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ABOUT THIS REPORT

We are pleased to present Sun International Limited's (Sun International) 2021 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 in making 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 for the year under review. This report covers the financial period 1 January 2021 to 31 December 2021 and incorporates all Sun International's subsidiaries and operating units in the geographic locations where we operate – South Africa and Nigeria. For reporting scope purposes, we have only detailed our South African operations' information in this report and not our Nigerian operations, as they are not material to the scope.

Our operating environment in the tourism and entertainment industry continues to be impacted by the Covid-19 pandemic, with lockdowns at various alert levels and several Covid-19 waves experienced during 2021. These Covid-19 impacts are discussed in various sections throughout this report. Our integrated thinking, regular stakeholder engagement, risk and opportunity identification, capital resource prioritisation and the ability to take decisive action proved to be imperative during these challenging times. Our strategic progress, driven through our business model, continues to position the group for growth opportunities and value creation over the short, medium and long term.

This report is structured around our leadership message, value creation, our sustainability performance and outlook and our governance transparency and accountability. The other suite of reports include 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 2022. 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 sustainable value for its stakeholders 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 South African gaming operations are the group's single biggest revenue contributor and primary revenue generator.

REPORTING SUITES, REPORTING FRAMEWORKS, PROCESS AND ASSURANCE

The group's suite of reports is guided by various frameworks as depicted below. Our ESG report is guided by the Global Reporting Initiative (GRI) Standards, with certain information externally assured by Integrated Reporting and Assurance Services (IRAS). 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. A detailed register of our King IV™ application of governance principles is available in this report.


Suite of reports and reporting frameworks

 <https://suninternational.onlinereport.co.za/2021/>



INTEGRATED ANNUAL REPORT

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

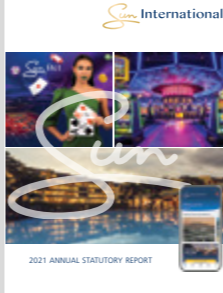


ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- ✓ Companies Act
- ✓ King IV™
- ✓ JSE LR
- ✓ SDGs
- ✓ GRI
- ✓ AA1000AS

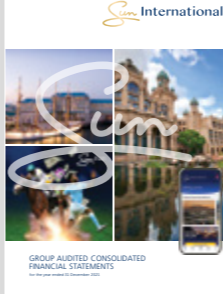
ANNUAL STATUTORY REPORT

- ✓ Companies Act
- ✓ King IV™
- ✓ JSE LR

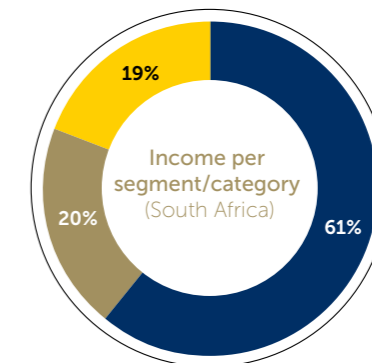
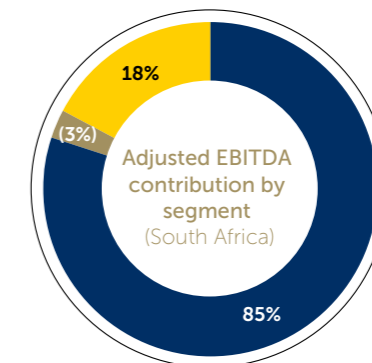


GROUP AUDITED CONSOLIDATED FINANCIAL STATEMENTS

- ✓ IFRS
- ✓ Companies Act
- ✓ JSE LR
- ✓ KING IV™



SOUTH AFRICAN SEGMENTAL CONTRIBUTION TO GROUP INCOME



● Casino operations
 ● Resorts and hotels
 ● Alternate gaming

Combined assurance model

Sun International's combined assurance strategy and framework ensures optimal, cost-efficient and focused assurance coverage group-wide. Our hybrid top-down and bottom-up approach, which aligns with the JSE Listings Requirements (JSE LR) and King IV outcomes, ensures adequate assurance on key business risks and processes. This model also enables an effective internal control environment and supports the integrity of information used by management and other stakeholders for internal and external decision making.








Bet responsibly with SunBet. Gambling is for 18 years and older. Winners know when to stop. Call the South African National Responsible Gambling Foundation's tollfree helpline on 0800 006 008 or WhatsApp "help" to 076 675 0710. Licensed by the Western Cape Gaming and Racing Board.

About this report *continued*

REPORTING FOOTPRINT AND NAVIGATION

Sun International continues to minimise its environmental footprint by only producing an online integrated annual report. 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 PDF report. Our interactive icons, footnotes and links below further add to the user-experience and interface.

Navigation tools

-  Content  Indicates where additional information can be found in this report
-  Previous page  Indicates where additional information can be found on our website, www.suninternational.com
-  Back
-  Next page  Indicates an email address

This report is an interactive PDF. It is best viewed in Adobe Acrobat for desktop, mobile or tablet.*



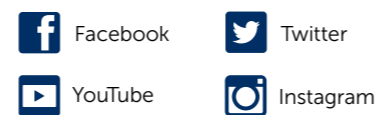
Click to download or update to the latest Adobe Acrobat Reader

* Functionality may differ according to device and app version used.

Sun International's top six SDGs



Social media



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 group.sustainability@suninternational.com

Capitals

- FC** Financial
- PC** Productive
- HC** Human
- IC** Intellectual
- SC** Social and relationship
- NC** Natural

Stakeholders

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

Strategic objectives

- SO1** Customer centricity
- SO2** Operational excellence and efficiencies
- SO3** People and culture
- SO4** Environmental, social and governance (ESG)
- SO5** Maximise shareholder value

Risks

- R 1** Weak economic conditions
- R 2** Coronavirus (Covid-19)
- R 3** Political and civil unrest
- R 4** Smoking legislation
- R 5** Increase in gaming taxes and levies
- R 6** Hospitality and tourism industry recovery and its impact on hotels and resorts
- R 7** Increased demands from stakeholders (minority shareholders, communities and local suppliers)
- R 8** Erosion of market share due to other forms of gambling
- R 9** Loss of GrandWest casino licence exclusivity
- R 10** Cyber threats and information security

LEADERSHIP MESSAGE

Environmental responsibility, social upliftment, protecting our people, ethics, trust and passion.

At Sun International we are committed to being a good, proactive corporate citizen, as is demonstrated by our environmental, social and governance (ESG) activities. We are focused on reducing our group-wide environmental footprint and investing in green solutions to become a more efficient and sustainable organisation. We are creating shared value for the communities we operate in, through preferential local procurement, socio-economic development (SED) and corporate social investment (CSI) programmes, recognising that these communities give us our social licence to operate and are integral to our sustainability. We invested R14 million and R13.1 million in SED and CSI respectively in various programmes and initiatives. Included in our CSI was R2 million that was allocated to education funding for employees and their families. Three billion rand was also invested in preferential procurement as part of the group's commitment to creating opportunities for all suppliers, particularly B-BBEE compliant small, medium and micro enterprises (SMMEs) as well as in supporting economic upliftment in our supply chain.

Our sustainability journey continues to mature as we remain abreast of global sustainability developments. During 2021, we reassessed our sustainability approach to ensure a more integrated group-wide sustainable business strategy. This includes a holistic ESG focus, allowing us to measure, monitor and evaluate our contribution towards minimising our impact on the natural and social environments we operate in, while ensuring sustainable value creation for all our stakeholders.

Our group strategy stood us in good stead over the past two years. This strategy included our five 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 and our people. During 2021, our strategic objectives were refreshed to align with our current operating environment and strategic outlook.

These strategic objectives are:

CUSTOMER CENTRICITY


OPERATIONAL EXCELLENCE AND EFFICIENCIES

PEOPLE AND CULTURE

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

MAXIMISE SHAREHOLDER VALUE

While ESG is a standalone objective, these ESG elements are encompassed within all our other strategic objectives.

 Our ESG strategic progress is detailed in this report on pages 19 to 49.

We have set out an ENVIRO-AMBITION 2025 strategy to help us lead sustainable environmental management in the hospitality sector. It is an approach with clear key performance indicators (KPIs), mechanisms and measurements for realising new environmental initiatives that mitigate the natural resource challenges that the group and South Africa faces. This includes concerns like a sustainable energy supply and rising energy costs, water quality and availability, and increasing concerns around the shortage of certified waste facilities. Our ambition inherently considers the group's larger sustainability strategy, the United Nations' Sustainable Development Goals, and global best practices like the Task Force on Climate-related Financial Disclosures.

Our people are the heart of our business and continue to go above and beyond the call of duty during this challenging Covid-19 period. They are the primary interface with our guests and customers and are the custodians of memorable guest experiences. To find and retain the right talent, we implement programmes designed to enhance diversity,

inclusion and professional development.

Sun International's SunWay culture and employee value proposition (EVP) continues to embed the group's culture as well as attract and retain top-performing employees.

The health, safety and wellbeing of our employees and guests continues to be a key focus area for the group and encouragingly there were no fatalities for the year under review. We continued to mitigate the impact of the Covid-19 pandemic through industry-leading interventions aligned with global best practice and local legislation. Our vaccination strategy includes a vaccination policy that focuses on a voluntary vaccination approach, with the vaccination rollout plan encouraging employees to have the Covid-19 vaccination and booster. Sadly, ten employees lost their lives to Covid-19 in 2021. We extend condolences to all their family and friends during this difficult time.

The board remains committed to promoting an ethical culture from the top as well as to actively engaging stakeholders. We embrace the governance pillars of integrity, responsibility, fairness, transparency, honesty and accountability for all stakeholders, which assist in preserving our long-term sustainability so we can create stakeholder value.

We are proud of how Sun International has made it through the last two years. Our focus is now on the future and the prospects of renewed growth. We thank our people for their role in overcoming the immense challenges we faced in helping us regain our momentum.

SAM SITHOLE
Chairman

31 March 2022

ANTHONY LEEMING
Chief executive

31 March 2022

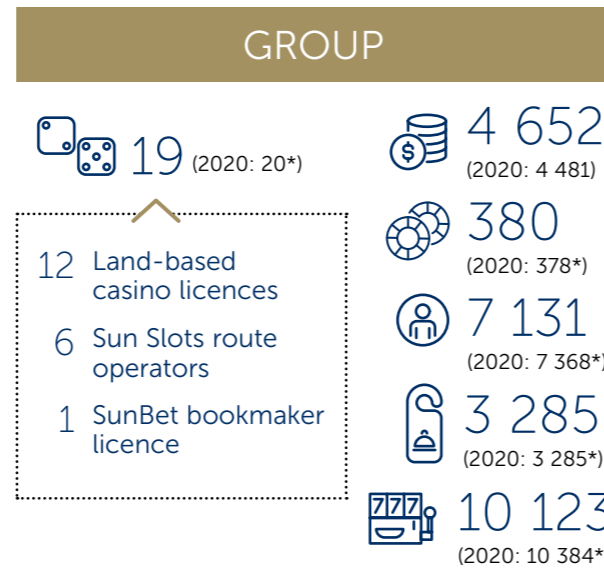
"Our holistic ESG focus allows us to measure, monitor and evaluate our contribution towards minimising our impact on the natural and social environments we operate in, while ensuring sustainable value creation for all our stakeholders."



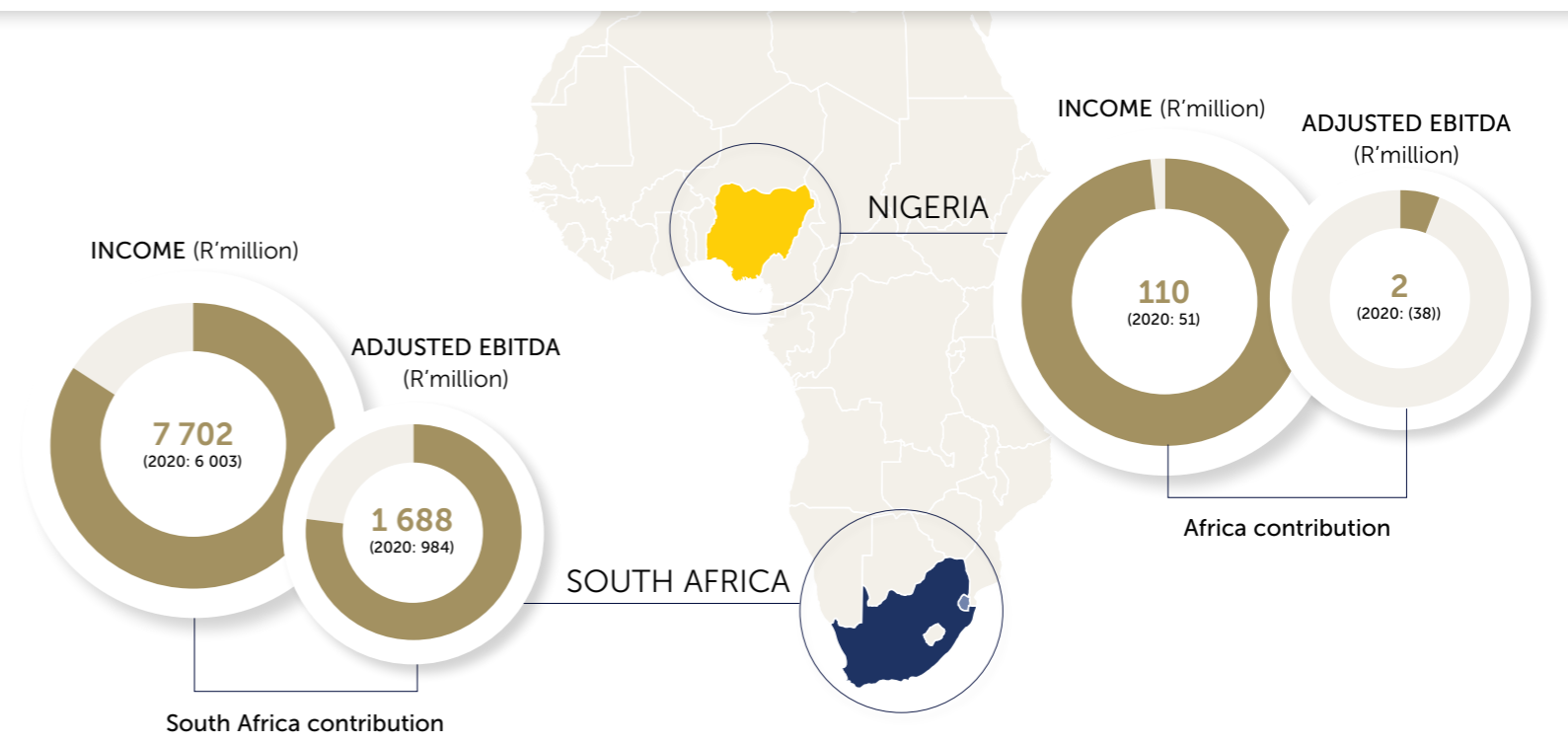
OUR PRESENCE AND GROUP STRUCTURE

Sun International is an international hotel, casino and entertainment company that has a presence in South Africa and Nigeria.

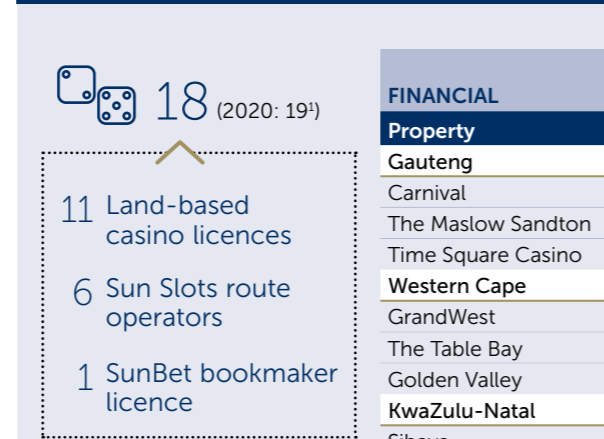
Casino operations, including alternate gaming, contributes the largest share of group revenue at R6 254 million (80%) with hospitality contributing R1 558 million (20%).



* Restated numbers exclude eSwatini.



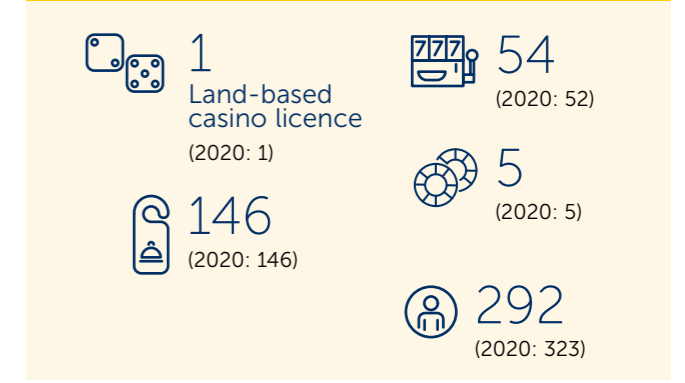
SOUTH AFRICA



FINANCIAL	Economic interest (%) ²	Slots*	LPMs*	Tables*	Rooms	Employees
Property						
Gauteng						
Carnival	91	1 400	-	43	105	619
The Maslow Sandton	100	-	-	-	281	111
Time Square Casino	82	1 721	-	60	238	774
Western Cape						
GrandWest	62	2 320	-	82	39	900
The Table Bay	62	-	-	-	329	230
Golden Valley	61	227	-	6	98	148
KwaZulu-Natal						
Sibaya	87	1 287	-	50	154	629
Limpopo						
Meropa	68	400	-	17	60	147
North West						
Sun City	100	700	-	51	1 299	1 581
Northern Cape						
Flamingo	71	300	-	7	-	122
Eastern Cape						
Boardwalk	82	763	-	26	140	381
Wild Coast Sun	50	550	-	18	396	407
Free State						
Windmill	70	401	-	15	-	137
Alternate gaming						
Sun Slots	70	-	4 652	-	-	226
SunBet	100	-	-	-	-	56
Management						
Sun International Management	100	-	-	-	-	371
Total		10 069	4 652	375	3 139	6 839

* 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.
 1 Licences include 12 South African land-based casinos, 6 Sun Slots route operators and 1 SunBet bookmaker licence.
 2 Economic interest excludes the interest held by the Sun International Employee Share Trust (SIEST).

NIGERIA



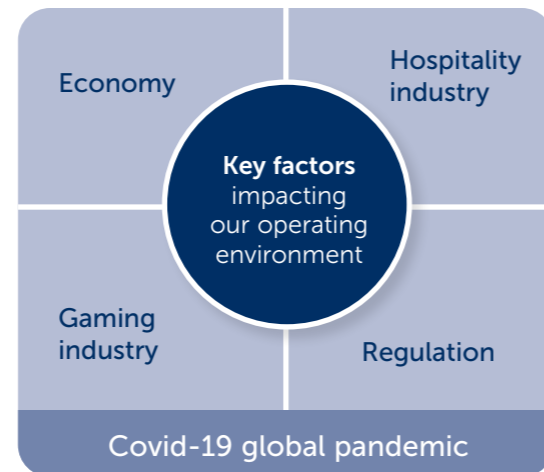
SUSTAINABILITY METRICS

WATER CONSUMPTION (kl) 3 260 467 (2020: 3 110 231)	ENERGY CONSUMPTION (kWh) 185 172 531 (2020: 162 283 056)
WASTE (kg) 4 462 461 (2020: 4 296 011)	LOST TIME INJURY FREQUENCY RATE 0.76 (2020: 0.58)
SED SPEND (RAND) 14 018 662 (2020: 18 578 174)	TOTAL INJURY FREQUENCY RATE 7.02 (2020: 7.05)

B-BBEE LEVEL 3 (2020: 1)
 Due to the impact of Covid-19 on our operations, our scores under skills development and enterprise and supplier development B-BBEE pillars dropped. This resulted in an overall B-BBEE ratings level drop from level 1 in 2020, to level 3 in 2021.

OPERATING ENVIRONMENT

Our macro-operating environment continues to be influenced by external and internal factors that are not always under our control. These factors include economic, regulatory and industry trends in South Africa as well as the Covid-19 global pandemic that continues to impact our entire operating environment. This operating environment constantly informs and shapes our strategy as we adapt to these trends and navigate our way forward.



ECONOMY

Impact in 2021

Global growth projections are more positive at 4.4% (2020: -3.5%) as economies rebound from the Covid-19 pandemic impact. The International Monetary Fund (IMF) is forecasting a GDP growth of 1.9% in 2022 for South Africa as the economy struggles to rebound, exacerbated by the Covid-19 pandemic, civil unrest in July 2021, low investor confidence, increased inequality, power outages, failing infrastructure, increasing debt levels and high unemployment levels.

Personal disposable income remains under severe pressure, resulting in less disposable income allocated to leisure and entertainment spend.

Group response

- Ongoing cost efficiencies and optimisation
- Reduced debt levels
- Controlled capital allocation
- Disposal of non-core assets

Outlook

We anticipate that the economic environment will remain challenging, however we are optimistic that with our various cost saving and efficiency initiatives implemented, the group will recover and resume delivering strong returns to shareholders. Our alternate gaming strategy is anticipated to continue on a strong growth trajectory and is a key focus area for the group.

COVID-19 GLOBAL PANDEMIC

Impact in 2021

The Covid-19 pandemic continued to impact the group's revenues as our units were operating under significant and varied lockdown restrictions.

Group response

- Cost optimisation
- Business interruption insurance claim [Page 10](#)
- Reduced debt levels

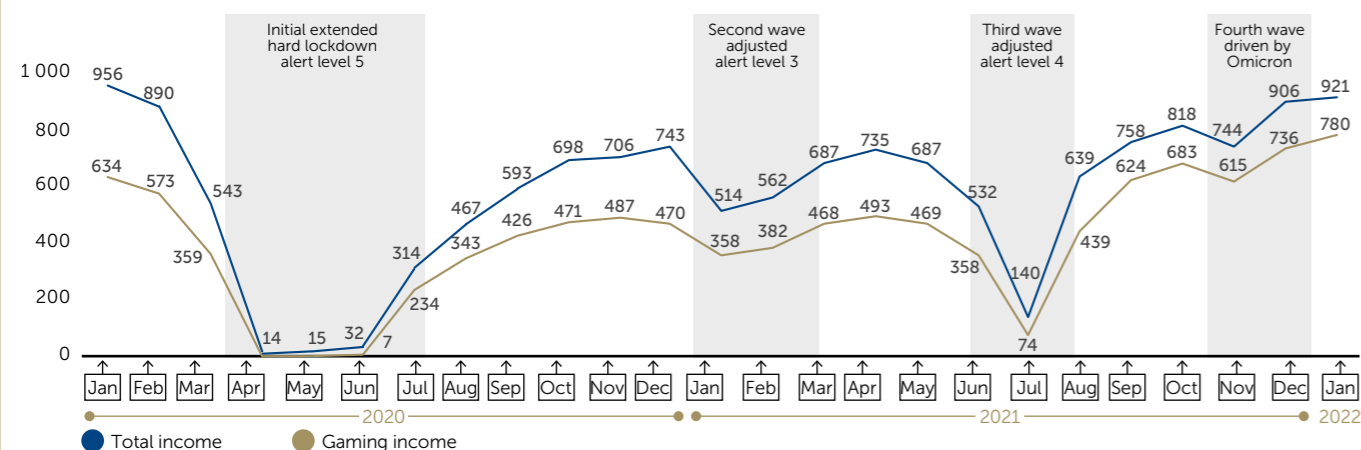
- Improved liquidity position
- Controlled capital allocation
- Implemented a group vaccination strategy [Page 29](#)
- Compliance with Covid-19 legislation

Outlook

The Covid-19 pandemic, coupled with the ongoing restrictions imposed on business activities, will continue to have an impact on the group's trading results and will take time to recover. Encouragingly, the rollout of South Africa's vaccination programme and a reduction in infection rates over time, will result in a more stable operating environment, positive sentiment and improved trading conditions.

KEY FACTS

Income trend (R million)



KEY FACTS

Real GDP and inflation rate

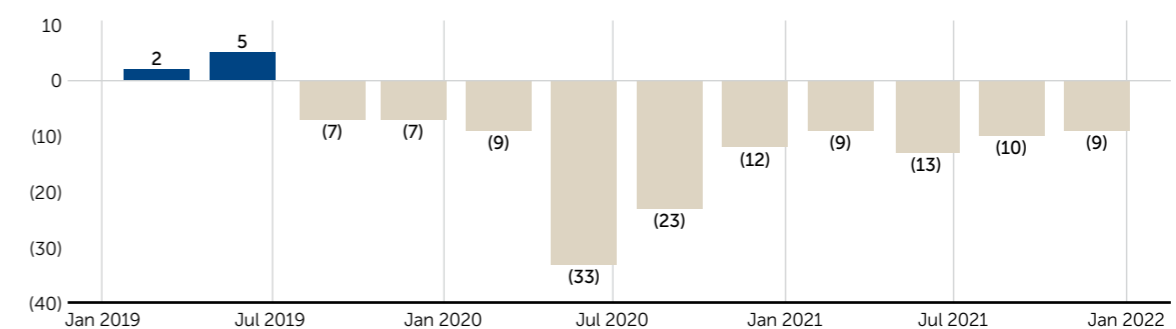
South Africa	2018 %	2019 %	2020 %	2021 %
GDP	0.8	0.2	-7.5	2.8
Inflation	4.6	4.1	3.3	3.9
Unemployment	26.9	28.5	32.5	34.4

GDP and inflation source: IMF's World Economic Outlook October 2021 and January 2022. Unemployment statistics source: Statistics South Africa (Stats SA).

Checking the pulse of consumer confidence

The Bureau for Economic Research (BER) Consumer Confidence Index covers 2,500 households in metropolitan areas, cities, towns and villages. The survey is made from personal at-home interviews and assesses general economic outlook, household's economic condition and major spending purposes. The index is computed as the difference between the share of respondents expecting an improvement from the percentage expecting a deterioration. The indicator varies on a scale of -100 to 100; a value of -100 indicates extreme lack of confidence, 0 neutrality and 100 extreme confidence.

Operating environment



Operating environment *continued*

REGULATION

Impact in 2021

The group operates in a complex regulatory environment. Critical legislation impacting on our business is listed below.

Further information on regulatory risk is provided on pages 12, 13 and 14.

LEGISLATION	STATUS IN 2021
Smoking legislation: The Draft Control of Tobacco Products and Electronic Delivery Systems Bill 2018	Still in draft with no further developments.
Gaming taxes, fees and levies: Amendments to Gauteng, KwaZulu-Natal (KZN), Western Cape and North West gaming levies	The Casino Association of South Africa (CASA) is opposing the matter – no change in 2021.
SunWest exclusivity: The Western Cape Twentieth and Twenty-First Gambling and Racing Amendment Bills	Western Cape High Court ruled on 2 July 2021 and ordered the WCGRB to consider applications to relocate casinos in the Western Cape. However, the court suspended its declaration for one year until the end of June 2022. Sun International will have an opportunity to comment on any relocation applications.
Protection of Personal Information Act (POPIA) and General Data Protection Regulation (GDPR)	We have formalised the appointment of our privacy information officer and established key processes to govern our information office. We have enhanced our control environment to ensure compliance to the conditions of the Act.

Group response

Ongoing monitoring by compliance department

Regular submissions to government with Sun International's views on proposed regulation

Ongoing engagement with regulatory bodies

Outlook

Sun International continues to monitor regulatory developments, engage relevant regulatory bodies and mitigate relevant legislative risks.

KEY FACTS

The Department of Trade and Industry (dti) authorises the issuing of casino licences. In 2015 the dti increased the number of South African casino licences from 40 to 41, which is under appeal.

The National Gambling Board (NGB) oversees the regulation of South Africa's gaming industry.

41 authorised casino licences in South Africa, and

39 have been issued. Each province has its own gaming legislation and provincial licensing authority.

GAMING INDUSTRY

Impact in 2021

South Africa's casino industry continues to be significantly impacted by the National State of Disaster regulations imposed due to Covid-19. Depending on lockdown levels and curfews imposed, units' activities were either closed or restricted. Consumers' disposable income was also constrained due to financial uncertainty, high unemployment and other socio-economic factors. This was over and above pressures from the stagnant economy.

Group response

Enhanced Most Valued Guest (MVG) loyalty programme

Focus on online gaming strategy (SunBet)

Sun Slots well positioned for further growth in South Africa

New online gaming products offered – Lucky Numbers, Bet Games, Virtual Games, Live Games

Appointed an expert board director, Nigel Payne from the UK

Outlook

While lockdown and economic challenges are likely to remain into the foreseeable future, the group is well positioned to continue growing in the gaming business, with a focus on Sun International's online gaming strategy (SunBet and Sun Slots).

KEY FACTS

Alternate gaming

SunBet by the numbers 2021

UNIQUE ACTIVE CUSTOMERS

33 036 up 41%

Sun Slots by the numbers

GAMING INCOME

R1.2 billion

TURNOVER

R3.1 billion up 78%

GAMING INCOME

R182 million up 33%

4 652 LPMs ACROSS 891 SITES

Available in four provinces: Gauteng, KwaZulu-Natal, Mpumalanga and the Western Cape

HOSPITALITY INDUSTRY

Impact in 2021

South Africa had a slow start to the year with the Covid-19 second wave peaking in January 2021. Occupancies slowly started to recover; however, lockdown restrictions were tightened again from June 2021 as the country entered the third wave. Approximately 10% of hotels had closed over the July level 4 lockdown period as leisure travel to and from Gauteng was restricted and casinos could not operate. With the restrictions being lifted from end July, we saw an increase in occupancies. However, with the new variant (Omicron) identified, South Africa was again included on international countries red lists, which severely impacted the traditional December holiday influx of international tourists. With these bans only lifted at the end of December 2021 and early January 2022 we are hopeful that there will be an uptick in international tourism during 2022.

Outlook

As the harsh travel bans imposed on South Africa over December 2021 were lifted, our hotels remain well placed to host all guests (local and international) and ensure safe and memorable experiences.

Sun International received board approval for the expansion of the Sun City Sun Vacation Club, with the development of an additional 258 units in a phased development.

KEY FACTS

Tourism industry recovery post Covid-19

International travel is not expected to recover to 2019 levels until 2023/2024

Leisure travel to be at 75% – 100% of 2019 with resorts higher than city leisure travel

Global travel and tourism trends in 2022

Eco travel – conserving energy and 'going green' is gaining traction

Bleisure trend – work from home in your hotel

Experiential holiday – authentic local experiences focused on wellness (retreats)

Group response

Implemented a new website booking engine

Joined the Global Hotels Alliance – world's largest alliance of independent hotel brands network

Implemented a group vaccination strategy

Page 29.

Focus on local leisure while international travel starts to rebound

Strong focus on sports and events at resort properties

Continued to focus on cost optimisation

South African market recovery

Self-catering/timeshare products in demand

Travellers are choosing more environmentally friendly hotel options

Conferencing recovery in 2022

Events industry recovery only in late 2022

BUSINESS MODEL

Our business model operates in a dynamic environment. Sun International uses the six capital resources through our business activities, which results in outputs and outcomes that either lead to value creation, preservation or erosion over time.

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.

<p>FC Our source of funds includes debt and equity, which we use for business operations including running costs, property refurbishments and maintenance and strategic acquisitions.</p>	<ul style="list-style-type: none"> Debt Equity
<p>PC 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.</p>	<ul style="list-style-type: none"> 14 Properties Unused land
<p>SC Our guests, shareholders, employees, communities, gambling boards, government and regulators are key stakeholders. We actively engage and manage these stakeholder relationships to promote a shared value proposition.</p>	<ul style="list-style-type: none"> Key stakeholders Page 15
<p>HC Our people are the primary interface with our guests and the custodians of the memorable experience we strive to offer our guests.</p>	<ul style="list-style-type: none"> 7 131 Employees Experienced board Employee wellness programme Page 26
<p>IC 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.</p>	<ul style="list-style-type: none"> Gaming licences Respected brand and reputation IT systems
<p>NC Our business activities depend on natural resources, particularly land, water and energy. Some of our properties are in pristine environments rich in biodiversity, which we protect and preserve.</p>	<ul style="list-style-type: none"> Resources – land, energy and water Fauna and flora at our pristine properties

BUSINESS ACTIVITIES AND OUTPUTS

Our business activities draw on the various capital resource inputs and convert these into our activities and outputs – **gaming, resorts and hotels**, which are supported by various central service functions. Our business support function also leads innovation and technology, to optimise the use of digitisation and technology in our customer centric environment.



OUTCOMES

Our business model culminates in specific stakeholder outcomes that have far-reaching impacts on the economies and societies where we operate. We strive to create stakeholder value and manage capital trade-offs responsibly.

		Stakeholders impacted
FC	R1.7 billion normalised adjusted EBITDA (2020: R936 million)	Value created (Person icon)
	R117 million net profit after tax (2020: loss of R817 million)	Value created (Person icon)
	Strong cash flow generation	Value created (Hand icon)
	Share price 105 cents (2020: loss of 1 045 cents)	Value created (Hand icon)
PC	R586 million capital expenditure	Value eroded (Hand icon)
	Ongoing refurbishments at properties	Value eroded (Hand icon)
SC	Level 3 B-BBEE rating (2020: Level 1)	Value preserved (Person icon)
	R30.7 million invested in supplier development (2020: R30.9 million)	Value eroded (Hand icon)
	R8.3 million committed to enterprise development (2020: R6.9 million)	Value eroded (Hand icon)
	R14 million invested in SED (2020: R18.6 million)	Value eroded (Hand icon)
	R13.1 million invested in CSI contributions (2020: R7.1 million)	Value eroded (Hand icon)
	Significant tax contribution R1.7 billion (2020: R1.2 billion)	Value eroded (Hand icon)
HC	Training and development – R52 million (2020: R39 million)	Value eroded (Hand icon)
	Employee remuneration – R1.7 billion (2020: R1.6 billion)	Value eroded (Hand icon)
	92.2% black employees (2020: 92.4%)	Value eroded (Hand icon)
	A Covid-19 workplace vaccination programme in place	Value eroded (Hand icon)
IC	10 employees succumbed to Covid-19 (2020: 3)	Value eroded (Hand icon)
	19 gaming licences (2020: 20)	Value eroded (Hand icon)
NC	Strong brand to attract customers to iconic properties	Value eroded (Hand icon)
	14% increase in electric energy usage (2020: 30% decrease)	Value eroded (Hand icon)
	5% increase in water usage (2020: 30% decrease)	Value eroded (Hand icon)
	4% increase in waste generated (2020: 43% decrease)	Value eroded (Hand icon)
	6% increase in CO ₂ emissions (2020: 35% decrease)	Value eroded (Hand icon)
	10 of our 14 properties implemented water metering in 2021	Value eroded (Hand icon)

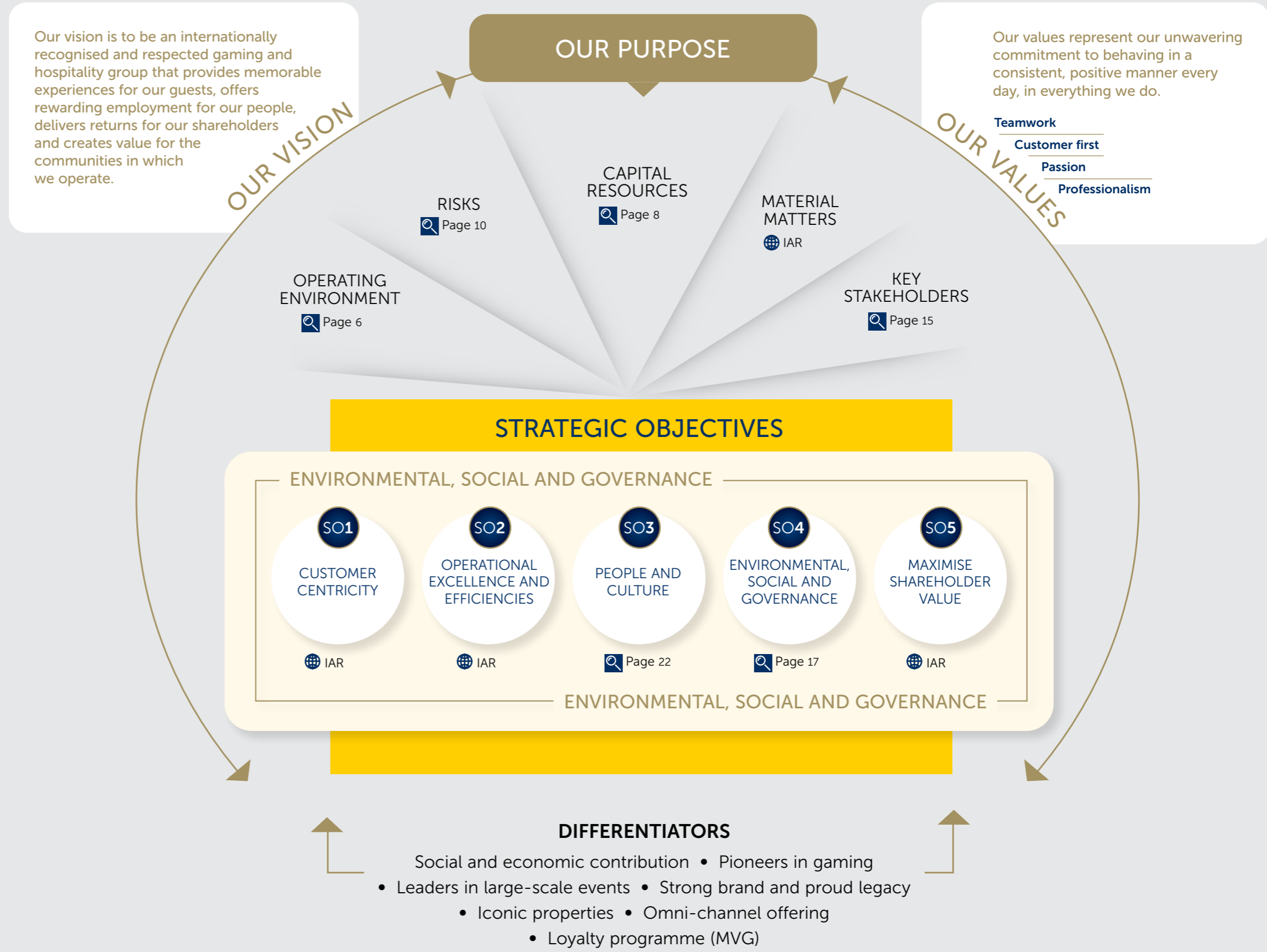
● Value created ● Value preserved ● Value eroded

Operating environment game changers: Regulation / Industry and gaming bodies / IT advancements / Society

OUR STRATEGY

Our **purpose** of creating great memories for our guests, people and stakeholders is at the heart of our strategy. Various internal and external factors influence our strategy, including our **operating environment, risks and opportunities, capital resource availability** and our **material matters**. **Key stakeholder** feedback is also pertinent to continually shaping our strategy to ensure that we remain relevant and continue to create stakeholder value.

Our **environmental, social and governance elements (ESG)** 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**.



OUR VISION

Our vision is 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.

OUR VALUES

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

- Teamwork
- Customer first
- Passion
- Professionalism

RISK MANAGEMENT

Sun International’s risk management process is focussed on identifying and minimising the impact of the key strategic, operational, financial, reputational and regulatory risks facing the business in the geographies and economic sectors in which the company operates. The process encompasses activities which are from a risk perspective value accretive as well as those activities which could potentially lead to value depreciation. The scope of the risk management process includes the consideration of internal and external factors, which could impact on the successful implementation of the group’s strategy with a focus on operating environment, trends, material matters, threats, opportunities and stakeholder engagement.

RISK APPROACH

The board is ultimately responsible for the governance of the group’s risk management process and the formulation of the group’s risk appetite and setting and monitoring risk tolerance. The board discharges its duties by mandating specific risk management duties and responsibilities to the group’s risk committee and the group’s chief executive and executive management team. The executive management are collectively responsible for the compilation and continuous review of the group’s risk register, which is tabled at each meeting of the risk committee for discussion as well as ensuring that the risk management process is inclusive and deeply embedded throughout the group.

The group considers its risks in terms of the potential likelihood of an identified risk actually occurring and its impact on the group, resulting in each risk being allocated an inherent risk rating. The potential impact is determined by considering the operational, regulatory and financial impact a risk could have on the group, while the likelihood is rated on a scale ranging from a remote to a definite possibility. Each inherent risk is considered along with the effectiveness of mitigating controls, which results in a residual risk exposure. A residual risk rating is allocated to each risk, with a detailed risk mitigation action plan with quarterly status updates and contingency plans and opportunities, to minimise or prevent the risk. Each risk is assigned to a specific executive who is responsible for implementing the mitigation measures and is held accountable for continually monitoring, mitigating where possible and reporting on progress.

Prior to the final risk committee meeting for the year, the group’s risk working committee, comprising of the executive team, senior management and other relevant invitees conduct a full review of the risk register, risk ratings and mitigation measures, for presentation to the risk committee. The risk committee ensures that the group’s approach to risk management and methodology remain relevant and that the risks included in the risk register represent the group’s risk universe. The risk committee is satisfied that the group’s 2021 risk approach was consistently applied group-wide and remains relevant and robust. The group’s risk management process and the effectiveness of risk mitigation implemented at a group and unit level are reviewed by various providers, as defined in the group’s combined assurance framework.

The group’s risk management approach stood us in good stead when addressing the Covid-19 pandemic. The executive team acted decisively and quickly in putting additional policies and protocols in place to address Covid-19. The risk committee also annually reviews the group’s insurance programme before presentation to the board for approval. The 2019/2020 programme included infectious diseases in its business interruption cover and the group was successful with a claim against its insurers receiving a substantial settlement during the year under review.

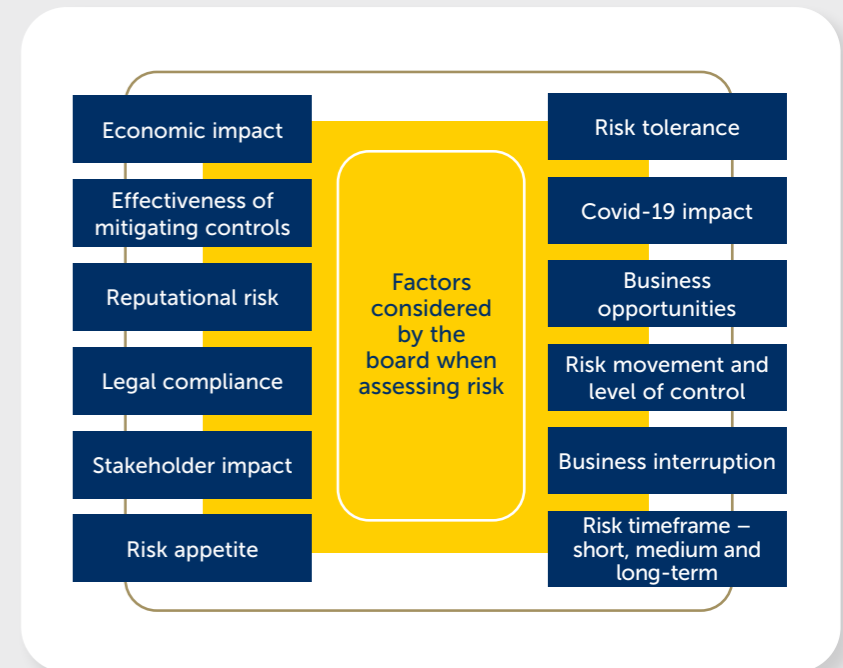
To further bolster our risk process, a dedicated group risk manager was appointed who will be responsible for supporting the leadership and management. The group will also commission a third-party independent review of the group’s risk management approach and methodology, to ensure its effectiveness and alignment with the board’s risk appetite, tolerance plus industry best practice.

COVID-19

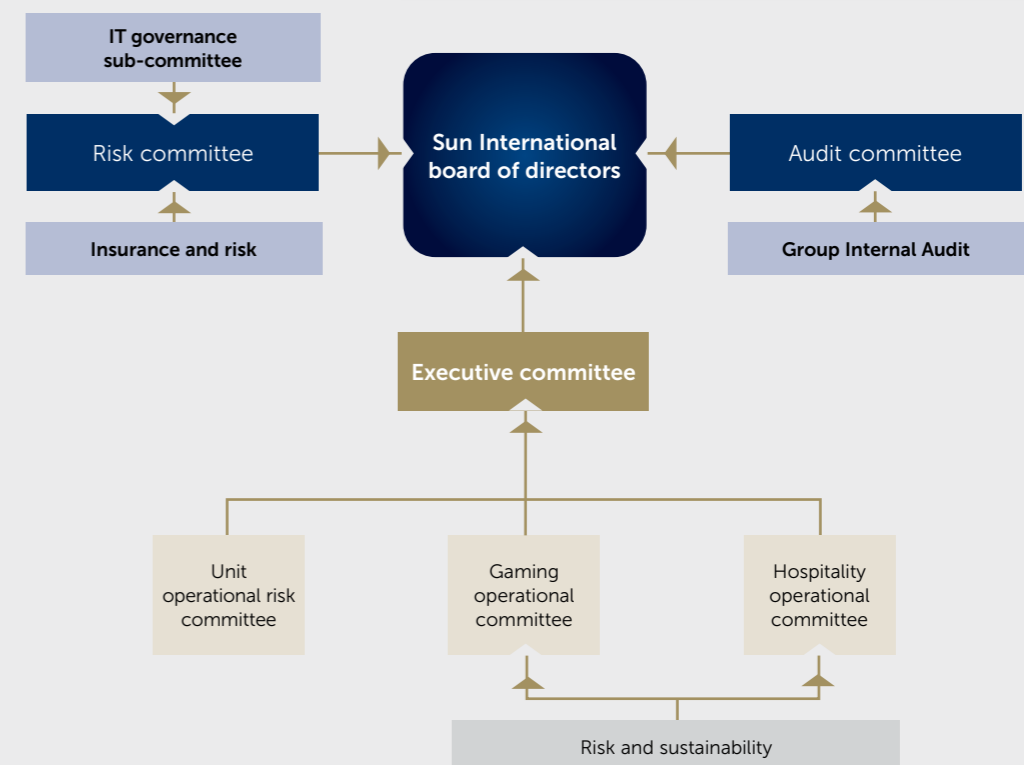
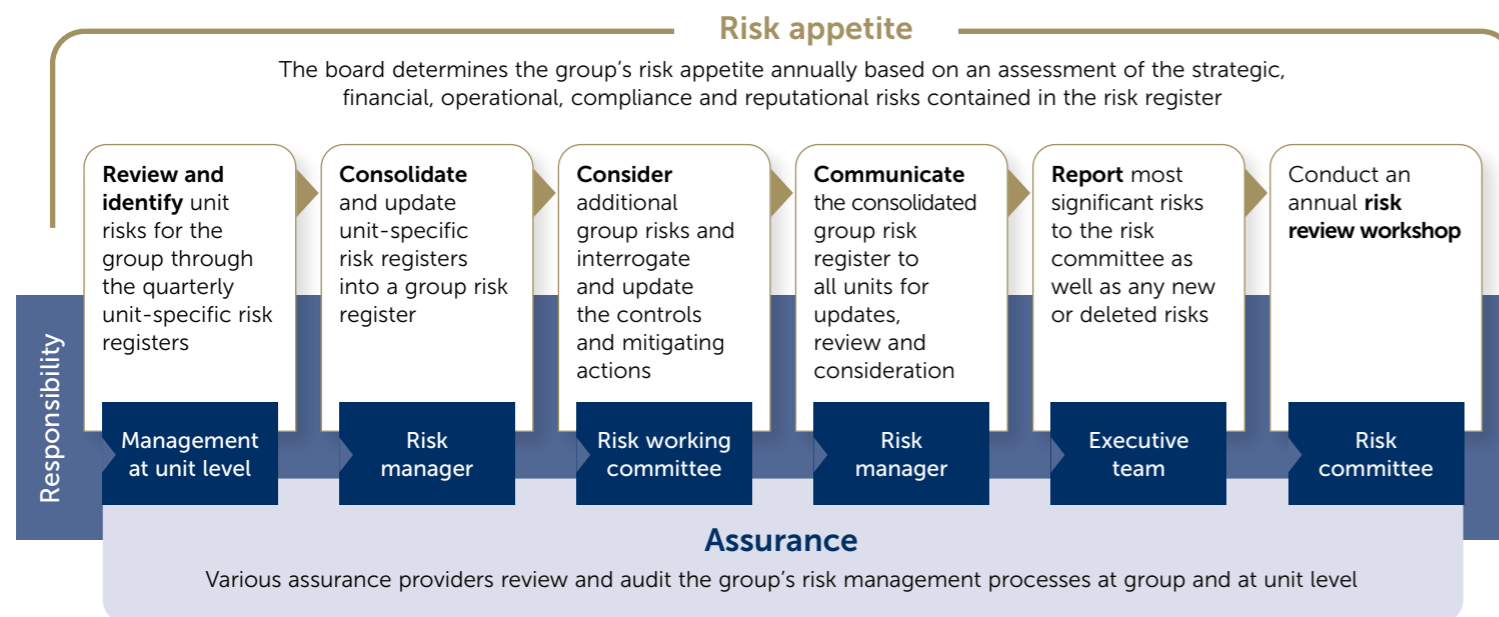
The group continues to enforce and monitor strict and disciplined Covid-19 protocols to mitigate against the risk of employees, customers and other key stakeholders contracting the virus. These protocols are benchmarked across all jurisdictions.

RISK GOVERNANCE

The risk committee chairman reports to the board following each meeting, in accordance with the committee’s terms of reference. The committee’s mandate provides that material matters are reported to the group’s audit committee to ensure the committee has appropriate insight into the group’s material risks and opportunities and to avoid duplication of matters within the remit of both committees. The board, through the audit and risk committees, considers the risks and opportunities the group may face. It also seeks the assurance of the risk committee chairman that the risks have been assessed and mitigated by management. The audit committee chairman is a member of the risk committee. The interaction between these two committees is such that the audit committee has an oversight role, specifically in relation to financial reporting risks.



RISK IDENTIFICATION PROCESS

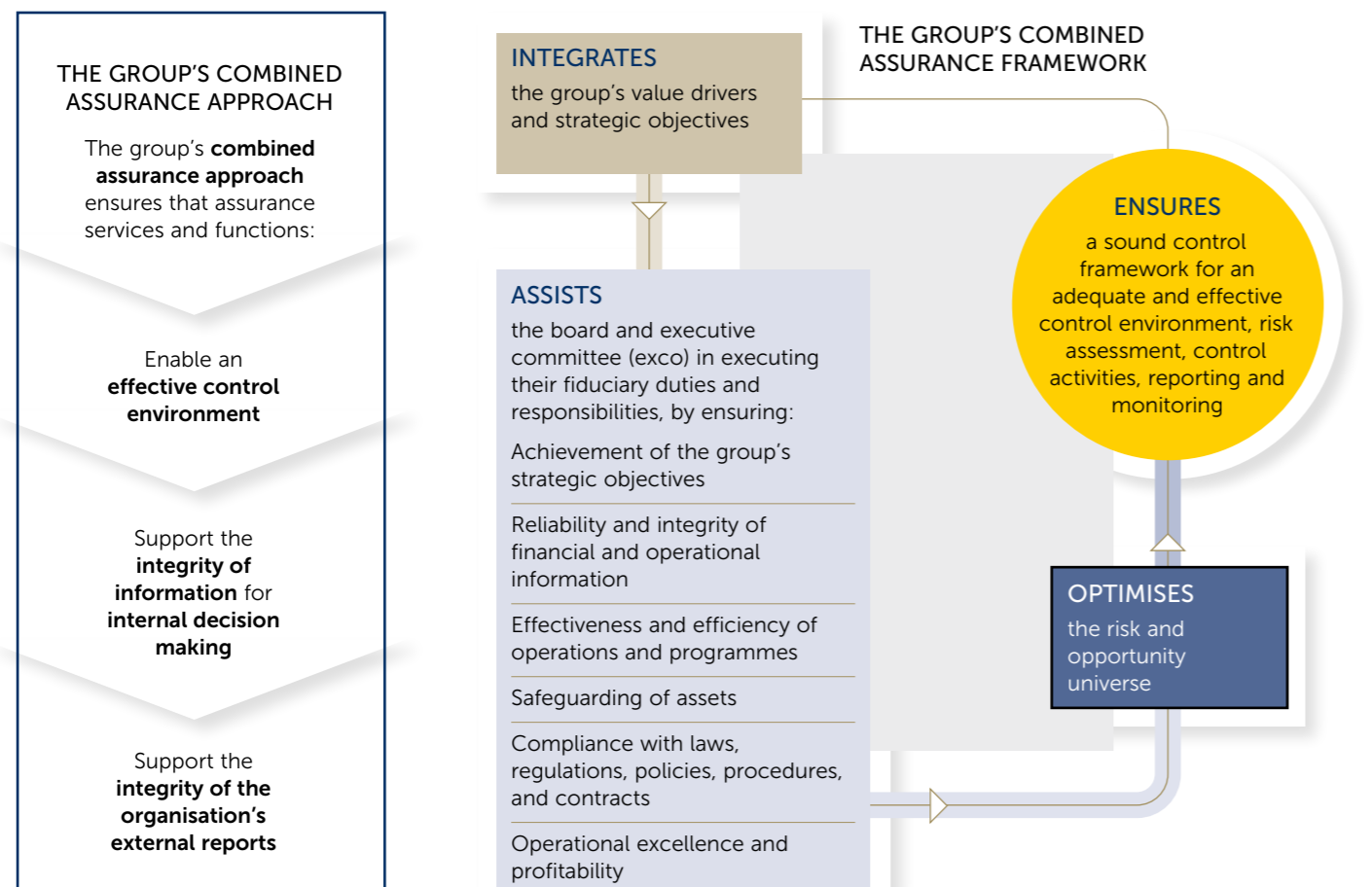


Risk management *continued*

COMBINED ASSURANCE MODEL

Philosophy and approach

Sun International’s combined assurance strategy and framework objective is to ensure optimal, cost-efficient and focused assurance coverage across the group. Our hybrid top-down and bottom-up approach, which aligns with the JSE Listings Requirements and King IV outcomes, ensures adequate assurance on key business risks and processes as detailed below.



Lines of defence

Sun International’s lines of defence model is used as a basis for risk management, governance and oversight structures to obtain assurance at various levels group-wide. The group has adopted a four lines of defence model, highlighting the different role players’ responsibilities for internal controls and risk management as shown alongside.

Lines of defence (LoD)	Example and description of role players
1st LoD	Management The definition of management includes all levels of the business and management, including exco and the chief executive.
2nd LoD	Support functions Corporate functions independent from the operations – includes, compliance, sustainability and risk management that perform key functions to provide a second line of assurance to the board.
3rd LoD	Internal assurance Internal assurance – incorporates internal assurance providers that provide objective assurance such as Group Internal Audit.
4th LoD	External assurance External assurance – incorporates assurance providers, such as external auditors, environmental auditors, and other external parties. These structures are largely independent of the operational activities of the company and provide assurance to the board.

Required level of assurance in respect of group risks

The group’s combined assurance provides a view and opinion over the adequacy and operational effectiveness of key controls in relation to material risks. Successful assurance enhances the degree of confidence that the control environment is functioning optimally, to mitigate material risks and promote the achievement of group-wide objectives. Sun International’s combined assurance is designed such that the level of assurance required is dependent on the level of risk assessed, taking into account inherent risk and risk appetite. The assurance quality provided by the various assurance providers depends on factors such as the nature, timing, and extent of

assurance activities as well as the assurance provider’s level of independence, skill and qualifications. Sun International’s assurance strategy is tailored so that the higher the level of risk, the higher the level of assurance required.

The audit committee and senior management ensure that both external and internal assurance providers appointed have the appropriate experience, skills and follow an acceptable assurance approach. This is achieved through periodic assessment of the assurance providers to establish both assurance coverage and assurance quality.

Top 10 risks

The risk table below identifies the group’s top 10 risks as at 31 December 2021. These risks are discussed in detail and include Sun International’s level of control, key stakeholders impacted and primary board committee responsible for oversight. For the year under review the following risks moved into the group’s top 10 risks:

- Risk 3:** Political and civil unrest
- Risk 6:** Recovery of the hospitality and tourism industry and its impact on hotels and resorts
- Risk 9:** Loss of GrandWest casino licence exclusivity

The following risks moved out of the top 10 risks:

- Ongoing changes in licence conditions
- Succession plans for critical roles
- Infrastructure management and maintenance

Risk ranking	Risk description	Residual risk	Change in ranking from 2020	2020 risk rating	Strategic objective
1	Weak economic conditions	Extreme	▲	(2020: 2)	SO1 SO5
2	Coronavirus (Covid-19)	Serious	▼	(2020: 1)	SO4
3	Political and civil unrest	Serious	▲	●	SO4
4	Smoking legislation	Moderate	▲	(2020: 4)	SO4
5	Increase in gaming taxes and levies	Moderate	▲	(2020: 5)	SO5
6	Hospitality and tourism industry recovery and its impact on hotels and resorts	Moderate	▲	●	SO1
7	Increased demands from stakeholders (minority shareholders, communities and local suppliers)	Moderate	▲	(2020: 7)	SO4
8	Erosion of market share due to other forms of gambling	Moderate	▲	(2020: 11)	SO5
9	Loss of GrandWest casino licence exclusivity	Within appetite	▲	(2020: 17)	SO5
10	Cyber threats and information security	Within appetite	▼	(2020: 9)	SO4

▲ Constant ▲ Increased ▼ Decreased ● New risk

Risk management *continued*

RISK 1 ▲ (2020: 2)

Weak economic conditions

RISK DESCRIPTION

The macro-economic outlook remains under pressure. Key factors impacting the economic climate include the impact of Covid-19 and the civil unrest and looting in parts of South Africa. Intermittent load shedding and deterioration of critical infrastructure continues to impact economic growth.

Risk category Financial sustainability	Sun International's level of control Limited
Primary board committee Risk and audit committees	Key stakeholders Shareholders, potential investors and employees

RISK MITIGATION

- ▶ Focus on improving our customer experience and engagement:
 - Launched a Sun International mobile App for both our leisure and casino customers.
 - Launched our online booking engine to drive an increase in direct bookings and improve the customer booking experience.
 - Implementing a new gaming system (Playtech), in a phased approach, which will enhance our customer experience – system to be fully implemented in 2024.
- ▶ Ongoing focus on improving operational and resource efficiencies as well as cost containment across the group.
- ▶ Strengthened our balance sheet and improved our liquidity position.

OUTLOOK

- The weak economic climate is set to continue and with the risk of further Covid-19 waves, there may be additional economic pressures for corporates and consumers. South Africa's energy supplier remains fragile, high-energy costs and failing infrastructure persist, all of which impact growth opportunities. Crime, corruption and unrest also remain a concern and continue to impact our economy.

RISK 2 ▼ (2020: 1)

Coronavirus (Covid-19)

RISK DESCRIPTION

The coronavirus global pandemic continues to severely impact our business operations and revenue across our gaming, hospitality and supply chain areas.

Risk category Business interruption	Sun International's level of control Limited
Primary board committee Risk, audit, social and ethics and remuneration committees	Key stakeholders Employees, customers, shareholders, suppliers, communities

RISK MITIGATION

- ▶ Covid-19 protocols in place and continuously updated as lockdown levels change.
- ▶ Ongoing awareness and support provided around Covid-19 among employees, customers and guests.
- ▶ Opened several vaccinations sites at certain properties and actively promoting vaccinations group-wide.
- ▶ Significant cost containment measures implemented.

OUTLOOK

- Sun International will continue to adapt to the new normal business environment and encourage employees and guests to be vaccinated.
- Government's vaccination rollout plans will continue into 2022 to encourage citizens to be vaccinated.

RISK 3 ▲ (2020: new risk)

Political and civil unrest

RISK DESCRIPTION

The political and civil unrest, similar to the unrest South Africa (Gauteng and KwaZulu-Natal) experienced in July 2021, is a risk to Sun International.

Risk category Financial sustainability	Sun International's level of control Limited
Primary board committee Risk and audit committees	Key stakeholders Employees, customers, shareholders, suppliers, communities

RISK MITIGATION

- ▶ Reviewed security arrangements and business interruption plans at properties.
- ▶ Reviewed the group's SASRIA insurance cover.
- ▶ Engaging with security companies to obtain early warnings of potential riots.

OUTLOOK

- Significant economic inequality could lead to future political and civil unrest which the group is closely monitoring.

RISK 4 ▼ (2020: 4)

Smoking legislation

RISK DESCRIPTION

South Africa's draft Control of Tobacco Products and Electronic Delivery System Bill, 2018 was published in May 2018 and includes a ban on smoking (including e-cigarettes) in public areas (both indoor and outdoor areas). This proposed legislation will have a significant impact on group casino revenues.

Risk category Regulated operating environment	Sun International's level of control Limited
Primary board committee Risk committee	Key stakeholders Employees, customers, health authorities and shareholders

RISK MITIGATION

- ▶ Submitted comments on the proposed Tobacco Bill against the May 2018 draft and we await government's view on the collective submissions made.
- ▶ Continue to lobby and engage with CASA, the gaming boards, trade unions and other affected corporates.

OUTLOOK

- The South African legislation is not expected to be enacted in the 2022 financial year.
- The group continues to lobby and coordinate efforts with other affected industries.
- The group's legal department continues to monitor changes and/or movement on the proposed Bill.

Risk management *continued*

RISK 5 (2020: 5)

Increase in gaming taxes, fees and levies

RISK DESCRIPTION

Various provincial gaming boards have implemented and/or proposed increases to gaming taxes and levies in 2020. Where the increases have become effective the group is obligated to comply with the increases, however the group continues to engage with the various gaming boards directly and through CASA on these increases.

The Western Cape Provincial Government (WCPG) has promulgated a Bill into law that will introduce operator fees for casinos and route operators to fund the WCPG operations. The company has instituted legal action to review the WCPG's decision to impose the operator fees concerned. In the meantime, the WCPG confirmed that it will not impose the operator fees until the review application has been heard.

The KZN Provincial legislature has proposed amendments to the KZN Gambling Tax Act which seeks to increase gaming taxes; to tax Freeplay and to introduce a Transformation Fund, which is to be funded through gaming taxes raised. The company has engaged with the provincial legislature through CASA and directly in respect of its LPM operations and it will be objecting the proposed amendments.

Risk category Regulated operating environment	Sun International's level of control Limited
Primary board committee Risk committee	Key stakeholders Gaming boards, CASA, provincial government and shareholders

RISK MITIGATION

- ▶ Monitoring CASA's progress in challenging the increase on grounds of a procedural and fairness basis.
- ▶ Lobbying and challenging proposed gaming tax legislation is ongoing for the group.
- ▶ Legal action instituted to set aside the WCPG decision to impose operator fees on casinos and route operators in the Western Cape.

OUTLOOK

- Currently the group is not aware of any additional increases in gaming taxes or levies.
- We anticipate engaging more constructively with gaming boards in the future regarding compliance costs associated with a gambling business.

RISK MITIGATION

- ▶ Integration into the Global Hotel Alliance effective 7 December 2021.
- ▶ Ongoing focus on maximising domestic leisure revenues at all properties through online and direct booking channels.
- ▶ Continual focus on maximising gaming accommodation and gaming revenues at Sun City, Wild Coast and Boardwalk.
- ▶ Ongoing cost reviews at all properties.
- ▶ Creation of additional events at resorts to drive midweek and weekend demand.
- ▶ Ongoing engagement with government on vaccination travel protocols to encourage a swift return of international tourists.
- ▶ Lobbying relevant regional and national government to maintain and upgrade roads, airports and infrastructure around Sun City.
- ▶ Engagement with the Tourism Ministry and Tourism Business Council of South Africa with respect to removing obstacles to the growth of international tourist arrivals, e.g. Visas, air access and destination marketing.

OUTLOOK

- While vaccination rollout programmes are ongoing, we anticipate a slow recovery in the hospitality, travel and tourism industry in 2022.

Risk category Financial sustainability	Sun International's level of control Limited
Primary board committee Risk committee	Key stakeholders Shareholders, gaming boards, CASA

RISK 7 (2020: 7)

Increased demands from stakeholders (minority shareholders, communities and local suppliers)

RISK DESCRIPTION

There has been ongoing demands from local communities and local suppliers surrounding our operations, ranging from procurement, employment, shareholding to land opportunities.

Risk category Financial sustainability	Sun International's level of control Limited
Primary board committee Social and ethics committee	Key stakeholders Shareholders, communities and suppliers

OUTLOOK

- It is expected that increased stakeholder demands will continue, given the weak economic environment and the additional impact of Covid-19.
- Sun International will continue to proactively engage with stakeholders on their concerns.

RISK MITIGATION

- ▶ A formal community engagement management plan is in place to identify community needs.
- ▶ Continued to support local B-BBEE procurement and enterprise development within communities surrounding group operations, through our supplier registration database and our online tender notice board.
- ▶ Ongoing engagement with minority shareholders.
- ▶ Additional CSI and SED spend has been allocated to address some of the community needs identified as part of our ongoing community engagement strategy.
- ▶ Regular focused communication with interested stakeholder groupings such as our debt funders, shareholders and equity partners.

RISK 8 (2020: 11)

Erosion of market share due to other forms of gambling

RISK DESCRIPTION

The proliferation of illegal gambling operations, the availability of casino style games offered by non-casino licensees and the operation of EBTs continues to erode gaming revenues.

Risk category Increased competition	Sun International's level of control Limited
Primary board committee Risk committee	Key stakeholders Gaming boards, CASA, South African Police Service (SAPS) and provincial and national government

OUTLOOK

- It is anticipated that alternate casino style games will continue to grow.
- Strategic focus on growing SunBet's share in the online gaming market.
- The group's strategy is to keep abreast of the changing landscape in the online gaming environment.

RISK MITIGATION

- ▶ Engaged with a financial institution to ascertain the viability of blocking bank accounts of persons who are participating in illegal gambling activities.
- ▶ Continuing to participate in the National Illegal Gambling Enforcement Forum consisting of the SAPS and the National Gambling Board (NGB).
- ▶ Lobbying gaming boards for support from law enforcement agencies.
- ▶ Following up on illegal gambling operations in Sun International's catchment areas.
- ▶ The company leverages developments in the online sports betting business to offset the erosion of revenue.
- ▶ CASA is challenging the unlawful gambling through the Advertising Regulatory Board and provides regular updates to Sun International.

Risk management *continued*

RISK 9 ▲ (2020: 17)

Loss of GrandWest casino licence exclusivity

RISK DESCRIPTION

The Western Cape Twentieth Gambling and Racing Amendment Bill and the Western Cape Twenty-First Gambling and Racing Amendment Bill were published on 8 May 2020, which seeks to: impose new casino operator and LPM operator fees, create new exclusivity areas and reduce GrandWest's exclusivity zone from 75km to 25km, and introduce a relocation and exclusivity fee. The High court recently ruled in favour of Tsogo Sun and compelled the Western Cape Gambling and Racing Board (WCGRB) to consider an application for relocation. It however suspended its decision for one year for the WCGRB to enact a new regulatory regime which will expressly allow the WCGRB to approve applications to relocate casinos in the Western Cape.

Risk category Gaming and other operating licences	Sun International's level of control Limited
Primary board committee Risk committee	Key stakeholders Gaming boards, provincial government, shareholders and potential investors

RISK MITIGATION

- ▶ Proactively engaging with the Western Cape Premier and national government to discuss relocation and the possibility of licence exclusivity.

OUTLOOK

- Covid-19 and the weak economy will reduce the likelihood of a relocation given the financial viability of such a move.

RISK 10 ▼ (2020: 9)

Cyber threats and information security

RISK DESCRIPTION

Increasing interconnectivity, globalisation and the commercialisation of cybercrime are driving greater frequency and severity of cyber incidents, including data breaches and data theft. These incidents or breaches could lead to system unavailability, business disruption and financial loss.

RISK MITIGATION

- ▶ Establishing a security training and awareness communication strategy to enhance our people defence.
- ▶ Enhanced our remote working security protocols to combat new threats.
- ▶ Enhanced security monitoring tools to help establish an holistic security operation group-wide.
- ▶ Establishing a vulnerability management practice to provide reporting, monitoring and execution of identified threats across the application and infrastructure landscape.
- ▶ Conducting independent internal and external penetration testing to understand current threats and vulnerabilities.
- ▶ Assessing the regulatory environment, particularly the new Cyber Act, which was promulgated in May 2021 and its impact on the group.
- ▶ Assessing outsourcing security providers to enhance the security skills and existing resources required.
- ▶ A cyber insurance policy was put in place to help minimise risk exposure.

Risk category Business interruption	Sun International's level of control High
Primary board committee Risk committee	Key stakeholders Employees, shareholders and potential investors

OUTLOOK

- We are constantly assessing our threat landscape to ensure our information security management systems are effective and robust to deal with evolving threats.
- Ransomware has been an increasing threat in South Africa, and we have partnered with various organisations to help with our detection and response capabilities.
- Phishing attempts are the primary attack type and our focus area is to enhance our awareness and communication to employees.
- As we look at more digital technology solutions, we have also enhanced our cloud security controls.



STAKEHOLDER MANAGEMENT

Relationships with our stakeholders impact directly and indirectly on our business and reputation. Sun International encourages constructive stakeholder feedback through the group's various communication channels. Our stakeholder engagement approach ensures that we continue to add stakeholder value in this challenging operating environment.

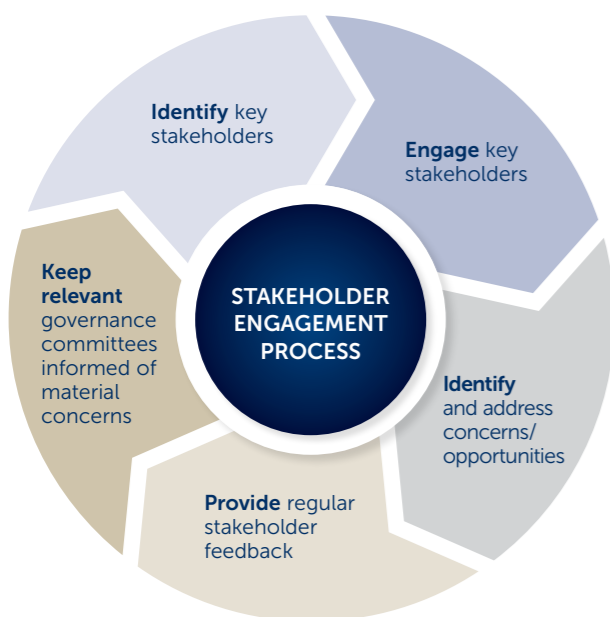
STAKEHOLDER ENGAGEMENT APPROACH

Our stakeholder engagement approach allows for ongoing key stakeholder engagement in an open and transparent manner group-wide. Achieving our five strategic objectives depends on our ability to proactively engage with and respond to our stakeholders. Our various engagement methods include online and face-to-face interactions, formal and informal communication platforms, social media, results presentations, reports and our annual general meeting (AGM). We also engage through our marketing campaigns, digital platforms, advertising, electronic media, newsletters, events and roadshows. We conduct regular surveys among our guests and employees, with the aim of continually improving service delivery, guest experience and employee satisfaction.

ENGAGEMENT PROCESS

We annually assess our stakeholder universe based on stakeholder influence, legitimacy and urgency of their concerns. 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 strives to offer shared value and sustainable socio-economic development (SED) opportunities.



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.

Methods of engagement	Value add
<ul style="list-style-type: none"> Sun International app Customer surveys Online booking engine Digital communication platforms Sun MVG loyalty programme In-room TVs Media releases Website Social media Face-to-face engagements 	<ul style="list-style-type: none"> Stringent Covid-19 and safety protocols at all operations MVG loyalty programme that can be managed on the Sun International app Rewarding our loyalty members through our Global Hotel Alliance affiliation Enhancing customer service and experience through new product offerings Creating memorable experiences Streamlining the customer experience with the new online booking engine

KEY STAKEHOLDER CONCERNS AND ACTIONS TO ADDRESS THEM	
Ongoing customer concerns on Covid-19 and safety protocols at our operations	<ul style="list-style-type: none"> Industry leading health and safety Covid-19 protocols – https://corporate.suninternational.com/media/covid-19-protocols/ and ongoing communications
Customer service complaints and perception of value	<ul style="list-style-type: none"> Learning and development programmes for employees to enhance customer service Innovative product offerings Focused refurbishments and upgrades Customer surveys and proactive customer feedback Launch of the SunStars employee recognition and reward programme
Inconsistent customer communication around our facilities and service offerings	<ul style="list-style-type: none"> Customer surveys and staff training Launched Sun International app and upgraded our online booking engine Branding and marketing campaigns Focused MVG communication
Limited discretionary spend in a tough economic climate	<ul style="list-style-type: none"> Promotional offers to encourage footfall
Customer information privacy	<ul style="list-style-type: none"> Compliant with the Protection of Personal Information Act (POPIA) and the General Data Protection Regulation (GDPR)

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.

Methods of engagement	Value add
<ul style="list-style-type: none"> Sun Talk Social media Email notifications Face-to-face meetings Podcasts Ongoing training – online and face-to-face 	<ul style="list-style-type: none"> Building on the SunWay culture and employee value proposition Launch of the SunStars employee recognition and reward programme Proactively engaging and supporting employees Ongoing training and development Retaining and attracting key skills Ongoing talent management

KEY STAKEHOLDER CONCERNS AND ACTIONS TO ADDRESS THEM	
Reduced remuneration during lockdown	<ul style="list-style-type: none"> Adjusting salaries to maintain costs and sustain the business Ongoing employee communication through various communication channels Regular leadership podcast messages
TERS payments not being paid on time	<ul style="list-style-type: none"> Applying to TERS fund on behalf of employees Ongoing engagement with Department of Labour concerning unpaid TERS claims
Sun International's viability and sustainability in the Covid-19 operating environment	<ul style="list-style-type: none"> Regular dialogue on the Sun Talk platform between leadership and employees Focus on operational efficiencies to reduce costs group-wide
Covid-19 impact on employees' wellbeing	<ul style="list-style-type: none"> Wellness programmes in place to provide employee counselling and support Ongoing support to Covid-19 positive employees and their families Supporting remote working opportunities Ongoing leadership podcast messages R2 million (2020: R1.6 million) invested in employees' family educational needs
Slow transformation	<ul style="list-style-type: none"> Focusing on the group's diversity strategy and diversity policy Focusing on implementing an equal pay for equal work strategy Tracking the group's progress on transformation related to our employment equity plan
Attracting and retaining critical skills	<ul style="list-style-type: none"> Ongoing succession plans implementation across the group with a specific focus on critical skills

Stakeholder management *continued*



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.

Methods of engagement

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

Value add

- ▶ Supporting South Africa's economy by creating jobs and supporting empowerment opportunities through our SED and CSI initiatives, which are linked to gaming revenue generation and licensing conditions.
- ▶ Creating co-operative interactions with regulators
- ▶ Increasing Covid-19 measures to safeguard communities while gambling

KEY STAKEHOLDER CONCERNS AND ACTIONS TO ADDRESS THEM

Compliance with licence requirements	<ul style="list-style-type: none"> • Ongoing monitoring of compliance to ensure we maintain our licences to operate
Responsible gambling	<ul style="list-style-type: none"> • Supporting responsible gambling through financial contributions to the South African Responsible Gambling Foundation
Outstanding legal disputes between gaming regulators and the group	<ul style="list-style-type: none"> • Engaging with the respective gaming regulators to resolve all outstanding legal disputes
Illegal gambling	<ul style="list-style-type: none"> • Engaging with various stakeholders, including the NGB, provincial gambling boards, SAPS and the Specialised Investigations Unit to identify illegal gambling activities and to institute criminal action against offenders



PARTNERS AND SUPPLIERS

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

Methods of engagement

- Emails
- Procurement notice board
- Workshops

Value add

- ▶ Empowering smaller businesses and service providers
- ▶ Creating a pipeline of suitable businesses in the group's supply chain
- ▶ Partnering with local business to leverage synergies



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.

Methods of engagement

- Site visits
- Virtual meetings
- Local small, medium and micro enterprise (SMME) workshops
- Communities business forums
- Face-to-face meetings
- Written correspondence

Value add

- ▶ Building strong relationships and positively impacting on local communities
- ▶ Supporting local initiatives and creating employment opportunities
- ▶ Identifying local procurement opportunities to benefit surrounding communities
- ▶ Creating sustainable project opportunities
- ▶ Developing and training SMMEs by hosting incubation workshops
- ▶ Supporting community upliftment

KEY STAKEHOLDER CONCERNS AND ACTIONS TO ADDRESS THEM

Increased community needs as a direct result of Covid-19	<ul style="list-style-type: none"> • Enhancing community stakeholder engagement opportunities • Ongoing SED and CSI contributions • Approving special SED projects to support the immediate needs of communities where we operate • Supporting initiatives to mitigate and minimise hunger and poverty impacts due to Covid-19 • Assisting in improvement of government infrastructure within schools • Collaborating with local government departments to identify needs and gaps
Lack of tendering and procurement opportunities, particularly for black women-owned businesses	<ul style="list-style-type: none"> • Sun International suppliers bulletin board available to suppliers • Participating in community business forums • Reviewing procurement processes and inviting black women-owned businesses to stakeholder engagement sessions
Compliance with basic registration and supplier process	
Reduced local procurement, lack of competitive pricing and job opportunities	<ul style="list-style-type: none"> • Group and unit-specific engagement and request for proposal (RFP) opportunities • Providing adhoc local job opportunities and training
Access to further enterprise and supplier development opportunities to develop business	<ul style="list-style-type: none"> • Feasibility study and research conducted on community needs within local procurement to scope key issues and attain solutions • Securing an enterprise and supplier development fund with the National Empowerment Fund



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.

Methods of engagement

- Interim and year-end financial results presentations
- Business updates on SENS
- Circulars and integrated annual report
- Virtual and face-to-face meetings
- Participation in investor conferences
- Monthly and quarterly financial submissions to lenders
- AGM
- Written correspondence

Value add

- ▶ Ensuring acceptable shareholder returns on investments
- ▶ 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 AND ACTIONS TO ADDRESS THEM

The group's long-term business sustainability and return on investment and ensuring an acceptable dividend flow	<ul style="list-style-type: none"> • Ensuring all operational and growth strategies are well communicated and implemented • Improving the liquidity position and strengthening the balance sheet • Complying with all good governance requirements
Current debt and liquidity levels and the ability to ensure financial recovery post Covid-19	<ul style="list-style-type: none"> • Maintaining the group's liquidity position • Strengthening the balance sheet



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.

Methods of engagement

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

Value add

- ▶ Remaining abreast of any legislation change and/or new legislation
- ▶ Ongoing compliance with all relevant regulation

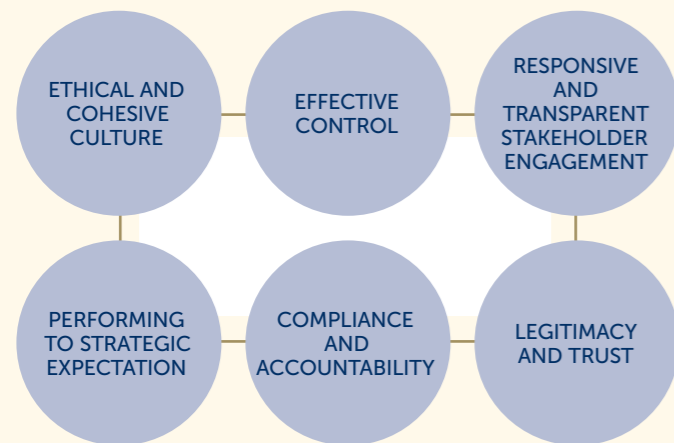
KEY STAKEHOLDER CONCERNS AND ACTIONS TO ADDRESS THEM

Non-compliance with relevant legislation	<ul style="list-style-type: none"> • Ongoing monitoring of legislative changes directly impacting the group • Ongoing lobbying with relevant industry bodies (CASA) and bookmaker associations to inform and shape our regulatory landscape • Internal and external compliance audits on relevant legislative aspects
Maintaining Covid-19 safety protocols	<ul style="list-style-type: none"> • Industry leading, best practice Covid-19 protocols in place – https://corporate.suninternational.com/media/covid-19-protocols/

ENVIRONMENTAL, SOCIAL AND GOVERNANCE OVERVIEW

Doing business sustainably is part of the group’s purpose of creating lasting memories for all key stakeholders. Sun International’s ongoing commitment to environmental, social and governance (ESG) ensures that we maintain our operational and social licence to operate and are continued to be viewed as a responsible corporate citizen.

The group’s corporate governance and sustainability approach embrace ethical practices that are responsive to stakeholders and the operating environment. Good corporate governance and sustainability are important enablers in managing the group’s reputation, making strategic progress, creating and preserving stakeholder value. It also ensures that we achieve our corporate governance outcomes (see below).



As our sustainability journey matures, we continue to monitor developments in the sustainability field and engage with our stakeholders on their needs and concerns. Investors need to assess the socio-environmental risk profile of the group and how this may affect long-term decisions. To address this, we have aligned with the ESG approach and will be adapting our sustainability strategy from 2022 onwards. The focus on ESG elements and material issues to the business also ensures a more integrated sustainable business strategy for sustaining Sun International.

We envisage enacting meaningful change within the organisation by critically assessing the rising importance of ESG criteria and metrics to develop a clearly defined ESG strategy. This strategy will outline the measurable, time-bound metrics along with the relevant mechanisms and tools for Sun International to deliver to investors and shareholders and demonstrate accountability.



For detail on each of our sustainability elements please refer to the following sections incorporated in our ESG report.

- Environmental page 19
- People and culture page 22
- Health safety and wellness page 27
- Socio-economic development page 33
- Enterprise and supplier development page 38
- A full corporate governance section is also available on page 40

The value to be gained by Sun International on this sustainability to ESG transition journey is discussed below.

MANAGE RISK

Involving all key stakeholders in the process will ensure all risk and opportunities are identified early and addressed proactively

ENHANCE OUR BRAND

A well defined strategy demonstrates our commitment to ESG, improving our overall brand and reputation

INCREASE REVENUE

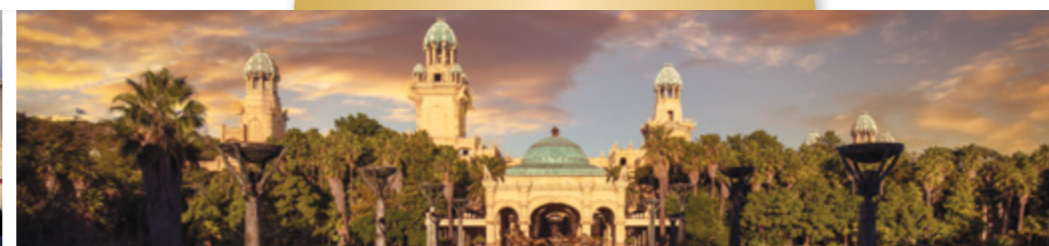
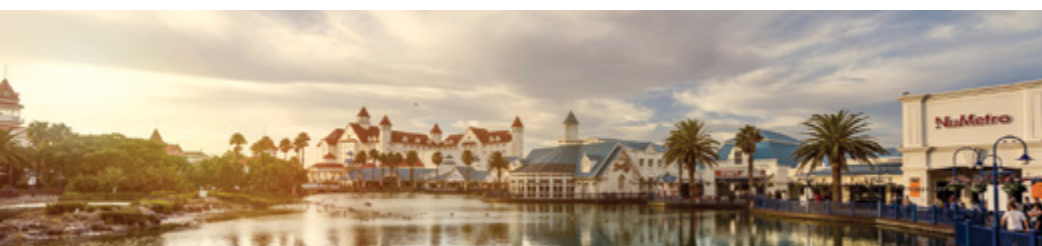
We will identify opportunities for market differentiation product innovation and development of new, sustainable business models

LOWER COSTS

We can reduce long term costs and discover new saving opportunities from holistic, system-based, strategic thinking

ATTRACT INVESTMENT

We can avoid poor lending conditions and exclusion from capital markets by showing evidence of having developed a robust ESG strategy



Environmental, social and governance overview *continued*

ESG METRICS TABLE

Sun International is committed to reporting on relevant ESG metrics as tabled below.

Environmental	Social			COMMUNITY UPLIFTMENT	COVID-19	Governance
Carbon emissions (Scope 1 and 2) tonnes CO ₂ e 184 165 (173 121) Page 19	DIVERSITY, INCLUSION AND EQUITY Training and development spend (R million) 52 (2020: 39) Page 26	HEALTH, SAFETY AND WELLBEING Lost time injury frequency rate (LTIFR) per 200 000 employee hours worked (rate) 0.76 (2020: 0.58) Page 27	Socio-economic development spend (R million) 14 (2020: 18.6) Page 33	Rand value spent on Covid-19 mitigation (R million) 23.3 (2020: 20.5) Page 27	Women (%) 33 (2020: 33) Page 43	
Energy consumption (kWh) 185 172 531 (2020: 162 283 056) Page 19	Employees trained (number) 3 770 (2020: 2 247) Page 26	Total recordable injury frequency rate (TRIFR)² per 200 000 employee hours worked (rate) 1.21 (2020: 1.42) Page 27	Corporate social investment (R million) 13.1 (2020: 7.1) Page 33	Covid-19 recovery rate (%) 99 (2020: 99) Page 27	Independent (%) 67 (2020: 67) Page 42	
Water usage (withdrawals) (kl) 3 260 467 (2020: 3 110 231) Page 19	Employee turnover rate (%) 8.6 (2020: 32.4) Page 24	Total injury frequency rate (TIFR) per 200 000 employee hours worked (rate) 7.02 (2020: 7.05) Page 27	Supplier development (R million) 30.7 (2020: 30.9) Page 38	Covid-19 mortality rate (%) 1 (2020: 1) Page 27	Black (%) 50 (2020: 58) Page 43	
Waste generated (kg) 4 462 461 (2020: 4 296 011) Page 19	Black representation (%) 92.2 (2020: 92.4) Page 23	Total work-related fatalities (number) 0 (2020: 0) Page 27	Enterprise development (R million) 8.3 (2020: 6.9) Page 38	Covid-19 related deaths (number) 10 (2020: 3) Page 27	White (%) 50 (2020: 42) Page 43	
	Female representation (%) 56.2 (2020: 55.4) Page 22		National Responsible Gambling Programme contribution (R million) 6 (2020: 4.5) Page 44			

ENVIRONMENTAL



Our environmental strategy is integral to Sun International’s business strategy. With 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.

OUTCOMES

14%
INCREASE IN ELECTRIC ENERGY USAGE
(2020: 30% decrease)

4%
INCREASE IN WASTE GENERATED
(2020: 43% decrease)

5%
INCREASE IN WATER USAGE
(2020: 30% decrease)

6%
INCREASE IN CO₂ EMISSIONS
(2020: 35% decrease)

KEY FOCUS AREAS IN 2021

	Progress	
Developing and implementing our ENVIRO-AMBITION 2025	✓	Page 20
Implementing environmental reduction targets (water, waste, electricity and Scope 1 and 2 emissions)	✓	Page 20
Conducting a Scope 3 survey to identify targets	✗	Page 20
Procuring sustainably sourced seafood	🔄	Page 21
Reducing our carbon footprint through our supply chain	✗	Page 21
Improving collaboration between sustainability and maintenance departments to identify and address areas of concern	🔄	Page 20
Eliminating the use of palm oil by 2021 and plastic straws by 2022	🔄	Page 21

✓ Achieved/Good progress
 🔄 In progress
 ✗ Limited progress

LOOKING AHEAD

Installing a water treatment plant at Boardwalk in the Eastern Cape to supplement water supply	Developing a zero-waste-to-landfill (ZWTL) self-assessment toolkit to assist units in managing their progress	Developing a resources-strategic framework addressing both electricity and water supply	Looking to source green energy
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KEY PERFORMANCE INDICATORS



Sun International remains committed to reducing its environmental footprint across all units, as indicated in our ESG data table on page 18. Our environmental reporting is aligned to the Global Reporting Initiative (GRI) disclosures and we comply with the Carbon Disclosure Project (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 and SDG 12 – Responsible consumption and production.

Resource consumption and emissions		% change 2021 vs 2020		% change 2021 vs 2019	
		2021	2020	2020	2019
SOUTH AFRICA					
Water usage (withdrawals)	kl	3 260 467	5%	3 110 231	4 510 042 (28%)
Waste generated	kg	4 462 461	4%	4 296 011	7 472 487 (40%)
Energy consumption	kWh	185 172 531	14%	162 283 056	231 434 377 (20%)
Carbon emissions (Scope 1 and 2)	tonnes CO ₂ e	184 165	6%	173 121	267 952 (31%)

Note: 2021 resource consumption levels all show a marked decrease when compared to 2019. This is because 2019 was not impacted by Covid-19 and is therefore a more normal comparative baseline.

Water	2021 (kl)	% change	2020 (kl)
SOUTH AFRICA			
Total water usage (withdrawals)	3 260 467	5%	3 110 231
Recycled water	334 069	114%	156 072
% water recycled	10%	100%	5%
Cost of water ¹	61 128 366	10%	55 757 602

Waste ²	2021 (kg)	%	2020 (kg)	%
SOUTH AFRICA				
Total volume of general waste to licensed landfill	1 820 893	41	1 635 234	38
Total volume of general waste diverted from landfill for beneficiation	358 950	8	77 720	2
Total volume of general waste recycled	1 805 634	40	18 999 712	44
Total volume of hazardous waste to licensed landfill	34 360	0.77	32 230	1
Total volume of hazardous waste recycled	442 623	10	651 115	15
TOTAL WASTE	4 462 461	100	4 296 011	100

Energy data ³	2021		Year-on-year % change	2020	
	kWh	Rand		kWh	Rand
Electricity purchased					
South Africa	185 172 531	255 125 084	14	162 283 056	197 679 985
TOTAL ELECTRICITY	185 172 531	255 125 084	14	162 283 056	197 679 985
Direct: Diesel use for generator					
	Litres			Litres	
South Africa (based on runtime of generators in 2021)	886 123	17 721 433	133	380 473	5 662 494
TOTAL DIESEL	886 123	17 721 433	133	380 473	5 662 494
Direct: LPG					
	kg			kg	
South Africa	357 301	7 635 052	44	248 337	4 695 530
TOTAL LPG	357 301	7 635 052	44	248 337	4 695 530

South Africa carbon emissions data ⁴		2021 (tonnes CO ₂ e)	2020 (tonnes CO ₂ e)	Year-on-year % change
Scope 1	Company-owned vehicles	757	823	(8%)
	Stationary fuels	3 448	1 752	97%
	Refrigerant gas (Kyoto gases)	4 046	5 017	(19%)
	SUBTOTAL SCOPE 1	8 251	7 592	1%
Scope 2	Electricity consumption	175 914	165 529	9%
	SUBTOTAL SCOPE 1 AND SCOPE 2	184 165	173 121	6%
Out of scope	Fugitive emissions (non-Kyoto gases)	745	1 399	(47%)
TOTAL EMISSIONS		184 910	174 520	6%

1 This covers both municipal withdrawal, sewerage and operational and maintenance costs for our purification plants.

2 During 2021, there were challenges regarding the collation and accuracy of the waste data measured and reported.

3 2020 restated to exclude our African operations.

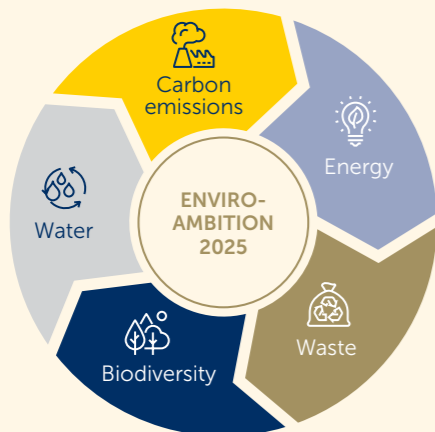
4 Science-based absolute reduction targets have been set for the South African units. The group reverted to absolute targets in 2021 and will reassess intensity targets in 2023.

PERFORMANCE OVERVIEW

ENVIRO-AMBITION 2025

Our ENVIRO-AMBITION 2025 five-year strategy/approach maps our journey towards being at the forefront of sustainable environmental management in the hospitality sector and outlines our key performance indicators (KPIs) and mechanisms for realising our environmental ambition. This approach also considers the group's business strategy, the SDGs and international best practices such as the Task Force on Climate-related Financial Disclosures. Our various KPIs were updated to reflect our journey and assist in monitoring and evaluating progress in achieving our ambition.

ENVIRO-AMBITION 2025 instils 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 of our ENVIRO-AMBITION 2025 strategy. 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.

Our water journey over the years leading up to 2021 focused on internal efficiencies that enabled our properties to reduce water usage, while not compromising on our service offering to our guests. While some units have progressed faster than others, we are now at a point in our water management journey to commence with the transition towards context-based targets following the WWF's water target-setting approach.

Our approach includes setting water targets over the next five years at unit level instead of setting one target at corporate level. Targets can be unique to a unit depending on the local water context and risks. Through this target-setting approach, each unit will be able to address water-related challenges specific to them, thereby ensuring long-term water and business sustainability. Each unit set absolute water reduction targets, which resulted in an annual quantitative reduction target of 5.7% for 2021. All units achieved reductions in 2021 when compared to the calculated baseline.

Water performance

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 implementation of maintenance and operational strategies in 2021 led to the following water impacts:

Ten of our 14 properties implemented water metering in 2021, one of our key strategic projects.

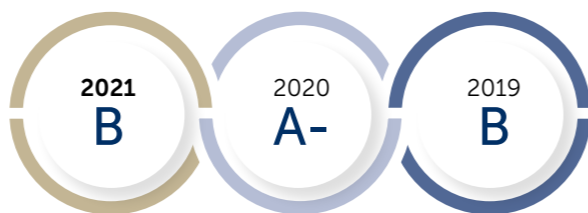
Carnival City experienced significant reductions due to infrastructure maintenance, which has improved the unit's overall water efficiency. The unit also addressed historical water infrastructure issues in 2020 with the savings reflecting in 2021. This resulted in a 20% cost and 32% withdrawal reduction in 2021.

The Table Bay Hotel's implementation of a new heat pump and water reticulation system benefited the unit, whereby the unit lowered the water usage and the time spent to heat up water and it addressed legionella requirements.

CDP water disclosure programme scoring

Sun International participates in the CDP's annual water disclosure programme. In 2021 the group had an overall score of B, which was lower than 2020. As a group we aim to embed water risks into the business strategy and governance approach, to ensure a fully integrated approach.

CDP water security scoring



Forward planning

Going forward, the group will continue creating awareness around water-saving initiatives through our quarterly sustainability awareness programme (inclusive of e-learning, training programmes and initiatives). A key project for 2022 will be the installation and operation of a water treatment plant at Boardwalk in the Eastern Cape. The project was placed on hold since 2020 due to Covid-19, however, with the ongoing water restrictions in the region due to diminishing water supply, the project will go ahead.



ENERGY MANAGEMENT

As part of our ENVIRO-AMBITION 2025 strategy, we introduced new electric energy consumption targets across the group. The target will account for historical electric energy usage (excluding 2020) and be adjusted to consider how the business will stabilise or improve over the next five-year period. Certain units have progressed to the point of having management systems in place to accurately track electricity usage at their properties per consumption area. All units were encouraged to relook at their electric energy management systems and develop an electric energy balance, to critically assess where and how electricity is used at our properties and ways to minimise energy wastage, while not compromising on the guest experience.

Two target classes are available to units:

First: reduction targets for electricity usage based on proposed plans to improve efficiencies, optimisation and conservation.

Second: coal-fired electricity to be transitioned to renewable energy options.

Carnival City, Flamingo, Sibaya and Windmill set transition targets and due to these units not progressing with their projects, these targets were not achieved. The remainder of the units set reduction targets with the group to achieve an overall 3.5% reduction in 2021. All units achieved reductions in 2021 when compared to the calculated baseline.

Energy performance

Eskom is the primary electricity supplier, with diesel operated generators providing back-up supply in the event of unscheduled power outages or load shedding. With a return to longer business operating hours and few hard lockdowns in the reporting year, electricity consumption increased by 14% and liquified petroleum gas (LPG) increased by 44%. Diesel for generator use increased by 133%, primarily due to the resumption of load shedding in 2021 as a result of unplanned breakdowns and ongoing maintenance by Eskom.

Forward planning

A resources-strategic framework addressing both electricity and water supply will be developed in 2022. The purpose of this framework will be to holistically consider how we integrate these two critical aspects into the overall business strategy, to minimise supply risks while charting a path towards reducing our overall resource footprint.



CARBON EMISSIONS

Our current carbon emission strategy is focused on Scope 1 and 2 with the aim of a 2.6% reduction annually to achieve the 2023 and 2028 targets. While we planned to undertake a Scope 3 emissions survey in 2021, this approach was reconsidered in 2021 with a revised way forward to be developed in 2022.

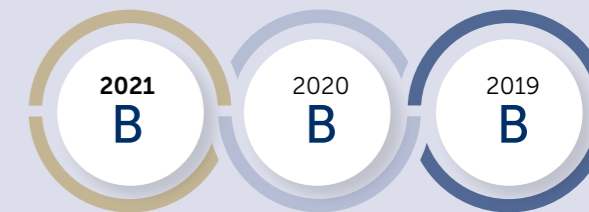
Carbon performance

Total Scope 1 and 2 emissions increased by 6% in 2021 (184 165) comparatively (2020: 173 121). Our stationary fuel consumption increased by 97%, largely due to load shedding and increased runtime of our generators. We experienced reductions in refrigerant gases (19%) and vehicle fuel consumption (8%).

In 2020, Covid-19 impacted group person hours worked, which affected the balance of ratios when calculating the carbon intensity targets. Therefore in 2021, the group reverted to an absolute reduction target until 2023 (15% reduction from the 2017 baseline). Our absolute emission target reduction in 2021 was 28% (compared to the 2017 baseline 255 904) largely due to the significant reductions in 2020 (173 121).

CDP programme scoring

Sun International participates in the annual CDP. In 2021 we maintained our B rating, which is in the management band and is higher than the global average of B- and of the entertainment facilities sector average of C. We anticipate maintaining this score in 2022.



Forward planning

We will continue focusing on a back-to-basics approach and ensure the implementation of 'low-hanging fruit' projects, to optimise efficiencies based on business operating levels. By doing so, we will position ourselves to transition towards low-carbon energy sources to achieve our 2028 carbon reduction targets.

WASTE MANAGEMENT

The group has reset its ZWTL targets and regards this approach as a journey towards changing the overall mindset on how waste is viewed within the organisation. Our unit mandates were to engage with all facets of the operations to critically review the types of waste generated, assess the opportunities to either eliminate a waste stream or transition to recyclable or biodegradable options. All units were afforded an opportunity to review:

The 2019 recyclable rates and to commit to annual recycling milestone targets, with plans to achieve ZWTL by 2025.

All waste management contracts and to align with their milestone targets. Also to ensure site-specific requirements are addressed (lessons learnt from previous or existing contracts) and that there is alignment with the group ZWTL programme requirements, in terms of data reporting, separation at source, training and awareness.

Waste performance

Boardwalk achieved an excellent overall 97% diversion of waste from landfill, which was achieved through recycling and waste beneficiation. In addition, Carnival City, Flamingo, and Central Office achieved their 2021 milestone recycling targets. GrandWest, Time Square and Windmill achieved 10% less than their set targets, however, they demonstrated progress comparatively.

Forward planning

The identification of feasible waste beneficiation projects and further investigations are planned for 2022. The postponed ZWTL assessment toolkit is positioned as a key project for 2022.

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.

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. In 2021, 80% of units transitioned to biodegradable or reusable straws. We will continue to address this with the remaining units in 2022. In 2022 we will explore our supply chain to identify further items to address, such as packaging and plastic wrapping.

Palm oil

Sun International uses small volumes of palm oil and we aimed to eliminate and transition to a suitable alternative by the end of 2021. Limited progress was made but we intend to make further progress in 2022.

ENVIRONMENTAL CASE STUDIES

WINDMILL: Generation restore - Biodiversity

To celebrate Environmental Day as part of our biodiversity campaign, we launched a competition for staff in the form of a treasure hunt. The staff had to complete an entry form and use the clues to find the answers. All correct entries went through to a draw and each of the three staff members won a R500 gift voucher. The competition was launched at the staff roadshow and more than 75% of our staff entered the competition.

The collage features a 'WORLD ENVIRONMENT DAY COMPETITION' entry form with questions such as 'This is where all rubbish/waste ends up at Windmill. So where will you go?' and 'How much waste was recycled?'. It also includes a poster with the text 'EVERYONE HAS A ROLE TO PLAY IN ECOSYSTEM RESTORATION AND EACH OF US CAN MAKE A DIFFERENCE.' and several smaller graphics with messages like 'Avoid single use plastics that end up in our oceans', 'Tree planting is a simple and popular restoration activity', and 'Clean up local rivers and plant indigenous species to restore habitats'.

ARBOR WEEK

We handed out 400 indigenous and fruit trees to staff and guests on 3 September 2021 to celebrate Arbor week.





PEOPLE AND CULTURE

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.

OUTCOMES

GOOD PROGRESS ON SUCCESSION AND TALENT MANAGEMENT – piloted our women in leadership programme and implemented a women empowerment programme

EMPLOYEE WELLNESS PROGRAMME (EWP) – developed a manager’s EWP toolkit and facilitated training sessions for line managers to optimise the value of workplace absenteeism management while operating in a Covid-19 environment

GENDER-BASED VIOLENCE – Sun International is standing firm against all forms of violence and abuse

TRANSFORMATION – good progress maintained despite loss of skills due to emigration:

- 92.2% (2020: 92.4%) black employment in our South African operations including Sun Slots
- 57.32% (2020 56.85%) female representation across our South African operations including Sun Slots

RECRUITMENT – launched the Oracle Peoplesoft recruitment platform to streamline our recruitment process

TRAINING – introduced our new gaming floor management programme and updated our learning catalogue to include more online programmes

Covid-19 – implemented salary adjustments to ensure all employees were remunerated when operations were closed in June to July 2021 and implemented a staggered approach to remuneration while operating within restrictive curfews until 21 December 2021

KEY FOCUS AREAS IN 2021

	Progress	
Improving succession planning and transformation at a senior management level and maintaining a talent pipeline and development plan for top black talent	✓	Page 23
Building critical skills and core competencies necessary in the gaming and hospitality industry	🔄	Page 23
Instilling an employee culture that embraces the group’s vision, purpose and values	🔄	Page 24
Ongoing engagement with employees through Sun Talk	✓	Page 26
Ongoing focus on equal pay for work of equal value as well as gender pay equality	✓	Page 26
Managing change management with organisational design revisions	🔄	Page 25
Providing ongoing employee wellness support, education and awareness around Covid-19 and government’s vaccination rollout plans	✓	Page 26

✓ Achieved/Good progress
 🔄 In progress
 ✗ Limited progress

LOOKING AHEAD

Enhancing critical skills and competency development and ensuring change management in our agile work environment group-wide	Nurturing internal current and future leadership	Improving our employee experience and relaunching our employee recognition programme, SunStars	Continuing to focus on diversity, equity and inclusion	Ongoing focus on employee wellbeing through our One Sun Wellness (OSW) programme
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KEY PERFORMANCE INDICATORS

Group employee statistics		2021	2020
Total employees	Number	7 131	7 548
– South Africa including Sun Slots	Number	6 839	7 045
– Other Africa	Number	292	503
Group employee turnover	%	11.1	30.9
Group female representation	%	56.2	55.4
Black representation ¹	%	92.2	92.4

1 South African operations.

Africa headcount decrease due to Swazispa’s liquidation.

Regional employee statistics		South Africa		Sun Slots		Africa	
		December 2021	December 2020	December 2021	December 2020	December 2021	December 2020
Permanent full-time employees	Number	3 319	3 385	225	236	292	503
Permanent part-time employees	Number	3 294	3 423	1	1	0	0
Skills development spend	R million	49	38	3	1	0	0.12
Female management employees	%	47	46	41.7	40.9	38	41
Employee turnover	%	8.6	33.2	8.2	5.4	15.9	2.5
Employees in bargaining unit	%	64	65	0	0	0	21

PERFORMANCE OVERVIEW

Our employees are key enablers to achieving the group's strategy and providing memorable guest experiences. Business activity continued to be impacted by various lockdown levels during 2021 as we endured successive Covid-19 waves, shifting curfews and the closing down of operations in July 2021. These disruptions required the continued fortitude of our employees to continue with their respective roles, despite salary reductions and delayed Covid-19 Temporary Employee/Employer Relief Scheme (TERS) payouts. Our people were diligent in their adherence to strict Covid-19 protocols, to ensure the safety of their colleagues as well as our patrons. While critical skills were lost due to emigration, our succession and talent management programmes were successful in transitioning employees into key positions. However, we remain concerned about the shortage of critical skills in the hospitality and gaming industry. There was a focus on training through a blended approach – a combination of online and face-to-face learning. Communication remained a central focus to continuously inform employees of operational changes. There was also a priority on reconnecting with employees to rebuild camaraderie among teams. We continued to enhance employee engagement throughout the year by using the Sun Talk communication platform, email, WhatsApp and video messages.

WORKFORCE PROFILE

At 31 December 2021, we had 7 131 (2020: 7 548) group employees. The year was marked with monthly remuneration being paid at an hourly rate to match hours worked due to strict curfews and capacity restrictions. Non-operational staff were subjected to a staggered decreased approach of remuneration resulting in the senior management team remaining on reduced remuneration for 2021. Although tough on our employees, they have remained committed, resilient and continued to create memorable experiences for our guests.



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 included in line managers' performance contracts. The social and ethics committee is responsible for monitoring our progress against set targets.

During 2021, we achieved good progress against our unit-specific three-year employment equity plan, that supports the group's strategic objectives while meeting the provincial gaming boards' licencing criteria. Most units have also developed their successive employment equity plans for the period August 2021 to July 2024 and the consolidated group employment equity plan has been approved. A further review will occur in 2022 when the new amendments, which set sector targets, are operational. The Employment Equity Act amendments were passed by the National Council of Provinces and were scheduled to be tabled at the National Assembly and scheduled to become effective in September 2022. However, there have been delays in the process of promulgating the Employment Equity Amendment Bill. As a responsible employer, we have implemented measures to ensure we continue to embrace transformation and adapt to change.

We maintained our South African (including Sun Slots) black employee representation at 92%, while exceeding the national economically active population distribution. The management team is made up of 84% (2020: 84%) black people, and 46% (2020: 46%) are females. Challenges remain at middle and senior management levels, where representation of black people, particularly black females, is lower than that of white people.

Sun International's recruitment of persons with disabilities remains challenging. We continued with our disability capacity building workshops and disability awareness days, to ensure that our people understand the benefits of declaring and demystifying the stigma attached to declaring a disability. Awareness days centred on how workplace accommodation enhances the performance of our people living with disabilities. Significant focus has been placed on the effects of long Covid-19, which result in a disability.

Diversity profile South Africa

Employee class	Occupational levels	Male					Female					Foreign nationals		Total
		A	C	I	W	Total	A	C	I	W	Total	Men	Women	
Permanent	Top management	2		2	4	8		1			1			9
	Senior management	17	7	21	25	70	16	4	9	17	46		4	120
	Middle management	82	30	28	70	210	76	27	16	37	156	5	7	378
	Skilled technical/supervisor/junior management	528	123	80	68	799	528	126	50	69	773	5	14	1 591
	Discretionary decision making	1 433	145	42	23	1 643	2 521	221	39	28	2 809	26	37	4 515
PERMANENT TOTAL		2 062	305	173	190	2 730	3 141	379	114	151	3 785	36	62	6 613
Temporary		116	11	4	14	145	149	15	5	7	176	1	1	323
TOTAL		2 178	316	177	204	2 875	3 290	394	119	158	3 961	37	63	6 936

Diversity profile Sun Slots

Employee class	Occupational levels	Male					Female					Foreign nationals		Total
		A	C	I	W	Total	A	C	I	W	Total	Men	Women	
Permanent	Top management	1	2	1	1	5	2	1	1		4			9
	Senior management	5	2	6	4	17	5	2	3	2	12			29
	Middle management	7	2	2	2	13	8	1		4	13			26
	Skilled technical/supervisor/junior management	59	19	9	3	90	39	16	5	1	61	1		152
	Discretionary decision-making	1				1	9				9			10
	Unskilled and defined decision making													
PERMANENT TOTAL		73	25	18	10	126	63	20	9	7	99	1		226
Temporary		7				7	4			4				11
TOTAL		80	25	18	10	133	67	20	9	7	103	1	0	237

PERFORMANCE OVERVIEW *continued*

Legislation

We continue to uphold the principles contained in the group's Employment Equity (EE) Policy, Elimination of Sexual Harassment Policy and the Disability Management Policy to protect employees' rights in the workplace, by ensuring fair treatment and equality in employment processes. Any deviation from the protection of these rights is not tolerated. In so doing we have complied with not only South Africa's constitutional protections, but also with our responsibility towards international law by complying with the UN Global Compact as relevant to employment practices, which address fairness, equality and non-discrimination in the workplace. These include: (a) Principle 1 (respecting internationally proclaimed human rights); (b) Principle 2 (ensuring that we are not complicit in human rights abuses); and (c) Principle 6 (the elimination of discrimination in respect of employment and occupation).

Disability management

This is another critical area, particularly due to the effects that Covid-19 has on employees' long-term physical and mental health. Interventions will continue to be introduced to address these, not only through our wellness programmes, but also in encouraging employees to recognise the effects of the pandemic on their performance levels and seek alternative ways of working, which will enable their full participation in the workplace.

New employment equity plans

New EE plans for the period 1 August 2021 to 31 July 2024 have been developed by all units. These plans will be subject to change because of the proposed amendments to the Employment Equity Act, expected to be passed by Parliament in 2022. These amendments will include legislated sector targets, over a five-year period, and progress will be measured annually for compliance. The group has been identified as part of the arts, entertainment and recreation sector, with gaming as a sub-sector and will need to comply with this sector's targets. The changes to the EE plans will probably be for numerical targets instead of non-numerical targets. The Department of Employment and Labour will issue a compliance certificate if sector targets are compliant, and this certificate will be valid for B-BBEE purposes. In response to the expected changes to the legislative environment, the group has focused on an integrated approach to transformation, to ensure alignment between the EE Act and B-BBEE Act.

Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000 (Equality Act)

The proposed amendments aim to prohibit unfair discrimination, including hate speech and harassment. Where unfair discrimination occurs, both the employer and employee will be jointly and severally liable for consequences.

EMPLOYEE TURNOVER

During the year under review there were 821 (2020: 2 836) employment terminations group-wide, and group turnover was 11.1% of the total headcount (2020: 30.9%). The 2021 turnover includes eSwatini at 100% and the South African turnover of 8.6% was the lowest in several years.

Consolidated turnover

Report Entity	Terminations	Turnover percentage 2021 (%)	Turnover percentage 2020 (%)
South Africa	573	8.6	33.2
Sun Slots	19	8.2	5.4
South Africa, including Sun Slots	592	8.6	32.4
Nigeria ¹	49	15.9	
eSwatini ¹	180	100.0	
TOTAL	821	11.1	30.9

¹ Turnover for Nigeria and eSwatini was 2.5% in 2020.

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 give feedback on how they identified with the formula and to provide ideas on how to improve processes and efficiencies. The SunWay culture has been integrated and embedded in learning interventions, wellness, recruitment and the employee recognition programme.

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. We continue to position our EVP externally to showcase Sun International's brand and attract talent. The EVP has helped in creating a great brand for the group's talent attraction, which is evident in the positive results we have had in attracting new talent to the organisation.

It is important to ensure that the group remains sensitive to our employees' needs and concerns, particularly after the past year where many employees were impacted emotionally and financially by Covid-19. During 2021, we realigned our EVP to ensure that our focus meets employees' needs and concerns. As depicted in the graphic above right, we focus on four elements that engage employees and make them feel part of the Sun family.



Source: Gartner 2021 research.

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. Sun International provided R2 million in recognition of the financial strain that our people have experienced.

In 2021, the initiative focused on a maximum wish value of R5 000 per employee, which was granted for:

- Education assistance to Sun International employees' children, including school or university fees, uniforms, textbooks and stationery.
- Financial assistance with regard to outstanding debts.
- Financial assistance with medical bills.

The wishes granted since inception are shown below.

	Wishes received	Wishes granted
2016	134	34
2017	164	54
2018	306	103
2019	512	194
2020	556	501
2021	808	485

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 a 91% (7 054) registration (2020: 6 935) to date. The app is also used to create awareness around the group's various campaigns and initiatives.

Unions and employee relations

Sixty-four percent (2020: 65%) 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. Engagement focused on shop steward election across our units as the three-year office term of current committees had run its course. The election process is complete and committees are in place group-wide.

Human rights and freedom of association

During 2021, 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 group has a responsibility to ensure the effective human rights management. The principle of freedom of association, as it relates to each country's constitution 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 follow the requirements of the Employment Equity Act, the B-BBEE Act, the Labour Relations Act, the Basic Conditions of Employment Act and other pertinent legislation which ensure that we promote fairness in the workplace and have zero tolerance for any discrimination. Our policies and practices are underpinned by the South African Constitution requirements, particularly the Bill of Rights, which requires that we promote equality, ensure fair employment practices and respect the right to human dignity, Ubuntu and the freedom of all individuals.

PERFORMANCE OVERVIEW *continued*

TALENT MANAGEMENT INITIATIVES

Creating a high-performance culture

Talent management remains a critical enabler to the business strategy. Our various talent management functions work together to support a streamlined approach to the employee life cycle.

Succession management

The previous year's talent assessments provided the foundation for the development of high-potential talent in 2021. The 2021 focus was on designing individual development plans with our critical high-potential talent. There was further refinement of the senior and functional talent pools as well as the succession plans for senior roles. In support of the senior women development and empowerment strategy, high-potential women were selected for our women in leadership programme.

Performance management

There was a focus on driving the performance management discipline in the organisation to enable a high-performance culture. This was reinforced through performance management training in various business units. Further enhancements were made to the performance management system to streamline the performance management process.

Recruitment and assessment

Sun International continued to use candidate search engines such as LinkedIn and Career Junction as a key source for attraction of the right talent. We also started using PeopleSoft as our e-recruitment tool to improve our reporting functionality and enhance the candidate experience.

Mentorship

Mentorship is an important talent development tool. Individual high-potential talent mentoring took place during the year to fast-track competencies. There will be a greater focus on mentorship in 2022 to fast-track the middle management female leaders in preparation for future senior vacancies.

Organisational design

Organisational redesign was critical for certain business areas where new jobs were created, or old jobs have changed or merged. This is a continuous alignment process to facilitate effectiveness and efficiencies.

LEARNING AND DEVELOPMENT

In 2021, all units showed an increase in delegates attending training; however, both training spend and candidate numbers were impacted by Covid-19. For units to gain maximum benefit from any face-to-face interactions, all Covid-19 health and safety protocols are meticulously followed. The learning curriculum was also expanded to include online training that focused on middle and senior management. We also launched FUSE, an online system, to further encourage employees to participate in development interventions. The drive to promote online learning in 2021 was well received as candidates can use their smartphones to upload video assignments for all online interventions offered by our strategic training partner, Reach Summit (formerly The International Hotel School). Units continue to rollout learnerships in both gaming and hospitality and there was a marked increase in online courses from tertiary institutions.

A new system is being used to track B-BBEE spend, which is proving instrumental in tracking training and planning maximum employee development, as well as unit B-BBEE goals.

Learning and development initiatives

GrandWest and Sun City had successful bursary expos and encouraged all employees to attend, resulting in an increase in bursary recipients, especially in Accounting, Financial Management and specialist computer programmes. Online learning was also promoted at these expos.

We returned to a back-to-basics approach for skills programmes, where computer literacy including Excel and Outlook were popular IT courses. Soft skills such as negotiation and presentation skills were facilitated in classrooms. Gaming and hospitality learnerships continue to be popular and remained classroom based. The group also commenced with a 'pilot' gaming supervision programme at an NQF level 4 for gaming floor managers, which focuses on cross-functional skills training in both tables and slots. Most interns are placed in IT, Gaming Technical (studying Engineering), Finance and HR. Where possible interns are placed at units after completing their studies.

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'.

The CLEAR serving is based on:

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



PERFORMANCE OVERVIEW *continued*

SKILLS DEVELOPMENT SPEND

Training incorporated face-to-face training as well as virtual training (blended learning) for specific functions within the group. In 2021 South African training spend, including Sun Slots, was R52 million (2020: R39 million), and the number of employees trained also increased. South African training spend, excluding Sun Slots, was R49 million (2020: R38 million). The total number of South African employees trained, excluding Sun Slots, in 2021 was 3 770 (2020: 2 247) and 3 954 (2020: 2 335) including Sun Slots.

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

	December 2021	December 2020
Leviable payroll (R million)	1 371	1 335
Training costs (R million)	49	38
% of leviable payroll	3.6	2.8

Grants and levies

CATHSSETA grants were received for all units except SunBet. To access skills development grants from the Culture, Art, Tourism, Hospitality and Sport Sector Education and Training Authority. Under the levy grant scheme, we are required to:

- Pay a skills development levy to the South African Revenue Services (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.

South Africa: Grants and levies	December 2021	December 2020
Skills development levy paid (R million)	13.4	13.4
Mandatory grants received (R million)	5.7	3.4

Remuneration and benefits

We participate in and consider market remuneration surveys and align our pay decisions to the principles set out in our remuneration policy. 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 at November 2021 all our people moved to full salaries, except for the senior management team.

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 the variable remuneration. Variable remuneration comprises

short- and long-term incentives, which consist of share-based rewards (with a vesting period of more than one year), cash settlements, discretionary lump sum payments, bursaries, scholarships and dividends. A further requirement included an assessment of the income gap between 10% of the highest earners, and the corresponding 10% of lowest earners. The group conducts 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, promotions and gender. This process now applies 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

One Sun Wellness (OSW)

Covid-19 disruptions continued into 2021, adding to employees' mental health burden and placing more pressure on the business. While the earlier sentiment in 2021 was about loss in various forms, by year end there was a spirit of optimism, notwithstanding the very real challenges that we are yet to overcome. Covid-19 also dominated the wellness space, deflecting the focus from other potentially life-threatening issues. The 'Colour Your Life' campaign was introduced in 2021 to identify other causes and concerns that our people contend with day-to-day. It was particularly important to identify underlying health risks that had been sidelined in 2020, due to limited access to screening.

Opportunities were optimised to engage in group activations, the demand for counselling increased, and the contact targets for all OSW services were exceeded. The cumulative impact is evident in overall engagement level achievement of 158% (10 827 contacts) in the LifeAssist programmes alone.

Psycho-social support

The employee wellness programme (EWP) continues to provide 24/7 access to professional counselling, wellness consultation, legal advice, financial coaching, and debt management services – to employees and household members, including domestic helpers. In 2021, 894 cases (2020: 665) were registered, a 34% increase in case load and a 9% increase in the case utilisation rate (from 9% to 13%). The top five reasons related to stress, bereavement, work-life balance, couples counselling and anxiety. High-risk cases related to stress, substance and physical abuse, depression, suicidal ideation, and bereavement.

Workplace absenteeism management

The Workplace Absence Management programme (WAM) reaches out to employees and offers professional health coaching and counselling to address the underlying reasons for sick absence. During 2021, contact was made with employees through 2 746 telephone conversations. The top five reasons related to Covid-19 (34%), respiratory disorders (22%), domestic/personal matters (12%), musculoskeletal (10%), and psychiatric (5%) disorders.

Onsite testing: health and lifestyle risk assessments and HIV counselling and testing

This workplace service is voluntary and confidential. Rapid health risk screening and lifestyle self-assessments promote the early identification of chronic diseases of lifestyle that can inform the risk mitigation strategy, and employees gain insight into how to prevent or manage health and lifestyle risks. Employees engage with a health coach to identify and address health and lifestyle risks. At-risk individuals are referred to the EWP, WAM or a chronic disease management programme. In 2021, the spectrum of screening was expanded to include breast self-examination and weight/body shape monitoring. Onsite testing resumed in Q2 2021 with 1 897 participants. The major health risks are obesity, diabetes, hypertension and cholesterol.

Managing HIV/Aids

Sun International's LifeSense HIV disease management programme (LDM) assists HIV-positive employees on primary healthcare to maintain anti-retroviral treatment adherence, to ensure they live healthy and productive lives. There are currently 120 active members across fourteen units. 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

Sun International has zero tolerance for all forms of violence and abuse. Gender-based violence (GBV) has been declared a social pandemic, which is exacerbated by many other forms of abuse and cruelty. We are heeding the call to confront this scourge by reaching out to those within our circle of influence – appealing to each one of us to consider how we relate to each other and inviting the abused and the abuser to get help. Employees have recourse through company policies and procedures as well as support through our OSW and community-based initiatives.

Our 365 days of activism campaign, to end violence and abuse, is at the heart of the organisation – championed by our chief operations officer and HR Executive. A committee was also established to mobilise the campaign objectives. We support the government's national strategic plan to eliminate GBV and femicide and ensure human dignity and healing, safety, freedom and equality in our lifetime. Sun International takes it beyond 16-days of activism – 365 days, every year.

The group offers support through the EWP to those who are caught in the cycle of abuse in their professional and personal lives – both victims and perpetrators. We are well positioned to reach people in the workplace and through our presence in surrounding communities.

Training and wellness interventions

In 2021, there were more opportunities to engage – both in person and online, and in a hybrid model. An upside of the Covid-19 era is that it has stimulated an appetite for health and psycho-social insights. Various wellness events took place and strict Covid-19 safety protocols were observed. Over 2 400 people participated in these events.

In 2021, 676 delegates participated in EWP-related training initiatives and topics included:

Risk mitigation: Manager Masterclass: WAM – sick absence in the time of Covid-19.

Team-building skills: The Adversity Quotient: building collective resilience in the face of disruption.

Psycho-social skills: Managing trauma in the workplace (prompted by unrest in KZN).

Life-skills: Financial wellbeing: Hierarchy of financial needs.

Communication

The Sun Talk and Let's Talk app is the most effective platform for providing health and wellness content, promoting the benefits of the OSW programme, and inviting people to participate in activations. The LifeAssist website is a repository for content and practical resources and attracted over 2 000 visits. In 2021, two zones were created – a manager toolkit for EWP and WAM respectively – to equip managers with resources to hone people skills, focus on self-care, and apply the programmes effectively.

Managing and mitigating health and safety risks

Through our integrated OSW model, business is geared to address the key drivers of risk in the current South African context including Covid-19, HIV, TB, mental health, sick absenteeism and GBV. OSW is positioned to measure, monitor and mitigate these risks and to provide support for employees.

SOCIAL

HEALTH, SAFETY AND WELLBEING

The health, safety and wellbeing of our employees, guests and communities are our responsibility and important to our business, as this directly impacts our reputation and sustainability. Our health, safety and wellness framework enable the group to manage and monitor health and safety group-wide, protect relevant stakeholders, maintain legislative compliance, and position the group to continually improve its health and safety performance.

OUTCOMES

71%
IMPROVEMENT IN HEALTH AND SAFETY PERFORMANCE ACHIEVED

Zero
FATALITIES ACHIEVED

10% to 38%
REDUCTION IN ALL INJURY FREQUENCY RATES ACHIEVED WHEN COMPARED TO 2019

46%
OF THE WORKFORCE ENGAGED THROUGH HEALTH, SAFETY AND WELLNESS INTERVENTIONS



KEY FOCUS AREAS IN 2021

	Progress	
Training and awareness		Page 29
<ul style="list-style-type: none"> 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		Page 29
Improving customer satisfaction scores in relation to health, safety and wellness matters		Page 28
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		Page 30
Implementing innovative solutions to improve risk management and employee wellbeing		Pages 31 and 32
Implementing a reward and recognition framework to encourage sustainable behaviour		Page 28
Implementing the group medical surveillance programme at all properties		Page 30

Achieved/Good progress
 In progress
 Limited progress

LOOKING AHEAD

- Adopting an alternative approach to implementation of the group SHE management system to enable ISO 45001 and 14001 certification readiness
- Standardising and improving risk-based training group-wide
- Improving incident reporting with a key focus on near misses at all operations to ensure proactive risk management
- Improving data analytics through business intelligence to improve risk mitigation and performance
- Updating and implementing the amended group fire and legionella standards

KEY PERFORMANCE INDICATORS

Sun International remains committed to reporting on relevant and applicable indicators as indicated in our ESG data table on page 18. Where possible, we also align our health, safety and wellness initiatives to address specific Sustainable Development Goals (SDGs), namely SDG 3 – Good health and wellbeing. Further, we also measure health and safety performance internally through various indicators. A summary of these key performance indicators (KPIs) and what we achieved is provided in the table below.

Health and safety		2021	2020
Fatal injury frequency rate (FIFR) ¹	Rate	0.00	0.00
Lost time injury frequency rate (LTIFR) ²	Rate	0.76	0.58
Total recordable injury frequency rate (TRIFR) ³	Rate	1.21	1.42
Total injury frequency rate (TIFR) ⁴	Rate	7.02	7.05
Total number of employee/contractor first aid cases ⁵	Number	529	405
Total number of employee/contractor medical treatment cases ⁶	Number	41	60
Total number of employee/contractor lost-time injuries ⁷	Number	69	42
Total number of employee/contractor recordable injuries ⁸	Number	110	102
Total work-related fatalities ⁹	Number	0	0
Total number of guest injuries ¹⁰	Number	117	65
Total number of person hours worked (PHW) ¹¹	Number	18 198 926	14 379 196

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 PHW.
 2 LTIFR is the frequency of lost time injuries (LTIs), i.e. the number of LTIs per 200 000 PHW.
 3 TRIFR is the frequency of all reportable injuries (RIs) – inclusive of all fatalities, LTIs and medical treatment cases (MTCs) per 200 000 PHW.
 4 TIFR is the sum of all injuries (i.e. first aid cases (FACs), MTCs, LTIs and fatalities) per 200 000 PHW, where the difference between TRIFR and TIFR is the addition of FACs.
 5 Total number of employee, contractor and service provider injuries that only required first aid.
 6 Total number of employee, contractor and service provider injuries that required treatment beyond first aid but did not result in lost time.
 7 Total number of employee, contractor and service provider injuries that resulted in lost time beyond the day of the injury.
 8 Total number of recordable employee, contractor and service provider injuries that resulted in medical treatment, lost time or a fatality.
 9 Total number of employee, contractor and service provider injuries that resulted in a fatality.
 10 Total number of guest injuries that resulted in medical treatment or a fatality.
 11 Total PHW for all employees, service providers and contractors.

Covid-19		2021	2020
Covid-19 recovery rate ¹	Rate	99%	99%
Covid-19 mortality rate ²	Rate	1%	1%
Number of Covid-19 positive cases ³	Number	812	373
Number of recovered positive cases ⁴	Number	802	370
Number of Covid-19 related deaths ⁵	Number	10	3
Rand value of investments spent on Covid-19 exposure mitigation ⁶	R million	R23.3	R20.5

1 This is calculated by dividing the total number of Covid-19 recoveries by the total number of positive cases.
 2 This is calculated by dividing the total number of Covid-19 related deaths by the total number of positive cases.
 3 This is the total number of employee, contractor, service provider and guest reported Covid-19 positive cases.
 4 This is the number of employee, contractor, service provider and guest reported Covid-19 positive cases that fully recovered.
 5 This is number of employee, contractor and service provider Covid-19 positive cases that resulted in death.
 6 This is the total amount spent on Covid-19 exposure mitigation measures.

KEY PERFORMANCE INDICATORS *continued*

Group health and safety performance	Target 2021	Achieved 2021	Target 2020	Achieved 2020	Progress
Achieve a reduction in Lost Time Injuries (LTIs) or maintain a Lost-Time Injury Frequency Rate (LTIFR) at or below the baseline from 2019	10% reduction from 0.99	23% reduction 0.76	0.83	0.58	✔
Achieve a reduction in Medical Treatment Cases (MTCs) or maintain a Total Recordable Injury Frequency Rate (TRIFR) at or below the baseline from 2019	10% reduction from 1.96	38% reduction 1.21	1.73	1.42	✔
Achieve a reduction in First Aid Cases (FACs) or maintain a Total Injury Frequency Rate (TIFR) at or below the baseline from 2019	10% reduction from 7.84	10% reduction 7.02	6.92	7.05	✔
Maintain a Fatal Injury Frequency Rate (FIFR) of 0.00	0.00	0.00	0.00	0.00	✔
Improve employee training on the group SHE management system procedures	30%	13%	-	-	✘
Achieve or improve customer satisfaction survey target relating to health and safety perception	85%	92%	-	-	✔
Improve audit module utilisation on the SHE management system platform	80%	32%	-	-	✘
Improve utilisation of the improvement module on the SHE management system platform	70%	47%	-	-	🔄
Improve incident reporting on the SHE management system platform	80%	79%	-	-	🔄
Implement all OHS awareness training for employees as per unit approved training plans	100%	54%	-	-	🔄
Implement all OHS awareness training for service providers and contractors as per unit approved training plans	100%	64%	-	-	🔄
Implement all OHS compliance training as per unit approved training plans	100%	68%	-	-	🔄
Implement at least one new or innovative solution to improve risk management or employee wellbeing	14 (100%)	9 (64%)	-	-	🔄
Implement a minimum of two wellness initiatives at each property (total 14 properties)	28 (100%)	27 (96%)	-	-	🔄
Achieve a minimum of 50% employee participation in the sustainability e-learning campaign	50%	46%	-	-	🔄
Achieve a minimum of 50% employee participation in a sustainability awareness initiative	50%	46%	-	-	🔄
Recognise at least 5 employees per property for sustainable behaviour	70 (100%)	41 (58%)	-	-	🔄
Implement at minimum compliance related medicals for identified employee groups	100%	79%	-	-	🔄
Achieve a minimum audit score for sustainability audits	80%	85%	-	-	✔
Achieve zero penalties, infringements, or convictions from government, regulatory or local authorities	0 (100%)	0 (100%)	-	-	✔
Close out all high priority findings from the last fire and life safety inspection	100%	89%	-	-	🔄
Close out a % of all moderate priority findings from the last fire and life safety inspection	60%	89%	-	-	✔
Close out a % of all low priority findings from the last fire and life safety inspection	30%	94%	-	-	✔
Close out a % of all risk control audit inspection findings	60%	84%	-	-	✔
Close out all critical and major findings from the food safety, legionella and Covid-19 audits	100%	97%	-	-	🔄
Close out a % of all minor findings from the food safety, legionella and Covid-19 audits	80%	92%	-	-	✔
Close out a % of all findings from the prior year's sustainability audit	80%	84%	-	-	✔



Target achieved



Target not achieved/
Good progress made



Target not achieved/
Additional action required



PERFORMANCE OVERVIEW

Sun International adopted a back-to-basics approach in 2021 to ensure that initiatives started prior to 2020 regained momentum. Significant progress has been made to reprioritise health, safety and wellness performance improvements.

Preventing stakeholder harm

COVID-19

The health and safety of our customers and employees remains a priority, along with protecting our reputation as a memorable destination of choice. As a group, we have invested R43.8 million in Covid-19 exposure mitigation since the start of the national state of disaster. These investments have enabled the group to demonstrate resilience and adaptability in adhering to all legislation and implementing relevant, best practice protocols to limit capacity, ensure physical distancing, and provide adequate ventilation and sanitation facilities to our employees and customers. These protocols helped us to significantly minimise the risk of Covid-19 exposure at all properties, with the majority of Covid-19 positive cases being experienced during the various waves in South Africa. The positive case recovery rate for Sun International is 99%. Despite our efforts, we are deeply saddened that 13 employees and service provider employees lost their lives due to Covid-19 since the beginning of the pandemic.

Vaccination strategy

While the group respects an employee's choice to be vaccinated against Covid-19, we developed a voluntary vaccination strategy that includes a vaccination policy and rollout plan that encourages employees to be vaccinated. The policy and plan details how risk assessments are considered, the rollout of the workplace vaccination programme, enforcement of Covid-19 protocols, prevention of unfair discrimination and communication on the vaccine. A Covid-19 vaccination awareness portal was also launched on the group's Sun Talk platform to provide updated Covid-19 and vaccination-related information. We also have various communication posters throughout our sites.

Community vaccination sites have been established at Sun City and the Wild Coast Sun, while workplace vaccination sites were established at GrandWest, Carnival City and Time Square for a shorter period of time. These sites were

established in collaboration with the Department of Health in respect of resourcing and costs. For other units, employees have various vaccination options including using Discovery and Medicare 24 facilitated vaccination sites.

GROUP SHE MANAGEMENT SYSTEM

Our group SHE management system procedures were revised and training on the revised procedures has also begun. However, we have not yet gained the traction we desired in this respect, achieving a 13% training rollout against a target of 30% in 2021.

Customer satisfaction was also a key driver for measuring our health and safety performance and the effectiveness of the management system implementation. The existing survey method was reviewed to establish if sufficient performance information could be obtained and to establish a benchmark against which customers perceive their health and safety. As a group we exceeded the target of 85%, achieving a **92%** satisfaction outcome in 2021.

INJURY REDUCTION AND PREVENTION

Fatalities

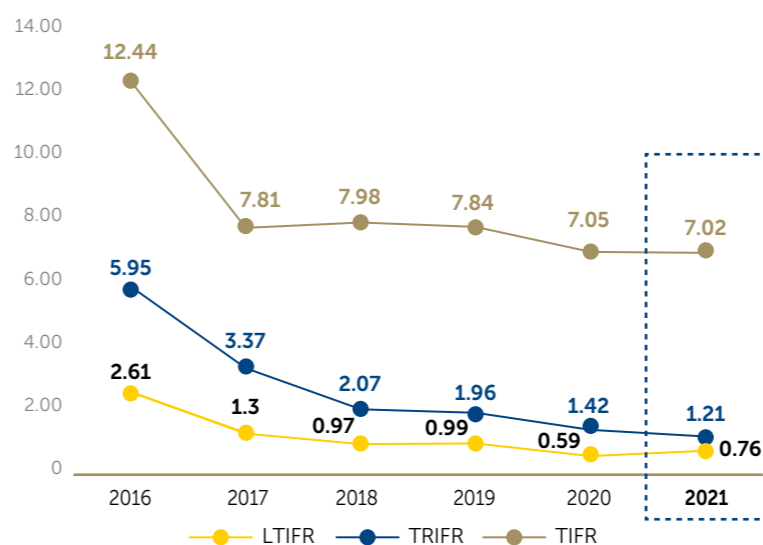
Sun International achieved zero work-related fatalities group-wide, maintaining a FIFR of 0.00% year-on-year. We remain committed to keeping our employees, contractors and guests safe by maintaining a zero-fatality rate and continuing to reduce and prevent injuries group-wide.

Injury frequency rates

As a group, our LTIFR increased by 22% to 0.76 (2020: 0.58) This is to be expected due to the return of our business operations to full capacity. What is pleasing to note is that it is a reduction of **23%** when compared to the 2019 baseline (0.99).

The group's TRIFR reduced by 16% to 1.21 (2020: 1.42) and a total reduction of **38%** when compared to the 2019 baseline (1.96). Finally, the TIFR for the group reduced to 7.02 achieving a total reduction of **10%** from 2019 (2020: 7.05 and 2019: 7.84).

Injury frequency rate reductions 2016-2021 (number)



The reductions achieved when compared to the 2019 baseline indicate improved health and safety performance, which can be attributed to the various health and safety interventions the group has implemented over the last six years. What is important to note, however, is that the current injury frequency rates may not be a truly comparable result, due to the closure of the business in July 2021 and still operating under reduced operating conditions during certain months.

Forward planning

Preventing stakeholder harm remains a key focus area for the group in 2022. Increased focus will be placed on the implementation and training associated with the group SHE management system; benchmarking our performance against customer satisfaction expectations; and improving the reporting of near misses to ensure proactive incident prevention and risk mitigation.



Proactive control and risk mitigation

COMPLIANCE AND RISK MANAGEMENT PLATFORM

The development and rollout of the new electronic enterprise risk management solution was placed on hold due to Covid-19. However, we are still using our current electronic platform and focus was placed on improving the system implementation through improved utilisation of the auditing, improvement and incident reporting modules, to enable proactive risk management. Overall system utilisation with regard to incident reporting improved by **79%** across the group, just missing our target of 80%.

TRAINING AND AWARENESS

In 2021, our employee training focus reverted to compliance and risk-based training. With 2020 being an exceptional year, due to the impact of Covid-19 and the level of training required to reopen our business, we have compared the training to the 2019 baseline, which shows a 41% reduction in training. This can be attributed to the challenging trading conditions and the need to focus on strategic training requirements in 2021. This also contributed to the group not achieving its awareness and compliance training targets. Despite having defined training plans, certain training initiatives had to be cancelled.

The graphic below outlines the focus on health and safety training and the number of employees, service providers and contractors trained.

Health and safety training (number)



EMPLOYEES



SERVICE PROVIDERS AND CONTRACTORS

2021	1 090
2020	7 792
2019	2 651

2021	3 903
2020	1 573
2019	5 467

Forward planning

In 2022 we will focus on driving usage of the audit and improvements module to ensure oversight of issues and accountability when it comes to taking action and improve data analytics through business intelligence. We aim to standardise our group training requirements and ensure that all operations are implementing the required risk-based training.

PERFORMANCE OVERVIEW *continued*

Innovative solutions to manage health, safety and wellness

OCCUPATIONAL HEALTH AND WELLNESS INTEGRATION

Covid-19 highlighted the need to emphasise, mental health and employee wellbeing as a material concern for ensuring employee satisfaction and overall business sustainability. Our centralised integrated wellness approach, which includes sustainability elements, was embedded within the group to ensure that mental and occupational health concerns are addressed simultaneously. Each unit has formed their own integrated wellness committee, which ensures wellness oversight and addresses any urgent matters. An ergonomics wellness project was also rolled out to focus on specific unit and employee risks.

The centralised wellness committee also implemented joint wellness days at each property, implementing over **27** wellness interventions across the group, providing employees with opportunities to vaccinate on-site, do on-site testing and health risk assessments as well as improve employee wellbeing.

See our case study on page 31

While we just missed our target of 28 interventions, this remains a significant achievement of this partnership.

Forward planning

We will continue to improve employee wellbeing through our integrated wellness approach.

Embedding a caring and vigilant culture

SUSTAINABILITY AWARENESS E-LEARNING AND INITIATIVES

In 2021, we focused awareness initiatives on Covid-19 vaccinations, and promoted five e-learning videos focusing on electrical safety, fire safety, good health and hygiene, work-life balance and mental wellbeing.

Awareness initiative participation by employees improved by **46%**, which was slightly below the target of 50% for 2021. We encouraged participation through various competitions and onsite interventions. Improved behaviour was also reinforced through our improved focus on reward and recognition.





See our case study on page 31.

Our e-learning campaign targeted an average of 1 900 employees across the group with the total number of viewings exceeding **11 500**.

Forward planning

Awareness initiatives will continue in 2022 and focus on relevant risk-based topics.

Health and safety – e-learning (number)

	ELECTRICAL SAFETY	2 546
	FIRE SAFETY	2 425
	SLIPS AND TRIPS	2 370
	GOOD HYGIENE	2 358
	WORK-LIFE BALANCE	990
	MENTAL HEALTH	848

Maintaining compliance, alignment to standards and best practice

MEDICAL SURVEILLANCE

Our medical surveillance programme ensures that employees are afforded the opportunity to undertake risk-based and voluntary medical assessments. The group medical surveillance policy was reviewed in 2021 and the units' implementation progress is monitored quarterly by the group health and safety specialist. Out of 14 operations, 11 have adopted the medical surveillance policy and are implementing medical assessments for higher-risk employees and shift workers. Our target was to ensure that all properties implement at least the compliance related medicals at their operations. We achieved **79%** of our target in 2021.

INTERNAL AUDITS

Sustainability cross-unit audits

Sustainability cross-unit audits and unit self-assessments were conducted in October and November 2021. The scope of the assessments remained the same as in 2020, focusing on compliance and risk prevention.

The group achieved an average audit score of **85%** which is an improvement of 9% (2020: 76%) and is above the group target of 80% or higher.



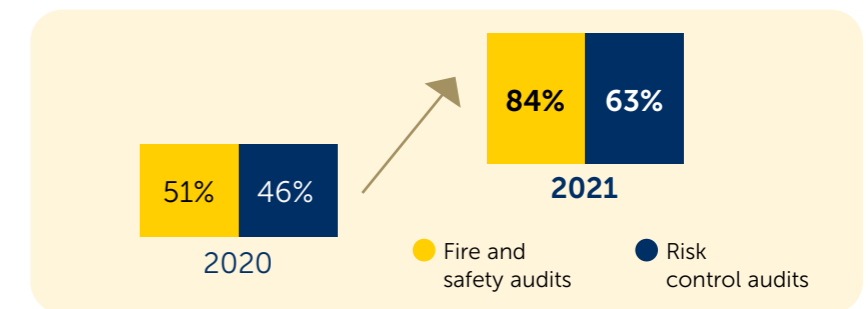
EXTERNAL AUDITS

Government and local authority inspections

Following 70 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 as well as regulatory inspections in respect of the Occupational Health and Safety Act and regulations.

Fire, life safety and risk control audits

Independent external audits focused on assessing fire prevention and control measure effectiveness; fire equipment servicing, maintenance and repair interventions; OHS Act compliance; public health and safety, and emergency preparedness were conducted. Overall fire risk prevention performance improved by **26%** and other risk prevention performance improved by **32%** compared to the prior year. The graphic below illustrates the fire and life safety and risk control audit progress made to close out findings from the prior year.



Hygiene audits

We pride ourselves on maintaining the highest food-safety and hygiene standards and ensure that we monitor and mitigate all hygiene related risks through independent third-party assurance audits focusing on Covid-19, food safety and legionella risk management. We achieved a 97% audit finding closure outcome for all critical and major audit findings; and exceeded our target of 80% to close out all minor findings. Overall audit scores improved consistently across all three audits and performance is illustrated in the graphic below.

	Microbiological index score (%)		Risk index score (%)	
	2021	2020	2021	2020
COVID-19 AVERAGES	94	86	86	86
FOOD SAFETY	93	93	84	83
LEGIONELLA	99	98	67	67

Forward planning

Ensuring compliance and the closure of prior year audit findings remain a key focus area for 2022. We will also focus on enhancing proactive risk management through the revision and implementation of group fire and legionella risk management standards.

HEALTH, SAFETY AND WELLBEING CASE STUDIES

Wellness interventions

CARNIVAL CITY: FUN RUN IN SEPTEMBER 2021

Carnival City had a 3km fun run in September 2021. Employees ran around the complex and around the open soccer field. There were some exceptionally fast runners and some employees who walked the route. It was well received by the employees who participated.



WINDMILL CASINO: WELLNESS CAMPAIGN

The unit hosted an outdoor aerobics marathon in October 2021. A 'Find the Facts Hunt' competition was also launched in November 2021, where employees had to find various facts about mental wellness on posters. Three winners won a smart watch, Bluetooth ear pods and a travel pillow, respectively.



SUN CITY WELLNESS CAMPAIGN: COLOUR RUN TOWARDS MENTAL HEALTH AWARENESS

Sun City celebrated mental health awareness in the most fun way. Our objective was to raise awareness of mental health issues. The purpose was to educate employees about mental health as well as ending the stigma and discrimination that people with mental illness are subjected to. It encouraged all of us to think about our health and our wellbeing.

The event was successful with more than half of those who registered showing up. We rewarded our participants with cash vouchers and medals. Each winner received a R300 Sun Talk voucher.



HEALTH, SAFETY AND WELLBEING
CASE STUDIES *continued*

Covid-19 awareness

INTERNAL AWARENESS

To improve awareness around vaccinations, we developed posters about the Covid-19 vaccine for our employees, using information made publicly available by the World Health Organisation and the National Institute for Communicable Diseases. We covered topics such as why you should get the vaccine, how the vaccines work, what goes into a vaccine, contraindications, vaccine side effects, what to do if employees experience side effects, and how to register on the Electronic Vaccination Data System (EVDS), to name a few. These were available in back of house areas and on our Sun Talk platform. Examples of some of the posters are provided below:



Why you should get the vaccine

Vaccination is a safe and simple way to strengthen the immune system to build resistance against disease-causing germs. Vaccines contain a part of the virus/bacteria in a weakened, live, or killed state, which will trigger a response from the immune system.

Once vaccinated, you will have a level of protection (or immunity) against that specific disease. It is important to be aware that vaccines do not cause disease or health complications.

Why is it important to receive the COVID-19 vaccination?

- Vaccination prevents disease and saves lives. It is a safe and effective way to protect yourself and those around you.
- Infectious diseases spread easily, and entire communities can rapidly become infected. If a high percentage of the community is vaccinated, it is difficult for the disease to spread. This is known as "herd immunity".
- Vulnerable individuals, such as infants, those who suffer from a serious illness, those undergoing certain medical treatments, such as for cancer, and those suffering from health conditions, like HIV, that impair the function of their immune system, can't take the vaccine. These individuals depend on others to get vaccinated to reduce the spread of disease.

There's a simple reason to get vaccinated: If you get sick, you could spread the disease to others, including your friends, family, or vulnerable people. By receiving the COVID-19 vaccination, you are protecting yourself and others.

The vaccine is also covered by your medical aid or the government and will be administered at no cost to you.

Sources: National Institute of Communicable Diseases

COVID-19 Vaccine side effects

It is common to experience some mild to moderate side effects when getting a vaccine. This is because your immune system is instructing your body to react in certain ways: increasing blood flow so more immune cells can circulate and raising your body temperature to kill the virus.

Common side effects:

- Pain, swelling, or a rash at the injection point
- Mild fever
- Chills
- Headache
- Fatigue
- Muscle and joint aches

These symptoms will resolve within two to seven days.

In most cases, you can manage these side effects with rest, drinking plenty of non-alcoholic liquids, or medication prescribed by a doctor.

Contact your doctor if the tenderness (pain) at the injection point increases after 24 hours or the side effects do not go away within a couple of days.

Don't be alarmed if you don't experience side effects – evidence from clinical trials has shown that people with few or no symptoms have the same protection against severe COVID-19 disease that can lead to death.

Sources: National Institute of Communicable Diseases and World Health Organization

EXTERNAL AWARENESS

VACCINATION SITES

Sun City

Sun City was the first in the hospitality industry to operate a Covid-19 workplace vaccination site. The project was implemented in three phases:

Phase 1 – Focusing on employees, concessionaires and dependents.

Phase 2 – Focusing on other tourism and hospitality establishments within the Sun City region.

Phase 3 – Focusing on the general population as a way of giving back and making a contribution to the surrounding community and guests.

This initiative has yielded more than 9 500 vaccinations, a great success and contribution by Sun City Resort towards the fight against Covid-19. Medicare24 is our healthcare service provider and has been recognised and rewarded as the Service Provider of the Year, for going all out to assist in making this initiative a success.



Wild Coast Sun

Wild Coast Sun was the first community vaccination site to be awarded as the 'Most Effective Vaccination Site' through a private-public partnership with the Department of Health. The vaccination site was the second site to open in the hospitality sector in South Africa, following Sun City.

2021 MAYORAL HEALTH CARE AWARDS

2021 AWARD

ALFRED NZO
DISTRICT MUNICIPALITY
PLACE OF UNITY IN DIVERSITY

Most Effective Vaccination Site (Private)

AWARDED TO:
Mzamba Wild Coast Sun

27 October 2021
DATE

health
Department of Health
REPUBLIC OF SOUTH AFRICA

Cllr. Poloto Mohale
Honourable Executive Mayor

SOCIAL



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.

OUTCOMES

PROJECTS SUPPORTED:

Read to Rise literacy campaign: Sun International contributed R363 616 and visited 23 classes at 8 primary schools nationally

Rise Against Hunger: For Mandela Month we sponsored R235 000 to provide 360 boxes with over 77 000 meals to early childhood centres

Sun International Chef's challenge: Initiated the first in a bid to combat world hunger and create awareness of South Africa's hunger crisis

Adopt a School: Successfully tracked the gradual increase in grades within the hospitality and tourism curriculum

SED SPEND OF
R14 million
AND CSI SPEND OF
R13.1 million

KEY FOCUS AREAS IN 2021

	Progress	
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	✓	Page 34
Developing and implementing hospitality career programmes/ events for our communities and our Adopt a School programme	✓	Page 35
Developing an SED and CSI communication plan to showcase the group's corporate citizenship commitment	✓	Page 34
Rolling out and managing sustainability SED projects incorporating health, safety, wellness and environmental elements	✓	Page 35
Conducting SED project impact assessments for group-wide projects	✓	Page 35

✓ Achieved/Good progress
⚡ In progress
✗ Limited progress

LOOKING AHEAD

We aim to shape a sustainable future by:

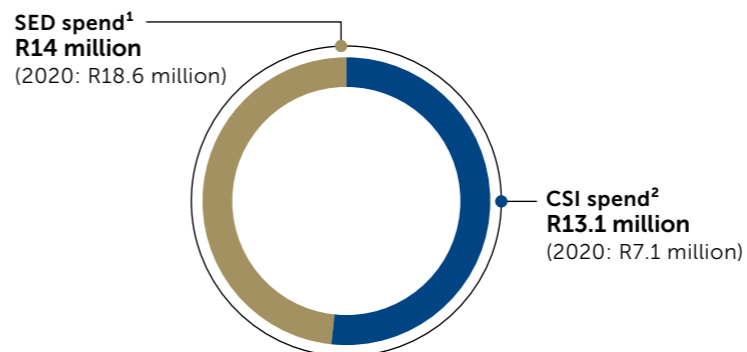
- Integrating long-term ESG aspects within the business
- Ensuring renewed cross-sector collaboration and proactive partnerships
- Repurposing our SED spend to respond to the global pandemic and align with the United Nations SDGs



- Integrating impact measurement and management to ensure greater accountability and transparency with our projects and programmes
- Implementing a skills-based employee volunteering programme
- Embracing best practice governance standards and stakeholder engagement through codes of conduct and internal and external reporting

KEY PERFORMANCE INDICATORS

SED AND CSI SPEND



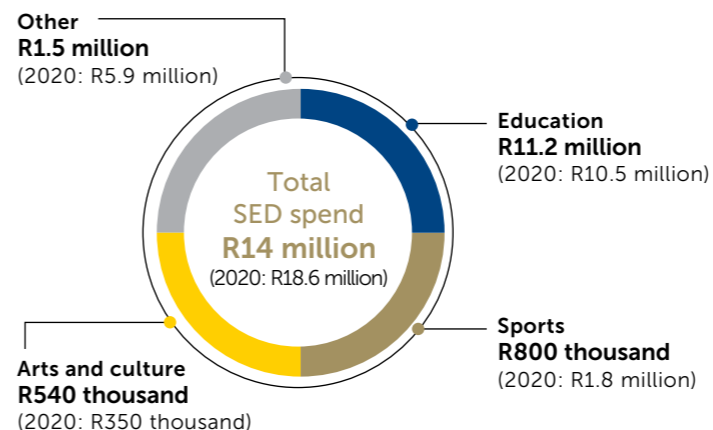
- Sun International's SED spend is based on 1% net profit after tax (NPAT). The target of 1% of NPAT for the SED scorecard is based on the NPAT of the measured entity for the measurement period.
- Sun International's CSI spend consists of both monetary and in-kind (non-monetary) donations. In-kind donations with a rand value include the donation of venues, accommodation, linen, venue hire, restaurant vouchers and any other donations that could have been sold.

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 each business unit, 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.

SED SPEND

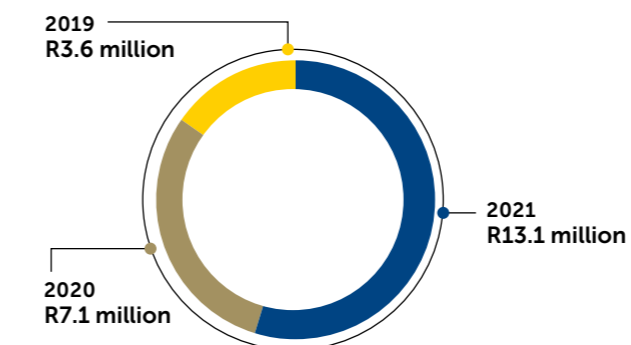
Sun International's SED spend for the period under review amounted to R14 million (2020: R18.6 million). We obtained the maximum 8 points allocated for SED spend during 2021 (5 points for the SED spend with 3 bonus points for our Tourism Marketing Levy for South Africa (TOMSA) payments, as part of our 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, which is critical in alleviating poverty and ensuring economic stability. 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**. Our focus areas unify the Sun International brand and meet various gaming board licence conditions in different gaming regulatory authorities.

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 education, sports and arts and culture. Units completed a special projects motivation, which is reviewed and approved by the group 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 and SISCDT provide input and oversight for all approved projects.

CSI SPEND

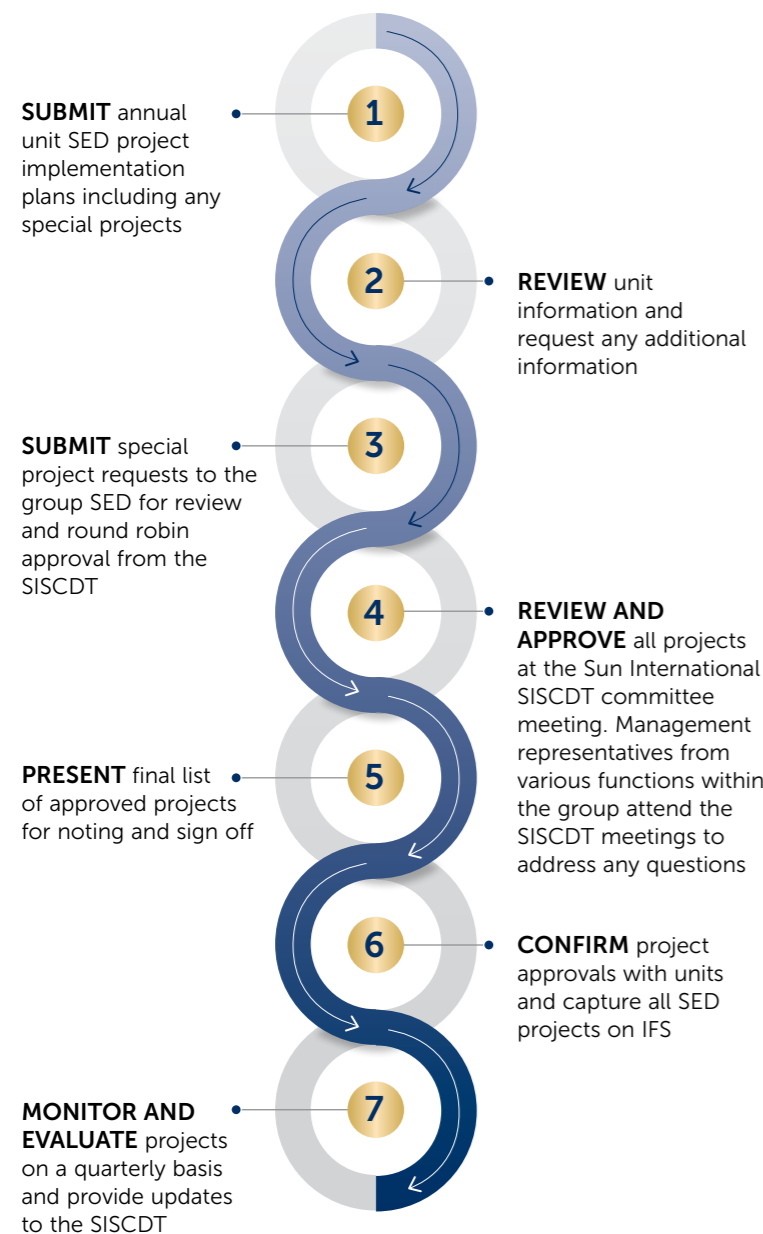


The group invested in various CSI initiatives – both monetary and in-kind (non-monetary) – including donations, sponsorships and charitable givings that totalled R13.1 million (2020: R7.1 million) across our South African units. This amount includes a R2 million (2020: R1.6 million) education funding contribution to employees and their families through the group's Changing Lives campaign.

Note: Group contribution of R2 million (2020: R1.6 million) to employees and their families for education funding.

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.



COMMUNITY STAKEHOLDER ENGAGEMENT

Effective community stakeholder engagement is important in building and maintaining transparent relationships in our communities and continues to receive focus. The group community stakeholder engagement specialist and the SED unit professionals, are responsible for engaging with community 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

Community stakeholders include:

- ▶ Communities and traditional leaders
- ▶ Provincial and national government
- ▶ NGOs, NPOs, PBOs
- ▶ Foundations
- ▶ Labour organisations

Supporting communities during Covid-19

Due to the level 4 lockdown in July 2021, various properties opened their hearts and provided food, that would have gone to waste, to feed those in our communities who are most vulnerable to poverty, being the children and the elderly. A total of R160 000 worth of perishable food was donated.



PR Campaigns

In 2021 we embarked on the following group campaigns whereby all units participated and supported the various monthly themes:

- **Group Share the Warmth:** A winter drive donation hosted by the SED units and employees, who provided support by purchasing blankets and non-perishables for communities in need.
- **Santa carebox/stationery/sanitary pad/shoebox drive:** Units participated in this campaign and supported surrounding schools depending on their needs.
- **Group International Literacy:** This campaign focused on youth literacy for Grade R – 5 primary school reading programmes.
- **World Food Day:** Sun International partnered with Rise Against Hunger and a South African chef's association, the aim of which was to raise funds towards nutritional programmes at early childhood development (ECD) centres.
- **Integrating environmental/health and safety initiatives:** Through our Adopt a School programme, we included initiatives such as building vegetable gardens, implementing safety, health and environmental clubs, solar panel installation, health and safety talks and hosting environmental camps.



SUSTAINABLE VALUE CREATION

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.

During 2021, we embarked on an impact assessment to evaluate the effectiveness of our group's flagship educational programmes – Adopt a School, Rise Against Hunger and Read to Rise. Monitoring and evaluation forms were forwarded to our relevant stakeholders to conduct data analysis based on financial and impact monitoring. We also obtained references from various stakeholders. All our selected programmes align closely with the SDGs depicted below.



CREATING SHARED VALUE THROUGH OUR PROJECTS

Education



ADOPT A SCHOOL



GOAL: Create positive change in schools and alternatively impact the lives of many learners, teachers and communities through our holistic and sustainable approach to education.

OBJECTIVE: In 2019, Sun International embarked on an educational programme to integrate sustainable practices at schools on a national level. To date we have adopted 28 schools, where we empower learners to engage in responsible learning for global sustainability. Each unit has identified a school(s) in their local community that needed support and guidance to improve learners' daily experience. Sustainability elements such as social, health and safety, economic and environmental elements are incorporated into the project.

IMPACT:

Average funding/spend	R10 516 000
Subject average learner pass rate	Grade 10 – 65.7% Grade 11 – 77.04% Grade 12 – 88.7%
Approximate jobs created for local suppliers in the community	20
Awards – Khaiso School – Top consumer studies teacher in the Polokwane district	1
No of SHE integration programmes	17
No of consumer studies classroom upgrades	14
No of units offering bursaries – GW (L&D)/Sun City(L&D)/WCSED	3
Solar panel project – Windmill	1
TOTAL NUMBER OF SCHOOLS	28



RISE AGAINST HUNGER



GOAL: To end hunger by empowering communities, nourishing lives and responding to emergencies.

OBJECTIVE: Over the past five years Sun International has been a supporter of Rise Against Hunger's (RAH's) initiatives. The partnership has resulted in **over 1.4 million meals sponsored and packaged**. This equates to providing nutritious meals for **5 385 children, 5 times a week for an entire year**. The specific unit donations are tabled below.

IMPACT:

Unit	Donation	Number of meals	Number of children supported with five meals per week for an entire year
GrandWest	R250 000	86 207	332
Carnival City	R28 750	9 914	38
Windmill	R50 000	17 241	66
Golden Valley	R10 000	3 448	13
Table Bay	R25 000	8 620	33
Sun International Community Development Trust H/O	R100 000	34 483	133
Sibaya Casino	R100 000	34 483	133
Sun Time Square	R25 000	8 620	33

2021 WORLD FOOD DAY: CHEF SHOWDOWN



To commemorate World Food Day, Sun International and RAH Africa embarked on a first-of-its-kind virtual Chef Showdown. This saw seven Sun International units participate in the Chef Showdown by submitting cooking videos using the RAH meal pack. Along with various other partners, the campaign created exposure across all social media platforms and the initiative **raised over R66 300 for the ECD Connect programme**. This programme has measurable outcomes and links nutrition and education.



READ TO RISE promoting youth literacy



To promote youth literacy, Sun International partnered with **READ TO RISE** with the aim of making a significant impact in improving youth literacy in South Africa. Key challenges faced by under-resourced communities is that our learners are not reading enough. This is mainly due to children not having access to books and children not being motivated to read.

In 2021, Sun International contributed **R363,616.00** and visited **23 classes** at **8 primary schools** in Worcester, Alexandra (Johannesburg), Bishop Lavis (Cape Town), Durban and Tlhataganyane (North West) to **conduct class programmes** (see impact 2021 below). From **2016 to 2021**, Sun International has sponsored a total of **11 336 new story books** for 17 primary schools around South Africa and **4 732 learners have benefited**.

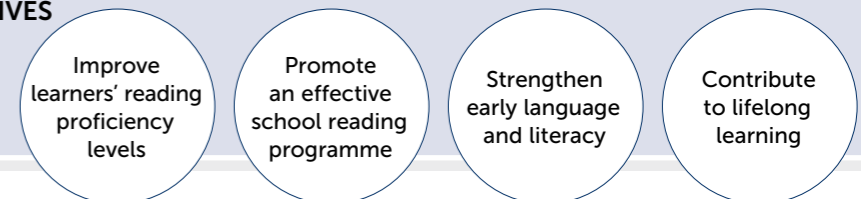
"We would like to thank you for your kind donation. Most of all we appreciate the time you spent with our learners. We are grateful to have celebrated International Literacy Day with us. Our learners loved the sessions"

Principal at Ekukhanyisweni Primary School



GOAL Committed to promoting youth literacy in schools in South Africa's under-resourced communities.

OBJECTIVES



IMPACT 2021 Supported **23 classes** at **8 primary schools** in five provinces with our class programmes. We gave out **1 343 books** to learners, **32 mini-libraries** and **258 books** for school libraries, **756 activity books** and **160 care packs**. This comes to a total of **4 277 books**.

CREATING SHARED VALUE THROUGH OUR PROJECTS *continued*

Sports



LEARN TO SWIM

Wild Coast Sun teaches life-saving swimming skills to local children

One unnecessary drowning is too many, which is why, as Sun International's only beachfront resort, the Wild Coast Sun has completed a Learn to Swim programme for the local youth. Twenty-five boys and girls aged 7 to 15 participated in the first-ever swimming lesson campaign. The lessons were conducted by a trained lifeguard.

Lessons ran from October until the end of November, just in time for the festive season when children flock to the area's pristine beaches and rivers. Every week on Mondays and Tuesdays, the group gathered at the Wild Waves Waterpark swimming pool where they learnt about rips and currents, treating bluebottle stings and understanding flag signals.

Once the lessons were complete, the Lifesaving South Africa-accredited assessor tested and assessed the learners in line with the organisation's protocols, whereupon all learners received certificates confirming their qualification as a Nipper. Nippers need to be able to swim 100m in under three minutes without stopping, tread water for five minutes, and fetch an object 1.5m below the surface.



WINDMILL SUPPORTS LOCAL SOCCER STARS

Windmill, Sun International's iconic Bloemfontein casino, is supporting young footballing talent and enthusiasm with the donation of soccer equipment to two local clubs. Soccer, also known as the beautiful game, is the most popular sport in South Africa as well as globally. Children all over the world emulate their footballing heroes and dream of making it as professional players.

From dustbowl patches to immaculate fields, astro turf and five-a-side courts, young players dream of making it big. Windmill has stepped in to help two local clubs support these dreams. Windmill recently handed over training equipment to the value of over R12 000 to the two clubs – Bloemfontein Capstone Football Club, based in Phameng, and Mangaung City of Roses, a local SAFA-affiliated football club in Lourier Park, Bloemfontein.

Capstone Football Club was delighted to receive the equipment. Club founder and coach Innocent Katse is determined to make a difference in the community.

Capstone caters for players in the U15 – U19 age categories and Katse said he was overwhelmed when he received the donation of equipment.

"It meant such a lot and I shed tears when they delivered it. We had been struggling but to now have equipment such as cones, markers and bibs, makes such a difference. And it came at just the right time ahead of our first league match."

"It brings us great pride and joy as Windmill Casino, to be able to contribute to local talent in our community," said Kamo Mohapi, marketing operations manager for Windmill. "We are pleased to help keep these teenagers active and inspire hope through sport."

WILD COAST SUN PROVIDES EQUIPMENT AND ATTIRE TO YOUTH AS PART OF ITS GOLF COACHING ACADEMY

Miss South Africa 2020, Shudufhadzo Musida, is a firm believer in the power of education, especially for young women. Her focus on education led her to aid equipping young, aspirant, golfers with tools so that they can continue learning life skills. Musida, at a ceremony at the golf club on the Wild Coast Sun's scenic sea-view golf course, handed over six sets of clubs, as well as 15 sets of apparel, including shoes, shirts, caps, and pants, valued at R54 000.

Golfing professional Arnold Mentz, who runs the Wild Coast Sun Hotel and Casino Resort's Golf Coaching Academy, believes that teaching golf is secondary to imparting essential life skills. "Golf teaches certain values which other sports do not have," Mentz said. "Honesty, integrity, sharing, respect, perseverance and courtesy. These core values not only resonate with Sun International's values, they also help aspiring golfers to become better citizens in the long run."

Musida chose to support the golf coaching academy because she is a strong advocate for education that enables young adults to thrive

in life. She is a particular advocate of mental health education, and feels that the skills the youngsters learn will help them live happy, balanced, lives. "Mental health is so often overlooked but it needs to be a priority, especially in an age of Covid-19 when we are deprived of the human contact we need. The interactions these young people have on the golf course, and the coaching they get in life skills, are beyond valuable," she says.

Each week, Mentz instructs between 15 and 20 boys and girls ranging in age from eight to eighteen, who attend local schools in the Amadiba administrative area. On a Friday afternoon they play and learn on-course rules and regulations. Saturday mornings find them on the resort's challenging 18-hole championship golf course that stretches along the stunning Wild Coast, practising putting, chipping and bunker play.

The Gold Coaching Academy has been running since the end of 2017.



LEFT TO RIGHT: Arnold Mentz, golfing professional who runs the Wild Coast Sun's Golf Coaching Academy; Miss South Africa 2020, Shudufhadzo Musida; and Vincent Bulala, the resort's SED and community engagement manager, alongside learners receiving new sport apparel and equipment.

CREATING SHARED VALUE THROUGH OUR PROJECTS *continued*

Arts and culture

TINKLING THE IVORIES AT WILD COAST SUN

Previously unemployed musician now has a permanent gig at the resort and has mentored other local artists

Ephraim Mkhwanazi was unemployed until the day he walked into the restaurant at Sun International’s beachside resort, Wild Coast Sun, and asked to play a few songs on the piano. Now a firm favourite of the guests, he serenades those at the Lagoon Bar with old favourites such as Lionel Richie’s “I don’t know much, but I know I love you” and Tshelo Tshela’s “Papa”.

Mkhwanazi was familiar with Wild Coast Sun, having trained there in 2019, and returning last year to be a porter. General Manager Peter Tshidi was impressed with his piano playing skills and asked him to play on weekends. This got Mkhwanazi noticed by a day guest, himself an artist, who asked him to informally collaborate with him on weekends when he was on site. “That’s how the weekend play started. He has had numerous informal collaborations with other guests, celebrity guests and staff,” says Tshidi.

“Having someone like Mkhwanazi play for us forms part of our aim to identify and nurture local talent,” says Tshidi. “This is one of our transformation and community development initiatives through which we aim to improve the lives of the community members in which our casino operates.”

Mkhwanazi said, “I am grateful to the Wild Coast Sun Casino and Mr. Tshidi for giving me this opportunity to showcase my talent and passion to guests.”

As part of Wild Coast Sun’s aim to nurture local talent, Mdu Masilela, a kwaito music legend, mentored artists during its talent search in 2020. The mentorship programme is designed to empower the artists and teach them about the entertainment industry.

The mentorship workshop ended with a resolution that each artist would send short clips of their performances to Masilela to review, scrutinise and provide feedback and suggestions for improvement. He also committed to assisting to empower Bizana artists, expose them to the international market and increase Bizana’s popularity in entertainment.

“We’re proud of our contribution to the arts, which is often a neglected field as well as to support artists within our community,” concludes Tshidi.



SIBAYA CONTINUES TO SUPPORT FLATFOOT DANCE COMPANY’S COMMUNITY ENGAGEMENT WORK

The Covid-19 pandemic had an adverse effect on arts organisations in South Africa, with social restrictions forcing most programmes to shut down. Flatfoot Dance Company was eager to keep its 25-year connection to youth communities in KwaMashu, Umlazi, Waterloo and Durban central alive and endeavoured – with the support of Sibaya – to find innovative ways to keep our youth dancing.

During 2021, with Sibaya’s monetary contribution, Flatfoot continued to run socially distanced and safe dance programmes with the Ezakhaleni community in Umlazi and embarked on a youth dance project with children of refugees (from DRC and Burundi) living in Durban. Both programmes focused on using dance as a way of creating community and a spirit of belonging – especially in a time of such social isolation.

Flatfoot is most excited by its nine-month process over 2021, where it created an innovative, digital WhatsApp community dance project called “SIYAJAIVA – keep moving”. Flatfoot collaborated with musicians Veranda Panda and over 200 dancers from KwaMashu, Waterloo, Umlazi and Durban Central. The Flatfoot dancers created dance solos which were sent via WhatsApp to various

youth in our communities. Where there were no smartphones, Flatfoot used Zoom and even made a few visits to homes to assist. The young dancers learnt the dances from WhatsApp and added their own flavour.

The result was an outpouring of wonderful dance all sent via WhatsApp. Flatfoot created a short film which premiered on YouTube on 9th November 2021. While not all the dancers are finally featured in the short film, Flatfoot was so grateful for their involvement at a difficult time and thank them for keeping dance alive in their homes and immediate neighbourhoods.

Thank you to Sibaya for believing in the power of art and dance to keep communities connected!



LEFT TO RIGHT: Local talent who entertain guests on weekends – Ephraim Mkhwanazi, Mdu Masilela (kwaito legend), Veli Ngeleka, Cosmos Mkhize and Dan Njakazi.



SOCIAL

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 in the communities we operate in, by investing in local procurement opportunities. The group also maintains an efficient and equitable supply chain aligned to ethical standards and practices through a robust governance process.

OUTCOMES

R30.7 million
(2020: R30.9 million)
INVESTED IN SUPPLIER DEVELOPMENT – 78 BENEFICIARIES ASSISTED

R8.3 million
(2020: R6.9 million)
COMMITTED TO ENTERPRISE DEVELOPMENT – 34 BENEFICIARIES ASSISTED

11
(2020: 10)
BENEFICIARIES SUPPORTED THROUGH FORMAL BUSINESS DEVELOPMENT

KEY FOCUS AREAS IN 2021

	Progress	
Monitoring E&SD loans to ensure an improved recovery rate	✓	Page 39
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	🔄	Page 39
Engaging our top 20 suppliers to identify areas of collaboration and/or support for Sun International's sustainability strategy	🔄	Page 39
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	🔄	Page 39
Implementing our new Broad-based Black Economic Empowerment (B-BBEE) system to assist with information accuracy and monitor trends to optimise B-BBEE spend	✓	Page 39

✓ Achieved/Good progress
 🔄 In progress
 ✗ Limited progress

LOOKING AHEAD

Implementing a new request for proposal online portal for small suppliers to bid for leverage spend items

Continuing to monitor our group-wide supplier base and focus on locally-based-communities, by apportioning spend across local SMMEs and national suppliers as well as supporting suppliers through our BDS programme

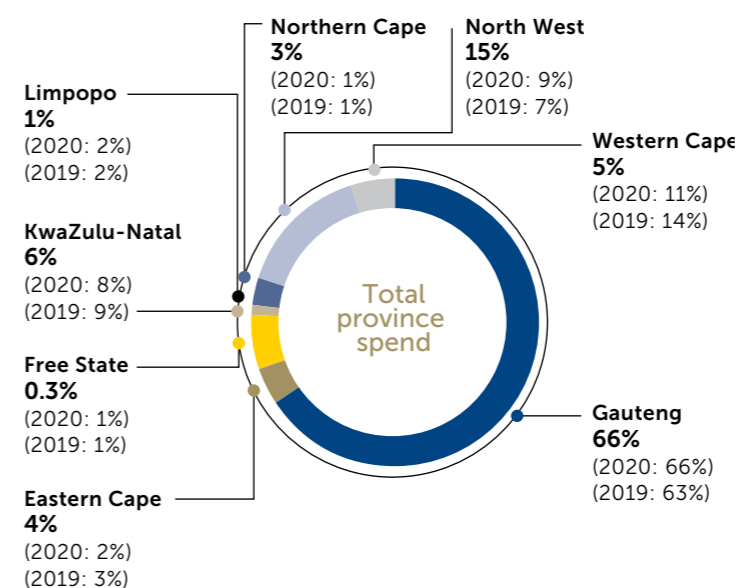
Encouraging our top 100 suppliers to sign our sustainability memorandum of understanding as part of the group's endeavours to build sustainable partnerships

KEY PERFORMANCE INDICATORS

	Spend 2021 R million	Spend 2020 R million	B-BBEE score achieved 2021 points/(%)	B-BBEE score achieved 2020 points/(%)
Preferential procurement	3 025	1 851	100	100
Supplier development	30.7	30.9	100	100
Enterprise development	8.3	6.9	100	100

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 2021, we procured most B-BBEE spend from Gauteng (66%).



Note: Mpumalanga data not available.

LOCAL GEOGRAPHIC E&SD SPEND

Sun International's online tender bulletin board advertises formal sourcing activities on an open and transparent platform on our corporate website. This platform also allows prospective suppliers to submit online quotes for direct inclusion in ad hoc sourcing opportunities. 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 16 258 (2020: 14 000), of which 4 962 (2020: 3 500) are active suppliers that Sun International uses for procurement spend.

PREFERENTIAL PROCUREMENT

Sun International's total measured procurement spend for the financial year was R3 billion (2020: R1.85 billion), of which R2.5 billion (2020: R1.76 billion) was procured from 3 779 verified B-BBEE-compliant suppliers. This 91% (2020: 90%) valid spend was below the group target of 95%, mainly due to business closures owing to lockdown compliance. Our 2021 goal is to reach and maintain 95%.

Category	Suppliers	Spend
Exempted micro enterprise (EME)	1 782 (43%)	R534 170 019 (18%)
Qualifying small enterprise (QSE)	692 (17%)	R385 500 189 (13%)
Generic	1 305 (32%)	R1 585 576 177 (52%)
Non-compliant	362 (9%)	R519 533 070 (17%)
B-BBEE spend		R3 024 779 455

PERFORMANCE OVERVIEW *continued*

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. 67% (2020: 71%) of group spend met this optimum requirement. Our revised 2021 goal is to reach and maintain 70% (2020: 70%).

B-BBEE compliance controls are in place to ensure that only B-BBEE-compliant suppliers are included in the group's supplier database and that any non-compliant suppliers are suspended until they prove B-BBEE compliance. At the end of 2021, 9% (2020: 17%) of our suppliers were non-compliant.

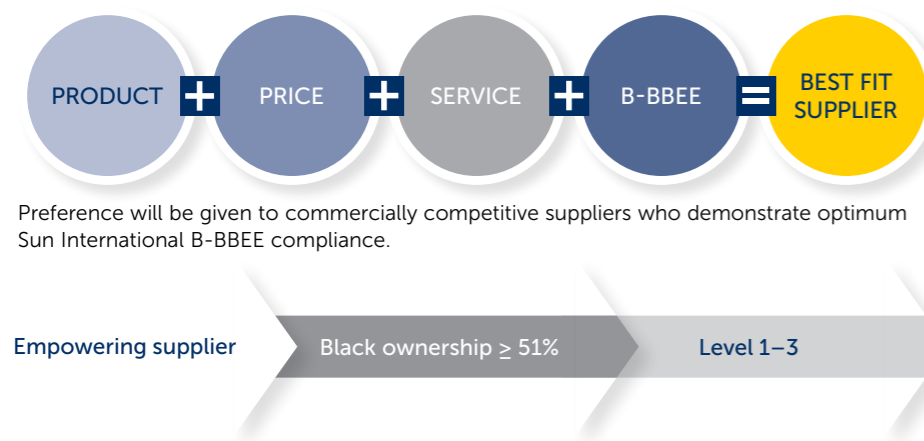
Indicator categories	Revised target by 2021 (%)	Achieved in 2021 (%)	Achieved in 2020 (%)
Black-owned spend	65	39	54
Black women spend	30	23	54
Level 1 to 3	80	67	71
Optimum spend ¹	70	38	54
SMMes	60	30	34
Valid B-BBEE spend	95	83	90

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



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

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

COMMUNITY ENGAGEMENT

Community concerns about inequality at certain operations 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 R30.7 million (2020: R30.9 million) in supplier development, including early settlements substantially above the claimable value. An additional R8.3 million (2019: R6.9 million) was committed in enterprise development, supporting a pipeline of new business in the supply chain.



E&SD INITIATIVES

GRANDWEST: The Spaza Shop staff canteen

In 2019 the Spaza Store in the bistro area was revamped and equipped with new appliances and counters. GrandWest also invested R341 000 to purchase various essentials for the store, which opened for the GrandWest staff on 31 March 2021.

The new Spaza Store owners received a R100 000 interest-free loan for the initial stock purchase as well as business support from GrandWest for the next three years. GrandWest's business support (R177 000 per annum) assists with operating costs such as rental, marketing and the right of use of assets. In lieu of this support, the 50 top items in the shop will carry a minimum mark-up of 5%, to ensure that goodwill is passed onto GrandWest staff. GrandWest further supported the business by issuing sustainability prize vouchers to the staff to the value of R17 000 with monthly prize vouchers for various staff interventions.

As a beneficiary of the E&SD programme the owners will also receive business coaching from our service providers, Business Doctors Western Cape, to the value of R200 000 over the three-year term.



SIBAYA: Casino Specialised Services



Casino Specialised Services (CSS) is a national black-owned supplier for gaming in South Africa. This supplier of tables and equipment is used throughout Sun International for various projects. CSS began as a small start-up in Gauteng in 2011. In September 2013, CSS became part of Sibaya Casino's enterprise development programme. The first cash injection from Sibaya saw CSS grow from a two-person operation, based in a home office, to a larger operation with additional staff. CSS capabilities expanded to provide more services to other Sun International units. This allowed them to relocate operations to Johannesburg and again increase staff numbers. With Sibaya's funding in 2021, CSS was able to purchase its business premises.

These new offices, showroom and fully equipped workshop allow clients to experience over 300 products and services on offer.

CORPORATE GOVERNANCE REPORT

Good corporate governance is of paramount importance to Sun International. The governing body (the board) is the custodian of governance within the group. 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 controls, compliance and accountability, responsive and transparent stakeholder engagement, performing to strategic expectations, and legitimacy and trust.

MESSAGE FROM THE CHAIRMAN



SAM SITHOLE
Chairman

Dear stakeholders

The coronavirus pandemic has changed the lives of so many of us as the world continues to fight this virus. It was with deep regret that Dr Jabulane (Jabu) Mabuza, Sun International's chairman, passed away from Covid-19 complications on 16 June 2021. Jabu left an indelible mark on everyone who met him and provided excellent leadership since his appointment as chairman on 14 May 2019. I would like to once again take this opportunity to express my deepest condolences to the Mabuza family on Jabu's untimely passing.

I am honoured to take up the reins as Sun International chairman, effective 2 July 2021, and look forward to leading the group, together with my board colleagues. During the past year, Mr Nigel Payne (Nigel) was appointed to the board of the company effective 11 May 2021. Nigel is a well-renowned global sports betting and alternate gaming expert with more than 30 years of board experience, involving the FTSE, AIM and private companies in the UK, covering a wide range of industries. 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.

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 continues to significantly impact our tourism and hospitality industry as we grapple with the various Covid-19 waves that led to more stringent lockdowns throughout the year. The board continues to take proactive steps to mitigate any of the negative impacts, to ensure the group navigates its way through this crisis and to ensure that its businesses remain sustainable and a going concern.

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. Sun International is TCN's operating manager and, where feasible, we have aligned Nigeria's governance framework with South Africa's regarding terms of reference, codes of good practice, mandates and policies. All TCN committees operate under approved mandates and terms of reference and all non-executive directors have letters of appointment. The non-executive directors' fees are recommended by the remuneration committee to the board for endorsement and shareholders for approval.

Sun International's risk 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 social and ethics 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.

The stewardship of customer information and data protection are paramount. During 2021, the IT governance sub-committee approved the new privacy policy and information office operating mandate. The information office management structure and reporting structure was also established, which includes an information officer, deputy information officers and privacy champions. We continue to enhance our controls 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 13 POPIA applications and one application was received in terms of the Promotion of Access to Information act, 2000 (PAIA).

Sun International's remuneration policy, which was adopted at the 2021 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, setting the tone at the top and leading the group ethically and effectively in pursuing sustainable growth, 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.
- Governing technology, information, cybersecurity, disclosures, ensuring compliance with legislation and relevant regulations, King IV™, JSE Listings Requirements and appropriate best practices.
- Ensuring fair, responsible and transparent people practices.
- Safeguarding the interests of the group's stakeholders.
- 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 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.

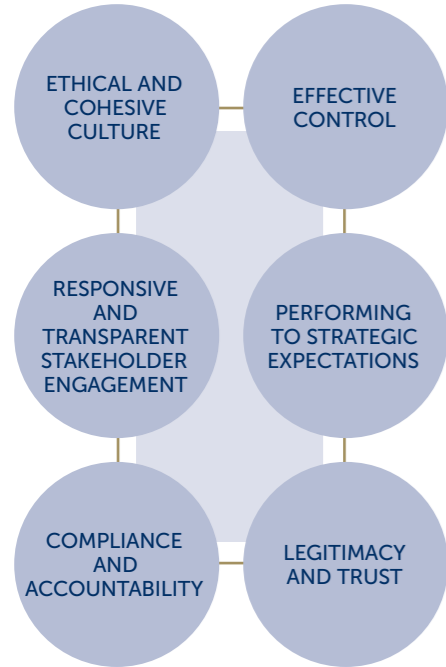
I would like to thank the board and management for their confidence in me as we navigate these extraordinary times. The board is confident that the group's resilience, diversity, robust corporate governance and strong leadership will steer the group through these turbulent times and that it will emerge stronger.

Sam Sithole
Chairman
14 March 2022

This governance report should be read with the separate committee reports – audit, risk, 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 board 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 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 operating environment. Good corporate governance and sustainability are important enablers in managing the group's reputation, making strategic progress, creating and preserving stakeholder value.

Collectively, Sun International's 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 governance outcomes and strategic objectives, to 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 value creation



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 (Mol). 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.



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, and 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 and 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 next review will take place at the end of 2022. The board, assisted by the nomination committee, reviews the board composition to take into account the group's future strategy.

Board and committee attendance: 1 January 2021 to 31 December 2021

	Board	Remuneration committee	Nomination committee	Audit committee	Social and ethics committee	Risk committee	Investment committee
NON-EXECUTIVE DIRECTORS							
Peter Bacon	5/5			3/3		3/3	
Enrique Cibie	5/5	4/4		2/3		3/3	
Graham Dempster (lead independent director)	5/5		4/4			3/3	4/4
Caroline Henry	5/5		2/2	3/3	3/3	3/3	
Jabu Mabuza ¹	2/2	2/2	1/1				2/2
Boitumelo Makgabo-Fiskerstrand	5/5		4/4		3/3		
Sindi Mabaso-Koyana	5/5	4/4		2/2			4/4
Tapiwa Ngara	5/5					2/2	2/2
Nigel Payne ²	2/3						
Sam Sithole (chairman) ³	5/5	4/4	2/2				4/4
Zimkhitha Zatu	5/5			3/3	3/3		
EXECUTIVE DIRECTORS							
Norman Basthdaw	5/5			3/3	3/3	3/3	4/4
Anthony Leeming	5/5	4/4	4/4	3/3	3/3	3/3	4/4

1 Jabu Mabuza re-appointed as chairman of the Sun International board effective 1 January 2021. Jabu Mabuza sadly passed away from Covid-19 complications on 16 June 2021.

2 Nigel Payne appointed to the board on 11 May 2021 and to the remuneration committee, investment committee and risk committee from 19 November 2021; namely after the last 2021 remuneration, investment and risk committee meetings.

3 Sam Sithole appointed chairman of Sun International on 2 July 2021.

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. The board skills matrix assesses what the future composition of the board should look like from a diversity perspective. It is broader than just gender and race, and includes culture, age, field of knowledge, skills and experience, which is in line with the JSE Listings Requirements. The board skills matrix aligns with the group's strategy and complies with best international corporate governance practices.

Age (at 31 March 2022)



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 2021 and prior to this report date, the nomination committee agreed that nine non-executive directors satisfied the independence criteria. These directors are/were Messrs Bacon, Cibie, Dempster, Mabuza, Payne and Mmes Makgabo-Fiskerstrand, Henry, 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 2021, the nomination committee noted that in terms of Sun International's Mol any director who has reached the age of 70 years or older shall retire at each AGM. Shareholders were advised on 22 November 2021 that in accordance with paragraph 3.59 of the JSE Listings Requirements, Mr Bacon had decided that he will be retiring from Sun International's board effective 31 March 2022. He will not be re-elected as a director at Sun International's AGM, which will be held on 10 May 2022.

Further, during March 2022, the nomination committee noted that in terms of Sun International's Mol any director who has held office for an aggregate period of nine years since his/her first election or appointment shall retire at each AGM.

Shareholders were advised on 11 March 2022 that in accordance with paragraph 3.59 of the JSE Listings Requirements, Ms Makgabo-Fiskerstrand would be retiring at the AGM and will not be standing for re-election to the board. Ms Makgabo-Fiskerstrand has served as an independent non-executive director and member of certain board committees of Sun International for the past 12 years.

Executive and non-executive directors (at 31 December 2021)

EXECUTIVE DIRECTORS
2/12 **17%**
2020: 2/12 17%

NON-EXECUTIVE
10/12 **83%**
2020: 10/12 83%

Independence (at 31 December 2021)

INDEPENDENT
8/12 **67%**
2020: 8/12 67%

NON-INDEPENDENT
4/12 **33%**
2020: 4/12 33%



GROUP DIVERSITY

Sun International's board-approved diversity policy, which is in line with the JSE Listings Requirements, includes diversity requirements broader than just gender and race. It 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 committees' composition, collective skills (industry knowledge, experience, technical skills and governance competencies) 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 certain board members who had reached the age of 70 years plus, or served on the board for a period longer than nine years; lack of hospitality and gaming skills, marketing and sales experience, IT experience,

general international experience; and sufficient youth and black female directors. 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 all female directors (33%) and achieved its race target of 50% black directors with 50% black representation (excluding Jabu Mabuza who passed away from Covid-19 complications during the year). Over the next three years (2022 – 2024), the group will increase its female board composition from 30% to 50% and retain its black directorship board composition at a minimum of 50%.

Gender (at 31 December 2021)



MALE
8
2020: 8



FEMALE
4
2020: 4

Race (at 31 December 2021)

BLACK
6
2020: 7

WHITE
6
2020: 5

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 Sam Sithole, a non-executive director appointed as board chairman effective 2 July 2021. This was following the untimely death of Dr Jabulane (Jabu) Mabuza on 16 June 2021. 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 Mol, the board chairman is subject to an annual appointment from its board members. Following the recommendation by the nomination committee, the board approved the re-appointment of Jabu Mabuza as independent non-executive chairman of the group effective 1 January 2021, however, upon Dr Mabuza's passing, the board approved the appointment of Mr Sam Sithole as chairman effective 2 July 2021. During November 2021 the board approved the re-appointment of Mr Sithole as non-executive chairman of Sun International for a further 12 months, with effect from 1 January 2022.

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. During November 2020, the board confirmed the appointment of Mr Graham Dempster, lead independent director, for a further period of 12 months effective 1 January 2021. During November 2021, the board again confirmed the appointment of Mr Graham Dempster, lead independent director, for a further period of 12 months with effect from 1 January 2022.

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

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 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

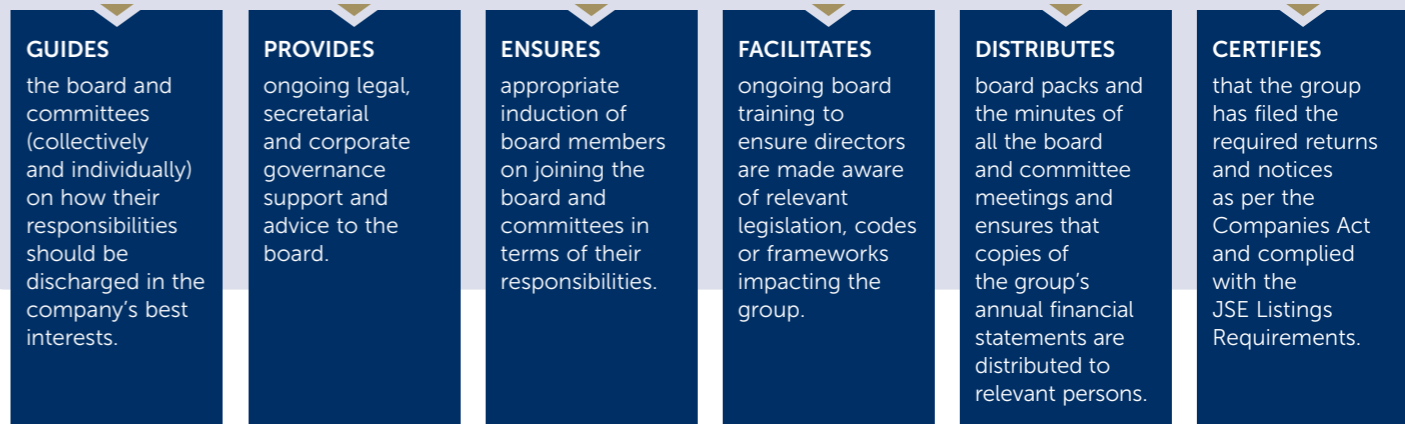
Mr Anthony Leeming is the chief executive of Sun International. The board's governance and management functions are linked through the chief executive. The chief executive's role and function is formalised, and the board, through the remuneration committee, annually evaluates his performance against 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 2021, 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 previously a member of the Accounting and Auditing Task Force of The King Committee responsible for implementing the second King Report on Corporate Governance for South Africa. He is a qualified and admitted attorney and has served as a senior executive and group company secretary of several large publicly listed companies in South Africa in excess of 20 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:



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 by acting with integrity. The code of ethics is premised on the 10 UNGC Principles, the SunWay culture aimed at identifying enabling and disabling behaviours across the group, our values, 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 the ethics office in central office, and a dedicated, secure and confidential ethics office email address to which whistleblowing incidents and/or ethical concerns or dilemmas can be emailed.

The Deloitte anonymous tip-off hotline has trained operators who respond to calls in all South Africa's official languages and guides 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.

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

Anonymity (unless otherwise expressly agreed to by the whistle blower) 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, or any other unlawful or unethical conduct, through these incident reporting channels.

Ethics management

The board, through its social and ethics committee, manages organisational ethics and has established an ethics office, which 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 partnering with management to facilitate the enhancement of an ethical culture across the group and ethics risk management, creating awareness around and advising on standards of ethical behaviour and discouraging unethical behaviour, and provides oversight, management, coordination and reporting of matters investigated through all incident reporting channels.

Sun International has several processes, policies, codes and controls in place and supports several initiatives to ensure that 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 suite of human resources related policies, the anti-corruption and economic crime policy, and the conflict-of-interest policy.

The ethics office meets with members of the senior executive management to discuss trends arising from the matters reported through the incident reporting facilities and material incidents of ethical misconduct reported to management group-wide. Closed sessions are held between the social and ethics committee chairman, independent director, members, chief executive and the ethics office after each social and ethics committee meeting, to discuss any material ethical issues reported group-wide.

The executive committee signed renewed declarations during 2021 reflecting their personal commitment to the code of ethics as part of their commitment to ethical leadership and setting the ethical tone at the top.

The code of ethics helps the group fulfil its responsibility to all stakeholders and proactively encourages all stakeholders to abide by, and operate within, the code of ethics, including through its contracting processes. All suppliers and service providers are required to abide by the group's supplier code of conduct. This supplier code is based on recognised international standards, principles and best practices, including the 10 UNGC Principles, 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.

- ▶ TEAMWORK
- ▶ PASSION
- ▶ CUSTOMER FIRST
- ▶ PROFESSIONALISM

Conflicts of interest

Directors are required to inform the board, at every board meeting, 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, the board charter and a separate conflicts of interest policy.

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 and reviewing all employees to ensure EPWEV.

Organisation for Economic Cooperation and Development

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



United Nations Global Compact

Sun International remains committed to voluntarily embedding the 10 UNGC Principles as part of its business strategy, culture and day-to-day operations. These principles cover human rights, labour, the environment and 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 2021, Sun International contributed R6 million (2020: R4.5 million) towards the NRGP in respect of casinos, sports betting and Limited Payout Machines (LPMs) collectively.



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 they recognise their employee responsibilities to uphold the principles that support the establishment of an ethical culture and 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 alongside are the most relevant SDGs and remained the key focus for 2021.



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 the JSE Listings Requirements. 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 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.

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 board appointments 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 the AGM and being 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 or additionally thereto and being eligible, may offer themselves for election or re-election. Mr GW Dempster and Mmes CM Henry and SN Mabaso-Koyana retire from the board in accordance with articles 25.6.1 and 25.17 of the company's MoI while Mr NT Payne 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. When 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, 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 and ongoing 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 that 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 legal, regulatory and business developments within the group and industry is essential to enhancing the board's effectiveness. During 2021, ongoing training was conducted, including:

- Presentations from executives on matters of significance to the group.
- Engagement with 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 the new JSE Listings Requirements in so far as they pertain to the audit committee and the sign-off required by the audit committee, including an update regarding the JSE's pro-active monitoring of financial statements.
- A training session on money laundering risk mitigation was held during March 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 unit general managers.

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. Board and committee evaluations will be conducted again towards the end of 2022.

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, a special board meeting took place on 2 July 2021 in which Mr Sithole was appointed chairman of Sun International following the tragic passing of Dr Mabuza on 16 June 2021. The board also reviewed and approved changes to the composition of certain of the board and statutory committees of the company:

- Mr Sithole was appointed as the nomination committee chairman.
- Mr Sithole resigned as remuneration committee chairman and Ms Mabaso-Koyana was appointed as the new remuneration committee chairman. Mr Sithole remains a remuneration committee member.
- Ms Mabaso-Koyana was appointed as an additional audit committee member.
- Ms Henry was appointed as an additional nomination committee member.
- Mr Ngara was appointed as an investment committee and risk committee member.
- Mr Payne was appointed as a member of the remuneration, investment and risk committees.

The board held its annual strategy session with the broader executive management team, to deliberate on the group's strategic direction and the group's annual budget as proposed by management. The group's key strategic objectives were set at the strategy meeting and progress thereon is reported at each board meeting. The group's strategy and annual budget were approved by the board.



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 members' attendance during the year are tabled in the sections to follow.

Each committee comprises three or more members, the majority of whom are independent, except for the risk committee of which 50% of the members 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 for Meropa, being an associate company. This is subject to annual confirmation. Sun International's 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 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 DURING 2021

- ▶ Reviewed group internal audit's opinion on internal financial controls, including the effectiveness of governance, risk management and control processes and approved the combined assurance framework.
- ▶ Reviewed the summary of audit findings and status update relative to the annual audit plan.
- ▶ Reviewed information technology risks as they relate to financial reporting.
- ▶ Reviewed the adequacy of internal audit resources and expertise.
- ▶ Reviewed the scope of the risk-based internal audit plan for 2022.
- ▶ Reviewed non-audit services.
- ▶ Evaluated the performance of the external auditor and assessed the external audit firm and individual lead audit partner pursuant to the auditor accreditation model.
- ▶ Oversaw and recommended the proposed new external auditor to the board and shareholders.

Committee member	Number of meetings	Attendance
Caroline Henry	3	3
Enrique Cibie	3	2
Sindi Mabaso-Koyana ¹	2	2
Zimkhitha Zatu	3	3
Peter Bacon	3	3
Right of attendance		
Anthony Leeming (CE)*	3	3
Muxe Mambana*	3	3
Norman Basthdaw (CFO)*	3	3

¹ Ms Sindi-Mabaso-Koyana was appointed on 2 July 2021.
* Executive.

In addition to the above, certain key members of senior management attend the audit committee.

Independence: 100%

Attendance: 93%

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 in the consolidated group IFRS financial statements, to ensure that the audit committee has access to all Sun International's financial information to allow Sun International to effectively prepare and report on the financial statements of Sun International.
- ▶ 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 the 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 satisfied itself that the appointment and independence of the external auditor were as per the requirements of the Companies Act, and that the individual audit partner was an accredited auditor (as per the JSE Listings Requirements).
- ▶ Information received from the new external auditor in accordance with paragraph 22.15(h) of the JSE Listings Requirements in the assessment of the suitability for appointment of the new external auditor and the designated audit partner for the financial year commencing on 01 January 2022.
- ▶ 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.
- ▶ Absence of material concerns in terms of cyber attacks.
- ▶ 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.
- ▶ Fact that the audit committee has executed its responsibilities set out in paragraph 3.84(g) of the JSE Listings Requirements.

LOOKING AHEAD THE COMMITTEE WILL CONTINUE TO FOCUS ON:

- Ensuring the group's financial systems, processes and internal financial controls operate effectively.
- Reviewing reports presented by the JSE regarding its proactive monitoring process.
- Monitoring the impact of Covid-19 on overall group performance.
- Reviewing changes to the JSE Listings Requirements.
- Monitoring accounting reporting standards.
- Monitoring the Companies Amendment Bill, 2021.
- Monitoring POPIA action plans and appropriate compliance controls implemented.
- The group's combined assurance policy and framework and implementation plan.
- Obligations of an audit committee in terms of the Companies Act, JSE Listings Requirements and King IV™.

Stakeholders addressed



Top risks addressed

1	2	3
6	8	

NOMINATION COMMITTEE

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 diversity is considered in all appointments (gender, race, culture, age, field of knowledge, skills and experience) and that the board's employment equity status is either maintained or improved.
- Confirms the appointment of employer-appointed trustees to the retirement fund.

Committee member	Number of meetings	Attendance
Jabu Mabuza ¹	1	1
Sam Sithole ²	2	2
Graham Dempster	4	4
Caroline Henry ³	2	2
Boitumelo Makgabo-Fiskerstrand	4	4
Right of attendance		
Anthony Leeming (CE) [*]	4	4

Independence: 75%
Attendance: 100%

¹ Dr Jabu Mabuza passed away on 16 June 2021.
² Mr Sam Sithole was appointed member and chairman effective 2 July 2021. He was previously an invitee.
³ Ms Caroline Henry was appointed a committee member on 2 July 2021.
^{*} Executive.

LOOKING AHEAD THE COMMITTEE WILL CONTINUE TO FOCUS ON:

- Monitoring the skills, experience and composition requirements of the main board and committees, with specific focus on increasing the black female, youth, sales and marketing, IT and international hospitality skills complement considering the group's diversity policy and diversity requirements per the JSE Listings Requirements.
- Engaging with Sun International's social and ethics committee in terms of seeking its guidance and input around both gender and race diversity at board level.
- Monitoring of non-executive directors' independence and potential conflicts of interest.
- Succession and developmental planning throughout the group and on the main board.

Stakeholders addressed



Top risks addressed

1

FOCUS AREAS DURING 2021

- Annual independence evaluation of each non-executive director.
- Appointment of Mr Sithole as non-executive chairman of Sun International, following the passing of Dr Mabuza and Mr Sithole's re-appointment as chairman.
- Re-appointment of Ms Dempster as lead independent director.
- Assessed the qualifications, competency and expertise of Mr Johnston, Sun International's company secretary.
- Nominated and approved trustee appointments to pension and/provident funds and their sub-committees.
- Assessed voluntary board diversity targets.
- Reviewed and confirmed the board's diversity policy.
- Development of black employees for top and executive management positions, with particular focus on black females.
- Reviewed 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.
- Considered executive committee, prescribed officers and general manager succession planning across the group as well as board and committee succession planning.
- Considered directors who retire in accordance with the Mol.

SATISFIED ITSELF AS TO THE:

- Independence of each non-executive director categorised as independent.
- Appointment of Sun International's chairman and lead independent director.
- 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.

CLICK TO SEE STAKEHOLDER AND RISK ICONS

RISK COMMITTEE

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 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.

Committee member	Number of meetings	Attendance
Peter Bacon	3	3
Norman Basthdaw (CFO) [*]	3	3
Anthony Leeming (CE) [*]	3	3
Nigel Payne ¹	0	0
Enrique Cibie	3	3
Caroline Henry	3	3
Graham Dempster	3	3
Tapiwa Ngara ²	2	2
Verna Robson [*]	3	2
Graham Wood ^{3*}	3	3

Independence: 50%

Attendance: 96%

¹ Nigel Payne was appointed a committee member with effect from 19 November 2021, after the last 2021 risk committee meeting.
² Tapiwa Ngara was appointed a committee member on 2 July 2021.
³ Graham Wood was appointed a committee member on 11 March 2021.
^{*} Executive.

In addition to the above, certain key members of senior management attend the risk committee meetings by invitation. A dedicated group risk manager was appointed on 1 January 2022.

LOOKING AHEAD THE COMMITTEE WILL CONTINUE TO FOCUS ON:

- Monitoring the group's IT governance structure to ensure it addresses critical IT risk and IT investments, particularly retaining IT resources, and other critical skills.
- Organisational resilience in terms of market risk, Covid-19 impact on revenue generation and the domestic leisure industry.
- Monitoring of cyber security controls as cyber attacks increase.
- Monitoring of legislation impacting the group.
- Relationship building with minority shareholders.
- Employee wellness and retention.
- Assessing group risks from an environmental, social and corporate governance perspective.
- Reducing the number of executives on the committee.
- Commissioning a third-party independent review of the group's risk management approach and methodology.
- Integrating the group's enterprise risk framework with the combined assurance framework to further enhance the group's risk management and assurance process.

Stakeholders addressed



Top risks addressed

1	2	3	4
5	6	7	8
9	10		

FOCUS AREAS DURING 2021

- Reviewed the group's risks and identified the top 10 risks detailed in the risk management report.
- Ongoing impact of Covid-19 on the hospitality sector and weak economic conditions.
- Reviewed the group's insurance programme before presentation to the board for approval. The 2019/2020 programme included infectious diseases in its business interruption cover.
- Impact of civil unrest on international tourism.
- Reviewed cyber security controls as cyber attacks increase.
- Monitored legislation impacting the group.
- Focused on continued relationship building with minority shareholders.
- Employee wellness and retention as a risk to the group.
- Considered the potential increase in gambling addiction due to advertising of online sports betting/gambling sites and monitoring of online gambling to detect and limit online problem gamblers.
- Considered the risk of governments placing restrictions on operators' marketing activities.
- Considered market erosion impact as a result of illegal gambling.
- Ensured management was actively and adequately addressing the risks facing the group and the current risk environment.
- Reviewed the group's combined assurance framework underpinned by its three assurance layers – management, internal and external assurance.

SATISFIED ITSELF AS TO THE:

- Group's control processes around governance, risk management and controls and that these had been adequately designed and effectively implemented to support the achievement of the strategic objectives.
- POPIA plans having been implemented and the group's privacy officer and three deputy information officers having been registered.
- New crisis response plan in respect of any privacy or cyber breach that had been developed.
- Management remaining focused on embedding controls in partnership with Internal Audit, in terms of King IV™ IT governance.
- Sustainability initiatives – waste and utility management, health, safety and wellbeing having received ongoing focus.
- Heightened risk of power outages and the impact of this on group electrical infrastructure.

SOCIAL AND ETHICS COMMITTEE

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 of the Companies Act and Regulation 43 of the Companies Regulations, 2011 as well as the JSE Listings Requirements.

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 Regulations, 2011 and as a board committee in respect of its responsibilities prescribed by the board in its mandate and terms of reference.

Committee member	Number of meetings	Attendance
Boitumelo Makgabo-Fiskerstrand	3	3
Caroline Henry	3	3
Anthony Leeming (CE)*	3	3
Zimkhitha Zatu	3	3
Right of attendance		
Norman Basthdaw (CFO)*	3	3
Andrew Johnston*	3	3
Jannette Horn ¹ *	1	1
Verna Robson ² *	3	3

Independence:
75%

Attendance:
100%

¹ Mrs Jannette Horn, the head of sustainability, resigned effective 31 July 2021.
² Ms Verna Robson is director – human resources.
* Executive.

In addition to the above, certain key members of senior management attend the social and ethics committee meeting by invitation.

LOOKING AHEAD THE COMMITTEE WILL CONTINUE TO FOCUS ON:

- Monitoring the group's social, transformation, economic and environmental performance.
- Transparent and proactive engagement with communities where we operate.
- Monitoring the group's progress against and focus on sustainable development goals.
- Continued 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.
- Monitoring provisions relating to a social and ethics committee in the proposed Companies Amendment Bill, 2021.

Stakeholders addressed



Top risks addressed

1 2 3 7

FOCUS AREAS DURING 2021

- Reviewed the sustainability reports regarding the group's impact on the natural environment to ensure environmental sustainability, current SHE policies and the group's contribution to SED and CSI. Pertinent matters included energy and water consumption and zero-waste-to-landfill at certain operations.
- Implementation of practices and policies to ensure the group's remuneration policies are fair and equitable.
- Monitored the group's diversity and inclusion strategy implementation and equal pay for work of equal value to reduce the gender pay gap within the group and enhance empowerment of women.
- 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.
- Material matters arising from the group's ethics hotline and feedback received from the ethics office and whistle-blowing report.
- 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 and noted that this is dealt with in various group policies.
- Policies and procedures implemented across the group in terms of Covid-19 protocols.
- Group's communication with employees during the Covid-19 pandemic, especially through emails and the online platform (Sun Talk app).
- 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.
- Reviewed information governance.
- Considered consumer relationships including Sun International's advertising and public relations initiatives as well as any other matter relating to the group's contribution to the development of communities as well as the group's adherence to consumer laws.
- Reviewed responsible gambling reports submitted by management and monitored crèche usage and self-exclusion applications.

SATISFIED ITSELF AS TO THE:

- Committee's performance during the year, as the basis in having fulfilled its mandate in terms of Regulation 43 of the Companies Regulations, 2011, the JSE Listings Requirements and its MoI.
- 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 its mandate during the year under review, or repeated regulatory penalties, fines, censures or compliance orders.
- Group having operated as a socially responsible corporate citizen demonstrating an ongoing commitment to sustainable development.

REMUNERATION COMMITTEE

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, retirement fund and medical aid.
- Reviews proposed changes to the short-term incentive scheme (STI) and the long-term share-based incentive plans.

Committee member	Number of meetings	Attendance
Sindi Mabaso-Koyana ¹	4	4
Enrique Cibie	4	4
Sam Sithole ²	4	4
Jabu Mabuza ³	2	2
Nigel Payne ⁴	0	0
Right of attendance		
Anthony Leeming (CE)*	4	4
Verna Robson*	4	4

Independence:
75%

Attendance:
100%

¹ Ms Sindi Mabaso-Koyana was appointed as the chairman of the committee effective 2 July 2021.
² Mr Sam Sithole resigned as the chairman of the committee effective 2 July 2021.
³ Dr Jabu Mabuza passed away on 16 June 2021.
⁴ Nigel Payne was appointed a committee member with effect from 19 November 2021, after the last 2021 remuneration committee meeting.
* Executive.

FOCUS AREAS DURING 2021

- Progressed the equal pay for work of equal value (EPWEV) analyses initiated by Human Resources.
- Ensured that remuneration broadly aligned with the remuneration policy.
- Developed a fair remuneration framework for the group.
- Aligned with the principles of fairness and responsibility and made inroads in terms of addressing the gender pay gap.
- Assessed talent requirements in conjunction with succession plans.
- Improved dialogue with shareholders around evolving remuneration practices and policies.
- Recommended non-executive director fees to the board and to shareholders.
- Annual appraisal of performance of the chief executive, exco, prescribed officers and unit general managers.
- Determined and agreed the executive committee members, prescribed officers and unit general managers' key performance indicators for the year.
- Reviewed publication of remuneration report and required disclosures, plus remuneration policy in the IAR FY 2020.
- Reviewed feedback on the outcome of the non-binding advisory vote of shareholders.
- Reviewed compulsory employee benefits – retirement funding and healthcare benefits.
- Approved service contracts as necessary.
- Reviewed the limits of authority of the chief executive and recommended to the board for approval.
- Reviewed the award of restricted shares and performance shares to eligible employees.
- Monitored changing regulatory interventions due to Covid-19.
- Reviewed the proposed changes to the Companies Amendment Bill, 2021 which would impact on remuneration committees and remuneration going forward.
- Received a report from PWC detailing a proposed revised comparator group of companies for Sun International to benchmark its non-executive directors' fees and executives.
- Non-executive directors' fees with effect from 1 July 2021 and recommended approval of fees following a benchmark exercise conducted by 21st Century.

APPROVED THE:

- KPIs for executive committee members and general managers for FY2021 and confirmed the performance rating for the chief executive for the 2020 financial year.
- Award of restricted shares and performance shares to eligible employees
- Remuneration policy and implementation report submitted to shareholders at the AGM.

LOOKING AHEAD THE COMMITTEE WILL CONTINUE TO FOCUS ON:

- Improving annual remuneration practices disclosure.
- Improving engagement with shareholders in accordance with the principles enunciated by King IV™.
- Dialogue with shareholders around evolving remuneration practices and policies.
- Continuing to evaluate fair and ethical remuneration practices and the concept of a living wage.

Stakeholders addressed



Top risks addressed

1 2 6

INVESTMENT COMMITTEE

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 capex budget of the group.
- Regularly values the portfolio of group assets to see where returns on investment are being achieved.

Committee member	Number of meetings	Attendance
Graham Dempster	4	4
Sam Sithole	4	4
Jabu Mabuza ¹	2	2
Sindi Mabaso-Koyana	4	4
Tapiwa Ngara ²	2	2
Nigel Payne ³	0	0
Right of attendance		
Anthony Leeming (CE)*	4	4
Norman Basthdaw (CFO)*	4	4

Independence:
60%

Attendance:
100%

¹ Dr Jabu Mabuza passed away on 16 June 2021.
² Tapiwa Ngara was appointed 2 July 2021.
³ Nigel Payne was appointed a committee member with effect from 19 November 2021, after the last 2021 investment committee meeting.
 * Executive.

FOCUS AREAS DURING 2021

- Reviewed and approved the committee's mandate and terms of reference.
- Noted the capex budget for 2021 and capex budget for 2022.
- Reviewed potential small acquisitions.
- Reviewed the combined valuation of the group.

LOOKING AHEAD THE COMMITTEE WILL CONTINUE TO 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 details pertaining to the deliberation of this committee or focus areas are disclosed in this report.

Stakeholders addressed



Top risks addressed

1 2 3 6

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 financial and investment updates, 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 chief information officer 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. The IT steering committee is designed to drive the approval and execution of group-wide projects. This has positioned the group to better co-ordinate delivery of group-wide initiatives, identify internal efficiencies and standardise systems and processes.

Driving the 2021 strategy required us to build foundational and differentiating IT capabilities that enabled data and information as a key differentiator; developed strong security and cyber resilience; enabled digital opportunities and achieved operational simplicity.

RISK GOVERNANCE AND COMBINED ASSURANCE FRAMEWORK

During 2021, the audit committee approved the group's combined assurance policy and framework. Going forward, the group's enterprise risk framework will be integrated with this combined assurance framework to further enhance the group's risk management and assurance process. The group's risk governance and combine assurance framework is detailed in the group's risk management section.

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 with 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, people and culture and environmental, social and governance, ensure that sustainability remains at the heart of our business operations.

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 and environmental initiatives, and sustainability campaigns.

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AND RISK ICONS

During 2021, 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 group's environmental, health, safety and wellness as well as socio-economic development (SED) portfolios. 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 Standard as the basis for its integrated sustainability reporting. No material issues were identified during the assurance audit that needed to be brought to the attention of the committees, the board or other stakeholders.

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 (available online). 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 <IR> Framework (January 2021)	Sun International applies the International Integrated Reporting Council's <IR> Framework in compiling its integrated annual report.
United Nations Global Compact (UNGC)	Sun International voluntarily embeds the 10 UNGC Principles as part of its business strategy, culture and day-to-day operations.
United Nations (UN) Sustainable Development Goals (SDGs)	Sun International supports the UN SDGs and focuses on the six most relevant to the business.

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.

PRINCIPLE 1: THE GOVERNING BODY SHOULD LEAD ETHICALLY AND EFFECTIVELY ✓ ALIGNED

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 department continues to enhance synergies across the group in relation to health, safety, the environment and socio-economic development (SED) initiatives and ESG elements.

The nomination committee is responsible for identifying and recommending suitable appointments to the board to ensure effective governance group-wide.

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 90% (2020: 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: 2021: 98% (2020: 99%)
- Audit committee: 2021: 93% (2020: 100%)
- Investment: 2021: 100% (2020: 98%)
- Nomination committee: 2021: 100% (2020: 100%)
- Remuneration committee: 2021: 100% (2020: 97%)
- Risk committee: 2021: 96% (2020: 100%)
- Social and ethics committee: 2021: 100% (2020: 96%)

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.

OUTCOMES

- Ethical and cohesive culture
- Effective control, compliance and accountability
- Responsive and transparent stakeholder engagement
- Legitimacy and trust

Other references

- Corporate governance report
- Ethics declaration
- Environmental, social and governance (ESG)
- Board committees and attendance

PRINCIPLE 2: THE GOVERNING BODY SHOULD GOVERN THE ETHICS OF THE ORGANISATION IN A WAY THAT SUPPORTS THE ESTABLISHMENT OF AN ETHICAL CULTURE ✓ ALIGNED

APPLICATION:

The directors set the overall tone for ethical leadership of the board. Executive committee members 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 ethical conduct. Sun International's anonymous tip-offs ethics hotline is managed by Deloitte.

OUTCOMES

- Ethical and cohesive culture
- Effective control, compliance and accountability
- Responsive and transparent stakeholder engagement
- Legitimacy and trust

Other references

- 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 ✓ ALIGNED

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. Our SunWay culture continues to promote enabling values and continues to discourage disabling ones. The group continued to conduct training and awareness around health, safety and environmental aspects, in particular ongoing 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 R14 million (2020: R18.6 million) and applied mainly to projects related to education, sports, and arts and culture. The group also invested in various CSI initiatives – both monetary and in-kind (non-monetary) – including donations, sponsorships and charitable givings of R13.1 million (2020: over R7.1 million) across our South African units. This amount includes a R2 million (2020: R1.6 million) education funding contribution to employees and their families.

Supplier development and enterprise and supplier development (E&SD) spend was R30.7 million (2020: R30.9 million) and R8.3 million (2020: R6.9 million) respectively.

EXPLANATION:

As a responsible corporate citizen, Sun International focuses on community upliftment through its SED, CSI and E&SD initiatives. Sun International is also committed to supplier development and upliftment through its business development support programme.

OUTCOMES

- Ethical and cohesive culture
- Effective control, compliance and accountability
- Responsive and transparent stakeholder engagement
- Performing to strategic expectation
- Legitimacy and trust

Other references

- ESG
- People and culture
- Environmental
- Health, safety and wellbeing
- Socio-economic development
- Enterprise and supplier development

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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 ✓ **ALIGNED**

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. All sustainability matters are discussed at the group's quarterly operations committee meetings, the Sun International executive committee and any pertinent issues are elevated to the social and ethics committee and risk committee. The sustainability department 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.

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 of our integrated annual report.

The group's material matters are reviewed in depth every three years to ensure the group's material matters remain relevant. This review was last conducted in 2020 and the material matters for 2021 have remained largely the same, with some minor changes. Material matters are discussed in the directors' report, governance report and the material matters section in the annual integrated report.

- OUTCOMES**
- Effective control, compliance and accountability
 - Responsive and transparent stakeholder engagement
 - Performing to strategic expectation
- Other references**
- Strategic objectives
 - Integrated annual report

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 ✓ **ALIGNED**

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 as it ensures accountability.

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.

- OUTCOMES**
- Effective control, compliance and accountability
 - Responsive and transparent stakeholder engagement
 - Performing to strategic expectation
- Other references**
- Corporate governance report
 - Investor presentations
 - Social and ethics committee report
 - Audit committee report
 - Annual statutory report
 - Integrated annual report

PRINCIPLE 6: THE GOVERNING BODY SHOULD SERVE AS THE FOCAL POINT AND CUSTODIAN OF CORPORATE GOVERNANCE IN THE ORGANISATION ✓ **ALIGNED**

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 of 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.

- OUTCOMES**
- Ethical and cohesive culture
 - Effective control, compliance and accountability
 - Performing to strategic expectation
 - Legitimacy and trust
- Other references**
- Corporate governance report
 - Board of directors
 - Board charter
 - Memorandum of incorporation
 - Committees' terms of reference

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 ✓ **ALIGNED**

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 in the integrated annual report. The board-approved diversity policy incorporates gender, race, culture, age, field of knowledge and skills diversity and experience, 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, culture, gender, age, field of knowledge 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.

	Target	Actual 2021	Actual 2020	Actual 2019	Actual 2018
Race	50% black directors	50%*	58%	57%	57%
Gender	30% female directors	33%	33%	29%	29%

* Excludes Jabu Mabuza who passed away from Covid-19 complications during the year.

- OUTCOMES**
- Ethical and cohesive culture
 - Effective control, compliance and accountability
 - Responsive and transparent stakeholder engagement
 - Performing to strategic expectation
- Other references**
- Corporate governance report
 - Annual statutory report
 - Board of directors
 - Executive leadership
 - Board charter
 - Diversity policy

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 ✓ **ALIGNED**

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 an operating management committee (gaming and hospitality), and the risk committee has an IT governance sub-committee. 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 and are compliant, except for the risk committee of which 50% of the members are independent. All committees, except for the nomination committee, 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.

OUTCOMES

- Ethical and cohesive culture
- Effective control, compliance and accountability
- Performing to strategic expectation
- Legitimacy and trust

Other references

- 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 ✓ **ALIGNED**

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 experience 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.

OUTCOMES

- Ethical and cohesive culture
- Effective control, compliance and accountability
- Responsive and transparent stakeholder engagement
- Performing to strategic expectation
- Legitimacy and trust

Other references

- Corporate governance report
- Audit committee report
- Board charter

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 ✓ **ALIGNED**

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 always has access to governance support and guidance.

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 units' general managers of key units, to improve decision-making and enhance alignment with the group strategy. The central office operating structure ensures an efficient way of working together and serving the units.

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 their 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.

OUTCOMES

- Ethical and cohesive culture
- Effective control, compliance and accountability
- Responsive and transparent stakeholder engagement
- Performing to strategic expectation
- Legitimacy and trust

Other references

- Corporate governance report
- Board of directors
- Executive leadership
- Committees' terms of reference

PRINCIPLE 11: THE GOVERNING BODY SHOULD GOVERN RISK IN A WAY THAT SUPPORTS THE ORGANISATION IN SETTING AND ACHIEVING ITS STRATEGIC OBJECTIVES ✓ **ALIGNED**

APPLICATION:

The group's governing body oversees risk management. Sun International's risk methodology and risk ranking system require each division, under the direction of their respective executives, 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. A dedicated group risk manager was appointed to further co-ordinate and enhance the group's risk management process as well as facilitate risk management integration group-wide. Risk management workshops are also conducted three times a year.

EXPLANATION:

An evaluation of risks group-wide ensures 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 three key risks identified in 2021:

- Weak economic conditions.
- Coronavirus (Covid-19).
- Political and civil unrest.

OUTCOMES

- Effective control, compliance and accountability
- Performing to strategic expectation
- Responsive and transparent stakeholder engagement

Other references

- Corporate governance report
- Risk management

PRINCIPLE 12: THE GOVERNING BODY SHOULD GOVERN TECHNOLOGY AND INFORMATION IN A WAY THAT SUPPORTS THE ORGANISATION SETTING AND ACHIEVING ITS STRATEGIC OBJECTIVES ✓ **ALIGNED**

APPLICATION:
 The IT governance sub-committee is a risk 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 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.

EXPLANATION:
 Through the IT governance sub-committee, operations report to the board, which ensures that 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.

- OUTCOMES**
- Effective control, compliance and accountability
 - Performing to strategic expectation
 - Responsive and transparent stakeholder engagement
 - Legitimacy and trust
- Other references**
- Corporate governance report
 - Operational excellence and efficiencies
 - IT policies

PRINCIPLE 13: THE GOVERNING BODY SHOULD GOVERN COMPLIANCE WITH APPLICABLE LAWS AND ADOPT NON-BINDING RULES, CODES AND STANDARDS IN A WAY THAT SUPPORTS THE ORGANISATION BEING ETHICAL AND A GOOD CORPORATE CITIZEN ✓ **ALIGNED**

APPLICATION:
 The compliance function supports the broader group sustainability objectives. Policies 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.

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 of 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.

- OUTCOMES**
- Ethical and cohesive culture
 - Effective control, compliance and accountability
 - Responsive and transparent stakeholder engagement
 - Performing to strategic expectation
 - Legitimacy and trust
- Other references**
- Corporate governance report
 - Chairman's message
 - Social and ethics committee report
 - Code of ethics

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 ✓ **ALIGNED**

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 2021 remuneration policy and report. This remuneration policy and report were approved by the board and by shareholders at the AGM.

- OUTCOMES**
- Ethical and cohesive culture
 - Responsive and transparent stakeholder engagement
 - Legitimacy and trust
- Other references**
- 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 ✓ **ALIGNED**

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's 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 was 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.

- OUTCOMES**
- Effective control, compliance and accountability
 - Responsive and transparent stakeholder engagement
 - Performing to strategic expectation
 - Legitimacy and trust
- Other references**
- Audit committee report
 - Independent assurance statement
 - Combined assurance framework

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 ✓ **ALIGNED**

APPLICATION:
 The board is the custodian of Sun International's corporate governance framework, and 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. Our SED strategy, that includes community stakeholder engagement, is in place across all units. This engagement approach takes community concerns into account in respect of developing local business and employment opportunities.

EXPLANATION:
 Sun International follows a stakeholder-inclusive engagement approach. Regular stakeholder engagement ensures the board is advised of all material matters that may impact the company. The group's community stakeholder engagement ensures 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.

- OUTCOMES**
- Responsive and transparent stakeholder engagement
 - Performing to strategic expectation
 - Legitimacy and trust
- Other references**
- Corporate governance report
 - Stakeholder engagement
 - Social and ethics committee report

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



BOITUMELO MAKGABO-FISKERSTRAND
Chairman

Dear stakeholders

I am pleased to present Sun International's social and ethics committee (the committee) report for the year ended 31 December 2021. The purpose of this report is to inform our stakeholders on the discharge of our duties as set out in the Companies Act read with Regulation 43 of the Companies Regulations, 2011 as supplemented by the committee's terms of reference.

Our ethical and responsible commitment is driven by the board and the executive committee, as well as the group's code of ethics (the code) which commits management and employees to the highest ethical conduct and standards. The executive committee members signed renewed declarations during 2021, reflecting their personal commitment to the 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 unethical 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 are handled confidentially.

The ethics office meets with members of the senior executive management to discuss trends arising from the matters reported through the incident reporting facilities and material incidents of ethical misconduct reported to management group-wide. Closed sessions are held between the social and ethics committee chairman, independent directors, chief executive and the ethics officer after each social and ethics committee meeting, to discuss any material ethical issues reported group-wide.

The committee performs the requisite statutory functions on behalf of all subsidiary companies across the group, including those that score above 500 points as contemplated in Regulation 43 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. 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 to the board. Furthermore, the Sun International director: corporate services 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 no changes to the social and ethics committee's composition. 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 read with Regulation 43 of the Companies Regulations, 2011 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, director: corporate services, director: human resources, environmental, social and governance manager and risk manager. As per the mandate of the committee, its terms of reference were reviewed and approved, and we achieved a 100% (2020: 93%) 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 and responsible 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, fair and transparent labour practices and our contribution towards the educational and skills development of our employees.

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 2020 social and ethics report was tabled at the Sun International AGM held on 11 May 2021.

The group's sustainability department includes several senior managers from relevant areas within the group. As our sustainability journey matures, we reassessed our approach in 2021 to incorporate and focus on environmental, social and governance (ESG) elements to ensure a more integrated sustainable business strategy for the group. The shift towards ESG will allow us to measure, monitor and evaluate our contribution towards minimising our impact on the natural and social environments we operate in, while ensuring that there is sustainable value creation for all our stakeholders.

As part of our independent assurance scope, Integrated Reporting and Assurance Services (IRAS) conducted a review of the group's environmental, health, safety and wellness as well as socio-economic development (SED) portfolios. A Type 1 (moderate) assurance approach was adopted by way of a desktop review, with additional evidence provided and interviews conducted, to ensure a fair and transparent process. The 2021 assurance audits were conducted on data supplied by all operations. 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, on a voluntary basis, to review the group's standing and progress in accordance with the 10 principles of the UNGC and reviews 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.

Sun International's SunWay culture and employee value proposition (EVP) continues to embed the group's culture as well as attract and retain top-performing employees. The EVP reinforces the world-class employee benefits and positive working environment in Sun International. Matters addressed during the year under review included talent management and succession, training, employee engagement and employee health, safety and wellness.

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 2021, our overall black employee representation was maintained at **92%**, exceeding the distribution of the national economically active population. The management team is made up of **84%** (2020: 84%) black people, and **46%** (2020: 46%) are females. Challenges remain at middle and senior management levels, where representation of black people, particularly black females, is lower than that of white people.

Most units have also developed their employment equity plans for the period August 2021 to July 2024 and the consolidated group employment equity plan has been approved. A further review will occur in 2022 when the new Employment Equity amendments are operational, which set sector targets. We have implemented policies such as the Employment Equity (EE) Policy, Elimination of Sexual Harassment Policy and the Disability Management Policy to protect employees' rights in the workplace, by ensuring fair treatment and equality in employment processes.

In 2021, Sun International was externally rated and scored a Level 3 B-BBEE rating in accordance with the Tourism Sector Codes as at 31 July 2021. Sun Slots was the only unit to be verified under the Generic Codes of Good Practice and scored a Level 3 B-BBEE rating. Due to the impact of Covid-19 on our operations, our B-BBEE scores under skills development

During 2021 talent management processes were refined, with a focus on succession management to ensure business continuity. Potential talent was identified, who then went through rigorous psychometric and competency assessments to identify development gaps and fast-track development.

and enterprise and supplier development pillars dropped. This resulted in an overall B-BBEE ratings level drop from level 1 in 2020, to level 3 in 2021.

Sun International's recruitment of persons with disabilities remains challenging. The disability capacity building workshops and disability awareness days continue to remove the stigma and fear of victimisation experienced by employees living with disabilities. A significant focus during 2021 was on the effects of Covid-19, which could result in a disability.

The group continues to focus on fair, ethical and responsible remuneration. 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 the variable remuneration. A further requirement included an assessment of the income gap between 10% of the highest earners, and the corresponding 10% of lowest earners. The group conducts a quarterly review on these employment levels so that the principles of equal pay for work of equal value are adhered to for new recruits, promotions and gender diversity. This process now applies to all bargaining unit employees. During 2021, the group developed a fair remuneration framework.

Covid-19 continued to impact on the group's operations and employees as intermittent lockdown restrictions were imposed. Sun International remains vested in employee wellbeing and our commitment is reinforced by the positive impact of One Sun Wellness over the past two years. The efficacy of the integrated model is being pressure tested under extreme circumstances and is proving to be robust and relevant. Regrettably, there were ten Covid-19 related deaths in the workforce during 2021, which also affected employee morale. The group extends its condolences to the families and loved ones affected.

Gender-based violence (GBV) has been declared a national social pandemic and Sun International has zero tolerance for all forms of violence and abuse. We support the government's national strategic plan to eradicate GBV and femicide; and ensure human dignity and healing, safety, freedom and equality. At Sun International, we launched our 365 days of GBV activism campaign, to tackle this social pandemic. The group also has policies and procedures in place and also provides support to all employees, through our One Sun Wellness and community-based initiatives.

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 over and above gender and race, skills field of knowledge and experience, regional and industry experience, age and culture. Good progress was noted against the board's race and gender targets. In 2021, the board achieved its black director target of 50%, with 50% (2020: 58%) black representation, and exceeded the female director target of 30%, with 33% (2020: 33%) female representation. Going forward over the next three to five years, the board is working towards a greater than 50% female representation on Sun International's board. The board's and committees' 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.

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. Each unit works closely with local communities to develop their local supply chain. Units use a 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 continues 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. Sun International invested **R30.7 million** (2020: R30.9 million) and **R8.3 million** (2020: R6.9 million) in supplier development and enterprise development, respectively, during 2021.

Eleven beneficiaries (2020: 10) were supported through Sun International's formal business development support process and the online tender bulletin board, which 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 whom we interact. Our units' SED and CSI projects focus on addressing the needs of the community, as identified through our community stakeholder engagement process. The group's revised SED policy includes special projects as opposed to simply focusing on education, sports, and arts and culture projects. R14 million (2020: R18.6 million) was invested in making a difference in the lives of community members, as well as employees who were severely impacted by the Covid-19 pandemic. We continue to improve the reporting of our CSI and invested R13.1 million (2020: R7.1 million) in CSI initiatives, of which R2 million (2020: R1.6 million) was invested in education funding for employees and their families.

During 2021, we embarked on an impact assessment to evaluate the effectiveness of our group's flagship educational programmes – Adopt a School, Rise Against Hunger and Read to Rise. Our Adopt a School programme supports 28 schools, with an average funding of **R10.5 million** over two years and approximately 20 jobs have been created for local suppliers through this programme. Over the past two years (2020 and 2021), the Grade 12's achieved an **88.7%** average learner pass rate. Sun International has supported the Rise Against Hunger initiative for the past five years and over **1.4 million meals** have been sponsored and packaged. This equates to providing nutritious meals for over **5 300 children** per week for an entire year. Our partnership with Read to Rise has resulted in over **11 300 books** being sponsored to **17 primary schools** where over **4 700 learners** have benefited, since 2016. A database of all donations, charitable givings and sponsorships made by the group is maintained, which gets reported on at social and ethics committee meetings.

All our selected programmes align closely with the following SDGs: SDG2 (zero hunger), SDG3 (good health and wellbeing), SDG4 (quality education) and SDG6 (clean water and sanitation). Initiatives also incorporate environmental and social elements where relevant.

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 NRGF, 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 NRGF 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 and any minors found on the gambling floors, which remain strictly monitored at all units. Training employees in the different stages of the NRGF is also reported.

Group internal audit is responsible for conducting various internal audits and reports its findings regarding responsible gambling to the social and ethics committee. Group compliance monitors the group's gaming entities for compliance with prescribed requirements and reports its observations to the social and ethics committee. In 2019, the National Gambling Bill (including its draft regulations) proposed the implementation of a national exclusion programme. In 2021, this Bill was circulated to the National Council of Provinces for a vote to enable the Bill to progress to Parliament to be enacted. The Bill did not receive sufficient votes, which prevented it from being submitted to Parliament. The Western Cape Gambling and Racing Board (WCGRB) draft research report, on a proposed pre-commitment system to further assist problem gamblers and to prevent the risk of persons becoming problem gamblers, is still under consideration. The WCGRB continues to conduct research on the impact this proposed system will have on the gaming industry. Sun International's Western Cape gaming entities continue to participate in this research.

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's ENVIRO-AMBITION 2025 five-year strategy maps our journey towards being at the forefront of sustainable environmental management in the hospitality sector and outlines our KPIs and mechanisms for realising our environmental ambition. This approach also considers the group's sustainable business strategy, the SDGs and international best practices such as the Task Force on Climate-related Financial Disclosures. Our various KPIs were updated to reflect our journey and assist in monitoring and evaluating progress in achieving our ambition.

The health, safety and wellbeing of our employees and guests continues to be a key focus area for the group. In 2021, we adopted a back-to-basics approach in line with the group's five-year health, safety, and wellness strategy to ensure that all

initiatives started prior to 2020 were being implemented. Key initiatives included the group SHE management system and medical surveillance programme implementation, aligning training requirements where possible, integrating health and safety into the group's wellness programme, and embedding a sustainability culture. We are further pleased to report that there were no fatalities for the year under review.

Sun International continues to mitigate the impact of the Covid-19 pandemic through industry-leading interventions that are aligned with global best practice and local legislation.

During 2021, the group developed a vaccination strategy that includes a vaccination policy and a vaccination rollout plan to encourage employees to have the Covid-19 vaccination. The vaccination policy focuses on a voluntary vaccination approach. It also details how risk assessments are considered, the rollout of a workplace vaccination programme, the enforcement of Covid-19 protocols, the prevention of unfair discrimination and communication on the vaccine. Community vaccination sites have been set up at Sun City and the Wild Coast and workplace vaccination sites were established at GrandWest, Carnival City and Time Square for a short period of time. A Covid-19 vaccination awareness portal was launched on the group's Sun Talk platform, to provide updated Covid-19 and vaccination-related information.

Based on the committee's performance during the year, it is satisfied that it has fulfilled its mandate in terms of the Companies Act read with 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, 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 2021 financial year, Sun International was compliant, in all material respects, with the Companies Act, Companies Regulations 2011, the JSE Listings Requirements, King IV™ and its memorandum of incorporation.

The stewardship of customer information and data protection are paramount. During 2021, the IT governance sub-committee approved the new privacy policy and information office operating mandate. The information office management structure and reporting structure was also established, which includes an information officer, deputy information officers and privacy champions. We continue to enhance our controls 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 13 POPIA applications and one application was received in terms of the Promotion of Access to Information act, 2000 (PAIA).

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, 2021 as they pertain to the social and ethics committee.
- ▶ Monitoring any proposed JSE Listings Requirements amendments as may pertain to the social and ethics committee.
- ▶ Ensuring that the committee continues to review its mandate and terms of reference to ensure that it is aligned with the Companies Act and 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, ethically and responsibly in accordance with the equal pay for work of equal value principle and addresses 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.
- ▶ Monitoring any concerns relating to the group's environmental, social and governance strategy.
- ▶ Responsible online gambling programme.
- ▶ Implementing a remote hybrid work policy.

Shareholders were advised on 11 March 2022, that in accordance with paragraph 3.59 of the JSE Listings Requirements, I had indicated that I intend on retiring from the Sun International board at the 2022 AGM, which will be taking place on 10 May 2022. I will not be standing for re-election as a director. Ms ZP Zatu was appointed the new chairman of the social and ethics committee with effect from 10 May 2022.

I would like to thank Sun International for their confidence in me over the last 12 years and wish the group well in its future endeavours. I welcome Ms ZP Zatu as the committee's new chairman, with effect from 10 May 2022. It has been an honour, privilege and pleasure to serve as chairman of the social and ethics committee.

BOITUMELO MAKGABO-FISKERSTRAND

Chairman of the social and ethics committee

14 March 2022

INDEPENDENT ASSURANCE STATEMENT

To the Board and stakeholders of Sun International Limited ("Sun"):

Integrated Reporting & Assurance Services (IRAS) was commissioned by Sun to provide independent third-party assurance (ITPA) over the sustainability content within Sun's 2021 Integrated Annual Report and Environmental, Social & Governance Report (hereafter, collectively referred to as "the Report"), covering the period 01 January to 31 December 2021. For the purposes of this statement, the Report refers to content within the IAR and ESGR in both the printed and downloadable/online forms, as well as all relevant supplemental information made available via the web at www.suninternational.com.

ASSURANCE STANDARD APPLIED

To the best of our ability, this assurance engagement has been aligned with an IRAS specific combination of AccountAbility's AA1000AS v3 assurance standard, structured to meet the AA1000AS Type 1 (Moderate) requirements and guidance taken from experience gained over a 23-year period, inclusive of testing key sustainability performance data at its source.

INDEPENDENCE, RESPONSIBILITY AND LIMITATIONS

IRAS was not responsible for the preparation of any part of the Report and has not undertaken any commissions for Sun in the reporting period that would interfere with our independence.

The preparation of this Report is solely the responsibility of Sun, where input from IRAS is limited to providing ongoing guidance of where early drafts of the report may appear to fall short of reasonable reporting expectations.

IRAS's responsibility in performing its assurance activities is to the Board and management of Sun alone and in accordance with the terms of reference agreed with them.

COMPETENCE

The assurance team included Michael H. Rea, a Lead Sustainability Assurance Practitioner with 23 years' experience in environmental and social performance measurement, including sustainability reporting and assurance, with support from junior associates within the IRAS team. Michael has completed more than 100 assurance engagements for 41 different companies and has completed 156 assurance site visits in 20 countries to test data at source.

ASSURANCE OBJECTIVES

The objectives of the assurance process were to...

- Assess the extent to which Sun's ESG/Sustainability reporting adheres to AccountAbility's AA1000APS Assurance Principles Standard principles of Inclusivity, Materiality, Responsiveness and Impact, as well as the additional principles of Neutrality (also referred to as "Balance"), Comparability and Accuracy.
- Assess the extent to which Group collection, collation and reporting of key sustainability data from Sun's operations meets reasonable expectations for accuracy, consistency, completeness and reliability, as tested at the desktop/off-site level.
- Assess Sun's ability to provide transparent disclosure of quantitative comparable sustainability data (also referred to as "Environmental, Social and Governance", or "ESG" data).
- Assess the extent to which the Report adheres to reasonable local and international expectations for effective reporting, including guidance provided by the Value Reporting Foundation's recommendations for integrated reporting included in the <IR> Framework.

SCOPE OF WORK PERFORMED

The process used in arriving at this assurance statement is based primarily on IRAS's own ESG/Sustainability data criteria, as well as guidance from AccountAbility's AA1000AS v3 and other best practices in reporting and assurance. Our approach to assurance included the following:

- Meetings with key Sun personnel responsible for the preparation of the Report to assess adherence to the principles of Inclusivity, Materiality, Responsiveness, Impact, Neutrality, Comparability and Accuracy.
- A comprehensive review of Sun's Board and Committee packs to identify what issues have been deemed "material" to the organisation based on the content of discussions regarding these issues at the highest decision-making level within the organisation, as well as to compare and contrast the company's material issues with previously identified material issues identified through our ongoing research into materiality.
- A review of sustainability measurement and reporting procedures – inclusive of reviews of the Group's ESG/Sustainability data consolidation process – at Sun's head offices, via management interviews with the reporting team, as well as through desktop research.
- A review of data collection, collation and reporting procedures at the Group level, with specific reference to all of the ESG/Sustainability data points detailed in the Sustainability Data Table, presented on page 18 of the company's 2021 ESGR.

- Reviews of drafts of the Report for any significant errors and/or anomalies, inclusive of any lapses in the reporting of material issues identified during our internal and external materiality assessments, as well as the potential inclusion of any assertions that are not supported by the ESG/Sustainability data reported by Sun.
- Reviews of drafts of the Report to test for adherence to reasonable reporting expectations.
- A series of interviews with the individuals responsible for collating and writing the Report in order to ensure sustainability performance assertions have been duly substantiated.

Although IRAS reviews all 203 ESG data indicators within our Sustainability Data Transparency Index (SDTI) during our Draft Report Reviews, specific attention was paid to the following 16 ESG/Sustainability data points during the site visits to ATE and Unitrade, and when comparing site-confirmed data to the information contained within the Report:

- 1 Total Employees Total number of permanent, temporary, and fixed-term contract employees.
- 2 Employee Turnover Percentage of employees – at final day of reporting period – that left the company's employ for all reasons (e.g., End of Contract, Dismissal, Death, Retirement, Permanent Disability/Medical Boarding, End of Contract, etc.).
- 3 Skills Development Spend Total Rand value of investments made in the skills development training of employees.
- 4 Persons Trained Total number of employees provided access to one or more skills development training initiatives.
- 5 Person Hours Worked Total number of PHW for all employees and contractors.
- 6 FIFR Fatal Injury Frequency Rate (FIFR), calculated as the total number of fatal injuries (FIs) per 200 000 PHW – for employees and contractors.
- 7 LTIFR Lost Time Injury Frequency Rate (LTIFR), calculated as the total number of lost time injuries (LTIs) per 200 000 PHW – for employees and contractors.
- 8 TIFR Total Injury Frequency Rate (TIFR), calculated as the total number of injuries – inclusive of FIs, LTIs, Medical Treatment Cases (MTCs) and First Aid Cases (FACs) per 200 000 PHW – for employees and contractors.
- 9 CSI/SED Spend Total Rand value of expenditures – inclusive of in-kind contributions and other forms of assistance – on Corporate Social Investment (CSI)/Socioeconomic Development (SED) projects.
- 10 CSI/SED Impacts Measured outcomes of specific CSI/SED projects to assess the extent to which contributions to supported entities and/or investments through company-managed projects have resulted in desired developmental impacts.

- 11 Electricity Consumption Total direct and indirect consumption of electricity for primary purposes.
- 12 Petrol Consumption Total direct and indirect consumption of petrol for primary purposes.
- 13 Diesel Consumption Total direct and indirect consumption of diesel for primary purposes.
- 14 Water Consumption Total volume of water consumed – from all sources (i.e., municipal services, boreholes, etc.) – for primary purposes.
- 15 Waste to Landfill Total volume of hazardous and non-hazardous waste generated that is sent to landfill (or other duly registered disposal sites).
- 16 Waste Recycled Total volume of hazardous and non-hazardous waste that is sent for recycling.

FINDINGS & RECOMMENDATIONS

Based on our analysis of Sun's ESG/Sustainability reporting, it is our belief that the company's ESG/Sustainability data collection, collation and reporting processes facilitate the effective consolidation of performance data at the Group level for the purposes of annual disclosure to stakeholders. However, some opportunities exist with respect to the adequacy of pre-FYE controls relating to ensuring that data is updated if/when new information is obtained prior to finalisation of quarterly data submissions to the Group. Nonetheless, the current Report reasonably reflects an accurate accounting of Sun's performance, including the review of data collected, collated and reported by the company's operations.

REPORTING AGAINST THE ASSURANCE PRINCIPLES

- As per a review of management assertions, inclusive of discussions at the Group level and reviews of the stakeholder engagement content within the Report, Sun reasonably identifies, prioritises and engages key stakeholders, thus meeting the requirements of Inclusivity.
- The content of the Report does not differ, in any significant way, from an analysis of the material issues discussed within Sun, or within its sphere of influence, as per our internal and external materiality determination processes. Adequate systems and controls appear to be in place to identify and prioritise the company's "most material issues", thereby meeting reasonable Materiality expectations.

- As per a review of management assertions, inclusive of discussions at the Group level and reviews of the stakeholder engagement content within the Report, Sun reasonably addresses stakeholder concerns through engagement, inclusive of, but not limited to, regular engagements with one or more key stakeholders, as well as the content within its IAR and ESGR, thereby meeting reasonable Responsiveness expectations.
- As per a review of management assertions, inclusive of discussions at the Group level and reviews of the stakeholder engagement content within the Report, it is reasonable to assert that Sun addresses its most material impacts on stakeholders and the natural environment in which it operates through risk management policies and procedures at both the Group and Operations levels. However, we believe that more can be done to improve its ability to demonstrate how actions affect their broader ecosystems, and what is being done to mitigate these impacts. At a moderate level, we believe Sun's activities, inclusive of, but not limited to, the content discussed within its Report, meets basic Impact expectations, but require further improvement, particularly with respect to additional disclosure to stakeholders within the Report.
- As per a review of management assertions, inclusive of discussions at the Group level and reviews of the Report, the presentation of performance information by Sun reasonably includes a fair and balanced reporting of the company's successes and challenges during the reporting period, thereby meeting reasonable Neutrality expectations.
- As per a review of management assertions, inclusive of discussions at the Group level and reviews of the Report, particularly with respect to the presentation of quantitative/numerical performance information, and alignment of the Report to leading guidance materials (e.g., the International Integrated Reporting Council's Integrated Reporting <IR> Framework), Sun provides an exceptional level of performance transparency in a manner that allows for comprehensive comparability against peer companies, thereby meeting reasonable Comparability expectations.
- As per a review of management assertions, inclusive of discussions at the Group level, reviews of the data collection, collation and reporting processes, and reviews of the Report, the presentation of performance information by Sun reasonably represents the company's stated commitment to the accurate reporting of ESG/Sustainability performance data, thereby meeting reasonable Accuracy expectations.

SUSTAINABILITY DATA PERFORMANCE

- Sun's systems for data collection, collation and reporting, at both the Group and Operations level, are well established and used effectively to allow for the ongoing monitoring and management of the Group's ESG/Sustainability performance, inclusive of annual reporting to stakeholders.
- With respect to the data reported by the operations to the Group, a few minor data errors were identified but were duly addressed and corrected during the year end consolidation and reporting process. However, it was noted that some of Sun's operations may require a re-review of Group ESG/Sustainability definitions to ensure consistency of reported data, particularly those where COVID-19 related staffing (e.g., employee turnover) and/or personnel capacity limits impacted control procedures.
Note: Reported CSI spend includes donations made to the Group's employees, which, in our view, should not be deemed and/or reported as CSI expenditures, but rather an employee benefit.
- Based on the depth of reporting of ESG data within the Report, we believe that Sun demonstrates leadership relative to public disclosure of the ESG/Sustainability data. As per our SDTI analysis of Sun's current reporting, their ESG/Sustainability data transparency falls within the Top 10% of all JSE-listed companies.

CONCLUSIONS

Based on the information reviewed, IRAS is confident that Sun's 2021 Report provides a comprehensive and balanced account of the sustainability performance of the company during the period under review. The data presented is based on a systematic process and we are satisfied that, aside from the exceptions stated above, the reported performance data accurately represents the current performance of Sun, while meeting the reporting principles of Inclusivity, Materiality, Responsiveness, Impact, Neutrality, Comparability and Accuracy. Moreover, we firmly believe that Sun's 2021 Report demonstrates leadership with respect to ESG/Sustainability data transparency.



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Managing Partner
Integrated Reporting & Assurance Services (IRAS)
Johannesburg

6 April 2022





CORPORATE DATA AND ADMINISTRATION

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JSE share code: SUI

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LEI: 378900835F180983C60

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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



