for services and suppliers in and around the area the unit operates in. Local communities then get the opportunity to respond directly to these advertisements online, making the process transparent and allaying their fears of responses getting lost or not being considered for specific services. In addition, central procurement will continue to assist units in implementing these and other initiatives.

The group continues to make progress in the areas of procurement and enterprise and supplier development, notwithstanding the fact that some areas were negatively impacted by Covid-19 during 2020. Sun International invested R30.9 million (2019: R44.4 million) and R6.9 million (2019: R12.3 million) in supplier development and enterprise development, respectively, during 2020. Ten beneficiaries (2019: 15) were supported through Sun International's formal business development support process and the online tender bulletin board, which received positive stakeholder feedback. This bulletin board also provides prospective suppliers with sourcing opportunities to further enhance value sharing and economic upliftment. Sun International's supplier code of conduct ensures all suppliers adhere to minimum best practice ethical standards.

The group's SED strategy continued to positively impact the communities with which we interact, especially during Covid-19. Our units worked diligently on SED and CSI projects with a specific focus on addressing the needs of the community, as identified through our community stakeholder engagement process. To further support our communities' specific needs during the pandemic, the group revised the SED policy to include special projects as opposed to simply focusing on education, sports, and arts and culture projects. A total of R18.8 million (2019: R25.4 million) was invested in making a difference in the lives of communities, as well as employees who were severely impacted by the Covid-19 pandemic. We continue to improve the reporting of our CSI and invested R7.1 million (2019: R3.6 million) in CSI initiatives, of which R1.6 million was invested in education funding for employees and their families.

Sun International is the largest corporate partner of the Stop Hunger Campaign initiated in celebration of Mandela Day. Since 2017, the group has sponsored over 1.2 million meals, which have been packed at nine different units, including at the central office. This equates to providing more than 4 800 children with five nutritious meals a week for an entire year.

The group is committed to, and financially supports, the South African Responsible Gambling Foundation (SARGF), a leading global programme for promoting responsible gaming. The SARGF, through the NRGP, creates awareness around public initiatives undertaken in the industry, which include prevention, treatment and counselling initiatives, training for regulators and industry employees, research audits, and life skills programmes for schools. Sun International reports progress on these NRGP principles across all gambling operations to relevant governance committees. In addition, the group reports to relevant governance committees on matters such as crèche utilisation statistics, which remain strictly monitored at all units. Training employees in the different stages of the NRGP is also reported.

Group internal audit is responsible for conducting various internal audits and reports its findings to the social and ethics committee. In 2019, the National Gambling Bill (including its draft regulations) proposed the implementation of a national exclusion programme. Sun International, through the Casino Association of South Africa (CASA), has engaged with the National Gambling Board (NGB) regarding the practical aspects of implementing this programme in its current form. There have been no further developments since 2019. However, Sun International continues to monitor proceedings. In addition, the Western Cape Gambling and Racing Board (WCGRB) responded to the comments received from its licensees regarding the draft research report on a proposed pre-commitment system, to further assist problem gamblers and to prevent the risk of persons becoming problem gamblers. The WCGRB indicated that it will conduct local research, through third-party researchers, on the impact this proposed system will have on the gaming industry. Sun International has confirmed that its Western Cape gaming entities will participate in this research.

Covid-19 hampered the group's environmental project implementation during 2020, however, the pandemic had a positive impact on the group's resource consumption. Water, waste and energy aspects showed a reduction due to the closure of units during stringent lockdown levels. Therefore, the group is re-evaluating the pandemic's effect on existing targets for carbon emissions and waste. The group did not achieve its 2020 zero-waste-to-landfill (ZWTL) target due to a combination of service delivery issues, budget constraints and the impact of Covid-19 had on the recycling initiatives on site. It was therefore decided to set new waste reduction targets for the period 2021 – 2025. The group envisages setting milestone recyclable rate targets for units based on 2019 waste statistics, while accounting for any significant contract changes and waste disposal cost elements. The group continues its quest to be a ZWTL organisation. The group has two years remaining on the medium-term carbon emission target of 15% by 2023 and we are confident these targets can be achieved through the group's back-to-basics energy management approach.

The group continues to explore innovative environmental initiatives to address pressing resource concerns facing South Africa. These concerns include water quality and availability, sustainable energy supply and rising energy costs, as well as increased concerns over the lack of certified waste facilities in South Africa. Sun International will launch its ENVIRO-AMBITION 2025 in 2021, which will outline the key performance indicators (KPIs) and mechanisms for the group to instil an environmentally responsible culture among our employees, guests and stakeholders; to ensure a sustainable future for all.

The health, safety and wellbeing of our employees and guests remain a key focus for the group, which was accentuated by our rapid Covid-19 response. Sun International supported government's initiatives to flatten the curve when lockdown was introduced in March 2020, and continues to drive these efforts through industry-leading interventions. These interventions include a comprehensive Covid-19 risk prevention and control programme that encompasses a risk assessment and control methodology, training and awareness as well as policies and procedures, all of which were aligned to relevant Covid-19 legislation. Encouragingly, Sun International received two accolades from the Institute of Risk Management South Africa for its Covid-19 response. It is, however, with great sadness that despite our efforts, five employees passed away in 2020.

As a result of Sun International's intensive focus on managing the risks associated with Covid-19, a large majority of the health and safety projects planned for 2020 were not completed. Sun International did however revise the group's health, safety and wellness strategy alongside a revised set of KPIs that will measure the group's health, safety and wellness performance until 2025. The revised KPIs cover a broader measurement scope, enable an assessment of our performance and ensure improvement against several internal benchmarks. We are further pleased to report that there were no fatalities for the year under review, except for the three Covid-19-related deaths.

Based on the committee's performance during the year, it is satisfied that it has fulfilled its mandate in terms of Regulations 43 of the Companies Regulations, 2011. There were no known instances of material non-compliance with legislation or regulations, or non-adherence with codes of best practice in terms of the areas within the committee's mandate during the year under review or repeated regulatory penalties, fines, censures or compliance orders. As such, we are satisfied that the group has operated as a socially responsible corporate citizen demonstrating an ongoing commitment to sustainable development. During the 2020 financial year, Sun International was compliant in all material respects of the Companies Act, Companies Regulations 2011, the JSE Llistings Requirements, King IV™ and its memorandum of incorporation.

The stewardship of customer information and data protection is paramount. The group engaged with an external service provider to assist with the implementation action plan to ensure compliance with the Protection of Personal Information Act (POPIA) and the General Data Protection Regulation (GDPR). During the year under review, Sun International received no applications in terms of POPIA.

Three applications in terms of the Promotion of Access to Information act, 2000 (PAIA) were received requesting certain commercial information relating to Sun International Management Limited, Sun City and Boardwalk.

The committee conducted and considered the findings of the self-evaluation exercised conducted in September/October 2020, which noted no material deficiencies which needed to be addressed.

LOOKING AHEAD

Going forward, the committee will focus on:

- Overseeing the group's corporate citizenship and ensuring it continues to improve on its already embedded principles of carrying out its actions as a responsible and ethical corporate citizen, and having a positive impact on the communities in which we operate
- Monitoring the proposed changes set out in the Companies Amendment Bill, 2018 as they pertain to the social and ethics committee
- Monitoring the proposed JSE Listings Requirements amendments as they pertain to the social and ethics committee
- Ensuring that the committee continues to review its mandate as prescribed by Regulation 43 of the Companies Regulations, 2011 and whether there is any material non-compliance that requires disclosure
- Ensuring that the group pays its employees fairly and responsibly in accordance with the equal pay for work of equal value principle and addressing the gender pay gap
- Increasing training and communication with employees through the Sun Talk platform, and engaging with employees in terms of their wellness through the employee wellness programme
- Monitoring Covid-19 protocols, policies, and procedures group-wide

BOITUMELO MAKGABO-FISKERSTRAND
Chairman of the social and ethics committee

31 March 2021

INDEPENDENT ASSURANCE STATEMENT TO THE MANAGEMENT AND STAKEHOLDERS OF SUN INTERNATIONAL LIMITED

INTRODUCTION

IBIS ESG Africa (Pty) Ltd (IBIS) was commissioned by Sun International Limited (Sun International) to conduct an independent third-party assurance engagement in relation to the sustainability information in its 2020 Integrated Annual Report (the report) for the financial year that ended 31 December 2020.

IBIS is an independent licensed provider of sustainability assurance services. The assurance team was led by Petrus Gildenhuys with support from Adam Sutton-Pryce, Sharon Kekana and Hsien Lou from IBIS. Petrus is a Lead Certified Sustainability Assurance Practitioner (LCSAP) with more than 25 years' experience in sustainability performance measurement involving both advisory and assurance work. This assurance engagement is the third sustainability assurance engagement conducted for Sun International by IBIS.

ASSURANCE STANDARD APPLIED

This assurance engagement was performed in accordance with AccountAbility's AA1000AS v3 (2020) ("AA1000AS") and was conducted to meet the AA1000AS Type II Moderate level requirements.

RESPECTIVE RESPONSIBILITIES AND IBIS' INDEPENDENCE

SUN INTERNATIONAL

Sun International is responsible for preparing their Integrated Annual Report and for the collection and presentation of sustainability information within the report.

Sun International is also responsible for maintaining adequate records and internal controls that support the reporting processes.

IBIS

IBIS' responsibility is to the management of Sun International alone and in accordance with the scope of work and terms of reference agreed with Sun International.

IBIS applies a strict independence policy and confirms its impartiality to Sun International in delivering the assurance engagement.

ASSURANCE SCOPE

The scope of the subject matter for moderate assurance in accordance with the AA1000AS assurance standard, as captured in the agreement with Sun International is set out below:

SUBJECT MATTERS IN THE ASSURANCE SCOPE

- Adherence to the AA1000AP (2018) AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact
- Sun International's alignment with the GRI Standards reporting requirements
- The following selected disclosures relating to material sustainability risks and opportunities for South Africa:
- Sun International's compliance with the principles contained within the King IV™ Report on Governance for South Africa 2016 and the King Code of Governance Principles (collectively, King IV)

ENVIRONMENTAL:

- Total direct and indirect consumption of energy
- Total Scope 1 greenhouse gas (GHG) emissions
- Total Scope 2 greenhouse gas (GHG) emissions
- Total volume of freshwater withdrawal
- Total volume of water discharged
- Total volume of general waste to licenced landfill
- Total volume of general waste recycled
- Total volume of hazardous waste to licenced landfill
- Total volume of hazardous waste recycled

SAFETY:

- Total person hours worked
- Lost Time Injury Frequency Rate (LTIFR)
- Total recordable Injury Frequency Rate (TRIFR)
- Total Injury Frequency Rate (TIFR)
- New cases of noise-induced hearing loss (NIHL)
- New cases of occupational diseases (other)

SOCIAL:

- SED budget spent as per the B-BBEE requirement of 1% NPAT
- CSI Spend (in kind non-monetary and monetary value spend)

IBIS

ASSESSMENT CRITERIA

The following assessment criteria were used in undertaking the assessment:

AA1000AP (AccountAbility Principles)	Sun International Sustainability Manual	Global Reporting Initiative (GRI) Standards	King IV™ Principles
AA1000AP (2018) AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact	Operational Sustainability Manual that specifies definitions, reporting processes, controls and responsibilities	Alignment with GRI Standards reporting requirements	King Report on Governance for South Africa and the King Code of Governance Principles

ASSURANCE PROCEDURES PERFORMED

Our assurance methodology included:

Reviewing	Interviewing	Inspecting	Assessing	Reporting
Desktop reviews of Flamingo, Carnival City, Maslow Time Square, Meropa and Central Office, which involved testing, on a sample basis, the measurement, collection, aggregation and reporting processes in place.	**Interviews** with relevant functional managers at Central Office and units to understand and test the processes in place for maintaining information in relation with the subject matters in the assurance scope.	**Inspection and corroboration** of supporting evidence to evaluate the data generation and reporting processes against the assurance criteria.	**Assessing** the presentation of information relevant to the scope of work in the Integrated Annual Report for consistency with the assurance observations.	**Reporting** the assurance observations to management as they arose to provide an opportunity for corrective action prior to completion of the assurance process.

ENGAGEMENT LIMITATIONS

IBIS planned and performed the work to obtain all the information and explanations believed necessary to provide a basis for the assurance conclusions for a moderate level of assurance in accordance with AA1000AS.

The procedures performed in a moderate assurance engagement vary in nature from, and are less in extent, than for a high assurance engagement. As a result, the level of assurance obtained for a moderate assurance engagement is lower than for high assurance as per AA1000AS.

Due to the global Covid-19 pandemic related travel restrictions and risks, all assurance work was desktop based. Evidence to support information reported for the sampled units was obtained electronically for review and assessment as a basis for our assurance conclusion. It should be noted that international operations outside of South Africa were excluded from the assurance engagement scope.

ASSURANCE CONCLUSION

In our opinion, based on the work undertaken for moderate assurance as described, we conclude that the subject matters in the scope of this assurance engagement have been prepared in accordance with the defined criteria and are free from material misstatements.

KEY OBSERVATIONS AND RECOMMENDATIONS FOR IMPROVEMENT

Based on the work set out above, and without affecting the assurance conclusion, the key observations and recommendations for improvement are set out below.

IN RELATION TO AA1000AP (2018)

Inclusivity: Sun International has followed formal board-approved stakeholder engagement processes during the reporting period. Evidence observed pointed to inclusive stakeholder engagement where collective decision-making is performed. Through the group's stakeholder engagement process, Sun International annually assesses their stakeholder universe. Stakeholder engagement processes are formalised through the group Community & Stakeholder Engagement (C&SE) Policy and guided by the C&SE Standard Operating Procedure (SOP). The risk committee and social and ethics committee provide oversight of the group's stakeholder engagement and are responsible for keeping the board abreast of material matters arising. In addition, all stakeholder matters are reviewed and discussed at the Sustainability Committee meeting. Sun International's stakeholder engagement was more robust and more frequent during 2020 to ensure all stakeholders were kept informed of Sun International's Covid-19 protocols and re-operating procedures.

Materiality: Evidence observed confirmed that Sun International has followed a comprehensive process in mapping and disclosing its material stakeholder matters in a transparent and balanced manner. Sun International conducts a full and detailed review of the group's material matters every three years, which include a full 360 review. In 2020, Sun International's material matters were reviewed and reassessed by the board, executive and senior management to align with the evolving operating environment. The Integrated Annual Report sets out matters of concern to key stakeholders, mitigating actions as well as associated risks and opportunities.

Responsiveness: Sun International's responses to stakeholder issues observed across different stakeholder groups and case studies sampled indicate a high level of accountability to stakeholder issues raised. Responses to stakeholders were found to be directly related to the stakeholder concerns and were conducted in a timely, fair, and appropriate manner without prejudice to any one stakeholder group. There are dedicated platforms for engagement for each stakeholder group, but not necessarily a formal overarching platform for recording and tracking of engagement with all stakeholders.

Impact: Sun International reports on a range of material environmental, social and governance topics based on its ongoing monitoring, measurement, and evaluation of its impacts; both qualitatively and quantitatively. The Sun International board embraces the United Nations' Sustainable Development Goals (SDGs). Based on where Sun International can have the most impact, six of the SDGs that align with Sun International's strategy have been prioritised, adopted, and reported on for 2020, demonstrating Sun International's impact related to the relevant topics. It is recommended that Sun International continue to report on the progress against the select SDGs as well as monitor and measure the social changes that result from Sun International's activities and the long-term impacts on its stakeholders and on Sun International's business itself.

IN RELATION TO SUN INTERNATIONAL'S ALIGNMENT WITH THE GRI STANDARDS

Although Sun International does not claim reporting to any GRI reporting option, a review of the report against the GRI Standards indicated alignment with the GRI Standards reporting requirements.

IN RELATION TO SUN INTERNATIONAL'S ALIGNMENT WITH KING IV™ AND THE JSE LISTING REQUIREMENTS RELATED TO PUBLIC REPORTING

Evidence observed during interviews with the Company Secretary as well as inspections of Board minutes, policy, and other related documents, confirmed due application of King IV™ as reported, as well as the JSE Limited Listings Requirements related to public reporting.

IN RELATION TO THE SELECTED DISCLOSURES

It was observed that appropriate measures are in place to provide reliable source-data related to the selected disclosures assessed. The general control environment for sustainability information continues to improve through the use of the group sustainability manual, which is intended to ensure consistent interpretation of definitions across the group and provide guidance on the implementation of key internal controls. Data inconsistencies identified during the assurance process were subsequently corrected and IBIS is satisfied with the accuracy of the final data in the assurance scope.

A comprehensive management report detailing specific findings and recommendations for continued sustainability reporting improvement has been submitted to Sun International management for consideration.

Petrus Gildenhuys

Director, IBIS ESG Africa (Pty) Ltd

AA1000
Licensed Assurance Provider
000-156

Johannesburg, 23 March 2021

Johannesburg

1st Floor, Acacia Building
The Avenue Office Park
45 Homestead Road, Rivonia
Johannesburg, 2191

Nairobi

5th Floor, Western Height
Karuna Road
Westlands
Nairobi, 00100

Singapore

9 Raffles Place
26 -01 Republic Plaza
Singapore, 048619

www.ibisconsulting.com

CORPORATE DATA AND ADMINISTRATION

SUN INTERNATIONAL LIMITED

Incorporated in the Republic of South Africa
Registration number: 1967/007528/06
JSE share code: SUI
ISIN: ZAE000097580

COMPANY SECRETARY AND REGISTERED OFFICE

Company secretary: AG Johnston
6 Sandown Valley Crescent
Sandton
2196
(PO Box 784487, Sandton 2146)

SPONSOR

Investec Bank Limited
(Registration number 1969/004763/06)
2nd Floor
100 Grayston Drive
Sandton
2196
(PO Box 785700, Sandton, 2146)

AUDITORS

PricewaterhouseCoopers Inc.
4 Lisbon Lane
Waterfall City
Jukskei View
2090
South Africa
Telephone: +27 (0)11 797 4000
Telefax: +27 (0)11 797 5800

CAPITAL LENDERS

Banks

- ABSA Bank Limited
- Investec Bank Limited
- Nedbank Limited
- Rand Merchant Bank (a division of FirstRand Bank Limited)
- Standard Bank of South Africa Limited

Institutions

- Sanlam

Transactional bankers

- Nedbank
- Standard Bank
- ABSA

CORPORATE LAW ADVISOR

Cliffe Dekker Hofmeyr Inc.
(Registration number: 2008/018923/21)
1 Protea Place
Sandton
2196
(Private Bag X40, Benmore 2010)
Telephone: +27 (0)11 562 1000
Telefax: +27 (0)11 562 1111

REGISTERED OFFICE

6 Sandown Valley Crescent
Sandton
2196
(PO Box 782121, Sandton, 2146)
Telephone: +27 (0)11 780 7000
Telefax: +27 (0)11 780 7716

RESERVATIONS AND NATIONAL SALES

Telephone: +27 (0)11 780 7810

INVESTOR RELATIONS

Telephone: +27 (0)11 780 7762

SUN INTERNATIONAL LIMITED
(Incorporated in the
Republic of South Africa)
Registration number: 1967/007528/06
Share code: SUI
ISIN: ZAE 000097580
("Sun International" or "the company")

www.suninternational.com