Sun International

Sun Slots

Sun Bet
BET YOU'LL LOVE IT

2022
ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT (ESG)

CONTENTS

REPORTING FOOTPRINT AND NAVIGATION

Sun International's environmental, social and governance (ESG) report is interactive. The user experience is aided by a navigation bar and interlinking of pages and information, both within the report and to other reports and external sources. Navigation is further aided by the icons below. All reports are also available online for viewing or downloading where the online report generator function further enhances the user experience.

Navigation tools

Content

Previous page

Page — Indicates where additional information can be found in this report

Back

Next page

Indicates where additional information can be found on our website, www.suninternational.com

This report 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.

Social media

 Facebook
 Twitter
 YouTube
 Instagram

Sun International's top six SDGs

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

Capitals

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

Strategic objectives

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

Key stakeholders

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

Top 10 risks[1]

R1 Weak economic conditions
R2 Utility supply and efficiencies
R3 Political and civil unrest
R4 Relocation of casino licence in the Western Cape
R5 Cyber threats and information security
R6 Playtech implementation
R7 Unsuccessful implementation of online strategy
R8 Smoking legislation
R9 Ongoing changes in casino licence conditions
R10 Economic and other serious crimes

1 Top 10 risks as at 10 March 2023.

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 investor. relations@suninternational.com or group. sustainability@suninternational.com

ABOUT THIS REPORT

Welcome to Sun International Limited's (Sun International) 2022 ESG report, which focuses primarily on the group's environmental, social and governance information.

REPORTING SCOPE, STRUCTURE AND BOUNDARY

Sun International reports in a holistic, transparent and integrated manner so as to assist our stakeholders to make informed decisions about our business. We aim to provide our stakeholders with a focused and balanced report that demonstrates our integrated thinking and our ability to create and preserve value, but also highlights the areas where we eroded value for the year under review. This report covers the financial period 1 January 2022 to 31 December 2022 and incorporates all Sun International's subsidiaries and operating units in the geographic locations where we operate – South Africa and Nigeria. For our reporting scope purposes, we have only detailed our South African operations' information in this report as Nigeria is not material to the scope. Our South African operations are the group's single biggest income contributor and gaming remains the group's primary income generator.

The tourism and entertainment industry has rebounded as lockdowns at various alert levels were lifted in 2022. Our integrated thinking, regular stakeholder engagement, risk and opportunity identification, capital resource prioritisation and the ability to take decisive action continue to stand the group in good stead. 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, ESG performance and our governance transparency and accountability. The other suite of reports includes the group's integrated annual report (IAR), annual financial statements (AFS), statutory information as well as remuneration information.

|	
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ESG strategy	Page 9
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Environmental performance	Page 19
Social performance	Page 23
Supporting good governance	Page 45

Our ESG report content covers the reporting period's most material topics and where applicable, content includes the period up to the report's finalisation on 31 March 2023. Sun International's ESG material topics are matters that could substantively influence the assessment of providers of capital and other stakeholders regarding the group's ability to create, preserve and erode value over the short, medium and long term. The process of determining our ESG material topics is outlined in the ESG material topics section of this report. This process is dynamic and evolves annually to ensure our ESG material topics remain relevant, align with the group's risks and opportunities and enable the group to achieve its strategic objectives, vision and purpose.

Contribution to group income

Income % per segment/category

- 61
- 13
- 3
- 23

Adjusted EBITDA contribution % by segment

- 74
- 11
- 1
- 14
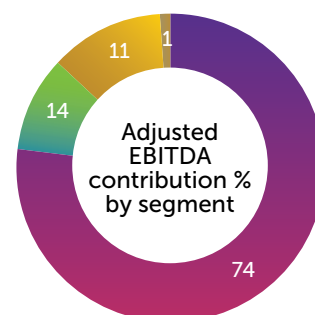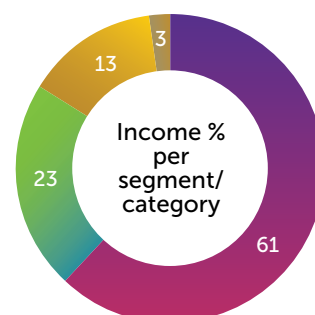
● Urban Casinos   ● Resorts and Hotels
● Sun Slots   ● SunBet

REPORTING SUITES AND REPORTING FRAMEWORKS

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 as well as the JSE Sustainability Disclosure Guidance. Certain sustainability information is externally assured by IBIS Consulting (link to assurance statement). Our IAR is primarily guided by the International Financial Reporting Standards (IFRS) Foundation's Integrated Reporting and Connectivity Council's recommendations for integrated reporting (the <IR> Framework). Our AFS follow IFRS and are externally assured by Deloitte & Touche.

A detailed register of our King IV™ application of governance principles is available online. 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.

🌐 https://corporate.suninternational.com/investors/investors-results-reports/

	Integrated annual report	Environmental, social and governance report (ESG)	Annual statutory report	Group audited consolidated financial statements
International <IR> Framework	✓			
IFRS				✓
Companies Act	✓	✓	✓	✓
King IV™	✓	✓	✓	✓
JSE Listings Requirements (LR)	✓	✓	✓	✓
JSE Sustainability Disclosure Guidance		✓		
SDGs		✓		
GRI		✓		
AA1000AS		✓		

COMBINED ASSURANCE MODEL

Sun International's combined assurance strategy and framework ensures optimal, cost-efficient and integrated assurance coverage group-wide.

🌐 Read more https://corporate.suninternational.com/investors/investors-results-reports

Our hybrid top-down and bottom-up approach, which aligns with the 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 that management, the board and other stakeholders use in decision-making.

Sun International

STRATEGIC LEADERSHIP | SUSTAINABLE VALUE CREATION | ENVIRONMENTAL PERFORMANCE | SOCIAL PERFORMANCE | SUPPORTING GOOD GOVERNANCE | ANNEXURE JSE METRICS | CORPORATE DATA AND ADMINISTRATION

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Leadership message | Board of directors Executive management

LEADERSHIP MESSAGE

SAM SITHOLE
Chairman

ANTHONY LEEMING
Chief executive

As our ESG journey matures, we remain steadfast in our endeavours to being an ethical and proactive corporate citizen. This is demonstrated through our environmental, social and governance (ESG) activities.

To demonstrate our commitment to Sun International's ESG journey, we signed a R2.4 billion sustainability linked loan, the first in the South African hospitality sector. This loan aims to promote the achievement of key sustainability performance indicators (KPIs), to demonstrate Sun International's commitment towards being a responsible corporate citizen and further cementing our position as an ESG leader in the South African travel and leisure industry. We have set ambitious KPIs that align with our ENVIRO-AMBITION 2025 and enterprise and supplier development strategies, to address key environmental and social challenges faced within South Africa. These include reducing airspace in landfills, securing electricity supply and local procurement, specifically to empower black women-owned businesses.

We are also focused on reducing our group-wide environmental footprint and investing in green energy solutions to become a more energy-efficient and sustainable organisation. This has become even more important as South Africa's economy continues to struggle with muted growth projections and the business environment remains tough. The group is making good progress on long-term solutions like renewable energy, which will have a positive impact on the environment and will generate acceptable returns. For example, Boardwalk's reverse osmosis water solution was completed in 2022 and, pending the approval of a water use licence, will supply the hotel and casino with potable water.

We are creating shared value for the communities in which we operate, through preferential local procurement, socio-economic development (SED) and corporate social investment (CSI) in-kind programmes, recognising that these communities give us our social licence to operate and are integral to our long-term sustainability. In 2022, we invested R27.6 million and R5.3 million in SED and CSI in-kind donations respectively. As part of our Sharing the Sun campaign, where senior leadership grant wishes to employees who go above and beyond the call of duty, R2 million was allocated to grant certain employees' wishes. Over R4 billion was invested in preferential procurement as part of the group's commitment to creating opportunities for all suppliers, particularly broad-based black economic empowerment (B-BBEE) compliant small, medium and micro enterprises (SMMEs) as well as supporting economic upliftment in our supply chain.

As part of our ESG journey, which predates 2016, we remain abreast of global ESG developments, particularly in the ESG reporting landscape, where there has been a significant increase in the number of sustainability standards and frameworks globally. For our 2022 ESG report, we have embraced the JSE's Sustainability Disclosure Guidance that incorporates other key reporting standards and frameworks such as the Global Reporting Initiative (GRI) Standards and the Taskforce on Climate-related Financial Disclosures (TCFD).

To objectively measure our ESG progress, we take part in various surveys by local and international rating agencies such as the FTSE Russell, CDP Climate Change reporting, IRAS Sustainability Data Transparency Index (SDTI) and S&P Global Corporate Sustainability Assessment. IRAS, for the second consecutive year, rated Sun International the best ESG reporting company in the travel and leisure industry and the 17th best company overall in ESG reporting, out of 270 assessed JSE listed companies.

Through our holistic ESG strategy, we continue to monitor and evaluate our contribution towards minimising our impact on the natural and social environments in which we operate, while ensuring sustainable value creation for all our stakeholders. ESG is also a key group strategic objective, and we include a dedicated session at the board strategy to discuss ESG as a strategic focus area.

Our ENVIRO-AMBITION 2025 focuses on carbon emissions, water, electric energy and waste. It 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 has clear KPIs, mechanisms and measurements for realising new environmental initiatives that mitigate the natural resource challenges the group and South Africa face. Our strategy also inherently considers the United Nations Sustainable Development Goals.

Our people are the primary interface with our guests and customers and they are the custodians of memorable guest experiences. They are the heart of our business. Despite a challenging operating environment, the resilience and forbearance of our people have ensured that we remain a thriving business that continues to make memorable experiences for all of our guests. Our new Sun Stars reward, and recognition programme will shine a light on those who go above and beyond the call of duty. Further, 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 continue to be a key focus area for the group and encouragingly there were no fatalities for the year under review.

The board remains committed to promoting an ethical culture from the top as well as 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.

Our corporate governance approach, outcomes and framework are detailed in the group's corporate governance report on

Thank you to our employees, who continue to focus on enhancing the customer experience and delivering memorable experiences for our guests. We remain optimistic about the group's future.

SAM SITHOLE
Chairman
31 March 2023

ANTHONY LEEMING
Chief executive
31 March 2023

Leadership message | Board of directors Executive management

BOARD OF DIRECTORS as at 31 December 2022

Board member	Title	Qualifications	Appointed	Committee memberships	Experience
S (SAM) SITHOLE (50)	Non-executive chairman	BAcc (Hons), CA(SA), ACA, CA(Z), PLD (Harvard Business School) Advanced Diploma in Banking (UJ)	2018	Chairman: ● Member: ✳ ✚	• Finance and investment industries expertise • Sound business and leadership experience
GW (GRAHAM) DEMPSTER (67)	Lead independent non-executive	BCom, CTA, CA(SA), AMP (Harvard)	2017	Chairman: ✳ Member: ◆ ●	• Banking and finance (local and international) • Sound business and leadership experience
AM (ANTHONY) LEEMING (53)	Chief executive	BCom, BAcc, CA(SA)	2013	Chairman: ☐ Member: ◆ ■	• Gaming and hospitality • Financial and corporate finance • Governance and IT
N (NORMAN) BASTHDAW (55)	Chief financial officer	BCompt (Hons), CTA, CA(SA), MCom, HDip (Company Law)	2017	Member: ☐ ◆	• Corporate finance advisory and private equity • External and internal audit • Financial management expertise
E (ENRIQUE) CIBIE (69)	Independent non-executive	BA, CA (Pontificia Universidad Católica de Chile), MBA (Stanford)	2014	Member: ▲ ✚ ◆	• International gaming • Sound business experience
CM (CAROLINE) HENRY (56)	Independent non-executive	BCom, BCompt (Hons), CA(SA)	2016	Chairman: ▲ Member: ◆ ●	• Finance and investing experience • Treasury, debt capital markets and retirement funds • Sound business experience
SN (SINDISIWE) MABASO-KOYANA (53)	Independent non-executive	BCom (Hons), CA(SA)	2020	Chairman: ✚ Member: ▲ ● ●	• Finance and investing expertise including private equity • Sound business and leadership experience • Auditing and risk management expertise
MLD (DAWN) MAROLE (62)	Independent non-executive	BCom (Accounting), MBA (North Eastern University, Boston)	2022	Member: ■ ✚	• Finance and investing • Financial regulation • Sound business and leadership experience
TR (TAPIWA) NGARA (41)	Non-executive	BBusSc, PGDA (UCT), CA(SA), MBA (London Business School)	2019	Chairman: ◆ Member: ✳ ■	• Finance and investing expertise • Capital allocation expertise • Sound business, investor relations and leadership experience
NT (NIGEL) PAYNE[1] (63)	Independent non-executive	Economics and Accounting (Hons), Executive MBA	2021	Member: ◆ ✚ ✳ ■	• Global sport betting and alternate gaming expertise • Sound business and leadership experience • Group finance, business development and IT
Z (ZIMKHITHA) ZATU MOLOI (39)	Independent non-executive	BCom, HDipAcc, MSc Corporate Finance, CA(SA)	2018	Chairman: ■ Member: ▲ ◆	• Expert in entrepreneurship and strategic insights • Strong financial and operational expertise • Consulting in commercial and business practices • Sound governance, business and leadership experience • Driving innovation in financial services

Total collective skills matrix

Strategy	11	(2021: 12)
Commercial	9	(2021: 7)
Gaming and hospitality	3	(2021: 3)
Risk	3	(2021: 2)
Policy	2	(2021: 1)
Finance	10	(2021: 9)
Executive management	3	(2021: 3)
Community/ stakeholder engagement	2	(2021: 2)
International	2	(2021: 2)
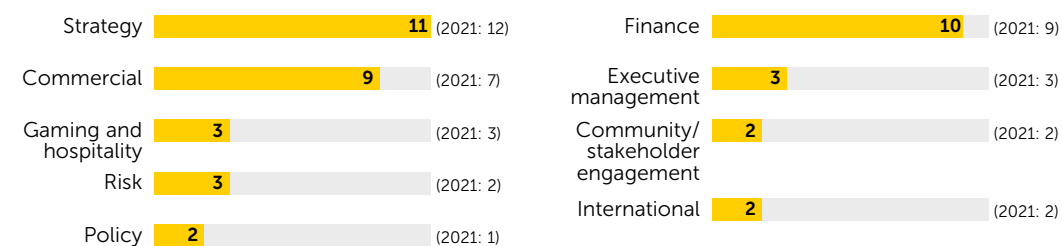
COMMITTEE MEMBERSHIP KEY:

- ■ Social and ethics committee
- ● Nomination committee
- ▲ Audit committee
- ◆ Risk committee
- ✚ Remuneration committee
- ✳ Investment committee
- ☐ Executive committee

1 British

EXECUTIVE MANAGEMENT

|	Title	Qualifications	Experience
ANTHONY LEEMING (53)	Chief executive	BCom, BAcc, CA(SA)	• Gaming and hospitality • Financial and corporate finance • Governance and IT
NORMAN BASTHDAW (55)	Chief financial officer	BCompt (Hons), CTA, CA(SA), MCom, HDip (Company Law)	• Corporate finance advisory and private equity • External and internal audit • Financial management expertise
GRAHAM WOOD (53)	Chief operating officer: Resorts and Hospitality	BCom, BCompt (Hons), CA(SA)	• Strategic leadership • Commercial and operational expertise in the gaming, hospitality and tourism industry
ANDREW JOHNSTON (57)	Director: Corporate services and group company secretary	BA, LLB, FCIS, PGDip (Environmental Law), Certificate in Advanced Corporate Law and Securities Law	• Legal, secretarial, compliance, sustainability and corporate and remuneration governance • Corporate finance and investor relations • Admitted attorney and certified ethics officer
VERNA ROBSON (51)	Director: Group human resources	BProc, Certificate in Advanced Human Resources Management, MBA Core	• Management of labour risk • Human resources • Organisational restructure • Management of B-BBEE compliance
MIKE WILSON (52)	Director: Business support management	BCom, BCom (Hons), PGDA, CA(SA)	• Business finance • Business process optimisation • Project management • Shared service centre
KHATI MOKHOBO (57)	Director: Strategic projects	BCom, BAcc, ACMA, CA(SA)	• Financial management • Forensic investigations • New business development • Commercial project execution • Gaming and hospitality • Stakeholder management
PRAGASEN PATHER (47)	Chief information officer	BCom: Business Management	• IT strategy • Information management and cyber security • IT governance risk and compliance • Business continuity management • Project execution
BOTLHALE MADITSE (43)	Director: SIML Finance	BCom, BCom(Hons), CA(SA), MBA	• Financial and corporate finance • Shared services • Auditing and risk management expertise • Financial management • Commercial expertise
HELEN STEWART (57)	Chief marketing and sales officer	PR and Communications Diploma (Wits), Business Coach, International Coaching Federation (ICF), EDP (Wits)	• Marketing and brand strategist • Digital marketing • Social media strategy • CRM and loyalty expertise • Business coach and mentor
MUXE MAMBANA (37)	Director: Internal audit	BAcc, CA(SA), CIA, MBA	• External and internal audit • Financial management • Forensics • Corporate governance, risk and compliance • Diverse industry experience

🌐 Please refer to the corporate website link for the detailed CVs of Sun International's general managers, who are all standing invitees: https://corporate.suninternational.com/about/general-management/

Sun International

STRATEGIC LEADERSHIP | SUSTAINABLE VALUE CREATION | ENVIRONMENTAL PERFORMANCE | SOCIAL PERFORMANCE | SUPPORTING GOOD GOVERNANCE | ANNEXURE JSE METRICS | CORPORATE DATA AND ADMINISTRATION

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OUR PRESENCE AND GROUP STRUCTURE

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

GROUP

Gaming licences 18 (2021: 19)

11 Land-based casino licences

Slots 9 142 (2021: 10 123)

LPMs 5 160 (2021: 4 652)

6 Sun Slots route operators

Tables 308 (2021: 380)

1 SunBet bookmaker licence

Rooms 3 275 (2021: 3 285)

Employees 7 340 (2021: 7 131)

SOUTH AFRICA

Gaming licences 17 (2021: 18)

10 Land-based casino licences — **6 Sun Slots route operators** — **1 SunBet bookmaker licence[1]**

Slots 9 087 (2021: 10 069)

LPMs 5 160 (2021: 4 652)

Tables 303 (2021: 375)

Rooms 3 129 (2021: 3 139)

Employees 7 050 (2021: 6 839)

Vacation club units 384 (2021: 384)

FINANCIAL	Economic interest (%)[2]	Slots	LPMs	Tables	Rooms	Employees
Property						
Gauteng						
Carnival City	91	1 100	–	37	105	585
The Maslow Sandton	100	–	–	–	281	117
Time Square	82	1 550	–	55	238	781
Western Cape						
GrandWest	62	2 302	–	46	39	907
The Table Bay	62	–	–	–	329	291
Golden Valley	61	190	–	4	98	136
KwaZulu-Natal						
Sibaya	87	1 213	–	51	154	705
Limpopo						
Meropa	68	332	–	14	60	147
North West						
Sun City	100	600	–	32	1 289	1 785
Northern Cape						
Flamingo	71	250	–	7	–	114
Eastern Cape						
Boardwalk	76	700	–	21	140	398
Wild Coast Sun	50	500	–	18	396	394
Free State						
Windmill	70	350	–	18	–	130
Alternate gaming						
Sun Slots	70	–	5 160	–	–	238
SunBet	100	–	–	–	–	78
Management						
Sun International Management	100	–	–	–	–	341
Total		9 087	5 160	303	3 129	7 050

[1] The group has one SunBet bookmaker licence in South Africa, and three bookmaker licences internationally.
[2] Economic interest excludes the interest held by the Sun International Employee Share Trust (SIEST).

NIGERIA

1 Land-based casino licence (2021: 1)

Slots 55 (2021: 54)

Tables 5 (2021: 5)

Rooms 146 (2021: 146)

Employees 290 (2021: 292)

Sun International

STRATEGIC LEADERSHIP | SUSTAINABLE VALUE CREATION | ENVIRONMENTAL PERFORMANCE | SOCIAL PERFORMANCE | SUPPORTING GOOD GOVERNANCE | ANNEXURE JSE METRICS | CORPORATE DATA AND ADMINISTRATION | 6

| Our presence and group structure | ESG reporting landscape | Business model | ESG strategy | ESG material topics | Stakeholder management |

ESG REPORTING LANDSCAPE

The ESG reporting landscape continues to evolve.

Sun International is aware of how important it is to keep up with developments around ESG reporting trends as investors, regulators and society increase pressure on how corporates demonstrate that they are good corporate citizens. The new generation of employees and customers are also more likely to gravitate towards companies who demonstrate their ESG progress.

EMERGENCE AND CONVERGENCE OF GLOBAL SUSTAINABILITY AND CLIMATE-RELATED DISCLOSURE STANDARDS

Since the release of the Global Reporting Initiative in 1997, there has been a significant increase in the number of sustainability standards and frameworks globally, as depicted below. The JSE released its Sustainability Disclosure Guidance in June 2022 and, in March 2022, IFRS released two exposure drafts on Sustainability-related Financial Information (IFRS S1) and Climate-related Disclosures (IFRS S2) that should be finalised in 2023. The JSE Sustainability Disclosure Guidance is aligned with the most influential sustainability/ESG and climate change global initiatives, which include the IFRS draft exposures, the Value Reporting Foundation Integrated Reporting Framework, the GRI Sustainability Reporting Standards and the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations. Most of these reporting frameworks are voluntary but as companies incorporate them into their reporting practices, this becomes best-practice reporting.

Emergence and convergence of global sustainability and climate-related disclosure standards
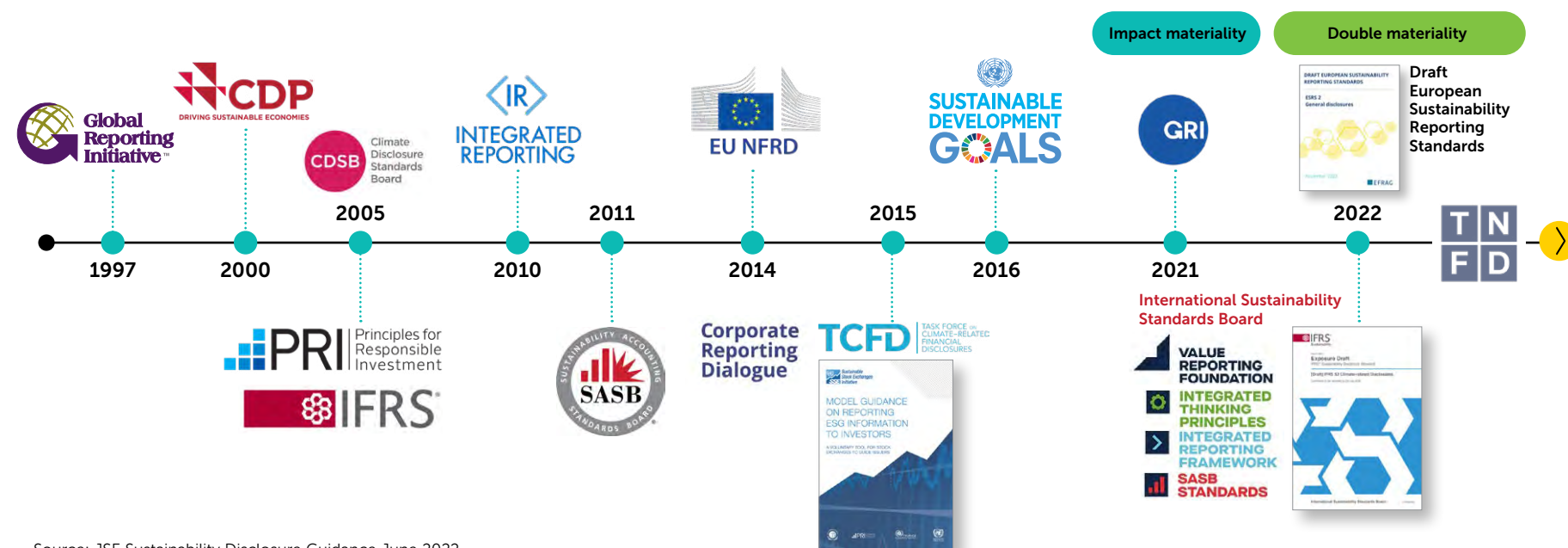
Source: JSE Sustainability Disclosure Guidance June 2022.

How Sun International is responding

Sun International currently uses the GRI Sustainability Reporting Standards and the JSE Sustainability Disclosure Guidance to guide its ESG reporting. The group also incorporates the United Nations Sustainable Development Goals (UN SDGs) and participates in the CDP Climate and Water surveys annually. Going forward, we aim to report according to the TCFD. During 2022, the group was also independently rated on its ESG performance by external rating companies, as detailed in this section.

Sun International ESG Ratings

IRAS Sustainability Data Transparency Index (SDTI)

Sun International was rated the **best ESG reporting company in the travel and leisure industry by IRAS.**

Annually IRAS, an independent integrated reporting and assurance services company, compiles a SDTI for JSE listed companies. The SDTI focuses on ESG information reported on in companies' integrated annual reports. In 2022, Sun International scored **84.34%** overall compared to the industry average of 50.73%.

Sun International

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EMERGENCE AND CONVERGENCE OF GLOBAL SUSTAINABILITY AND CLIMATE-RELATED DISCLOSURE STANDARDS continued

Our presence and group structure | ESG reporting landscape | Business model | ESG strategy | ESG material topics | Stakeholder management
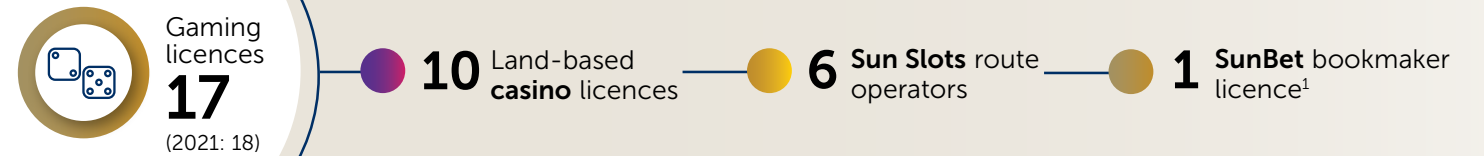
FTSE Russell rating 2022

FTSE Russell's ESG scores shows a company's exposure to, and management of, ESG issues according to their environmental, social and governance pillars. The rating also breaks down into underlying pillar and theme exposures and scores. These pillars and themes are built on over 300 individual indicator assessments that are applied to each company's unique circumstances. Sun International scored an overall **3.2 ESG rating in 2022** as tabled below.

FTSE Russell

Corporate Peer Comparison Tool (CPC)

Sun International Ltd

FTSE Industry Classification Benchmark(ICB): Consumer Services - Travel & Leisure - Travel & Leisure - Gambling

ESG Rating - Theme Scores | ESG Rating date: 20 Mar 2023

ESG Rating: 3.2
ICB Supersector: Travel & Leisure
Percentile rank: 70

Exposure levels: High Medium Low
Score / Rating: 0 to 5 (higher scores are better)

Environment Score: 2.3 ICB Supersector decile rank 6	Social Score: 3.1 ICB Supersector decile rank 7	Governance Score: 4.3 ICB Supersector decile rank 8
Pollution & Resources Score: 2	Labour Standards Score: 3	Risk Management Score: 4
Water Security Score: 3	Human Rights & Community Score: 3	Corporate Governance Score: 5
Environmental Supply Chain Score: 3	Social Supply Chain Score: 3	Anti-Corruption Score: 4
Climate Change Score: 3	Customer Responsibility Score: 2	
Biodiversity Score: 0	Health & Safety Score: 5	

CDP global environmental disclosure

CDP climate change scoring

Sun International participates in the annual CDP climate change survey. In 2022 we maintained our B rating, which is in the management band and is higher than the global average B- of the entertainment facilities sector average of C. We anticipate maintaining this score in 2023, with improvements from 2024, once our renewable energy projects have been implemented.

2022 B | 2021 B | 2020 B | 2019 B

CDP water security scoring

Sun International participates in the CDP's annual water security survey. In 2022 the group had an overall score of B, which was the same as 2021. As a group we aim to embed water risks into the business strategy and governance approach, to ensure a fully integrated approach.

2022 B | 2021 B | 2020 A- | 2019 B
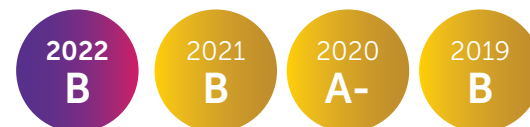
A SHIFT IN STAKEHOLDERS' BEHAVIOUR AND VALUES

Research is showing that there is a shift in stakeholder behaviour and values as customers and employees want to know that a company's purpose aligns with their own beliefs. Millennial investors are also more focused on investing in companies they believe incorporate sustainability as part of their ethos. For Sun International, employees are the ambassadors of the business as they regularly interact with our customers and suppliers. Therefore, it is important to actively engage with employees and build a safe, inclusive and healthy working environment from a physical workplace and wellbeing perspective.

How Sun International is responding

Sun International's ESG strategy encompasses all key stakeholders and regularly engages with them to understand and address key concerns

Our holistic ESG strategic focus allows us to measure, monitor and evaluate our contribution towards minimising our impact on the natural and social environment, while ensuring sustainable value creation for our key stakeholders.

Trialogue survey

trialogue

Trialogue, a niche corporate responsibility consultancy with more than two decades of industry research and experience, provides thought leadership to clients in the sustainability and corporate social investment (CSI) arenas. Below are results from a survey conducted on CSI expenditure in 2022.

Sun International — hospitality and gaming

CSI EXPENDITURE

Total estimated CSI expenditure in 2022 was
R10.9 billion
This represents a 6% increase from the R10.3 billion in 2021

The median corporate social investment of the sample was
R24 million

Sun International's CSI spend of
R27.6 million[1]
was higher that the median CSI spend of the sample

Total social investment of corporate sample (%)

● Total Sun International social investment

Less than R1m	R1m – R5m	R5m – R10m	R10m – R30m	R30m – R50m	R50m – R100m	More than R100m
5	5	11	34	16	13	16

■ % corporate respondents (2022 n=62)
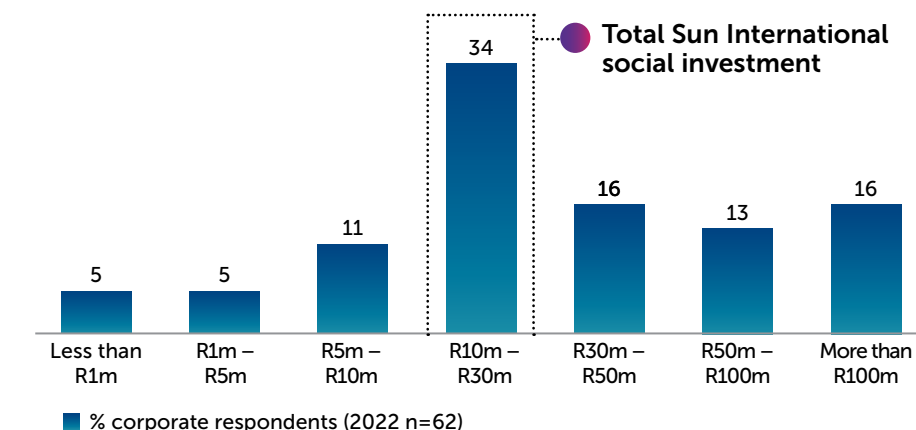
1 Sun International's SED spend of R27.6m is viewed and reported in the Trialogue Survey as Corporate Social Investment spend.

Sun International

STRATEGIC LEADERSHIP | SUSTAINABLE VALUE CREATION | ENVIRONMENTAL PERFORMANCE | SOCIAL PERFORMANCE | SUPPORTING GOOD GOVERNANCE | ANNEXURE JSE METRICS | CORPORATE DATA AND ADMINISTRATION

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BUSINESS MODEL

Our four businesses operate in a dynamic environment and we use the six capital resources throughout our business activities in a balanced manner. This results in outputs and outcomes that either lead to value creation, preservation or erosion over time. Our business model is underpinned by the group's robust governance and enterprise risk management processes, and influenced by various internal and external factors.

CLICK TO SEE THE CAPITALS AND STAKEHOLDER ICONS +

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.

FC Our source of funds includes debt and equity, which we allocate to our business operations, including running costs, property refurbishments and maintenance and strategic acquisitions.

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

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

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

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

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.

BUSINESS ACTIVITIES AND OUTPUTS

Our business activities draw on the various capital resource inputs and convert these into our activities and outputs – gaming and hospitality, which are supported by various support functions including marketing, brand standards, finance, IT, customer experience, HR and governance. Our business support functions also lead innovation and technology, to optimise the use of digitisation and technology in our customer-centric environment and to enable our omnichannel strategy.

Internal and external factors influencing our business model and our ability to create stakeholder value:
- Customer feedback and data analytics
- Digital systems
- Regulation
- Industry trends
- ESG
- Material matters
- Infrastructure

Gaming

Our gaming licences are the most critical enabler allowing us to operate and fulfil our purpose and vision. We continuously review and evaluate our licence conditions to ensure we fully comply and maintain our licence to operate. Our gaming includes urban casinos (tables and slots), Sun Slots (limited payout machines) and SunBet (online sports betting).

Urban Casinos

GrandWest | Sibaya | Time Square | Carnival City | Boardwalk

Flamingo | Golden Valley | Meropa | Windmill

Sun Slots

SunBet

Hospitality

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

Resorts and Hotels

South Africa | Nigeria

Sun City | Wild Coast Sun | Federal Palace

The Table Bay Hotel | The Maslow Sandton

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

OUTCOMES

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

Stakeholders impacted

FC
- **R3.3 billion** adjusted EBITDA (2021: R1.7 billion)
- **R1 085 million** adjusted attributable profit (2021: R117 million)
- Strong cash flow generation

PC
- **R1 042 million** capital expenditure (2021: R586 million)
- Ongoing refurbishments at properties

SC
- **R42.3 million** invested in supplier development (2021: R30.7 million)
- **R12 million** committed to enterprise development (2021: R8.3 million)
- **R27.6 million** invested in SED (2021: R14 million)
- **R5.3 million** invested in CSI in-kind donations (2021: R13.1 million)
- Significant tax contribution

HC
- Training and development – **R84 million** (2021: R52 million)
- Employee remuneration – **R2.1 billion** (2021: R1.7 billion)
- **93.9%** black employees (2021: 92.2%)

IC
- **18 gaming licences** (2021: 19)
- **11 Land-based casino licences** (2021: 12)
- **6 Sun Slots route operators** (2021: 6)
- **1 SunBet bookmaker licence** (2021: 1)
- **Strong brand** to attract customers to iconic properties

NC
- **5%** increase in electric energy usage (2021: 14%)
- **5%** increase in water usage (2021: 5%)
- **41%** increase in waste generated (2021: 4%)
- **19%** increase in CO_2 emissions (2021: 6%)
- **12** of our 14 properties implemented water metering in 2022

● Value created   ● Value preserved   ● Value eroded

TRADE-OFFS

While capital trade-offs are unavoidable, we ensure that these trade-offs are carefully considered and managed in our stakeholder value creation.

Sun International has a strong cash-generating business which positively impacts its financial capital. The availability of financial capital is dependent on the current operating environment and is deployed in an appropriate and balanced manner across various other capitals, depending on the financial need, to grow and enhance our four business segments. Our financial capital is also deployed to human capital (employee training), productive capital (property refurbishments) and intellectual capital (systems, brand and gaming licences).
*Chief financial officer's report**

To continually attract and retain customers (key stakeholder) and enhance our productive capital, it is essential that we allocate financial capital to ongoing property refurbishments and maintenance. This in turn results in increased footfall and customer activity, which leads to an increase in cash generation (financial capital).
*Our strategy**

The group's operations impact various stakeholders and fostering positive stakeholder relationships has a positive impact across most capitals, as trust is built with stakeholders. Our properties are located close to communities who also benefit from employment and supply chain opportunities, which further nurtures positive stakeholder relationships.
Social and ethics report
Page 62

Human capital attraction and retention is a challenge in the gaming and hospitality industry, as these specific skills are scare. It is therefore critical that we invest financial capital in our human capital through employee development, health and wellness programmes, community volunteering and competitive remuneration, to provide a work environment that is conducive to employees providing our customers with memorable experiences. Through these investments we also strive to be an employer of choice within the marketplace.
Social and ethics report
Page 62
People and culture
Page 23

Our gaming licences provide us with our licence to operate and generate cash (financial capital) and our world-class IT platforms and systems provide the infrastructure to ensure our customers choose Sun International as their choice destination. Significant financial capital is deployed to these critical enablers to ensure that we remain relevant to our customers and ensure the group's long-term sustainability.
*Chief executive's review**
*Our strategy**

Some of our iconic properties (productive capital) are located in pristine natural environments and all our properties are dependent on natural resources (water, energy and land). We use these resources responsibly and deploy financial capital to invest in alternative energy sources and water solutions due to the fragility of our national energy provider, and water scarcity in South Africa. These investments ensure our customers choose Sun International as their destination of choice to enjoy memorable experiences.
Social and ethics report
Page 62
Environmental
Page 19

* https://suninternational.onlinereport.co.za/2022/

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ESG STRATEGY

Doing business sustainably is part of the group's purpose of creating lasting memories for all key stakeholders. Sun International's ongoing commitment to the environment and social and governance considerations ensures that we maintain our operational and social licence to operate and that we are viewed as a responsible corporate citizen.

The group's corporate governance and sustainability approach embraces 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, and creating and preserving stakeholder value. It also ensures that we achieve our corporate governance outcomes (see below).

Ethical and cohesive culture

Effective control

Responsive and transparent stakeholder engagement

Performing to strategic expectations

Compliance and accountability

Legitimacy and trust
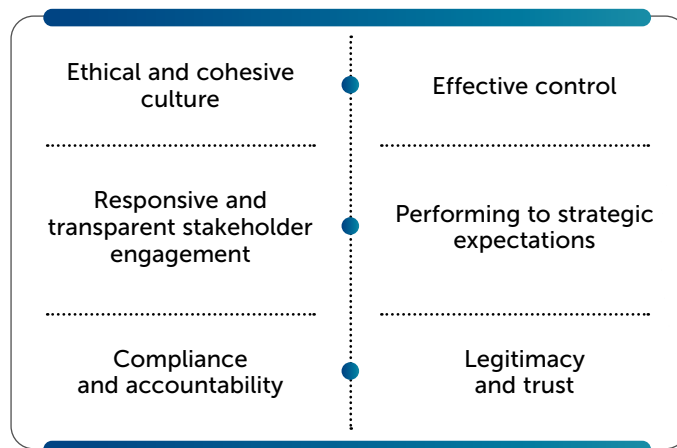
Our holistic ESG focus allows us to measure, monitor and evaluate our contribution towards minimising our impact on the natural and social environments we operate in, while ensuring sustainable value creation for all our stakeholders. With the development of our ESG strategy we have integrated all ESG topics into the enterprise risk management (ERM) framework to ensure all group risks are aligned with these topics and are championed by exco members. With defined strategies and performance metrics across each pillar, Sun International is committed to being a responsible corporate citizen and further cementing its position as a leader in ESG in the South African travel and leisure sector.

ROLES AND RESPONSIBILITIES FOR ESG

Oversight on ESG policies, strategy and performance

SUN INTERNATIONAL BOARD
Social and ethics committee
Risk committee

Alignment and strategic direction for ESG risk and opportunities management and disclosure

SUN INTERNATIONAL EXCO

Coordinates and aligns ESG strategy between the ESG pillars and vertically across hierarchical levels and ensuring transparent disclosure

GROUP ESG MANAGER

Pillar head responsible for strategy development and advisory support to operations for execution

ENVIRONMENTAL
Group environmental specialist

SOCIAL
HR Director
Group HS specialist/SED specialist
Group procurement

GOVERNANCE
Director: Corporate services
Ethics officer
Group risk manager

Operational execution of the ESG strategy

UNIT GENERAL MANAGERS

Our presence and group structure | ESG reporting landscape | Business model | **ESG strategy** | ESG material topics | Stakeholder management

VISION

PURPOSE — SUN INTERNATIONAL STRATEGY — VALUES

STRATEGIC OBJECTIVES

SO**1** People and culture | SO**2** Operational excellence | SO**3** Customer centricity | SO**4** Maximise shareholder value | SO**5** Environmental, social and governance (ESG)

SKILLED AND PASSIONATE PEOPLE | ICONIC PROPERTIES | CUSTOMER EXCELLENCE | WORLD-CLASS SYSTEMS | INNOVATIVE REWARDS PROGRAMME | OMNICHANNEL | INFORMATIVE CUSTOMER DATA

SUN INTERNATIONAL'S ESG STRATEGY

ENVIRONMENTAL

Waste
- Transition towards **zero waste** to landfill

Water
- Drive **water efficiency and conservation** and secure alternative supply

Electric energy
- Transition to **renewable energy** supply

Carbon emission
- **Review Scope 1 and 2 targets** and establish Scope 3 emissions for target setting

SOCIAL

Socio-economic development (SED)
- Creating **shared value** by providing ongoing support to the communities in which we operate
- Aligning **our projects** with the needs of the communities, with a focus on education

Enterprise and supplier development
- Achieve and maintain **preferential procurement spend of 95%**
- Enable the **localisation of products** currently imported
- Support the development of **black-owned SMMEs** with an emphasis on black-women owned

Culture
- Integrating our **SunWay culture** into our employee value proposition (EVP), talent attraction and retention

Talent management
- Creating a **high-performance culture** aligned to our business strategy
- **Ensuring** succession planning

Transformation
- Driving **transformation**, including race, diversity and inclusion
- Achieving employment equity and **B-BBEE** targets

Health, safety and wellbeing
- Preventing **stakeholder harm** and protecting the group's reputation
- Ensuring **proactive control and risk mitigation** with training and awareness
- Investigating innovative solutions through our **integrated wellness** approach
- Embedding a **caring and vigilant culture** focused on risk-based topics
- Maintaining **compliance** and alignment to standards and best practice

Learning and development
- Providing ongoing **professional and personal** training to empower, retain and motivate employees

Employee wellness
- Promote a **balanced and healthy lifestyle**
- Standing firm against all forms of **gender-based violence (GBV)**

GOVERNANCE

Risk
- Integrating **enterprise risk management** across the businesses

Responsible gambling
- Supporting **responsible gambling** through the South African Responsible Gambling Foundation, the entity that supervises the National Responsible Gambling Programme (NRGP)

Ethics
- Ensuring an **ethical business culture** through a zero-tolerance policy against ethical misconduct

Board independence and diversity
- **Assessing** and ensuring the independence of the non-executive directors against the criteria set out in King IV™ and the JSE Listings Requirements
- Sun International's board-approved **diversity policy**, aligned with the JSE Listings Requirements
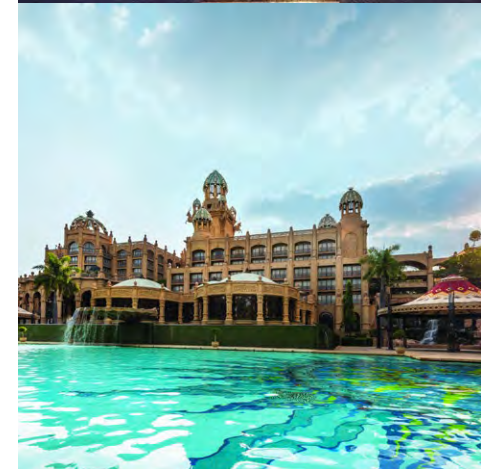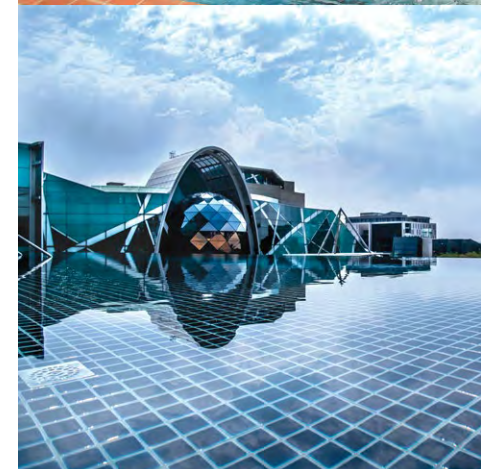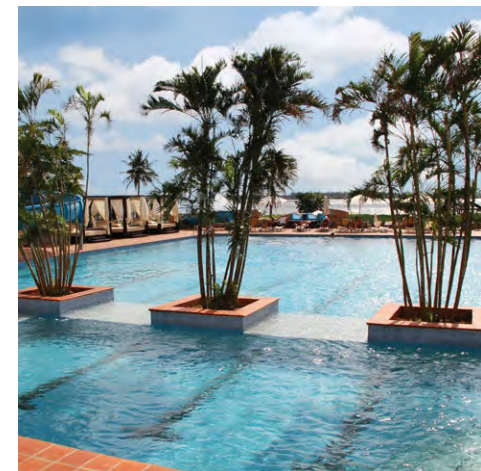
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Our presence and group structure | ESG reporting landscape | Business model | **ESG strategy** | ESG material topics | Stakeholder management

KEY FOCUS AREAS FOR 2023

ESG risk management
- **Develop** a full roadmap for TCFD reporting
- **Leverage** the IsoMetrix platform for ESG data management

Licence to operate
- **Engage** with all stakeholders
- **Employee** engagement survey
- **Assess** our supply chain and top-tier suppliers from an ESG perspective
- **Extend** best-in-class waste management and recycling practice across all properties
- **Local** procurement and black women-owned businesses

Cost and liability reduction, efficiency building
- **Renewable** energy targets, approve budgets and implementation schedule
- **Complete** climate-related scenario analysis

Broadening market access
- **Assessing** and quantifying the impact and value of SED projects and programmes
- **Engage** the marketing team on PR programmes about ESG performance

Creating new markets
- **Design** events to showcase ESG and climate change thought leadership using flagship property projects as case studies

SUSTAINABILITY LINKED LOAN

In December 2022, Sun International concluded the refinancing of its term debt of R6 billion and R2.3 billion of general banking facilities. A key part of the refinancing was the incorporation of the first sustainability linked loan (SLL) in the South African hospitality sector. The R2.4 billion SLL is aimed at promoting the achievement of key sustainability performance targets to demonstrate Sun International's commitment to being a responsible corporate citizen and further cementing our position as a leader in ESG in the South African travel and leisure sector.

The SLL can be used by Sun International for general corporate purposes and has been structured in accordance with the Sustainability Linked Loan Principles as per the Loan Market Association. The calibration of the sustainability performance targets selected for Sun International's three key performance indicators (KPIs) have been linked to our ENVIRO-AMBITION 2025 and enterprise and supplier development (ESD) strategies for the group.

The scope and boundaries of the KPIs include all Sun International operations, which are owned and leased but exclude Meropa, SunBet and Sun Slots. The three KPIs identified and agreed between the lenders and Sun International are tabled alongside.

KPI 1
% Increase in recycling rate of general and hazardous waste

KPI 2
Increase in procurement spend from businesses with 30%+ black-women ownership

KPI 3
% Increase in renewable energy kWh

Note: SDG 5 and 12 are Sun International SDGs.

SUN INTERNATIONAL'S SUSTAINABILITY JOURNEY

Pre 2016 — Little to no sustainability impact footprint

2017-2019 — Telling versus asking in developing structures and baselines

2020-2021 — Reflection and realignment, accountability and ownership

2022 — Setting the tone at the top – defining **purpose and strategy**. Develop a robust **ESG strategy** to accurately reflect **value creation** for **all stakeholders**

2022-2025 — Link **ESG metrics and performance** to executive **remuneration and financial performance**

2023 — Sustainable finance funding to drive the ESG strategy and imperatives

2025 onwards — Integrated thinking and equal importance to **ESG and sustainable finance** to deliver an integrated sustainable business approach

Sun International

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Our presence and group structure | ESG reporting landscape | Business model | ESG strategy | ESG material topics | Stakeholder management

ESG METRICS TABLE

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

Environment[1]

Carbon emissions (Scope 1 and 2) tonnes CO_2e
219 273
(2021: 184 165)
Page 20

Electricity consumption (kWh)
195 146 801
(2021: 185 172 531)
Page 20

Water usage (withdrawals) (kl)
3 453 785
(2021: 3 260 467)
Page 20

Waste generated (kg)
7 278 120
(2021: 4 462 461)
Page 20

Social

DIVERSITY, INCLUSION AND EQUITY

Training and development spend (R million)
84
(2021: 52)
Page 29

Employees trained (number)
7 050
(2021: 3 954)
Page 29

Employee turnover rate (%)
11.4
(2021: 8.6)
Page 27

Black representation (%)
93.9
(2021: 92.2)
Page 25

Female representation (%)
56.5
(2021: 56.2)
Page 24

HEALTH, SAFETY AND WELLNESS[1]

Lost time injury frequency rate (LTIFR) per 200 000 employee hours worked (rate)
1.04
(2021: 0.76)
Page 32

Total recordable injury frequency rate (TRIFR)[3] per 200 000 employee hours worked (rate)
1.65
(2021: 1.21)
Page 32

Total injury frequency rate (TIFR) per 200 000 employee hours worked (rate)
7.31
(2021: 7.02)
Page 32

Total work-related fatalities (number)
0
(2021: 0)
Page 32

1 Increases due to return to 24/7 operating hours in 2022.

COMMUNITY UPLIFTMENT

Socio-economic development spend (R million)
27.6
(2021: 14)
Page 37

Corporate social investment (R million)
5.3
(2021: 13.1)
Page 37

Supplier development (R million)
42.3
(2021: 30.7)
Page 41

Enterprise development (R million)
12
(2021: 8.3)
Page 41

Governance

Women (%)
40
(2021: 33)
Page 48

Independent (%)
60
(2021: 67)
Page 47

African, Coloured and Indian (%)
60
(2021: 50)
Page 48

White (%)
40
(2021: 50)
Page 48

National Responsible Gambling Programme contribution (R million)
about 8
(2021: 6)
Page 49

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ESG MATERIAL TOPICS

Materiality within the ESG universe refers to the principle that decision makers should identify, evaluate and prioritise the ESG topics that are most influential to both the business and its stakeholders. A materiality assessment provides the business with a comprehensive understanding of its ESG and sustainability contexts, which topics are material or not, and to whom these topics are material and why.

OVERVIEW

Sun International engaged an external provider to conduct a sustainability materiality assessment as part of the group's evolving ESG journey. Our materiality assessment identified the group's critical ESG topics, which have a significant impact on the group's business performance.

While this materiality assessment was a deep-dive into all ESG topics, it also took cognisance of the group's broader enterprise risk management frameworks and processes and is aligned with the group's risks.

In this way, we ensure that the group has an enterprise-wide approach to ESG risk and is fully aware of ESG topics and their potential impact on the business.

These topics have been linked to the group's material matters https://suninternational.onlinereport.co.za/2022/z and categorised according to the broader JSE Sustainability Guidelines' Metrics.

MATERIALITY DETERMINATION METHODOLOGY

Sun International is committed to being a good corporate citizen and being accountable for all its business practices. The steps followed in determining the group's material ESG and sustainability risks are outlined in the graphic below. Our approach was conducted through a double materiality lens, whereby we assessed ESG topics from an inward and outward perspective. The inward impacts are risks and opportunities which could have an impact on the group's corporate value. Outward impacts relate to topics that the group can have the greatest impact externally.

INWARD

Financial materiality

Double materiality

Environmental and social materiality

OUTWARD
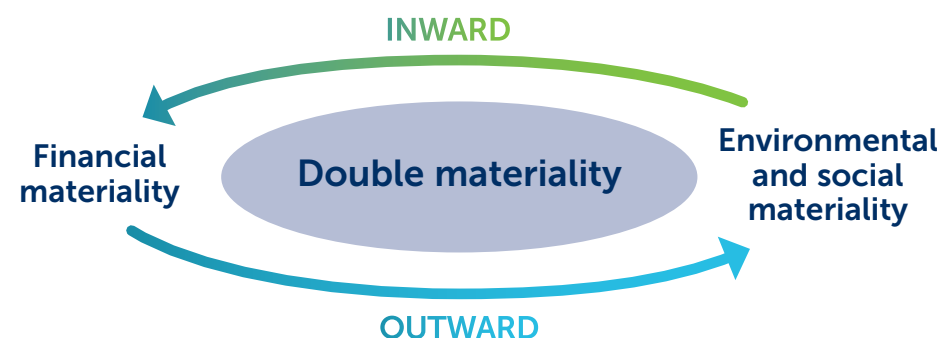
Steps to materiality determination

1 Identify — Identify what is material to the business and key stakeholders including activities which could impact on the natural environment.

2 Rate — Rate each sustainability topic from 0–5 based on key questions posed, to assess significance to business processes and strategy realisation. Rated based on business perspective and from stakeholder perspectives.

3 Analyse — Assess rating provided based on internal and external factors. Determine significance of rating using statistical methods to weigh each material risk as low, medium, high priority or concentrated impact.

4 Map — Present findings visually to determine risk rating from an internal and external risk perspective. Final presentation of the ESG materiality risk matrix is based on combined assessment.

IDENTIFIED ESG MATERIAL TOPICS

The table below includes the 20 ESG topics identified following the double materiality determination process. These ESG topics are grouped according to environment, social and governance.

CLICK HERE TO SEE EXPLANATION OF ICONS

Identified ESG topics

	Link to group's material matters	JSE Sustainability Disclosure Metrics
Environment		
Climate change	MM4 MM8	Climate change
Energy and water security	MM4	Climate change Water security
Social[1]		
Local economic stimulus	MM1 MM2 MM7	Supply chain
SED programme	MM4 MM7	Community development
Employee remuneration	MM5	Labour standards Remuneration
Working conditions	MM4 MM5 MM8	Labour standards
Diversity, equity and inclusion	MM5 MM8	Labour standards
Employee development	MM4 MM5	Labour standards
Staff retention	MM5	Labour standards
Customer experience	MM3 MM6	Customer responsibility
Customer wellbeing	MM3	Customer responsibility
Customer protection	MM3 MM8	Customer responsibility
Financial performance	MM1	Community development
Covid-19	MM2	Labour standards Customer responsibility
Supplier management	MM7	Supply chain Community development
Community protection	MM7	Community development Labour standards
Governance		
Business culture	MM5 MM4	Ethical behaviour
Compliance	MM6 MM8	Ethical behaviour
Disputes (stakeholder)	MM7	Ethical behaviour
Product stewardship	MM3 MM4 MM8	Customer responsibility

1 Social incorporates social and economic elements.

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Our presence and group structure | ESG reporting landscape | Business model | ESG strategy | **ESG material topics** | Stakeholder management

ESG materiality risk matrix

● High priority   ● Medium priority   ● Low priority   ● Concentrated impact
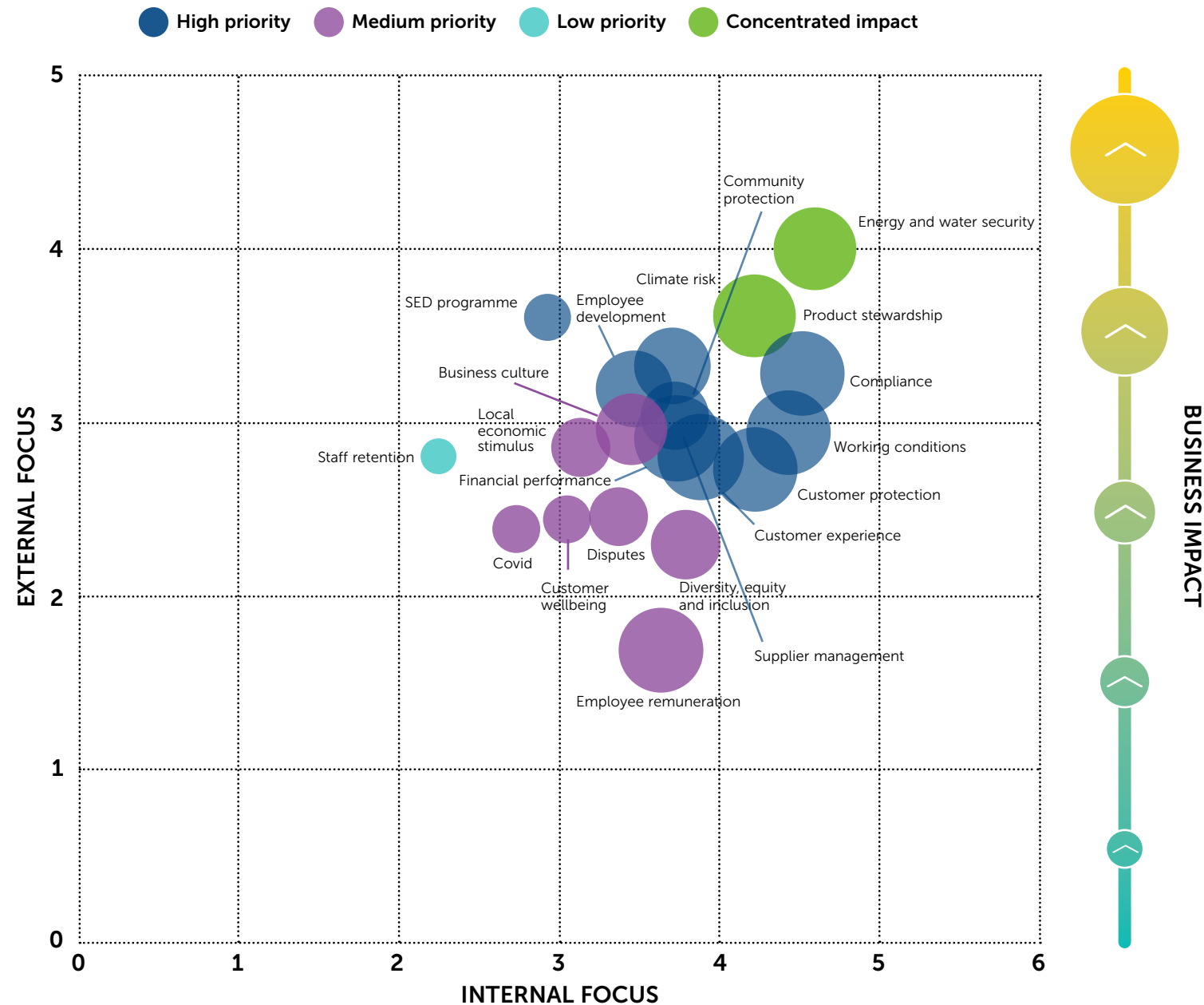
This is a graphical representation of how individual ESG topics are prioritised based on internal focused impacts (x-axis) and external focused impacts (y-axis). The size of each circle in this graph represents the potential impact on the business if not managing this topic correctly. Energy and water security, product stewardship and compliance are the ESG topics which have been flagged as the most significant in the matrix. Working conditions and customer protection were ranked as high priority with respect to being able to realise the business strategy. The management of employee development and climate risk will similarly assist with driving financial performance and managing customer expectations. All these factors are internally driven and need to be managed. Two ESG topics which have an external impact on the natural and social environment are supplier management and our SED programme. Managing these factors will assist the business in continuing to build our social licence to operate and build brand recognition.

Mapping our ESG material topics to the UN SDGs

Concentrated impact

2 ESG material topics

1. Energy and water security
2. Product stewardship

6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

High priority

10 ESG material topics

1. SED programme
2. Working conditions
3. Employee development
4. Compliance
5. Customer experience
6. Customer protection
7. Financial performance
8. Supplier management
9. Community protection
10. Climate risk

3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 8 DECENT WORK AND ECONOMIC GROWTH | 11 SUSTAINABLE CITIES AND COMMUNITIES | 13 CLIMATE ACTION | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Medium priority

8 ESG material topics

1. Local economic stimulus
2. Employee remuneration
3. Business culture
4. Diversity, equity and inclusion
5. Disputes (stakeholders)
6. Customer wellbeing
7. Covid response

3 GOOD HEALTH AND WELL-BEING | 5 GENDER EQUALITY | 10 REDUCED INEQUALITIES

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Our presence and group structure | ESG reporting landscape | Business model | ESG strategy | **ESG material topics** | Stakeholder management

Depicted below is our ESG topics that are linked to the six capitals, the group's strategic objectives and how this impacts society in term of the SDGs.

INPUTS TO REALISING OUR STRATEGY

- FC — Financial capital
- NC — Natural capital
- HC — Human capital
- IC — Intellectual capital
- MC — Manufactured capital
- SC — Social capital

BENEFIT OF REALISING OUR STRATEGY

- Maximise shareholder value
- People and culture
- Environmental, social and governance (ESG)
- Operational excellence
- Customer centricity

BENEFIT TO SOCIETY

- **SDG 5:** Gender equality
- **SDG 4:** Quality education
- **SDG 6:** Clean water and sanitation
- **SDG 7:** Affordable and clean energy
- **SDG 8:** Decent work and economic growth
- **SDG 10:** Reduced inequalities
- **SDG 12:** Responsible consumption and production
- **SDG 13:** Climate action

Strategic objectives

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

ESG risks and opportunities

Linking into the group's enterprise risk management (ERM) framework, ESG has been identified as a standalone risk category and the 20 ESG topics have been linked to the existing group risks. Three ESG topics, which were previously not on the group risk register, have now been included namely: climate change and business culture have been incorporated into the natural perils and catastrophes associated with climate change risk; and succession plans for critical skills and roles risk, respectively.
In addition a new risk has been added to the register to address supplier management – sustainable supply chain management. The group has elevated energy and water security to No.2 on the group risk register. The roll out of Playtech and the implementation of the online strategy can be linked to the ESG topics of product stewardship, customer experience and compliance. Aligned with the ERM framework the risks will be tracked and monitored through the key risk indicators linked to the key performance targets aligned with the group's ESG strategy.

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Our presence and group structure | ESG reporting landscape | Business model | ESG strategy | ESG material topics | **Stakeholder engagement**

STAKEHOLDER ENGAGEMENT

Stakeholder relationships 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 create and/or add stakeholder value in our operating environment.

STAKEHOLDER ENGAGEMENT APPROACH

Our group-wide stakeholder engagement approach allows for ongoing key stakeholder engagement in an open and transparent manner. 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. 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 the urgency of their concerns. This engagement process allows us to identify any material concerns and opportunities that may exist, and to 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.

STAKEHOLDER ENGAGEMENT PROCESS

- **Identify** key stakeholders
- **Engage** key stakeholders
- **Identify** and address concerns/opportunities
- **Provide** regular stakeholder feedback
- **Keep relevant** governance committees informed of material concerns

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, continues 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
- 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

Value add
- Stringent safety protocols at all operations
- MVG loyalty programme that can be managed on the Sun International App
- Focused VIP teams at all our casinos to attend to the needs of our high-spending casino customers
- 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	ACTIONS TO ADDRESS CONCERNS
Ongoing customer concerns on health and safety protocols at our operations	• Industry leading health and safety protocols
Customer service complaints and perception of value	• Focused VIP teams at our casinos • Learning and development programmes for employees to enhance customer service • Innovative product offerings • Focused refurbishments and upgrades • Customer surveys and proactive customer feedback • SunStars employee recognition and reward programme
Inconsistent customer communication around our facilities and service offerings	• 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	• Promotional offers to encourage footfall
Customer information privacy	• Compliant with the Protection of Personal Information Act (POPIA) and the General Data Protection Regulation (GDPR)

Sun International

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Our presence and group structure | ESG reporting landscape | Business model | ESG strategy | ESG material topics | **Stakeholder engagement**

Employees

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

Methods of engagement
- Sun Talk
- Social media
- E-mail notifications
- Face-to-face meetings
- Podcasts
- Ongoing training – online and face-to-face

Value add
- Building on the SunWay culture and employee value proposition
- SunStars employee recognition and reward programme
- Proactively engaging and supporting employees through our wellness programme
- Ongoing training and development
- Retaining and attracting key skills
- Ongoing talent management

KEY STAKEHOLDER CONCERNS	ACTIONS TO ADDRESS CONCERNS
Temporary Employee/Employer Relief Scheme (TERS) payments not being paid on time	• 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 post Covid-19 operating environment	• Regular dialogue on the Sun Talk platform between leadership and employees • Focus on operational efficiencies to reduce costs group-wide
Employees' wellbeing	• Wellness programmes in place to provide employee counselling and support • Supporting remote working opportunities • Ongoing leadership podcast messages • R1.75 million (2021: R2 million) invested in employees' family educational needs and towards our employees in KwaZulu-Natal affected by the floods
Slow transformation	• 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	• Ongoing succession plans implemented across the group with a specific focus on critical skills

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 spend, which are linked to gaming revenue generation and licensing conditions
- Ensuring the collection of gaming levies and taxes
- Uplifting SMMEs through the awarding of LPMs licences which result in the creation of additional income streams
- Creating co-operative interactions with regulators

KEY STAKEHOLDER CONCERNS	ACTIONS TO ADDRESS CONCERNS
Compliance with licence requirements	• Ongoing monitoring of compliance to ensure we maintain our licences to operate
Responsible gambling	• Support responsible gambling through financial contributions to the South African Responsible Gambling Foundation
Outstanding legal disputes between gaming regulators and the group	• Engaging with the respective gaming regulators to resolve all outstanding legal disputes
Illegal gambling	• Engaging with various stakeholders, including the National Gambling Board (NGB,) provincial gambling boards, SAPS and the Specialised Investigations Unit to identify illegal gambling activities and to institute criminal action against offenders
Slow pace of phase 1 LPM industry roll out	• Stronger collaborations between licensees, regulators, state organs and suppliers in addressing industry bottlenecks

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 enterprises (SMME) workshops
- Community business forums
- Stakeholder face-to-face meetings
- Written correspondence
- Community business forums

Value add
- Building strong relationships and positively impacting on local communities
- Supporting local initiatives and creating employment opportunities – hosted career expos at units
- Identifying local procurement opportunities to benefit surrounding communities
- Develop and train SMMEs by hosting incubation workshops
- Creating sustainable project opportunities
- Supporting community upliftment

KEY STAKEHOLDER CONCERNS	ACTIONS TO ADDRESS CONCERNS
Increased community needs as a direct result of Covid-19	• Enhancing community stakeholder engagement opportunities • Ongoing SED and CSI contributions • Approving special SED projects to support the immediate needs of communities where we operate • Support through mitigating and minimising hunger and poverty • Assisting in improvement of government infrastructure within schools • Collaborating with local government departments to identify needs and gaps • Created a platform for women engagement and support, specifically in supply chain
• Lack of tendering and procurement opportunities, particularly for black women-owned businesses • Compliance with basic registration and supplier processes	• 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
• Reduced local procurement, lack of competitive pricing and job opportunities • Access to more enterprise and supplier development opportunities to develop business	• Group and unit-specific engagement and request for proposal (RFP) opportunities • Providing adhoc local job opportunities and training • 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

Partners and suppliers

Partners provide support to ensure that we do not operate in isolation, thereby maximising the 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

KEY STAKEHOLDER CONCERNS	ACTIONS TO ADDRESS CONCERNS
Limited work and tender opportunities	• Work and service delivery opportunities are advertised on unit specific portals • RFP and tender opportunities are displayed on the group and unit tender bulletin boards • Ongoing unit-specific engagements with relevant local suppliers • Supplier conferences held to help capacitate local SMMEs

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, integrated annual report and ESG report
- Virtual and face-to-face meetings
- Participation in investor conferences
- Monthly and quarterly financial submissions to lenders
- AGM
- Written correspondence
- Media – press releases and interviews

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 and ESG performance, risks, and strategy
- Increase in share price post Covid-19 reflects shareholder confidence in the group

KEY STAKEHOLDER CONCERNS	ACTIONS TO ADDRESS CONCERNS
The group's long-term business sustainability and return on investment and ensuring an acceptable dividend flow	• Ensuring all operational and growth strategies are well communicated and implemented • Improving the group's liquidity position and strengthening the balance sheet • Complying with all good governance requirements • Resumed dividend payments
Current debt and liquidity levels	• Maintaining the group's liquidity position • Strengthening the group's balance sheet • Capital allocation framework in place

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	ACTIONS TO ADDRESS CONCERNS
Non-compliance with relevant legislation	• 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

ENVIRONMENTAL

ENVIRO-AMBITION 2025

Carbon emissions
- **Fuels management** (Guest transportation and LPG for F&B)
- **Efficient** refrigerant gas management
- **Scope** 1, 2 and 3

Water
- **Driving** water efficiency and conservation with employees and customers
- **Investigate** projects to reuse water for irrigation, cooling towers and public restrooms
- **Identify** alternative water supply

Electric energy
- **Driving** electricity efficiency through BMS optimisations
- **Reduction** in grid electricity reliance
- **Transition** to renewable energy supply
- **Maintenance** of diesel powered generators

Waste
- **Increase** in recycling rates and review waste streams for transition or elimination
- **Utilise zero-waste-to-landfill (ZWTL) toolkit** to assess effectiveness of waste management process and supplier performance

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

^ **5%**[1] increase in energy usage (2021: ^ 14% increase)

^ **5%**[1] increase in water usage (2021: ^ 5% increase)

^ **61%**[2] increase in waste generated (2021: ^ 41% increase)

^ **19%**[3] increase in CO_2 emissions (2021: ^ 6% increase)

1 The group resumed 24/7 operations in 2022
2 The increase in waste generated can be attributed to the return to 24/7 operations and an increase in additional events and conferencing at our properties
3 Increase due to Scope 1 emissions specifically diesel consumed for generator use due to loadshedding

KEY FOCUS AREAS IN 2022

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

Achieved   In progress

LOOKING AHEAD
- **Driving water efficiencies** and identifying feasible alternative water supply or water reuse projects
- **Implementing** onsite and offsite renewable energy projects
- **Setting new** Scope 1, 2 and 3 carbon emission targets
- **Focus on improving** waste recycling rates across the group
- **Identifying opportunities** to make our supply chain more sustainable

KEY PERFORMANCE INDICATORS

Sun International remains committed to reducing its environmental footprint across all units, as indicated in our ESG metric table on page 12. 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 climate change. We 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.

The KPIs for the group are aligned with our ENVIRO-AMBITION 2025 framework that maps our journey towards being at the forefront of sustainable environmental management in the hospitality sector. 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 and JSE Sustainability Disclosure Guidance. Our various KPIs reflect our journey and assist in monitoring and evaluating progress in achieving our ambition.

KPI metrics and targets

KPI	Carbon Emission Management	Water	Electric Energy	Waste
Type of target	Absolute CO_2e reduction target	Absolute kL reduction target	Absolute kWh reduction target / Absolute kWh transition target to renewable energy	Activity based - % increase in recycling rate of general and hazardous waste (transition towards ZWTL)
Timeframe	2018 – 2023	2021– 2025	2021– 2025	2021– 2025
Base period	2017	2019	2019	2019
Milestone/interim target	15% reduction by 2023	Annual targets	Annual targets	Annual targets
Consolidate group target/Unit target	Consolidated group target	Unit specific	Unit specific – kWh reduction / Unit specific – kWh transition to renewable energy that applies to consolidated group target linked to sustainability linked loan	Unit specific that applies to consolidated group target linked to sustainability linked loan

Assessment of the group progress against the targets is measured according to the group combined assurance methodology.

Our SHE professionals are the operational custodians for collating all primary data used to assess the progress of the KPIs. The group ESG manager is responsible for internal assurance over the data prior to annual third-party assurance for the integrated annual report and this ESG report. Any process or control gaps identified through the third-party assurance is communicated across the group for continuous improvement in data reporting. From 2023 all environmental data and KPIs will be reported through the IsoMetrix platform.

Resource consumption and emissions		2022	% change 2022 vs 2021	2021
SOUTH AFRICA				
Water usage (withdrawals)	kl	3 453 785	5%	3 260 467
Waste generated	kg	7 278 120	61%	4 462 461
Electric Energy consumption	kWh	195 146 801	5%	185 172 531
Carbon emissions (Scope 1 and 2)	tonnes CO_2e	219 273	19%	184 165

Note increases in 2022 were due to a return to 24/7 operations, an increase in events and conferencing and the ongoing impact of load shedding related to diesel supply for generator usage.

Water KPIs	2022 (kl)	% change	2021 (kl)
SOUTH AFRICA			
Total water usage (withdrawals)	3 453 785	5%	3 260 467
Recycled water	359 497	114%	334 069
% water recycled	10%	100%	10%
Cost of water [1]	73 211 119	10%	61 128 366

Waste	2022 (kg)	%	2021 (kg)	%
SOUTH AFRICA				
Total volume of general waste to licensed landfill	2 305 620	32	1 820 893	41
Total volume of general waste diverted from landfill for beneficiation	260 974	4	358 950	8
Total volume of general waste recycled	3 817 302	52	1 805 634	40
Total volume of hazardous waste to licensed landfill	34 420	0.47	34 360	0.77
Total volume of hazardous waste recycled	859 804	12	442 623	10
TOTAL WASTE	7 278 120	100	4 462 461	100

Energy data	2022		2021		Year-on-year % change
	kWh	Rand	kWh	Rand	
Electricity purchased					
South Africa	195 146 801	300 763 569	185 172 531	255 125 084	5
TOTAL ELECTRICITY	195 146 801	300 763 569	185 172 531	255 125 084	5
Direct: Diesel use for generator	Litres		Litres		
South Africa (consumed by generator)	2 708 890	62 002 374	785 580	13 750 118	245
TOTAL STATIONARY DIESEL	2 708 890	62 002 374	785 580	13 750 118	245
Direct: LPG	kg		kg		
South Africa	527 228	11 785 800	327 458	7 126 451	61
TOTAL LPG	527 228	11 785 800	327 458	7 126 451	61

South Africa carbon emissions data		2022 (tonnes CO_2e)	2021 (tonnes CO_2e)	Year-on-year % change
Scope 1	Company-owned vehicles	989	757	31%
	Stationary fuels	8 865	3 448	157%
	Refrigerant gas (Kyoto gases)	6 466	4 046	60%
	SUBTOTAL SCOPE 1	16 321	8 251	98%
Scope 2	Electricity consumption	202 953	175 914	15%
	SUBTOTAL SCOPE 1 AND SCOPE 2	219 273	184 165	19%
Out of scope	Fugitive emissions (non-Kyoto gases)	997	745	34%
	TOTAL EMISSIONS	220 270	184 910	20%

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

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MANAGEMENT APPROACH

The responsibility for environmental management is split into three levels:

Operational management

Each unit has appointed SHE professionals responsible for environmental risk and data management and driving environmental awareness with employees and customers.

Strategic management

The group environmental specialist is responsible for setting out the ENVIRO-AMBITION 2025 strategy for the group and identifying specific mechanisms for achievement of the group KPIs and targets. This is an advisory role that collaborates with the SHE professionals to ensure operational execution of the group strategy.

Executive management

The group ESG manager and the group risk manager assess group-wide environmental risks and opportunities through the ERM framework and report through the director of corporate services to exco.

Environmental management is reported via the group ESG manager into the social and ethics and risk board committees.

PERFORMANCE OVERVIEW

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 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.

In 2021 we set context-based targets following the WWF's Water Target Setting Approach at a unit level instead of setting one target at a corporate level. Each unit set absolute water reduction targets that resulted in an annual quantitative reduction achievement of 18% for 2022 against the 2019 baseline. To track our performance, we take the following approach to data collection:

▶ Installation of onsite water meters for real-time monitoring of bulk water withdrawal and monitoring of high-water consumption areas and our concessionaires. This is reported as metered water, with the intention of using this as our primary data source from 2023.

▶ Currently we use water withdrawal information and costs from our municipal accounts to report our group consolidated water withdrawals and costs.

▶ We track our discharges, which allows the group to calculate our consumption that is reported annually in our CDP – water security survey.

▶ At Sun City, Wild Coast and Sibaya we recycle and reuse water. We will investigate the feasibility of implementing similar initiatives across the group.

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. Implementing maintenance and operational strategies in 2022 led to the following water impacts:

Boardwalk completed the installation of a reverse osmosis plant. Pending the approval of a water use licence, the operation will be able to fully supply water to the hotel and casino. This will secure water quality and supply for the unit with the ongoing water supply issues in Gqeberha.

11 out of 14 operations achieved their unit-specific reduction targets for 2022. The three units that did not achieve their targets for 2022 will be reassessed.

12 out of 14 operations implemented the water metering in 2022. We anticipate the remaining two operations to complete their installation in 2023, which will conclude one of our strategic projects.

Forward planning

Going forward, the group will continue creating awareness around water-saving initiatives through environmental awareness and training programmes. With South Africa being a water-scarce country with water quality and supply concerns, we will be focusing on improving water efficiencies and, where feasible, identify alternative water supply or water reuse projects.

Electric energy management

Electricity supply is critical to Sun International's service offering and creating memorable experiences for our customers. The loadshedding impact on our business resulted in a 245% increase in the volume of diesel consumed, resulting in an overall cost of R62 million. With increased operational time for our diesel-run generators this has led to more frequent servicing.

In 2022, the group pivoted from a resources strategic framework, addressing both water and electricity supply, to focusing primarily on electricity supply, considering the proposed tariff increases by NERSA and the interruptions to electricity supply due to loadshedding or load curtailment. This is further aligned with the ambitious KPIs set out in our sustainability linked loan to procure renewable energy over the next four years (2023 – 2026).

To realise our ambitious target for renewable energy, the group will be taking a blended approach to ensuring electricity supply, by considering a combination of grid, photovoltaic (PV), battery storage, wheeling agreements and diesel back-up generators. The roll out of the onsite renewable energy projects will be focused on key operations in our portfolio, that contribute to over 75% of our electricity consumption. For these units, the group will be considering PV, wind and wheeling solutions.

Implementing onsite renewable projects is linked to our electric energy transition target, which Carnival City, Flamingo, Sibaya and Windmill did not achieve between 2021 and 2022. The rest of the operations electric energy reduction targets were set and these units achieved a consolidated 11% reduction in 2022, compared to the calculated 2019 baseline.

Electricity performance

Eskom is the primary electricity supplier. Our own diesel-run generators provide back-up supply in the event of unscheduled power outages, loadshedding or load curtailment. In 2022 our operations returned to 24/7 operating hours and electricity consumption increased by 5% when compared to 2021 (16% increase when compared to 2020).

Forward planning

We will implement at least one onsite renewable project across the group in 2023, with the potential for additional smaller projects across the group. Further, we will investigate wheeling agreements for those operations supplied by Eskom and participating municipalities for supply in 2024. We also aim to improve our process controls over diesel data associated with our generators.

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Carbon emissions

Our current carbon emission strategy is focused on Scope 1 and 2 with the aim of an annual 2.6% reduction to achieve the 2023 and 2028 targets.

Carbon performance

Total Scope 1 and 2 emissions increased by 19% in 2022 (219 273) comparatively (2021: 184 165). Our stationary fuel consumption increased by 157%, largely due to loadshedding and increased runtime of our generators. We experienced increases in refrigerant gases (60%) and vehicle fuel consumption (31%) reflecting our return to 24/7 operations.

Our liquified petroleum gas (LPG) use increased by 61%. LPG is used primarily by our food and beverage operations and in some instances, where food and beverage has been outsourced, the LPG consumption at those operations has been excluded. At certain operations, LPG usage and costs are recharged to concessionaires and, where applicable, staff villages (e.g. Wild Coast Sun). We will be reviewing the recharge process across the group in 2023 to commence reporting on net LPG consumption by the group.

We will continue assessing our carbon performance against an absolute reduction target until 2023 (15% reduction from the 2017 baseline). Our absolute emission target reduction in 2022 was 14% (compared to the 2017 baseline of 255 904) largely due to the significant reductions in 2020 (173 121) and minor increase in emissions in 2021 (2% increase when compared to 2020).

Forward planning

We will continue focusing on a back-to-basics approach and ensure we implement 'low-hanging fruit' projects, to optimise efficiencies based on business operating levels. In 2023, there will be a review of the group's Scope 1 and 2 targets, and Scope 3 emissions will be identified and a target set. We will assess developing a net zero strategy for the group and consider issuing our first TCFD assessment in 2024.

Sustainable supply chain

In 2022 we recognised the importance of reviewing how we incorporate environmentally responsible practices into our supply chain, which we intend to undertake in 2023.

From a food and beverage perspective, while we discontinued our partnership with WWF-SASSI in 2022, we continue to apply the principles and include it in our procurement policy. We are committed to driving positive change in how 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.

Aligning with our journey towards ZWTL, we transitioned 85% of our units to biodegradable or reusable straws. We continue to work with our remaining units to achieve full transition. While we proposed to explore other items in our supply chain in 2022 to transition, limited progress was made.

Forward planning

We will be assessing and engaging with group procurement to identify opportunities to make our supply chain more sustainable in terms of the items we procure. This is linked to the identification of the group Scope 3 emissions for 2023.

Biodiversity

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 through robust biodiversity management plans.

Waste management

In 2021 the group reset its ZWTL target to 2025 and regards this approach as a journey towards changing the overall mindset on how waste is viewed within the organisation. Each unit must engage with all facets of its operations, to critically review the types of waste generated and assess how to either eliminate a waste stream or transition to recyclable or biodegradable options.

To cement our commitment, we linked this target to our sustainability linked loan to achieve a percentage increase in our recycling rate for general and hazardous waste until 2026. Within the group, we acknowledge achieving ZWTL when an operation achieves a recycling rate of 90% or more.

To guide our waste management programme, a waste specialist assisted the group in 2022 to assess our cradle-to-grave waste management approach, inclusive of our tendering and evaluation processes and the accuracy and completeness of the data that is provided by service providers. This evaluation will guide the finalisation of the ZWTL assessment toolkit to be issued in 2023. The issuing of the toolkit has been delayed to incorporate any additional improvement opportunities from the third-party sustainability assurance audit.

Waste performance

Some operations in the group faced setbacks due to changes made by suppliers and inconsistencies in the accuracy of the waste data. This led to only five units in the group achieving their 2022 recycling rate target. Two units achieved 10% less than their set targets, however, they demonstrated progress comparatively. Our total waste generated in 2022 increased by 61% and can be attributed to the return to 24/7 operations and an increase in additional events and conferencing at our properties. We improved our 2022 recycling rate to 68% vs 2021 rate of 58%.

Forward planning

Implementing the ZWTL assessment toolkit in 2023 will ensure focus on the process control measures for waste management, along with the scrutiny of the waste data provided by suppliers for traceability, accuracy and completeness.

CASE STUDY

BOARDWALK REVERSE OSMOSIS PLANT

SDG supported

In September 2022, Boardwalk received the prestigious Sun International Sustainability Excellence award in the category 'Sustainability Initiative of the Year' for its work in responsible water stewardship. The unit constructed its own reverse osmosis (RO) water plant, which will see it supplying 140 000 litres of fresh water per day for its operations and reducing the demand for municipal water from an already-stressed infrastructure.

The construction of the plant was a R3.5 million investment and uses water from an underground freshwater source, that was previously diverted into the ocean via a storm water drain. With the introduction of the RO plant, our aim is to take Boardwalk off the municipal water feed, helping to reduce the municipality's daily water demand.

The hotel has removed all bath plugs in the rooms and communicated the reason for this intervention to our guests, along with signage, stating that the tap water is unsafe for consumption. Bottled drinking water is provided in the rooms and can be refilled/refreshed on demand.

The casino is connected to water storage tanks from the plant located at the hotel. The water fountain uses grey water and the automatic irrigation system has been switched off so that watering of plants is done by hand, using excess underground water. The water-based air-conditioning tower systems have been adapted to use non-potable water.

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People and culture | Health, safety and wellness | Socio-economic development | Enterprise and supplier development

PEOPLE AND CULTURE

Culture
- **Integrating our SunWay culture** as part of our employee value proposition, talent attraction and retention

Transformation
- **Driving transformation,** including race, diversity and inclusion
- Monitoring transformation progress against the Employment Equity Act and Broad-Based Black Economic Empowerment Act

Talent management
- **Creating a high-performance culture** aligned to our business strategy
- **Supporting our talent** through various personal and professional development initiatives
- **Ensuring** succession planning

Employee wellness
- **Providing a work environment** that promotes a balanced and healthy lifestyle
- **Standing firm against** all forms of gender-based violence (GBV) and abuse

Learning and development
- **Providing ongoing** professional and personal training to empower, retain and motivate employees

Our employees enable the group to achieve its strategic objectives, especially as we operate in a highly governed and competitive service-oriented industry. As such, we continue to develop our employees and reward them for performing well.

OUTCOMES

Transformation
93.9% (2021: 92.2%) **black representation** in our South African operations including Sun Slots

57.5% (2021 57.3%) **female representation** across our South African operations including Sun Slots

33% (2021: 11%) **female representation** in Sun Internationals' top management excluding Sun Slots

Talent management
Talent review process implemented at executive, senior and middle management level

360-degree assessment rolled out to align with leadership competencies

Learning and development
Invested **R84 million** (2021: R52 million) in learning and development

New **training and development initiatives** rolled out

Launched **The Wild Coast Sun Academy**

Gender-based violence (GBV)
Sun International stands firm against all forms of violence and abuse

Employee wellness
Increased onsite wellness activations for employee counselling and advisory services

KEY FOCUS AREAS IN 2022

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

✔ Achieved   ◐ In progress

LOOKING AHEAD

- Enhancing focus on creating an environment where people with disabilities are included and can perform to their full potential
- Continuing to drive our women empowerment strategy and our women development programme
- Continuing to embrace the legislative framework by aligning our practices to best practice
- Undertaking an employee experience survey – concentrating on the culture and work environment to ensure that Sun International is an employer of choice
- Undertaking a detailed talent-mapping exercise focusing on middle management to ensure a talent pipeline for senior positions
- Contributing to creating a culture of innovation and creative thinking through various training, diversity and inclusion initiatives
- Creating a culture of excellent customer service as a priority through change processes and behaviour

Sun International

STRATEGIC LEADERSHIP | SUSTAINABLE VALUE CREATION | ENVIRONMENTAL PERFORMANCE | **SOCIAL PERFORMANCE** | SUPPORTING GOOD GOVERNANCE | ANNEXURE JSE METRICS | CORPORATE DATA AND ADMINISTRATION

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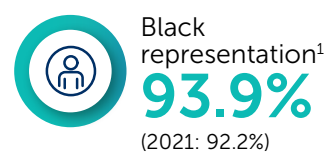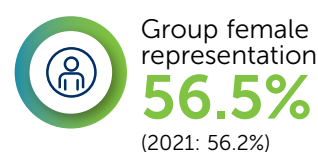| People and culture | Health, safety and wellness | Socio-economic development | Enterprise and supplier development |

KEY PERFORMANCE INDICATORS (KPIs)

The KPIs below include specific indicators that we monitor as part of our HR strategy against the Employment Equity Act and Broad-Based Economic Empowerment Act.

Group employee statistics

Total employees
7 340
(2021: 7 131)

South Africa including Sun Slots
7 050
(2021: 6 839)

Other Africa
290
(2021: 292)

Group female representation
56.5%
(2021: 56.2%)

Black representation[1]
93.9%
(2021: 92.2%)

Group employee turnover
11.1%
(2021: 11.1%)

Skills development spend
R84 million
(2021: R52 million)

1 South African operations.

MANAGEMENT APPROACH

Organisational design

Several structural reorganisations and profiling was completed to support the business in remaining efficient and streamlined. Major projects for 2022 included: SunBet structure expansion; decentralisation of finance at Meropa; the appointment of a Director of Sun International Management Limited (SIML) Finance looking after commercial operations; Carnival City restructure and the proposed specialised third-party contracting for food and beverage and entertainment; gaming structure alignment exercise; central IT restructure; and the initiation of the Sun City and Sun Vacation Club call centres.

Legislation

We continue to uphold the principles contained in the group's Employment Equity (EE) Policy, Elimination of Harassment Policy and the Disability Management Policy, to protect employee rights in the workplace and ensure fair treatment and equality in employment processes. We tolerate no deviations here, complying with not only South Africa's constitutional protections but also international law, specifically the UN Global Compact, as relevant to employment practices, which address fairness, equality and non-discrimination in the workplace.

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.

Prevention and Elimination of Harassment in the workplace: In March 2022, the Code of Good Practice on the Prevention and Elimination of Harassment in the workplace came into effect. In response we have approved a harassment policy to replace the previous sexual harassment policy. This new policy is closely aligned to the Code of Good Practice and has been broadened to cover all forms of harassment in various working situations. We have also undertaken a harassment survey that has received more than 2 000 responses from employees. The feedback has informed our approach in building capacity and awareness around harassment at work.

Human rights and freedom of association

The group is responsible for ensuring effective human rights management. The freedom of association principle, 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, Basic Conditions of Employment Act and other pertinent legislation that ensures 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, respect the right to human dignity, Ubuntu and freedom of all individuals.

PERFORMANCE OVERVIEW

The initial period of relief after the lifting of Covid-19 regulations and restrictions has been short-lived. Many people feel the brunt of the economic crisis and the steep rise in the cost-of-living. The CPI breached 6% with most people affected by high fuel and food costs, the destabilising effect of loadshedding and the concomitant increase in crime. The environmental and economic pressures only exacerbated mental health stress, which is why we remain attuned to the needs of our people, many of whom still face the effects of long Covid-19 and the grief of losing loved ones. Sun International remains diligent in ensuring the health and safety of our people and patrons.

Retaining critical skills in the gaming and hospitality industry remains a challenge, together with critical support skills like IT and finance, as more people resigned due to emigration and other economic pressures facing the industry. However, our succession and talent management programmes remain successful in transitioning employees into key positions. There was a focus on blended training, both online and face-to-face learning, and we continued to support employee engagement using the Sun Talk communication platform, email, WhatsApp and video messages. We also ensured ongoing communication among employees and introduced employee recognition programmes, Sun Stars, at group and unit levels. There was a notable change in employee behaviour following the introduction of these recognition programmes.

Workforce profile

At 31 December 2022, we had 7 340 (2021: 7 131) group employees. Our permanent employees in South Africa including Sun Slots comprise 3 593 (2021: 3 544) permanent full-time employees and 3 457 (2021: 3 295) permanent part-time employees, who are paid the same hourly rate as full-time employees and work according to a roster that guarantees minimum monthly work hours.

Regional employee statistics

		South Africa		Sun Slots		Africa	
		December 2022	December 2021	**December 2022**	December 2021	**December 2022**	December 2021
Permanent full-time employees	Number	**3 355**	3 319	**238**	225	**290**	292
Permanent part-time employees	Number	**3 457**	3 294	**0**	1	**0**	0
Skills development spend	R million	**81.83**	49	**2.10**	3	**0**	0
Female management employees	%	**46**	47	**45.9**	41.7	**38**	38
Employee turnover	%	**11.4**	8.6	**12.1**	8.2	**11.7**	15.9
Employees in bargaining unit	%	**65**	64	**0**	0	**0**	0

PERFORMANCE OVERVIEW continued

| People and culture | Health, safety and wellness | Socio-economic development | Enterprise and supplier development |

Employment equity at our South African operations

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 the performance contracts of exco members. The social and ethics committee is responsible for monitoring our progress against set targets.

Employment equity plans

During 2022, the group has tracked against year one targets as contained in our three-year employment equity plan. These plans are subject to change because of the proposed amendments to the Employment Equity Act, expected to be passed by Parliament in 2023. During 2022 the Bill was passed by the National Assembly and the National Council of Provinces. Upon final approval in 2023, we will review our Employment Equity (EE) Plans and align to new sectoral targets to be set out by the Department of Employment and Labour. These amendments will include legislated sector targets, over a five-year period, and progress will be measured annually for compliance. The changes to the EE plans will probably be for numerical 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 become a requirement for all stakeholders who wish to do business with the state. 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 the B-BBEE Act.

During 2022, we established a new employment equity central forum responsible for monitoring the group's employment equity progress. We also rolled out training for managers responsible for employment equity and employment equity forums.

Our South African (including Sun Slots) black employee representation was at 93.9%, which exceeded the national economically active population distribution. The management team is made up of 86% (2021: 84%) black people, and 46% (2021: 46%) are females. Although we have improved the demographic representation at middle and senior management, challenges remain at middle and senior management levels, where representation of black people, particularly black females, is lower than the economically active population statistics. The current women empowerment strategy and women development programme are mechanisms in place to address this challenge. We have already succeeded in appointing female deputy gaming managers in some operations, a position largely occupied by males within our industry.

African, Indian and Coloured (ACI) Sun International (South African operations excluding Sun Slots)

Occupational Level	B-BBEE Target	Industry Benchmark	December 2021	December 2022
Top	60%	45%	57%	50%
Senior	60%	60%	61%	57%
Middle	75%	90%	68%	71%
Junior	88%	95%	90%	91%
TOTAL	n/a	86%	93%	93%

ACI female (South African operations excluding Sun Slots)

Occupational Level	B-BBEE Target	Industry Benchmark	December 2021	December 2022
Top	30%	16%	11%	17%
Senior	30%	23%	24%	24%
Middle	38%	47%	31%	30%
Junior	44%	44%	44%	45%
TOTAL	n/a	51%	55%	55%

ACI (Sun Slots)

Occupational Level	B-BBEE Target	Industry Benchmark	December 2021	December 2022
Top	60%	45%	89%	100%
Senior	60%	60%	79%	81%
Middle	75%	90%	77%	81%
Junior	88%	95%	97%	97%
TOTAL	n/a	86%	92%	94%

ACI female (Sun Slots)

Occupational Level	B-BBEE Target	Industry Benchmark	December 2021	December 2022
Top	30%	16%	44%	44%
Senior	30%	23%	34%	39%
Middle	38%	47%	35%	41%
Junior	44%	44%	39%	44%
TOTAL	n/a	51%	41%	44%

Gender distribution

During 2022, we continued to progress women into management levels as shown below. Female employees accounted for 58% of the total workforce which was consistent with 2021. When analysing gender per occupational level, we have progressed female representation at top management to 33% (2021: 11%) and also increased on senior management to 41% (2021:38%).

Workforce profile by gender including Sun Slots

Female **58%** (2021: 57%)

Male **42%** (2021: 43%)
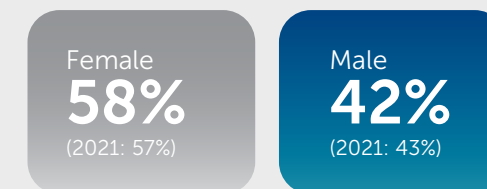
Gender profile by occupational level (%)
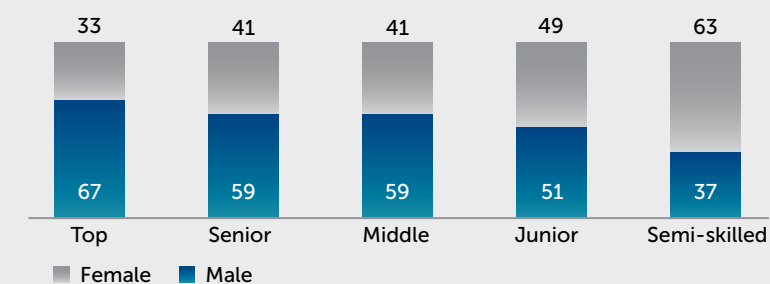
	Top	Senior	Middle	Junior	Semi-skilled
Female	33	41	41	49	63
Male	67	59	59	51	37

■ Female ■ Male

PERFORMANCE OVERVIEW continued

People and culture | Health, safety and wellness | Socio-economic development | Enterprise and supplier development

Diversity profile South Africa

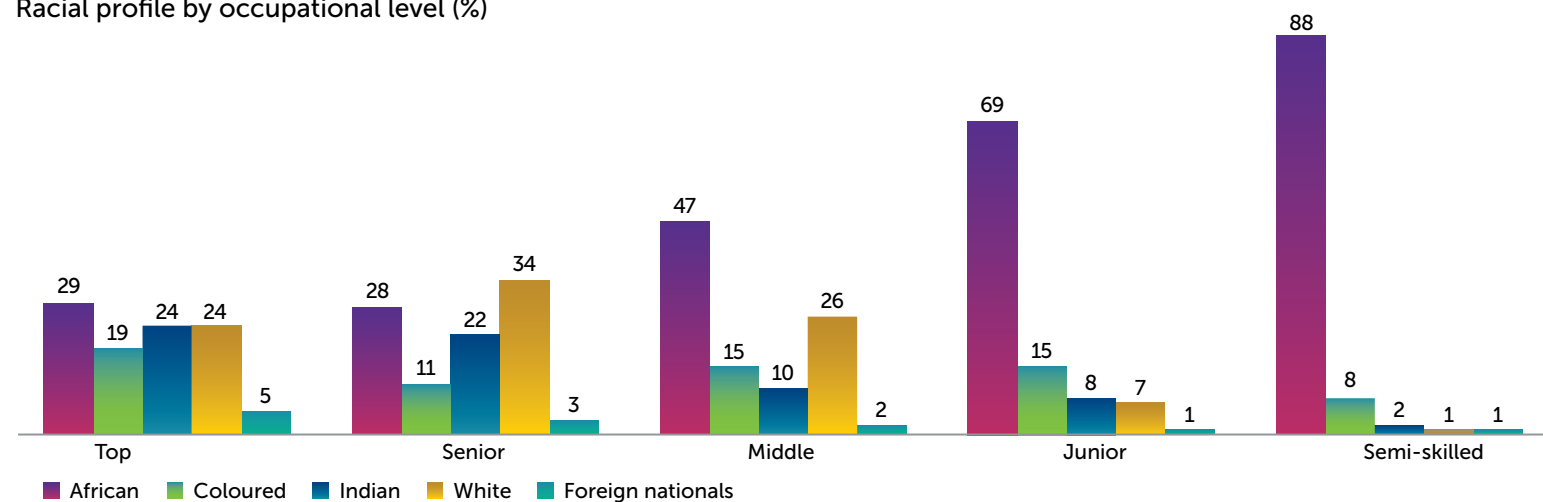|		Male					Female					Foreign nationals		
Occupational levels		A	C	I	W	Total	A	C	I	W	Total	Men	Women	Total
Permanent	Top management	2	0	2	4	**8**	1	1	0	1	**3**	1		**12**
	Senior management	17	7	15	25	**64**	13	5	10	18	**46**	5		**115**
	Middle management	109	37	30	77	**253**	87	29	14	38	**168**	4	4	**430**
	Skilled technical/supervisor/ junior management	559	110	78	51	**798**	551	118	51	65	**785**	12	5	**1 600**
	Discretionary decision-making	1 457	159	43	20	**1 679**	2 627	225	40	27	**2 919**	32	25	**4 655**
PERMANENT TOTAL		**2 144**	**313**	**168**	**177**	**2 802**	**3 279**	**378**	**115**	**149**	**3 921**	**54**	**34**	**6812**
Temporary		270	22	3	14	**309**	344	22	115	8	**379**	1	0	**689**
TOTAL		**2 414**	**335**	**171**	**191**	**3 111**	**3 623**	**400**	**120**	**157**	**4 300**	**55**	**34**	**7 501**

Diversity profile Sun Slots

		Male					Female					Foreign nationals	
Occupational levels		A	C	I	W	Total	A	C	I	W	Total	Men	Women
Permanent	Top management	1	2	2	0	**5**	2	1	1	0	**4**		
	Senior management	5	3	5	4	**17**	7	2	3	2	**14**		
	Middle management	7	2	2	1	**12**	10	1	0	4	**15**		
	Skilled technical/supervisor/ junior management	57	17	8	2	**84**	42	20	5	1	**68**		
	Discretionary decision-making	7	0	0	0	**7**	10	1	0	0	**11**		
PERMANENT TOTAL		**77**	**24**	**17**	**7**	**125**	**71**	**25**	**9**	**7**	**112**	**1**	
Temporary		3	0	0	0	**3**	3	2	0	1	**6**		
TOTAL		**80**	**24**	**17**	**7**	**128**	**74**	**27**	**9**	**8**	**118**	**1**	

Racial profile by occupational level (%)

Legend: African, Coloured, Indian, White, Foreign nationals

Level	African	Coloured	Indian	White	Foreign nationals
Top	29	19	24	24	5
Senior	28	11	22	34	3
Middle	47	15	10	26	2
Junior	69	15	8	7	1
Semi-skilled	88	8	2	1	1

Racial distribution

During 2022, we noted improvements in the overall racial demographic profile compared to the economically active population statistics of South Africa. When analysing the racial profile at occupational level, we still have challenges at top and senior management, but our current succession plans, talent management and extensive training programmes will help close future gaps.

Workforce profile by race including Sun Slots

White **5%** (2021: 5%)
Indian **4%** (2021: 5%)
Coloured **10%** (2021: 11%)
Foreign national **2%** (2021: 1%)
African **79%**
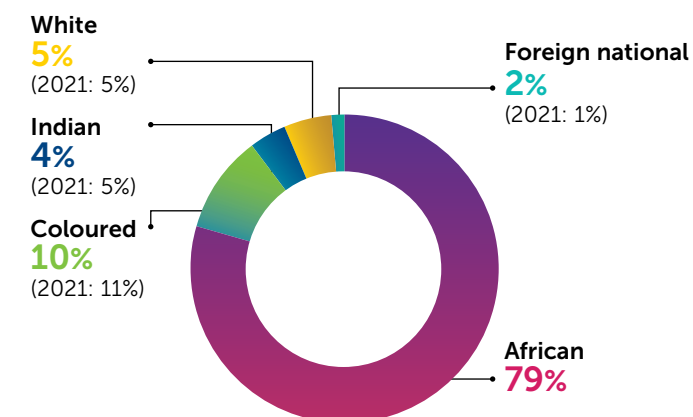
Disability management

Sun International's recruitment of people 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. We also encourage 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. Awareness days centred on how workplace accommodation enhances the performance of our people living with disabilities. A significant focus has been on the effects of long Covid-19, which result in a disability.

DISABILITY AWARENESS DAY

The Central Office Sports Day combined sports activities with awareness around people with disabilities. A disabled employee discussed his disability and emphasised the importance of declaring disabilities to an employer to ensure a successful career. To highlight the challenges disabled employees face when in the workplace, a wheelchair race was arranged with our senior executives. They had to go from the basement parking area, using the chair into the lifts and then into the ablution blocks without assistance. We then discussed the challenges they experienced, while attempting to get around within the building, to provide awareness around the daily challenges employees with disabilities face in the workplace.

A senior executive participating in the wheelchair challenge.

Cedric Mkhize from Sibaya with his Sun International colleagues.

Sun International

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PERFORMANCE OVERVIEW continued

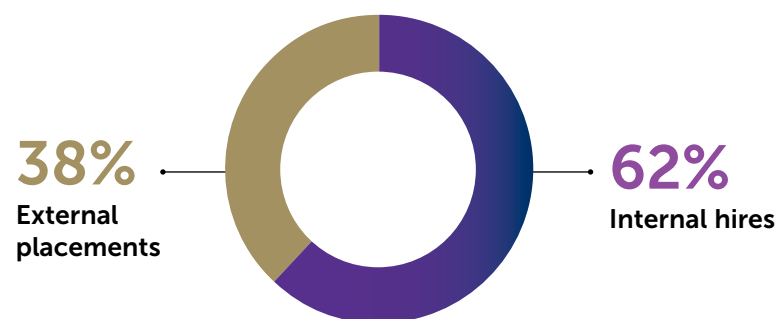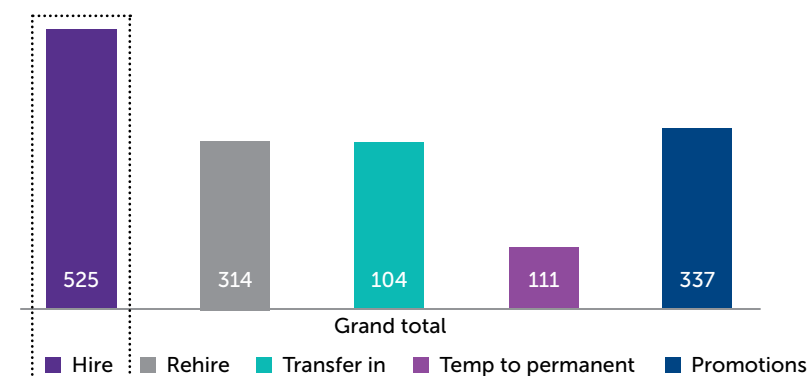| People and culture | Health, safety and wellness | Socio-economic development | Enterprise and supplier development |

Talent acquisition strategy

Our 2022 talent acquisition strategy has contributed positively to our employment equity progress and talent management processes, as depicted in the graphics below. There was a total of 2 766 hires, including 1 391 permanent hires and 1 375 contract or temporary hires for major events and large entertainment shows at our arenas.

Internal hires vs external placements

38%
External placements

62%
Internal hires

Hiring strategies for 2022

| 525 | 314 | 104 | 111 | 337 |

Grand total

■ Hire ■ Rehire ■ Transfer in ■ Temp to permanent ■ Promotions

KEY HIGHLIGHTS FOR HIRES

2 715
were appointees from designated groups (98.2%) of which 87.3% were African appointees.

Senior management appointees accounted for **79.2%** from the designated groups.

1 517
were female appointees (54.8%).

Two top female management appointees were made.

Employee turnover

During the year under review there were 819 (2021: 821) employment terminations group-wide. Group turnover was 11.1% of the total headcount (2021: 11.1%). The 2021 turnover includes Eswatini at 100%, while the South African turnover has increased to 11.4% (2021: 8.6%).

Consolidated turnover

Report entity	Terminations	Turnover percentage 2022 %	Turnover percentage 2021 %
South Africa	757	**11.4**	8.6
Sun Slots (SA)	28	**12.1**	8.2
SOUTH AFRICA, INCLUDING SUN SLOTS	785	**11.4**	8.6
Nigeria	34	**11.7**	15.9
Eswatini	0	**0**	100.0
TOTAL	**819**	**11.1**	**11.1**

Improving our organisational culture

SunWay formula for success

Sun International's progress assessment against the SunWay culture across our South African operations gives employees a chance to give feedback on how they identified with the formula and to provide ideas on how to improve processes and efficiencies. The SunWay culture is integrated and embedded in learning interventions, wellness, recruitment, the employee value proposition and the employee recognition programme, Sun Stars.

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 and a challenging and enabling work environment. We drive the 12 EVP messages internally and externally and integrate them into various group initiatives to embed them in all processes. We continue to position our EVP externally to showcase Sun International's brand and attract talent. The EVP has helped create a great brand for the group's talent attraction.

To ensure we are sensitive to employee needs and concerns, particularly after the effects of Covid-19, we realigned our EVP to ensure our focus meets employee needs. We concentrated on these elements in 2022. As depicted alongside, we focus on four elements that engage employees and make them feel part of the Sun family.

I FEEL **UNDERSTOOD**
Drive deeper connections with family and community

I FEEL **INVESTED**
Personal growth - growing as people not just professionally

I FEEL **VALUED**
Take collective action on purpose

I FEEL **CARED FOR**
Holistic wellbeing and driving usage of programmes

Source: Gartner 2021 research.

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PERFORMANCE OVERVIEW continued

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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. A total of R2 million (2021: R2 million) was allocated to grant the wishes of those Sun International employees most in need of help. To help as many people as possible, the maximum amount allocated to any employee for assistance was R3 500. Categories considered most important included medical assistance, shelter and security, food and education.

We also introduced a new initiative, **Changing a Life,** with the chief executive's award. Being in the business of providing incredible guest experiences, we love to give some of those positive experiences to our own people. We make a difference in the lives of many employees by granting wishes in the areas they need it most. This is the first time a chief executive's award has been handed out, giving one deserving employee a significant step up and making a difference in her life at work and at home.

The wishes granted since inception are shown below.

2016
134 wishes received
34 wishes granted

2017
164 wishes received
54 wishes granted

2018
306 wishes received
103 wishes granted

2019
512 wishes received
194 wishes granted

2020
556 wishes received
501 wishes granted

2021
808 wishes received
485 wishes granted

2022
812 wishes received
848[1] wishes granted

1 Sun International granted a special allocation to our Sibaya employees in terms of flood relief, therefore the beneficiaries are more than the actual wishes received.

FIRST CHIEF EXECUTIVE AWARD RECIPIENT:
TRYPHOSA MOTUPA, AN INSPECTOR AT TIME SQUARE

Tryphosa joined Sun International 18 years ago. After nine years of service, she noticed that she was suffering from hearing loss in both ears. A very long road of audiologists, hearing aids, costs and challenges followed. She struggled to work with the noise around her and her hearing continued to deteriorate, causing difficulty understanding speech, especially with background noise. She coped with the help of lip reading and careful focus, but Covid-19 and the need to wear masks between 2020 and 2022 made life extremely difficult.

In 2020, Tryphosa managed to get one hearing aid through her medical aid. Although this made a big difference, a second hearing aid was needed but would not be covered by medical aid for five years. This made work challenging and the cost of a second hearing aid was too expensive.

Tryphosa was encouraged by HR to make a wish in the 2022 Changing Lives campaign and her wish was granted. Tryphosa stated that the gift of hearing was the biggest gift she had ever received. This award was made in appreciation of her loyalty and the many years of hard work and dedicated service she has given to Sun International and Time Square.

Changing a life with the CE's award

From left to right:
Anthony Leeming, CE; Janica Steyn, Audiologist; Tryphosa Motupa, Inspector; Maditshaba Sekgota, HR manager; Ruben Gooranah, GM Time Square; and Christopher Sin Hidge, Tables Manager Time Square

KZN FLOOD RELIEF TO OUR EMPLOYEES

The March 2022 high rainfall in KwaZulu-Natal led to massive flooding, damage and loss of life in the province. The devastation follows the impact of looting and unrest in mid-2021. While Sun International did not suffer damages at Sun Sibaya, many of our people and the surrounding communities were impacted.

Sun International, through Sun Sibaya and The Sibaya Trust, pledged R2 million and R0.5 million respectively towards flood relief initiatives supporting the local community. Many employees also wanted to offer their colleagues support, and a bank account was set up where employees could deposit funds. The group then matched the donated funds.

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 84% (7 041) registrations (2021: 7 054) to date. The App also creates awareness around the group's campaigns and initiatives.

Unions and employee relations

Sixty-five percent (2021: 64%) 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. In the year under review our engagement focused on finalising the shop stewards' representatives across our units.

Talent management initiatives

Creating a high-performance culture

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

Succession management

Talent management remains a priority in the organisation. In 2022, the talent review process was implemented group-wide at executive, senior and middle management levels, culminating in robust talent review sessions with executives to identify high-potential talent and successors for the Sun International leadership pipeline. These individuals were earmarked for focused development initiatives to address their development gaps.

Recruitment and assessment

Sun International continued to use candidate search engines such as LinkedIn and Career Junction as a key source for the attraction of the right talent. We also use 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 their competencies. There will be a greater focus on mentorship in 2023 to fast-track the middle management women leaders in preparation for future senior vacancies. In response to the need for better women representation in the organisation, we focus on our women's development programme.

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PERFORMANCE OVERVIEW continued

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Learning and development

Educational development of group employees

During 2022, all units showed an increase in the return to higher numbers of training interventions completed, and a marked increase in the adaptation of new courses offered to Sun International by the preferred provider, Reach Summit (formerly The International Hotel School). The most popular online courses remain the Wits Digital and Wits Enterprise offerings as well as the UCT online GetSmarter programmes. These run for 12 to 16 weeks and both specialists and managers at all units are encouraged to pursue these. The competency rates for these are very high and we have several returning students now who, once they have passed one course through Wits Digital, request further online training towards the end of the year.

Leadership development

During 2022, we launched the online Elea platform for leadership (senior and middle management and specialists) as part of our talent and management leadership process. Twenty-nine leaders have been placed on the programme, which enables them to participate in an engaging and interactive AI-enabled, online development centre to identify their leadership strengths and development areas. The programme then engages the leaders in online development interventions, allowing them to reassess progress against their development areas on a continuous basis to ensure ongoing development.

In addition, a further online learning pilot programme using LinkedIn Learning was made available to 110 employees to focus on developing individual skills. With the enormous response and positive outcome from this pilot process, a full LinkedIn Learning process will be launched for management across our business from January 2023, with approximately 500 participants.

Learnerships

All Sun International units learnerships have recommenced with the preferred provider, Reach Summit. The first Further Education and Training Certificate: Gaming Supervision training online was provided for both Sibaya and Time Square candidates. After 12 months, all candidates were deemed competent and are now eligible for a full qualification in gaming management. Given the success of the pilot, the second programme commenced mid-2022, with candidates from Boardwalk, Grand West, Golden Valley, Windmill, Flamingo and Sun City participating. Candidates meet online monthly to discuss their progress.

Learning and development initiatives

The Maslow ran a successful HR day and invited all learning providers and HR experts to discuss any queries around study loans and bursaries. Financial wellness, bursaries and appropriate learning methods were discussed, and there were numerous giveaways. These initiatives boost employees' confidence and encourage them back into the field of studying.

The Wild Coast Academy was successfully launched in 2022. Students from the community are now actively involved in this hospitality programme delivered by the Durban branch of the Reach Summit. Much renovation and work went into making the venue for the Academy a huge success and this was well received by the surrounding communities. Reach Summit provided a discounted rate for the external students. The Academy is also now the site for all learnership training.

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 our brand promise of 'creating lasting memories'.

The CLEAR serving is what we do to entrench:

Our service principles.

Our CLEAR (connect, listen, engage, act and reconnect) interaction processes.

Our people paying attention to detail and focusing on our customers.

Skills development spend

Training incorporated face-to-face training as well as virtual training (blended learning) for specific functions within the group. In 2022 South African training spend, including Sun Slots, was R84 million (2021: R52 million). The number of employees trained also increased. South African training spend, excluding Sun Slots, was R82 million (2021: R49 million). The total number of South African employees trained, excluding Sun Slots, in 2022 was 6 812 (2021: 3 770) and including Sun Slots was 7 050 (2021: 3 954).

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

		December 2022	December 2021
Leviable payroll	R million	1 550	1 371
Training costs	R million	82	49
% of leviable payroll		5.3	3.6
South Africa: Grants and levies			
Skills development levy paid	R million	13.4	13.4
Mandatory grants received	R million	4.9	5.7

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. A core function and responsibility of the remunerations and benefits department is to ensure that Sun International's remuneration approach supports the group's business strategy and that the group can attract, motivate, reward and retain critical and scarce skills for the various South African business units. We continued to focus on and develop remuneration practices to ensure that all employees are remunerated fairly, responsibly and transparently. Part of this exercise included adopting a Framework for Fair Remuneration Policy, which included addressing equal pay for work of equal value, and the disparity of the pay gap between male and female employees across the group.

Equal pay for equal work

We conduct equal pay for work of equal value analyses and assessments annually, to ensure that pay parity is retained between persons performing similar roles and functions across the group. Where anomalies are identified, these are addressed as part of the overall remuneration and human resources plan. As part of the 2021/2022 equal pay analyses, we introduced once-off lump-sum payments for employees in respect of the 2021 financial year. This was implemented as proactive interventions to ensure the ongoing motivation and retention of these employees, for both non-bargaining employees and bargaining employees.

Performance management

The performance management process is under continuous review in response to our business needs. During 2022, the performance measurement process for all senior employees was amended and a new performance rating scale was piloted for senior roles to provide clear recognition of performance, including values and culture. A 360-degree assessment was also developed and rolled out to middle and senior management to enhance the quality of performance discussions. This new template was well received and will be rolled out to all management and non-bargaining unit employees in 2023.

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PERFORMANCE OVERVIEW continued

People and culture	Health, safety and wellness	Socio-economic development	Enterprise and supplier development

Employee wellness

As the Covid-19 threat abated, business gained traction and the pervasive sentiment was one of realistic optimism. The year also presented inevitable challenges and the holistic One Sun Wellness (OSW) programme supported employees in various ways as discussed below.

One Sun Wellness

OSW advocates for vulnerable communities. In 2022, there was an unprecedented appetite for wellness across the business, with OSW being well placed to satisfy the number of onsite activations and meet the demand for counselling and advisory services. Contact targets were met and the counselling utilisation rate exceeded expectations with engagement levels of 173% (12 131 contacts) in the LifeAssist programmes.

Psychosocial support

The Employee Wellbeing Programme (EWP) provides employees and their household dependants (including domestic helpers) with 24/7 access to professional counselling, wellness consultation, legal advice, financial coaching, and debt management services. In 2022, **1 163 cases (2021: 894) were registered, a 30% increase in case load and an increase in the case utilisation rate, from 13% to 17%**. The top four reasons related to stress, in-moment support, bereavement and family issues.

Workplace absenteeism management

The Workplace Absence Management (WAM) programme reaches out to employees and offers professional health coaching and counselling to address the underlying reasons for absenteeism. Line managers also benefit from consultations with a health professional, to manage absenteeism appropriately. During 2022, contact was made with employees through 2 505 telephone conversations. The top five reasons related to respiratory disorders (20%), musculoskeletal (19%), domestic/personal (14%), Covid-19 (11%), digestive (7%) and psychiatric (7%).

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 early identification of chronic diseases of lifestyle that can inform the risk mitigation strategy. Employees gain insight into how to prevent or manage health and lifestyle risks and engage with a health coach to identify and address these risks. At-risk individuals are referred to the EWP, WAM or a chronic disease management programme. **Onsite testing for 2022 was highly satisfactory with 1 913 (2021: 1 897) participants.** The major health risk is obesity.

Managing HIV/Aids

Sun International's LifeSense HIV disease management programme assists HIV-positive employees on primary healthcare to maintain adherence to anti-retroviral viral treatment ensuring they live healthy and productive lives. There are currently 116 (2021: 120) active members across fourteen units. All employees and household members have access to the post-exposure prophylaxis (PEP) programme, which can prevent HIV infection through accidental exposure. This benefit is a vital component of the 365 Days of Activism campaign to end violence and abuse. The PEP benefit was accessed by nine employees in 2022.

Addressing gender-based violence (GBV)

GBV is a social pandemic, exacerbated by many other forms of abuse and cruelty. Sun International has zero tolerance for all forms of violence and abuse. 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. Our GBV is championed by the resorts and hospitality chief operating officer, Graham Wood, and HR Director, Verna Robson and we tackle this social pandemic tirelessly – **365 Days, every year, going beyond 16-Days of Activism.**

In 2022, we held internal and external campaigns to promote awareness of GBV. See case studies below.

We are well positioned to reach people in the workplace and through our presence in surrounding communities. **The group launched the #NOEXCUSES campaign** on the strength of its allegiance with Father-A-Nation during the 16-Days of Activism period. In 2022, the business dedicated resources to embedding the EE Act Code of Good Practice to Eliminate Harassment in the Workplace. Sun International also adopted Father-A-Nation and the TEARS Foundation.

Several business units hosted awareness events and adopted local projects, as discussed in the case study below.

The group also offers support through our EWP, OSW and community-based initiatives to those who are caught in the cycle of abuse in their professional and/or personal lives – both victims and perpetrators. Several awareness events were hosted by the units and our LifeAssist platform in 2022.

Training and wellness interventions

In 2022, more training opportunities presented for in-person engagements. The focus was on transfer of knowledge and skills to managers and introducing staff to the OSW benefits through onboarding programmes. In 2022, 658 (2021: 676) delegates participated in EWP-related training initiative. Topics included: OSW Manager Masterclass: WAM; Manager Masterclass: Crucial Conversations with Confidence; OSW Onboarding; women's and men's health and mental health.

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 2 943 visits. This touchpoint ranked highest at 24% of overall engagement.

CASE STUDY

COMMITTING TO TRANSFORMING OUR WORKPLACE AND SOCIETY:
SUN INTERNATIONAL TACKLES GBV

SDGs supported

One in four women will experience violence from men and are five times more likely to be killed than men. It is time to change.

Self-defence online courses for women

Sun International has collaborated with forgood, South Africa's largest volunteering platform, who hosted two free, virtual self-defence workshops to equip women with techniques to defend themselves.

Impact
The classes and the campaign are aligned to the 16 Days of Activism where people around the world come together to raise awareness around GBV, challenge discriminatory attitudes and end violence against women. They also included insights and support from Lawyers Against Abuse as well as information that women can use to empower themselves to react meaningfully in dangerous situations.

School educational workshops for scholars

Sun International is taking educational workshops to schools in need, tackling issues like The Six Virtues of True Masculinity and No Excuse for Abuse. Learners are educated about the GBV crisis, the forms it takes, as well as actions that each person can take. Learners are also trained on the dangers of early sexual engagement, the risks of infections, early pregnancy and dropping out of school. Girl learners are taught about the risks of dating older men and statutory rape.

In a broader socio-economic workshop, 200 learners and educators from Minerva Secondary School attended a course that focused on the challenge of crime, gangsterism and contract killing. This workshop was run in partnership with Father-A-Nation, who spoke to the community about crime and trying to repair what is broken. Learners were taught that they are valuable and that they have their whole lives ahead of them.

Impact
280 learners attended a course at Naledi Secondary School, which focused on training the learners on five actions to fight GBV. The boys were taught that the qualities of a man is not determined by his material possessions but his character and how he treats others.

Course at Naledi Secondary School

"Thank you to the Sun International Team and Father-A-Nation for coming. We deal with so many challenges and the fact that you can visit our school and help us train and equip our learners gives us so much hope."
Ms Simphiwe Mzangwe, Educator.

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People and culture | **Health, safety and wellness** | Socio-economic development | Enterprise and supplier development

HEALTH, SAFETY AND WELLNESS

Preventing stakeholder harm
- **Ensuring** the health and safety of our customers and employees is protected, is a priority
- **Protecting** the group's reputation

Proactive control and risk mitigation
- **Ensuring** proactive risk management
- **Providing ongoing** employee training and awareness

Innovative solutions to manage health, safety and wellness
- **Investigating** innovative solutions through our integrated wellness approach

Maintaining compliance, alignment to standards and best practice
- **Ensuring** ongoing compliance management through relevant standards and regulations
- **Conducting** various internal and external compliance audits

Embedding a caring and vigilant culture
- **Providing ongoing** sustainability awareness focusing on risk-based topics

The health, safety and wellbeing of our employees, guests and communities is our responsibility. They are important to our business as they directly impact our reputation and sustainability. Through our health, safety and wellness framework, we manage and monitor health and safety group-wide, protecting relevant stakeholders, maintaining legislative compliance, and improving health and safety performance.

OUTCOMES

Zero fatalities experienced across the group

Achieved a **90% customer satisfaction score** relating to health and safety perception

Improved overall training uptake by 43% for employees

Achieved zero penalties, infringements, or convictions from government, regulatory or local authorities

Overall fire risk prevention performance **improved by 10%** with a total of 73% of findings being closed out

KEY FOCUS AREAS IN 2022

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

✅ Achieved   ◑ In progress

LOOKING AHEAD

▶ **Migrating and embedding** the current health and safety, risk management and incident reporting processes from the current web-based management platform to a new, integrated ESG and enterprise risk management (ERM) platform.

▶ **Investigating and implementing** succession planning for the health and safety function group-wide.

▶ **Revising and communicating** all SHE management system procedures.

▶ **Identifying** emerging trends, innovation, and enhancements to improve health and safety performance across the group.

▶ **Integrating** the existing health and safety risk management processes with the group's ERM approach.

People and culture | **Health, safety and wellness** | Socio-economic development | Enterprise and supplier development

KEY PERFORMANCE INDICATORS

Health and safety management, which is a pillar of ESG, focuses on the prevention of harm to all stakeholders that are directly or indirectly affected by the group's activities, products and services. Sun International remains committed to reporting on relevant and applicable indicators.

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 and SDG 8 – Decent work and economic growth.

To measure performance against our social obligations, Sun International defined key performance indicators (KPIs) that measure and monitor the success of internal controls to detect issues and prevent harm. These indicators are designed to improve health and safety performance and risk mitigation for all stakeholders across the group. Stakeholders in this instance may include employees, contractors, service providers, guests, communities, shareholders and regulators. Targets were set for five years, from 2020 to 2025, using 2019 as the baseline period. Incremental milestones were set each year to assist each business unit to achieve the overall group targets. The injury-related KPIs were set using the 2019 JSE averages. All other KPIs were set against internal performance criteria, established and approved by management to ensure the health, safety and wellness strategy is successfully implemented.

All data used to measure KPI performance is gathered monthly through a defined reporting process, where business units submit their data to the health and safety specialist at central office. This data is checked and verified quarterly to ensure accuracy, reliability and transparency. Any discrepancies and performance gaps are reported back to the units to be fixed before final management reporting.

The KPIs listed in the table alongside highlight the group's progress towards the achievement of its health, safety and wellness performance targets.

Group health and safety performance	Group target 2025	Milestone target 2022	Achieved 2022	Milestone target 2021	Achieved 2021	Progress
STRATEGIC OUTCOME: PREVENT HARM TO OUR STAKEHOLDERS						
Achieve a reduction in Lost Time Injuries (LTIs) or maintain a Lost-Time Injury Frequency Rate (LTIFR) at or below the baseline from 2019	0.47	10% reduction in LTIs or maintain LTIFR of 0.49	1.04	10% reduction from 0.99	23% reduction to 0.76	⊗
Achieve a reduction in Medical Treatment Cases (MTCs) or maintain a Total Recordable Injury Frequency Rate (TRIFR) at or below the baseline from 2019	0.89	10% reduction in MTCs or maintain TRIFR of 0.89	1.65	10% reduction from 1.96	38% reduction to 1.21	⊗
Achieve a reduction in First Aid Cases (FACs) or maintain a Total Injury Frequency Rate (TIFR) at or below the baseline from 2019	4.64	10% reduction in FACs or maintain TIFR of 4.64	7.31	10% reduction from 7.84	10% reduction to 7.02	⊗
Maintain a Fatal Injury Frequency Rate (FIFR) of 0.00	0.00	0.00	0.00	0.00	0.00	✓
Achieve employee training targets on the Group SHE Management System procedures	100%	20% up y-o-y	40% up y-o-y	30% up y-o-y	13%	✓
Achieve or improve customer satisfaction survey targets relating to health and safety perception	95%	85%	90%	85%	92%	✓
STRATEGIC OUTCOME: PROACTIVELY CONTROL AND MITIGATE OUR RISKS						
Improve audit module utilisation on the SHE Management system platform	100%	85%	81%	80%	32%	❯
Improve utilisation of the improvement module on the SHE Management system platform	100%	80%	91%	70%	47%	✓
Improve incident reporting on the SHE Management system platform	100%	100%	98%	80%	79%	❯
Implement all OHS awareness training for employees as per unit approved training plans	100%	Improve by 20% compared to 2021	-8%	100%	54%	⊗
Implement all OHS awareness training for service providers and contractors as per unit approved training plans	100%	Improve by 20% compared to 2021	96%	100%	64%	✓
Improve OHS compliance training for identified employee groups as per unit approved training plans	100%	Improve by 20% compared to 2021	110%	100%	68%	✓
STRATEGIC OUTCOME: IMPLEMENT INNOVATIVE SOLUTIONS TO MANAGE HEALTH SAFETY AND WELLNESS						
Implement new or innovative solutions to improve risk management or employee wellbeing	14 (100%)	14 (100%)	13 (93%)	14 (100%)	9 (64%)	❯
Implement wellness initiatives at each property	28 (100%)	28 (100%)	29 (104%)	28 (100%)	27 (96%)	✓
STRATEGIC OUTCOME: EMBED A CARING AND VIGILANT CULTURE						
Achieve employee participation in sustainability awareness initiatives	100%	70%	52%	50%	46%	❯
Recognise employees per property for sustainable behaviour	25 employees per unit, total 350 (100%)	10 employees per unit, total 140 (100%)	84 (60%)	5 employees per unit, total 70 (100%)	41 (29%)	❯
STRATEGIC OUTCOME: MAINTAIN COMPLIANCE, ALIGN TO INTERNATIONAL STANDARDS AND ADOPT BEST PRACTICE						
Implement at minimum compliance related medicals for identified employee groups	100%	100%	55%	100%	79%	⊗
Achieve a minimum audit score for sustainability audits	100%	90%	87%	80%	85%	❯
Achieve zero penalties, infringements, or convictions from government, regulatory or local authorities	0 (100%)	0 (100%)	0 (100%)	0 (100%)	0 (100%)	✓
Close out all high priority findings from the last fire and life safety inspection	100%	100%	63%	100%	89%	❯
Close out a % of all moderate priority findings from the last fire and life safety inspection	100%	70%	81%	60%	89%	✓
Close out a % of all low priority findings from the last fire and life safety inspection	100%	50%	73%	30%	94%	✓
Close out a % of all risk control audit inspection findings	100%	70%	82%	60%	84%	✓
Close out all critical and major findings from the food safety and legionella audits	100%	100%	76%	100%	97%	⊗
Close out a % of all minor findings from the food safety and legionella audits	100%	85%	97%	80%	92%	✓
Close out a % of all findings from the prior year's sustainability audit	100%	85%	85%	80%	84%	✓

✓ Target achieved　　❯ Target not achieved / Good progress made　　⊗ Target not achieved / Additional action required

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People and culture | **Health, safety and wellness** | Socio-economic development | Enterprise and supplier development

MANAGEMENT APPROACH

The responsibility for health, safety and wellbeing management is split into three levels:

OPERATIONAL MANAGEMENT

Each unit has appointed SHE professionals responsible for health and safety risk and compliance management. This includes implementing the group SHE management system, making use of cloud-based tools and driving training and awareness initiatives at the units.

STRATEGIC MANAGEMENT

The group health and safety specialist is responsible for setting out the health, safety and wellbeing strategy for the group and identifying specific mechanisms for the achievement of the group objectives and targets. This is an advisory role working collaboratively with the SHE professionals to ensure operational execution of the group strategy.

EXECUTIVE MANAGEMENT

The group ESG manager and the group risk manager assess group-wide health and safety risks and opportunities through the ERM framework and report through the director of corporate services to exco.

Health and safety management is reported via the group ESG manager to the social and ethics and risk board committees.

PERFORMANCE OVERVIEW

Sun International adopted a back-to-basics approach in 2021 to ensure that initiatives started before 2020 regained momentum, with significant progress in reprioritising health, safety and wellness performance improvements.

PREVENTING STAKEHOLDER HARM

Covid-19

The health and safety of our customers and employees remains a priority, helping to protect our reputation as a memorable destination of choice. In May 2022, the Department of Health repealed the Covid-19 regulations. However, Sun International still complies with the Occupational Health and Safety Act, Hazardous Biological Agent regulations, and the Code of Practice, that was promulgated by the Department of Labour, regarding the management of exposure to SARS-COV-2 in the workplace. All units updated their existing Covid-19-unit task-based risk assessments and risk mitigation plans and presented them to the trade union and SHE committees on site for consultation purposes, and to central office for review purposes, following consultations with various stakeholders. Furthermore, in July 2022 the Covid-19 hygiene audits were cancelled, however, microbiological testing (hand, surface and air plate sampling) continued.

While the group respects employees' choice, we encourage employees to have the Covid-19 vaccination. Our Covid-19 vaccination awareness portal continues to provide updated Covid-19 and vaccination-related information and we have various communication posters throughout our sites.

Occupational Health

Occupational health risks are monitored by the group health and safety specialist and we are pleased to note that zero (0) noise induced hearing loss or other occupational diseases have been recorded across the group.

Group SHE management system

Training on the group SHE management system procedures began in 2021 and continued in 2022 with a goal to improve training by 20% year-on-year. Overall, 8 out of the 14 units achieved their target with an average of 40% of employees trained across the group (2021: 13%). Although this is an improvement on the previous score, this will remain a focus area in 2023.

Customer satisfaction

Customer satisfaction was also a key driver for measuring our health and safety performance and effectiveness of the management system implementation. The existing survey method was reviewed to incorporate health and safety satisfaction criteria, to establish a benchmark against which customers perceive their health and safety experiences.

As a group, we achieved an average satisfaction score of **90%** (2021: 92%) against the target of 85% with 12 out of the 14 Units achieving their target.

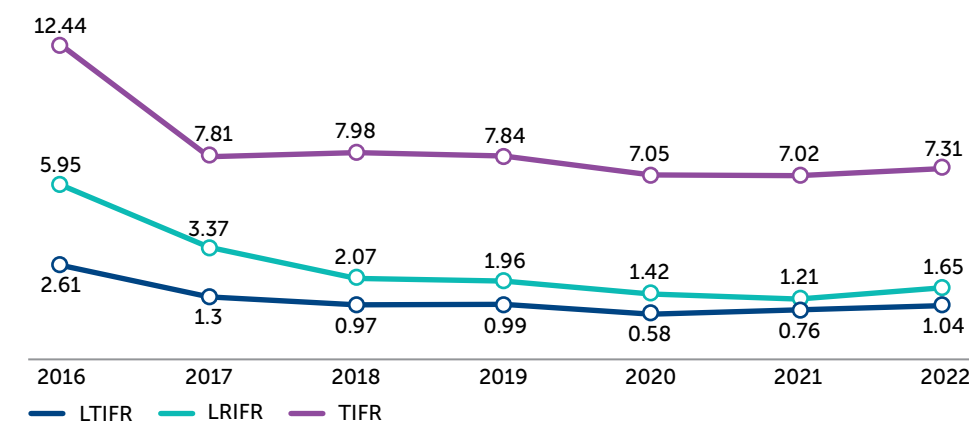## Injury reduction and prevention

Fatalities

Sun International achieved zero work-related fatalities group-wide, maintaining a FIFR of 0.00 (2021:0.00) 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 27% to 1.04 when compared to 2021 (0.76) and by 5% when compared to the 2019 baseline (0.99). Our TRIFR increased by 27% to 1.65 when compared to 2021 (1.21), however, it reduced by 16% when compared to 2019 (1.96). The TIFR for the group increased by 4% to 7.31 when compared to 2021 (7.02), however it reduced by 7% when compared to 2019 (7.84).

The increases noted when comparing to 2021 are to be expected due to the muted operating period in 2020 and 2021 as a result of the Covid-19 pandemic. In 2022, the business largely operated at full capacity, therefore comparisons to the 2019 baseline are a more accurate reflection of the group's health and safety performance. The reductions achieved can be attributed to the renewed focus on back-to-basics across the group, however, additional efforts are required to focus on preventing injuries that result in lost-time. This will be a key focus area for 2023.

Injury frequency rate reductions 2016 – 2022

	2016	2017	2018	2019	2020	2021	2022
TIFR	12.44	7.81	7.98	7.84	7.05	7.02	7.31
LRIFR	5.95	3.37	2.07	1.96	1.42	1.21	1.65
LTIFR	2.61	1.3	0.97	0.99	0.58	0.76	1.04

— LTIFR — LRIFR — TIFR

Forward planning

Preventing stakeholder harm remains a key focus area for the group in 2023. Introducing the new ESG and ERM platform will enable better oversight of injury trends and enable proactive prevention measures to be identified. Focus will continue to be placed on the implementation and training associated with the group SHE management system and benchmarking our performance against customer satisfaction expectations.

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PERFORMANCE OVERVIEW continued

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PROACTIVE CONTROL AND RISK MITIGATION

Compliance and risk management platform

The development and roll out of the new ESG and ERM management platform commenced in 2022 and was launched in the first quarter of 2023. The group continued to use the existing electronic platform and focused on improving implementation by using the auditing, improvement and incident reporting modules, which enable proactive risk management.

Overall, incident reporting on the system improved, with a 98% uptake (2021: 79%) and 13 out of the 14 units fully utilising the module. Utilisation of the audit module increased by 49% to 81% (2021: 32%) with 10 out of the 14 units achieving their target, however, just missing the group milestone target by 4%. This was largely due to the lack of dedicated staff at certain units; appointments are in the process of being finalised. Utilisation of the improvement module improved by 44% to 91% (2021: 47%) with 13 out of the 14 units achieving their target. These processes will migrate onto the new platform.

Training and awareness

In 2022, the group began to standardise and improve risk-based and compliance training across the group. Sun International partnered with Reach Summit and respective health and safety training providers, to ensure that standardised content is delivered to all employees across all business units. These measures will be implemented from 2023.

All units did, however, continue with regular compliance and awareness training initiatives and improved overall training uptake by 43% for employees, and 102% for service providers and contractors when compared to 2021. The group did not achieve its milestone target to improve awareness training for employees, but did exceed its target for service provider awareness by improving training by 96% and employee compliance training by 110% year on year. 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

	Employees	Service providers and contractors
2022	1 563	7 867
2021	1 090	3 903
2020	7 792	1 573
2019	2 651	5 467

■ 2022 ■ 2021 ■ 2020 ■ 2019
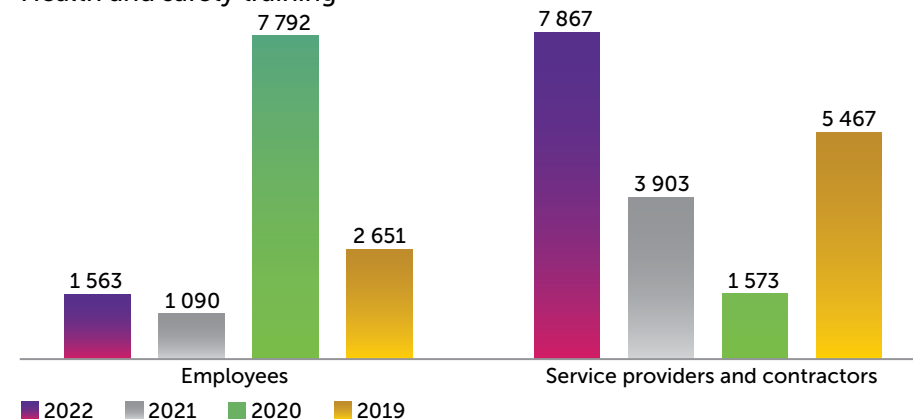
Forward planning

In 2023 we will focus on implementing the new ESG and ERM management platform and achieve improved health and safety data analytics through business intelligence. We will also ensure that the standardised approach to training is adopted, and we aim to improve training levels of employees, service providers and contractors.

INNOVATIVE SOLUTIONS TO MANAGE HEALTH, SAFETY AND WELLNESS

Occupational health and wellness integration

All SHE professionals across the group completed an ergonomic risk assessment course, equipping the team to do individualised ergonomic risk assessments for employees. These assessments will complement ergonomic risk assessments conducted by approved inspection authorities. A twelve-month project was initiated from September 2022 to assess where most employees experience ergonomic risks, enabling relevant action plans to mitigate those risks.

The centralised wellness committee implemented joint wellness days at each property, with 29 wellness interventions taking place across the group (2021: 27). These interventions provided employees with opportunities to do voluntary on-site testing and health risk assessments, and obtain general health and wellness information through themed events. A total of 1 913 employees participated in these events, with an overall uptake of 36% across the group. In addition to this, 13 innovative solutions were implemented across the group to improve risk management or employee wellbeing.

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 2022, the sustainability awareness campaign was changed to quarterly updates, with a focus on fatigue management awareness in quarter 4. The campaign included launching a video clip on Sun Talk where employees had to watch and answer questions that entered them into a prize draw. All 14 units participated, with 59 winners out of the 1 026 participants within the group.

Approximately 52% of employees participated in sustainability awareness initiatives, falling short of the milestone target of 70% for the year, but remains a 6% improvement year-on-year. It was pleasing to note that 84 employees were recognised for demonstrating sustainable behaviour practices across the group; an improvement of 51% compared to the prior year. This was however not enough to meet the milestone target of 140 employees for 2022.

Forward planning

Awareness initiatives will continue in 2023 and focus on relevant risk-based topics.

CASE STUDY

SDGs supported

3 GOOD HEALTH AND WELL-BEING

WILD COAST SUN

It has been reported in several cases that abandoned beaches become a hazard for the coastal rural communities of the Eastern Cape. Wild Coast Sun, a beach resort, partnered with local community organisations like Amadiba Welfare Association that offer sea rescue and surf rescue services. During this initiative, members of the immediate communities were trained for a three-month period to become skilled and qualified lifeguards.

Wild Coast Sun funded the training programme, which included all material used in the classes, registration fees, exams and catering. With the advantage of the newly launched Sun Academy they had access to state-of-the-art resources to enhance their learning experience. The programme had 32 participants from the local community who attended lessons from Monday to Friday. During weekends, the Amadiba Welfare Association members continued with their voluntary programme and formed part of the Wild Coast Sun Water Park team by monitoring the beach and the pool areas within the complex.

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MAINTAINING COMPLIANCE, ALIGNMENT TO STANDARDS AND BEST PRACTICE

Medical surveillance

Our medical surveillance programme gives employees the opportunity to do risk-based and voluntary medical assessments. The group medical surveillance policy was reviewed in 2022 and units' implementation is monitored quarterly by the group health and safety specialist. Out of the 14 units, nine have adopted the medical surveillance policy and are implementing medical assessments for employees and shift workers exposed to various risks. Our target was to ensure that all properties implement at least the compliance related medicals at their operations – we achieved 55% of the roll out in 2022 (2021: 79%) and this will remain a key focus area in 2023.

Internal audits
Sustainability cross-unit audits

The sustainability cross-unit audits were conducted in quarter 3 and 4 of 2022. The assessments' scope remained the same as in 2020, focusing on compliance and risk prevention. The group achieved an average OHS audit score of 87% (2021: 85%), which is an increase of 2% but fell 3% short of the group target of 90% or higher.

Sustainability audits – health and safety score (%)

85% 2021 → 87% 2022
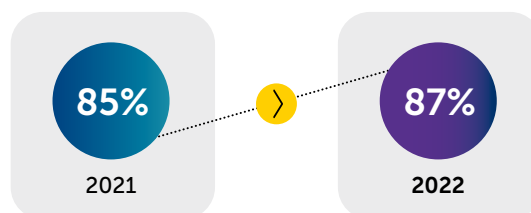
External audits
Government and local authority inspections

In 2022, 70 formal inspections were conducted by government and local authorities, with numerous informal inspections. We received zero (2021: 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; the Department of Environmental Health; fire and disaster management services; and the South African Police Service. These inspections focused on Covid-19 compliance as well as regulatory inspections in respect of the Occupational Health and Safety Act and regulations.
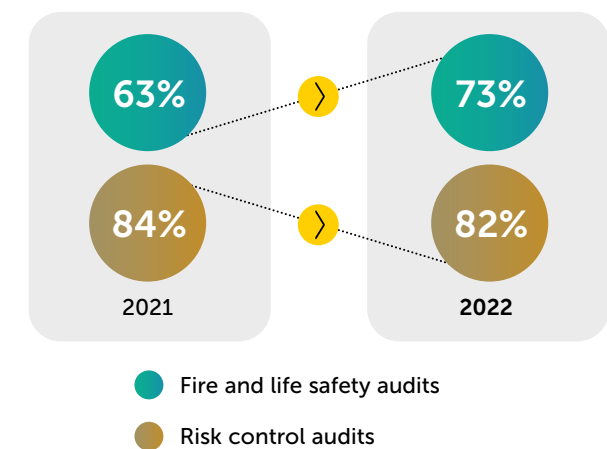
Hygiene audits

Sun International prides itself on maintaining the highest food safety and hygiene standards, by monitoring, and mitigating all hygiene-related risks through independent third-party assurance audits, focusing on food safety and legionella risk management. Overall, our 2022 performance pertaining to food safety audits declined by 2% group-wide, comparatively. Our audit score target is set at 90% with KPIs set to ensure that a certain percentage of audit findings are closed out.

We achieved a 76% (2021: 97%) audit finding closure outcome for all critical and major audit findings and exceeded our target of 80% by closing out 96% of all minor findings. Continual focus on improving performance is driven through monthly performance monitoring. Overall audit scores across both audits and performance are illustrated in the graphic alongside.
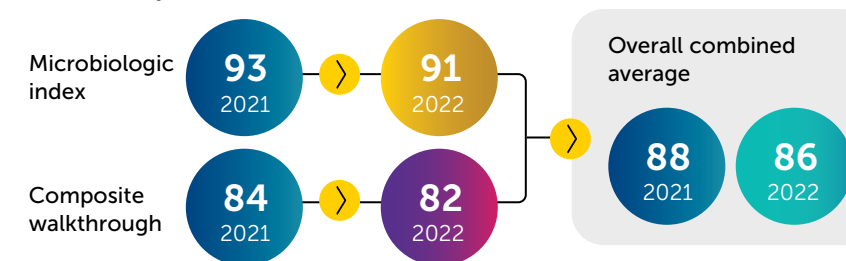
Fire, life safety and risk control audits

Independent external audits focused on assessing fire prevention and control were done during the year. These audits included fire equipment servicing, maintenance and repair interventions; OHS Act compliance; public health and safety; and emergency preparedness are conducted annually. **Overall fire risk prevention performance improved by 10% with a total of 73% of findings being closed out (2021: 63%).** Other risk prevention performance reduced by 2% with a total of 82% of findings being closed out (2021: 84%) compared to the prior year.
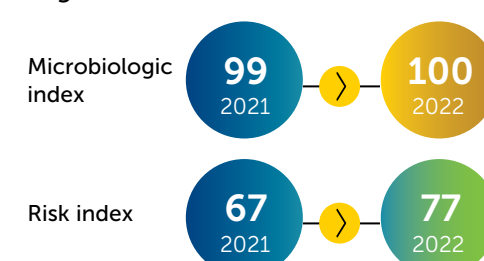
The graphic alongside illustrates the fire and life safety and risk control audit progress made to close out findings from the prior year.

63% → 73%
84% → 82%
2021   2022

● Fire and life safety audits
● Risk control audits

Food safety (%)

Microbiologic index: 93 2021 → 91 2022
Composite walkthrough: 84 2021 → 82 2022

Overall combined average
88 2021 — 86 2022

Legionella (%)

Microbiologic index: 99 2021 → 100 2022
Risk index: 67 2021 → 77 2022

Forward planning

Ensuring compliance and the closure of prior year audit findings remain a key focus area for 2023. We will also focus on enhancing proactive risk management through finalising and implementing the group fire and legionella risk management standards.

Sun International

STRATEGIC LEADERSHIP | SUSTAINABLE VALUE CREATION | ENVIRONMENTAL PERFORMANCE | **SOCIAL PERFORMANCE** | SUPPORTING GOOD GOVERNANCE | ANNEXURE JSE METRICS | CORPORATE DATA AND ADMINISTRATION

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People and culture | Health, safety and wellness | **Socio-economic development** | Enterprise and supplier development

SOCIO-ECONOMIC DEVELOPMENT

Socio-economic development and CSI in-kind donations

- **Creating shared value** by providing ongoing support to the communities where we operate
- **Aligning our projects** with the needs of the communities, with a focus on education

Gaming licence conditions

- **Ensuring we comply** with our gaming licence conditions as part of our social licence to operate

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

SED spend R27.6 million

CSI in-kind spend R5.3 million

Projects supported:

Launch of the Sun International eco-schools project: This was implemented at **18 schools nationally, with over 500 learners** involved in environmental lessons, incorporating climate resilience and safe schools teacher workshops

Back-to-school donations: As schools opened their doors for the 2022 school year, Sun International **donated over R1.7 million in back-to-school essentials** for previously disadvantaged learners

Employee volunteering initiative: During Mandela month, **62% of employees donated goods** to worthy causes in partnership with forgood, South Africa's largest online volunteering platform

Page 30

Tackling gender-based violence (GBV): Committed to transforming our workplace and society, Sun International hosted educational workshops for learners and piloted an online self-defence workshop to help equip women to defend themselves

Page 30

Reaching out to support KZN flood victims: Guests and employees donated **R500 000 for KZN flood victims,** including essentials like linen, face cloths, mattresses and bath sheets etc.

KEY FOCUS AREAS IN 2022

Launch the GBV campaign, integrating communities, to raise awareness and take a stand against the scourge of family violence in South Africa.	⟩
Integrate environmentally sustainable programmes, namely eco practices, sustainable food gardens, water, waste, energy, and community involvement.	✓
Create partnerships, through our multi-stakeholder approach, to achieve and create meaningful social impact.	✓
Increase employee participation and engagement in volunteering by creating awareness and embedding our volunteering culture.	⟩
Continue to play a meaningful role in the local communities where we operate, including activities to engage with, invest in and develop local communities.	⟩

✓ Achieved   ⟩ In progress

LOOKING AHEAD

- Aligning our social investment with current and emerging issues
- Developing an annual monitoring assessment model to ensure we track our impact and measure the level of improvement since the inception of Sun International's funding model
- Building strong social, environmental and governance practises
- Developing and implementing the Isometrix software toolkit to optimally manage our community stakeholder relations and drive our social risk management and compliance

STRATEGIC LEADERSHIP | SUSTAINABLE VALUE CREATION | ENVIRONMENTAL PERFORMANCE | **SOCIAL PERFORMANCE** | SUPPORTING GOOD GOVERNANCE | ANNEXURE JSE METRICS | CORPORATE DATA AND ADMINISTRATION | 37

People and culture | Health, safety and wellness | Socio-economic development | Enterprise and supplier development

SOCIO-ECONOMIC DEVELOPMENT

Education has been a key area of focus for Sun International. Over the years we have invested in improving literacy, numeracy and matric results, with the aim of developing talent that can go on to pursue work employment opportunities in various sectors. 60% of our SED investments is geared towards education and youth development where we can make the most impact: Our educational programmes are highlighted below.

▶ **Adopt a School programme:** Since 2019 we have adopted 50 schools, where we empower students to engage in responsible learning for global sustainability.

▶ **Literacy programme:** We aim to improve literacy levels at foundation phase, namely Grades 1 to 7.

▶ **Bursary programmes:** Awarded to deserving students in the fields of hospitality and performing arts.

▶ **Maths and Science workshops**: Designed for Grade 10 to 12 students and provides tuition in Computer Applied Technology, Mathematics, English, Physical Science, Life Science and Accounting.

▶ **Sun International Back to School Drive:** Collectively Sun International donated R1.7 million worth of back-to-school essentials, namely school shoes, stationery and uniforms.

▶ **Early Childhood Development:** Implemented a school nutrition programme to provide balanced meals for pre-school children, which is necessary for their holistic development.

KEY PERFORMANCE INDICATORS

Sun International's group SED strategy, incorporated into our SED framework, ensures all processes are streamlined across units and provides guidance in respect of adherence to the various gaming licence conditions and group targets. This framework also guides applicable standards when identifying, approving and implementing projects, and provides a platform for projects that integrate the environment, health and safety, as well as SED.

	2022 R million	2021 R million
SED spend[1]	**27.6**	14
CSI in-kind[2]	**5.3**	13
Complying with gaming licence conditions	**n/a**	n/a

1 Sun International's SED spend is based on 1% net profit after tax (NPAT) and is allocated to education (R18 million), sport (R1.8 million), arts and culture (R2.4 million) and other (R5.3 million).
2 Sun International's CSI spend includes — both in-kind monetary and non-monetary. 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.

MANAGEMENT APPROACH

Our SED policy and framework aims to direct the group's intent and commitment to invest in projects that bring about positive social change in the geographical areas in which the group operates. At Sun International we are guided by our strategic framework and follow a robust process in identifying and governing SED approvals and ensuring we manage and create greater impact in our communities.

Communities are encouraged to apply via Sun International's website and complete the online application form

SED project approval governance process

Operational and implementation

All unit SED practitioners develop an SED plan which ensures continued focus on SED and allows for a comprehensive and holistic overview of the strategic approach to SED, including prioritisation, planning and implementation

These plans are reviewed and approved by the unit SED committees and submitted to the group SED specialist annually

Management

The group SED specialist is responsible for defining the group flagship projects and defined targets and KPIs

Unit plans are reviewed by the group SED specialist to ensure alignment to the focus areas i.e: education, sports and arts and culture

As set out in our group SED policy, projects that fall outside of our focus areas, units are required to submit a special motivation form for Trust approval

Sun International Social Community Development Trust (SISCDT)

The SISCDT committee representatives meet on a quarterly basis to review and approve all unit SED implementation plans

Once approved the group SED specialist advises the unit of the outcome and provides the sign-off

All projects and data are captured on the internal accounting system for auditing and monitoring on a quarterly basis

SOCIO-ECONOMIC DEVELOPMENT

Socio-Economic Development (SED) is integral to our business strategies, all of which help us create shared value, fulfil our licence conditions, and promote B-BBEE and corporate governance processes. Our social licence to operate means we strive to uplift, empower and share value across the communities where our units are located. We understand that community cohesion is critical to our future sustainability.

Qualification and allocation is depending on the project meeting Sun International Socio-Economic Development Policy.

Compliance & Criteria

1) Registration
- Must be a registered Non-Profit Organisation (NPO) and/or
- a Section 21 (not for gain) Company and/or
- a Registered Charitable Trust.

2) Management
- Must be in existence for more than two years
- Must have a management board in place.

3) Accountability
- Must have a cheque account in the organisation's name with more than one signatory
- Must have audited financial statements
- Must have at least one annual report
- Must be able to issue a Section 18A Certificate.

Applications for SED assistance may be submitted on the following basis:
- Applications shall be approved or declined at the sole discretions of the Units SED Committee
- Applications that are incomplete or do not contain supporting documents shall be rejected without consideration

Creating value

SED initiatives are focused on **education, sports and arts and culture projects with an emphasis on education,** which is critical in alleviating poverty and ensuring economic stability.

Effective stakeholder engagement is critical to the group and continues to receive critical focus.

Sun International

STRATEGIC LEADERSHIP | SUSTAINABLE VALUE CREATION | ENVIRONMENTAL PERFORMANCE | **SOCIAL PERFORMANCE** | SUPPORTING GOOD GOVERNANCE | ANNEXURE JSE METRICS | CORPORATE DATA AND ADMINISTRATION | 38

People and culture | Health, safety and wellness | **Socio-economic development** | Enterprise and supplier development
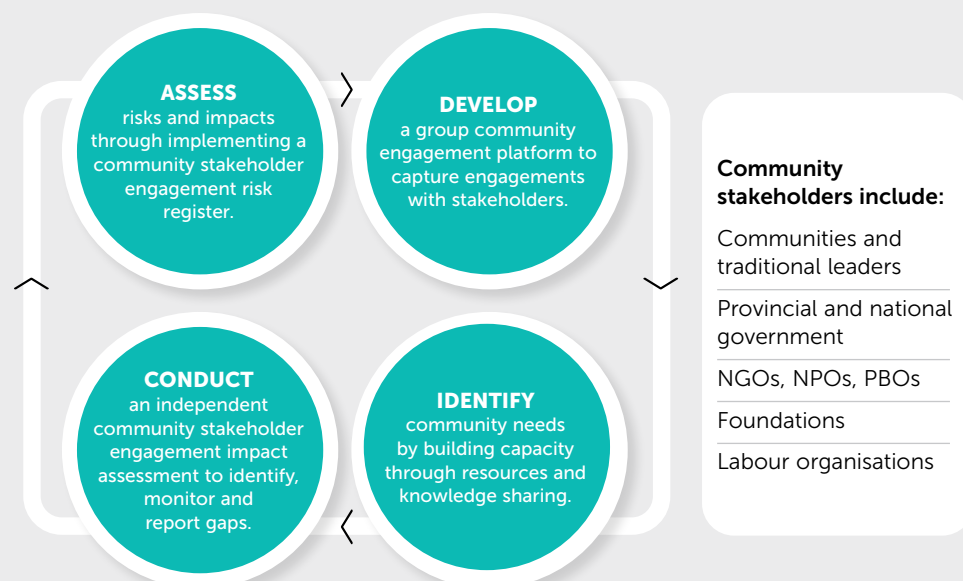
MANAGEMENT APPROACH continued

Measuring impact

Our stakeholder focused approach ensures that we have a mutual understanding of the areas where we can make a measurable impact. We are guided by the contribution our initiatives make to the Sustainable Development Goals (SDGs), the Global Reporting Initiative (GRI) and the National Development Plan (NDP) of South Africa.

The group's three KPIs are aligned to our group strategic framework and **support the achievement of the global SDGs, while driving our target and initiatives through our shared-value approach.**

1 Gaming licence conditions

2 Targeted SED spend 1% NPAT

3 CSI in-kind spend
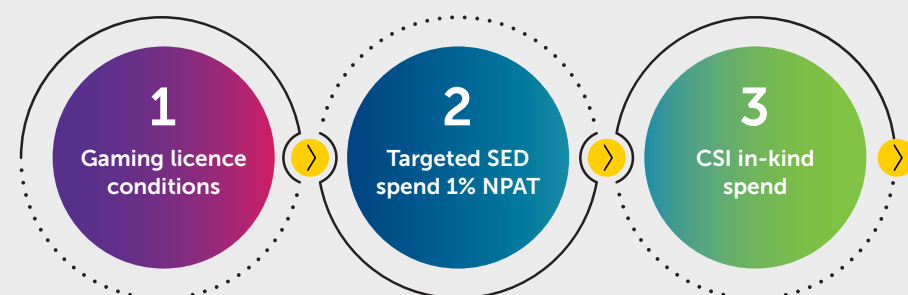
Community stakeholder engagement

We continue to focus on building and maintaining transparent community relationships. The group SED stakeholder engagement specialist and the SED unit professionals are responsible for these engagements and ensure transparent communication for shared value and sustainable SED initiatives. 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, monitor and report 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

Social capital

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

SED vs CSI in-kind spend

CSI is a unit-specific operational expense allocated to projects of interest to the group and its employees. Most CSI initiatives are funded by each business unit, and donations received from our guests and partners. Although the gaming boards recognise CSI in-kind spend, the B-BBEE Act only recognises the SED spend based on 1% NPAT. These CSI in-kind donations do not form part of the NPAT for calculating the group's SED spend per the B-BBEE Codes.
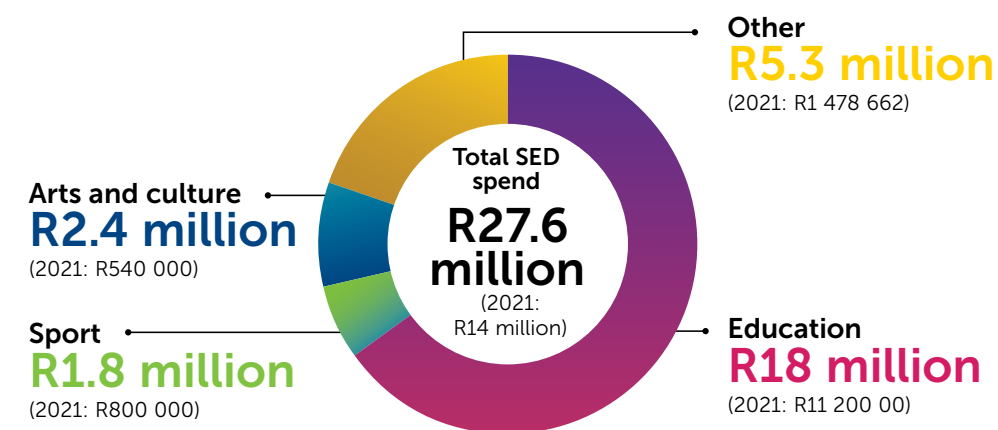
Our SED projects are allocated to initiatives that facilitate sustainable access to the economy for our beneficiaries and are governed by our SED policy. Our SED investment is allocated according to Sun International's SED project focus areas — education, sports, and arts and culture, with an emphasis on education, which is critical to alleviating poverty and ensuring economic stability. As a group 70% of our spend is allocated to group-wide SED projects and 30% 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 of 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, sport and arts and culture. Units completed a special projects motivation, which is reviewed and approved by the group SED specialist as opposed to the 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.

PERFORMANCE OVERVIEW

SED spend

Sun International's SED spend for the period under review amounted to R27.6 million (2021: R14 million). We obtained the maximum 8 points allocated for SED spend during 2022, 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.

Total SED spend
R27.6 million
(2021: R14 million)

Other R5.3 million
(2021: R1 478 662)

Arts and culture R2.4 million
(2021: R540 000)

Sport R1.8 million
(2021: R800 000)

Education R18 million
(2021: R11 200 00)

CSI spend

The group invested in various CSI initiatives — both in-kind monetary and non-monetary — including donations, sponsorships and charitable givings of approximately R5.3 million (2021: R13.0 million) across our South African units. The in-kind monetary spend significantly decreased in 2022 due to the properties supporting the KZN Flood relief victims by donating linen and other essential items. This amount includes a R2 million (2021: R2 million) education funding contribution to employees and their families through the group's Changing Lives campaign.

TOTAL CSI SPEND

2022	2021
R5.3 million	R13 million

Sun International

STRATEGIC LEADERSHIP | SUSTAINABLE VALUE CREATION | ENVIRONMENTAL PERFORMANCE | **SOCIAL PERFORMANCE** | SUPPORTING GOOD GOVERNANCE | ANNEXURE JSE METRICS | CORPORATE DATA AND ADMINISTRATION

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People and culture | Health, safety and wellness | **Socio-economic development** | Enterprise and supplier development

CREATING SHARED VALUE THROUGH OUR PROJECTS

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. All our selected programmes align closely with the SDGs depicted alongside.

2 ZERO HUNGER **3 GOOD HEALTH AND WELL-BEING** **4 QUALITY EDUCATION** **6 CLEAN WATER AND SANITATION**

SPORT CASE STUDY

SDGs supported

4 QUALITY EDUCATION

LEARN TO SWIM

Learn to Swim is a rural-based initiative to address the growing need for skills development among youth and children. This three-month programme is an after-school programme at the Wild Coast Water park. The purpose is to equip our local children with swimming skills and provide certification from Lifesaving SA. The programme includes learning about rips and currents, treating bluebottle stings and understanding flag signals.

78 Learner participation

7 Number of local schools

25 Learners graduated

EDUCATION CASE STUDY

ECO-SCHOOLS PROGRAMME LEADS LEARNERS TOWARDS SUSTAINABLE, CLIMATE-RESILIENT SCHOOLS: SUN INTERNATIONAL INVESTS OVER R1 MILLION TO HELP LEARNERS PREPARE FOR CLIMATE CRISIS

SDGs supported

4 QUALITY EDUCATION | 13 CLIMATE ACTION

Learners at 18 schools nationwide have been supported by Sun International in a three-year partnership with the Wildlife and Environment Society of South Africa (WESSA) as they create eco-classrooms to build environmental resilience in schools and their communities. Sun International donated just over R1 million to support the programme in schools in areas surrounding their properties – Cape Town's GrandWest Hotel and Casino, Bloemfontein's Windmill Casino, Gauteng's Central Office and Carnival City, Pretoria's Time Square, Durban's Sibaya Casino, Worcester's Golden Valley Hotel and Casino, and the South Coast's Wild Coast Sun Resort. The aim is to ensure that learners understand the science, impacts and solutions of climate change and are better prepared to deal with the climate change crisis and advocate for mitigation and adaptation policies at a local and national level.

Situating Sun International's Eco-schools
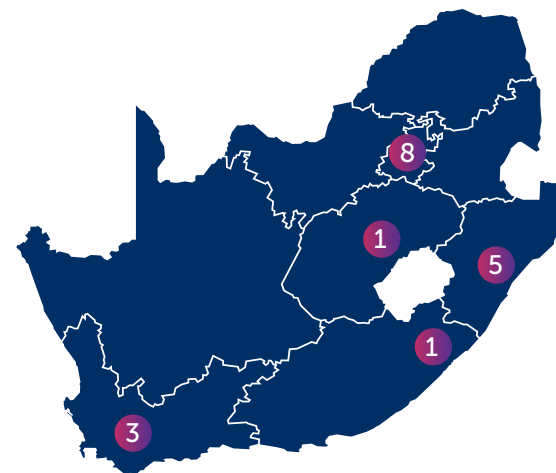
● Number of Eco-schools per province

Central office 4 Eco-schools	**Golden Valley** 1 Eco-school
Carnival City 2 Eco-schools	**Grand West** 2 Eco-schools
Time Square 2 Eco-schools	**Sibaya** 5 Eco-schools
Windmill 1 Eco-school	**Wild Coast** 1 Eco-school

Benefit and impact

SUN INTERNATIONAL ECO-SCHOOLS PROJECT

- 500 Learners involved in environmental lessons
- 7 Teacher Training Workshops
- 4 Environmental Calendar days celebrated
- 49 Direct Teachers reached
- 18 Schools
- 15 Environmental Engagement sessions
- 15 Trees planted

Sun International Project Stats

Social Responsibility with a difference

WESSA — PEOPLE CARING FOR THE EARTH | Eco-Schools

www.wessa.org.za

Sun International

STRATEGIC LEADERSHIP | SUSTAINABLE VALUE CREATION | ENVIRONMENTAL PERFORMANCE | **SOCIAL PERFORMANCE** | SUPPORTING GOOD GOVERNANCE | ANNEXURE JSE METRICS | CORPORATE DATA AND ADMINISTRATION

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CREATING SHARED VALUE THROUGH OUR PROJECTS continued

People and culture | Health, safety and wellness | **Socio-economic development** | Enterprise and supplier development

ARTS CASE STUDY

CREATING SHARED VALUE THROUGH THE ACT NYOLOHA SCHOLARSHIP PROGRAMME

SDGs supported

SUN INTERNATIONAL SUPPORTS THE ARTS AND CULTURE TRUST'S NYOLOHA SCHOLARSHIP PROGRAMME (ACT NSP) WITH A SPONSORSHIP OF R400 000

SDGs supported

54 youth

3 months training

15 finalists

1 gala finals showcase

2 scholarships

In 2022, the Arts and Culture Trust launched the ACT Nyoloha Scholarship Programme (NSP) in partnership with founding Trustees Sun International and Nedbank. The ACT NSP is a training and mentorship programme aimed at youth between the ages of 17 and 25 years of age, who qualify for tertiary education and want to pursue a career in the arts. The ACT NSP canvases all nine provinces for South Africa's top talent in singing, dancing, acting, visual and digital arts. Successful applicants go through a rigorous three-month personal and professional development curriculum, after which the top 15 finalist go to Johannesburg for an intensive week of masterclasses and rehearsals. These talented students host a gala showcase performance and exhibition where an overall winner is selected for a fully paid undergraduate scholarship in an arts degree or accredited course at any recognised tertiary of professional institution of their choice in South Africa.

195 000
Campaign reach on social media

2 000 000
Campaign reach on television

Through the ACT NSP we strive to provide support and access to quality education while nurturing emerging artists. The programme provides real life experience in the professional arts world through training and mentorship. The ACT NSP also invests in the professional services of the creative industries by creating temporary employment for arts professionals. Two scholarships were awarded in visual art and dance and one scholarship for a one-year training course was sponsored by Moving Into Dance. Four performers have been employed in the arts sector.

Goals

▶ Reward commitment, excellence and growth potential in aspiring artists.
▶ Increase opportunities for mentorship and training for young aspiring artists at regional level.
▶ Increase access to tertiary education for young aspiring professionals.
▶ Stimulate and grow the creative sector through investing in knowledge creation, community networks and for-profit and non-profit partnerships.
▶ Provide mutually beneficial mentoring and apprenticeship opportunities for arts and culture graduates and professional companies.
▶ Create an ACT alumni network to enable participants and beneficiaries to pay it forward through the ACT Centre of Excellence.
▶ Present organisations with opportunities for mutual benefit in career development in the arts economy through networking. An example would be the Arts and Culture Engagement Week.

Objectives

• Supply professional training and mentorship for a three-month period.
• Increase the number of youth trained per year.
• Award an arts scholarship to the overall winner.
• Provide masterclasses by industry experts.
• Produce a gala event comprising of a performance showcase and exhibition.

Sun International

STRATEGIC LEADERSHIP | SUSTAINABLE VALUE CREATION | ENVIRONMENTAL PERFORMANCE | **SOCIAL PERFORMANCE** | SUPPORTING GOOD GOVERNANCE | ANNEXURE JSE METRICS | CORPORATE DATA AND ADMINISTRATION

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People and culture | Health, safety and wellness | Socio-economic development | **Enterprise and supplier development**

ENTERPRISE AND SUPPLIER DEVELOPMENT (ESD)

Enterprise and supplier development

- **Creating opportunities** for SMMEs to access the economy through capital funding
- **Supporting the development** of black-owned SMMEs
- **Achieving meaningful value** through effective use of funding

Preferential procurement

- **Driving** preferential procurement across the B-BBEE procurement pillars
- **Sourcing and onboarding** B-BBEE compliant suppliers
- **Procuring** supplies and services nationwide to increase spend in local communities

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

R42.3 million
(2021: R30.7 million)
invested in supplier development
129 beneficiaries assisted
(2021: 78)

R12 million
(2021: R8.3 million)
committed to enterprise development
50 beneficiaries assisted
(2021: 34)

KEY FOCUS AREAS IN 2022

Implementing a new request for an online proposal 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

Implementing our new B-BBEE system to assist with information accuracy and monitoring trends to optimise B-BBEE spend

✓ Achieved   ⊙ In progress

LOOKING AHEAD

▸ **Fostering collaboration** between other corporate entities and development finance institutions (DFIs) to create an ecosystem that helps the long-term sustainability of SMMEs.

▸ **Exploring localisation** of MVG Programme cards and leveraging available ESD funds to support supplier development.

▸ **Exploring requests for proposals (RFPs)** for business development service providers that add additional value to the beneficiaries funded.

▸ **Implementing** beneficiary impact reporting, including an assessment of revenue growth and job creation.

▸ **Engaging** our top non-compliant suppliers on their transformation goals to identify areas of collaboration and/or support for Sun International's business strategy.

People and culture | Health, safety and wellness | Socio-economic development | **Enterprise and supplier development**

KEY PERFORMANCE INDICATORS

The group has made good progress with all its key performance indicators (KPIs). Procurement spend increased, largely due to business returning to 24/7 operations and economic factors such as inflation, forex and geopolitical issues. Enterprise and supplier development spend increased 23.1%, with significant work to maximise this spend.

In 2022, as part of further efforts to improve on sustainability within our supply chain, we entered into a sustainability linked loan (SLL) with lenders. This SLL is based upon three KPIs, one being spend on suppliers that are at least 30% black women-owned. While Sun International already exceeds B-BBEE targets and typically contributes over double the required spend, the intention is to surpass this metric by further supporting businesses owned by some of the most marginalised within our communities and in business.

	Spend 2022 R million	Spend 2021 R million	B-BBEE score achieved 2022 Points/(%)	B-BBEE score achieved 2021 Points/(%)
Preferential procurement[1]	**4 084**	2 297	**100**	100
Supplier development[2]	**42.3**	30.7	**100**	100
Enterprise development[3]	**12**	8.3	**100**	100
Black-women spend	**1 005**	673	**100**	100

1 Preferential procurement is spend focused on goods and services procured from small and black-owned suppliers.
2 Supplier development refers to the financial and non-financial support provided to suppliers within our supply chain.
3 Enterprise development refers to any loans, grants, guarantees or other financial and non-financial support provided to suppliers that are not currently included in our supply chain.

MANAGEMENT APPROACH

Sun International's governance structure enables it to identify and control material ESG topics. Those relating to the supply chain are managed by central procurement in consultation with relevant stakeholders and reported to the social and ethics committee for oversight. This committee promotes ethical supplier standards, monitors potential conflicts of interest, guards against bribery and corruption, and ensures suppliers apply fair labour practices (including preventing child labour and unfair discrimination).

Engaging with stakeholders and suppliers takes place through site visits and meetings, supplier audits, supplier conferences, operational and procurement staff and daily interactions as well as through collaborative efforts on projects to improve efficiency and waste reduction at our units.

These engagement methods are further detailed on

Sun International remains focused on transformation and continues to create a diverse and equitable supply chain ecosystem within which businesses can thrive. This is done through the head of procurement and the group ESD manager, who work closely with the various units.
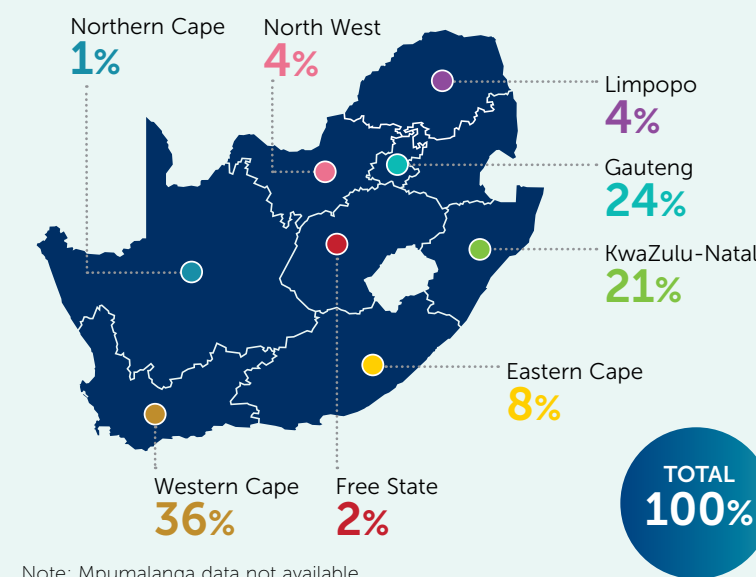
Each potential initiative is reviewed to ensure that criteria in the group's ESD plan are met and that the project is one which can be sustainable for the beneficiary and Sun International. Identifying initiatives involves a review and evaluation from a commercial and strategic perspective. Once initiatives pass the application and evaluation process, agreements are signed in line with the B-BBEE Codes, to ensure a smooth and effective implementation.

In 2022, significant progress was made to improve the ESD department from both a policy and framework perspective as well as through the quality of beneficiaries selected for funding and developmental support. Various updates and improvements were made to the enterprise and supplier development standard operation procedures (SOP), evaluation methodology, application process and awareness campaigns.
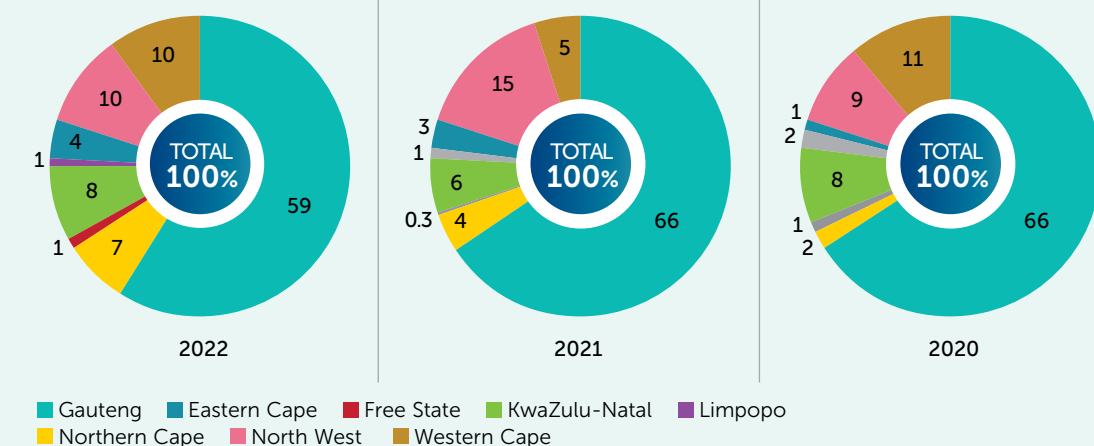
PERFORMANCE OVERVIEW

The group is committed to creating opportunities for all suppliers, especially B-BBEE-compliant SMMEs. We maintained our B-BBEE levels across all pillars to support economic upliftment through our supply chain nationally. We continue to promote procurement spend across the provinces where we operate, while ensuring optimal strategic spend. In 2022, we procured most of our enterprise and supplier development funds in the Western Cape (36%), Gauteng (24%) and KwaZulu-Natal (21%). Most of the B-BBEE spend was concentrated in Gauteng (59%), Western Cape (10%) and North West (10%).

Local geographic ESD funding spend (%)

Northern Cape **1%**
North West **4%**
Limpopo **4%**
Gauteng **24%**
KwaZulu-Natal **21%**
Eastern Cape **8%**
Western Cape **36%**
Free State **2%**

TOTAL **100%**

Note: Mpumalanga data not available.

Local geographic procurement spend (%)

2022: TOTAL 100% (59, 10, 10, 4, 8, 1, 1, 7)
2021: TOTAL 100% (66, 5, 15, 3, 1, 6, 0.3, 4)
2020: TOTAL 100% (66, 11, 9, 1, 2, 8, 1, 2)

Gauteng · Eastern Cape · Free State · KwaZulu-Natal · Limpopo · Northern Cape · North West · Western Cape

Sun International is continuously working to increase supplier and procurement spend based in local communities. Procurement opportunities are posted in community forums and local suppliers are regularly invited to our units on upcoming opportunities in procurement and ESD funding. Further work is being done to enable local suppliers to be sub-contracted in future RFPs. These suppliers will also be supported with developmental assistance to enhance procurement spend.

STRATEGIC LEADERSHIP | SUSTAINABLE VALUE CREATION | ENVIRONMENTAL PERFORMANCE | **SOCIAL PERFORMANCE** | SUPPORTING GOOD GOVERNANCE | ANNEXURE JSE METRICS | CORPORATE DATA AND ADMINISTRATION

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People and culture | Health, safety and wellness | Socio-economic development | **Enterprise and supplier development**

Preferential procurement

Sun International's total measured procurement spend for the financial year was R4.45 billion (2021: R2.6 billion), of which R4.08 billion (2021: R2.3 billion) was procured from 2 712 (2021: 3 779) verified B-BBEE-compliant suppliers. This 80% (2021: 73%) valid spend was below the group target of 95%, mainly due to business closures owing to the impact of Covid-19 and downturns in the local and global economy over the course of 2022. Our 2023 goal is to reach and maintain 95%.

Category	Suppliers		Spend 2022	Spend 2021
Exempted micro-enterprise (EME)	1 685	56%	R1 184 695 368	R568 661 384
Qualifying small enterprise (QSE)	464	16%	R613 008 812	R392 735 121
Generic	563	19%	R2 286 937 762	R1 336 458 055
Non-compliant	278	9%	R911 285 830	R727 265 091
B-BBEE spend			R4 084 641 942	R2 297 854 560

Despite the challenges facing the group, we continue to engage suppliers that support our objectives and meet our optimum B-BBEE standard: black-owned with a level 3 rating or better. In 2022, 60% (2021: 67%) of group spend met this optimum requirement, however the decrease was largely due to local suppliers being impacted by Covid-19. Our revised 2023 goal is to reach and maintain 70% (2021: 67%).

B-BBEE compliance controls are in place to ensure only B-BBEE-compliant suppliers are included in the group's supplier database and any non-compliant suppliers are suspended until they prove B-BBEE compliance. At the end of 2022, 20.5% (2021: 27%) of our suppliers were non-compliant.

Indicator categories	Revised target by 2023 (%)	Achieved in 2022 (%)	Achieved in 2021 (%)	Achieved in 2020 (%)
Black-owned spend	60	51	39	54
Black-women spend	30	23[1]	23	54
Level 1 to 3	70	60	67	71
SMMEs	45	40	30	34

1 This includes Meropa, SunBet and Sunslots.

Sourcing and supplier onboarding process within Sun International

The below graphic details what Sun International considers a best-fit supplier:

Onboarding process

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

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

Empowering supplier | Black ownership ≥ 51% | Level 1–3

Significant efforts have been made to develop and implement a suitable e-sourcing tool to support SMMEs in finding more opportunities with leveraged spend items. Further development is planned in 2023 to ensure the e-sourcing tool performs optimally.

The group successfully implemented an effective B-BBEE reporting tool enabling all units to monitor and assess our B-BBEE score in real time. The tool helps us improve our ratings and ensures we identify, collect and store documentation required for the annual verification audits. This platform also enabled all units to view current year B-BBEE scorecards, forecast future performance as at year end and view historical performance.

Enterprise and supplier development

Sun International's ESD 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 in certain operational areas remain an issue, especially around securing local procurement spend and local employment to provide socio-economic upliftment. To facilitate proactive community engagement, each unit will work closely with local communities to develop their local supply chain. 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 ESD programme identifies and assists businesses at our various properties through capital funding or other business development services, with the goal of:

▶ **Creating opportunities** for access to the economy, financial empowerment and to move beyond incubation and into true economic participation.

▶ **Enabling localisation** of industries where we currently import products, leading to improved GDP and economic growth.

▶ **Creating opportunities** for suppliers to develop beyond supplying an individual unit and into group or regional suppliers.

▶ **Supporting** the development of black-owned SMMEs.

▶ **Offering** consistent and structured application of ESD projects.

▶ **Focusing** on the sustainability of our beneficiary organisations by creating an ecosystem within which businesses can thrive and grow beyond only supplying Sun International. This can be done by leveraging existing relationships with suppliers and customers.

▶ **Supporting** strategic category management plans.

▶ **Achieving** meaningful value through effective use of funding.

The group committed R42.3 million (2021: R30.7 million) in supplier development, including early settlements substantially above the claimable value. An additional R12 million (2021: R8.3 million) was committed in enterprise development, supporting a pipeline of new business in the supply chain. The companies that have been funded include those specialising in cleaning services, engineering, scaffolding, packaging, marketing, ICT and cyber security, digital content creation, landscaping, retail and hotel amenities. Sun International has also made efforts to open opportunities for greater market access for our SMMEs by engaging other corporate entities to unlock procurement opportunities. Furthermore, Sun International has made efforts to foster greater collaboration among SMMEs within our supply chain to develop a stronger SMME ecosystem within the group.

Sun International

STRATEGIC LEADERSHIP | SUSTAINABLE VALUE CREATION | ENVIRONMENTAL PERFORMANCE | **SOCIAL PERFORMANCE** | SUPPORTING GOOD GOVERNANCE | ANNEXURE JSE METRICS | CORPORATE DATA AND ADMINISTRATION

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People and culture | Health, safety and wellness | Socio-economic development | **Enterprise and supplier development**

ESD initiatives

CASE STUDIES

SDG supported
8 DECENT WORK AND ECONOMIC GROWTH

CENTRAL OFFICE: Go-Go SHUTTLES

Overview

Go-Go Shuttles was founded in 2013 by Kenny Nkuna to empower himself and those like him who come from previously disadvantaged communities. Since its inception, the company has continued to grow sustainably, even in challenging economic times. Go-Go Shuttles is a client-centric business committed to providing reliable transport services at competitive rates and without compromising on safety and excellence.

The company started out as a basic transportation service provider that outsourced its commercial and private vehicles. It has since grown exponentially and now has its own fleet of commercial and private vehicles.

The company specialises in airport transfer, park and ride, point-to-point transportation, school transportation as well as sporting and social event transportation services.

Sun International has provided Go-Go Shuttles with an interest-free loan to the value of **R650 000** to further expand its fleet and to develop an online booking system to add value to its clients and ensure efficient service.

Mr Kenny Nkuna, owner of Go-Go Shuttles

SDG supported
8 DECENT WORK AND ECONOMIC GROWTH

CENTRAL OFFICE: 21 FRAMES PER SECOND

Overview

21 Frames Per Second is a company that specialises in digital marketing content creation. Their vision is to be content creation leaders in the industry, and they pride themselves for above-standard quality output and create with care to deliver great results. They provide quality content across multiple disciplinary requirements, from small to large-scale productions.

The two owners of the company, Quinton and Clarice Jones, collectively have over 20 years' experience as hands-on online editors, DOPs and directors. Quinton has produced award-winning content both locally and internationally, and has in-depth training and performance experience in front of the camera as a presenter and actor, setting him apart from most other producers and directors in the field. Through various positions as producer, director and editor he was able to gain valuable foundational skills in editing, managing pre- to post-production, managing talent, project management, shooting, direction, quality control, technical assistance and training of team members.

In recent times, 21 Frames Per Second has mentored young black females through a production internship programme to provide exposure to the industry and to equip them with the necessary skills required to pursue their dreams.

Quinton Jones, co-owner of 21 Frames Per Second

Sun International has funded 21 Frames Per Second with an interest-free loan to the value of **R700 000** to enable the business to procure additional camera equipment to improve their margins and produce higher-quality content.

Sun International

STRATEGIC LEADERSHIP | SUSTAINABLE VALUE CREATION | ENVIRONMENTAL PERFORMANCE | SOCIAL PERFORMANCE | **SUPPORTING GOOD GOVERNANCE** | ANNEXURE JSE METRICS | CORPORATE DATA AND ADMINISTRATION

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CORPORATE GOVERNANCE REPORT

SAM SITHOLE
Chairman

The governing body (the board) is the custodian of governance within the group, and 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

Dear stakeholders

I am honoured to have been re-appointed Sun International chairman, effective 1 January 2023 and look forward to leading the group, together with my board colleagues. During the past year, Peter Bacon retired from the board with effect from 31 March 2022 and Boitumelo Makgabo-Fiskerstrand retired from the board with effect from 10 May 2022. Dawn Marole was appointed to the board effective 12 May 2022. Enrique Cibie retired effective 31 December 2022, given that Sun International had exited its investment in Sun Dreams. Following these board changes, board committee memberships were modified to ensure alignment with the King IV Report on Corporate Governance for South Africa (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 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 to shareholders for approval.

Sun International's risk management committee is satisfied with the group's enterprise risk management approach. The risk management process is embedded throughout the group and has identified, assessed and reported 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 managed in accordance with principle 11 of King IV™. Each risk is assigned to risk owners within their areas

of responsibility and expertise and are responsible for risk mitigation. While these risk owners are identified, 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 (ESD), responsible gambling, ethics 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.

The group's IT governance structures remain resilient and responsive in securing the information stored across the group's various systems and aligning business objectives to the group's IT strategy. These structures continue to strengthen group-wide IT investment decision-making practices and enhance alignment with business needs.

The stewardship of customer information and data protection is paramount. 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 26 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 2022 annual general meeting (AGM), outlines performance incentives and ensures that executive remuneration packages 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, including 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 chairman. The board is confident that the group's resilience, diversity, robust corporate governance and strong leadership will continue to guide and steer the group to explore new opportunities and grow the business.

SAM SITHOLE
Chairman
10 March 2023

This governance report should be read with the separate sub-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.

Sun International

STRATEGIC LEADERSHIP | SUSTAINABLE VALUE CREATION | ENVIRONMENTAL PERFORMANCE | SOCIAL PERFORMANCE | SUPPORTING GOOD GOVERNANCE | ANNEXURE JSE METRICS | CORPORATE DATA AND ADMINISTRATION

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Corporate governance report | King IV™ application register | Social and ethics committee report | Independent assurance statement

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.
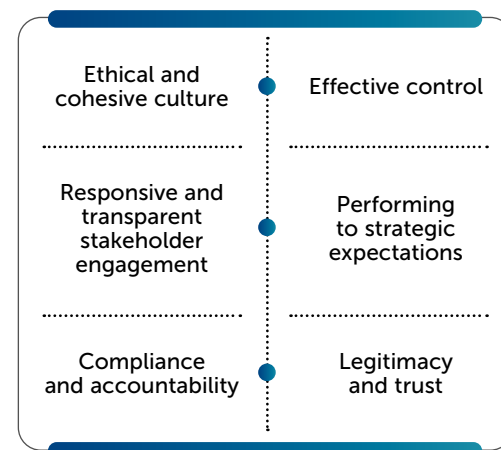
The group's corporate governance and sustainability approaches embrace ethical practices that are responsive to stakeholders and the operating environment. Good corporate governance and sustainability are important enablers in managing the group's reputation, making strategic progress, creating and preserving 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 as well as, 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.

Ethical and cohesive culture · Effective control

Responsive and transparent stakeholder engagement · Performing to strategic expectations

Compliance and accountability · Legitimacy and trust

Governance value creation

INPUTS

Code of ethics

SunWay culture

Board and executive committee (exco) expertise
- Leadership
- Finance
- Gaming and hospitality
- Hotel management
- Gaming systems
- B-BBEE and business development
- Information technology
- ESG
- Governance
- Legal
- Marketing
- Human resources
- Compliance
- Auditing

Legislation, codes and frameworks

Policies

Governance framework

Business and ESG strategy

OUTPUTS

Progress against our strategic objectives and continually **improving** the group's **ethical culture.** We also ensure our business activities make a **positive impact on society** by managing our **natural resources responsibly** and **uplifting the communities** where we operate.

OUTCOMES

Ethical and cohesive culture

Effective control, compliance and accountability

Responsive and transparent stakeholder engagement

Performing to strategic expectations

Legitimacy and trust

SUN INTERNATIONAL VISION

BOARD

GOVERNANCE FRAMEWORK

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

AUDIT COMMITTEE

CHAIRMAN
Caroline Henry

Reviews activities and performance of the internal audit function and the external auditor oversees effective governance of the group's financial results.

RISK COMMITTEE

CHAIRMAN
Tapiwa Ngara

Evaluates group-wide risks of the risk universe in which the group operates.

IT GOVERNANCE SUB-COMMITTEE

SOCIAL AND ETHICS COMMITTEE

CHAIRMAN
Zimkhitha Zatu Moloi

Monitors the social, economic and environmental activities of the group and reports to the board and the group's stakeholders on developments and progress.

REMUNERATION COMMITTEE

CHAIRMAN
Sindi Mabaso-Koyana

Reviews the group's remuneration practices and structures and ensures best corporate governance practices are applied.

NOMINATION COMMITTEE

CHAIRMAN
Sam Sithole

Evaluates the skills requirements of the board and executive management and makes recommendations on board, committee and executive composition and succession planning.

INVESTMENT COMMITTEE

CHAIRMAN
Graham Dempster

Reviews and recommends new merger, acquisition and disposal opportunities aligned to the group's strategy.

GROUP COMPANY SECRETARY

EXECUTIVE COMMITTEE

CHAIRMAN - Anthony Leeming

Oversees the implementation of decisions and strategy endorsed by the board, throughout the group.

UNIT OPERATIONAL RISK COMMITTEE

GROUP • ETHICAL CONDUCT • STAKEHOLDERS

Sun International

STRATEGIC LEADERSHIP | SUSTAINABLE VALUE CREATION | ENVIRONMENTAL PERFORMANCE | SOCIAL PERFORMANCE | **SUPPORTING GOOD GOVERNANCE** | ANNEXURE JSE METRICS | CORPORATE DATA AND ADMINISTRATION

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Corporate governance report | King IV™ application register | Social and ethics committee report | Independent assurance statement

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 2022 and overall findings were pleasing, with no material deficiencies identified. The next review will take place at the end of 2024. The board, assisted by the nomination committee, reviews the board composition to consider the group's future strategy.

Board and committee attendance: 1 January 2022 to 31 December 2022

	Board	Remuneration committee	Nomination committee	Audit committee	Social and ethics committee	Risk committee	Investment committee
Non-executive directors							
Peter Bacon[1]	1/1			1/1		1/1	
Enrique Cibie[2]	6/7	4/4		3/3		3/3	
Graham Dempster (lead independent director)	7/7		3/3			3/3	7/7
Caroline Henry	7/7		3/3	3/3	1/1	3/3	
Boitumelo Makgabo-Fiskerstrand[3]	1/1		1/1		1/1		
Dawn Marole[4]	3/5	0/1			1/1		
Sindi Mabaso-Koyana	7/7	4/4	2/2	3/3			7/7
Tapiwa Ngara[5]	4/4				2/2	3/3	6/6
Nigel Payne	6/7	3/4			2/2	2/3	7/7
Sam Sithole (chairman)[5]	4/4	4/4	3/3				6/6
Zimkhitha Zatu Moloi	7/7			2/3	3/3	2/2	
Executive directors							
Norman Basthdaw	7/7					3/3	
Anthony Leeming	7/7				3/3	3/3	

1 Peter Bacon retired effective 31 March 2022.
2 Enrique Cibie retired effective 31 December 2022.
3 Boitumelo Makgabo-Fikerstrand retired effective 10 May 2022.
4 Dawn Marole was appointed to the board effective 12 May 2022 and became a member of the remuneration and social and ethics committees effective 26 August 2022.
5 Due to restrictions in terms of section 75 (directors' personal financial interests) of the Companies Act, Tapiwa Ngara and Sam Sithole recused themselves from three board meetings and one investment committee meeting.

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 and 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 December 2022)

30 – 40 years	41 – 50 years	51 – 60 years	61 – 70 years	70+ years	Average age
2	**1**	**4**	**3**	**0**	**54**
(2021: 2)	(2021: 2)	(2021: 4)	(2021: 3)	(2021: 1)	(2021: 55 years)
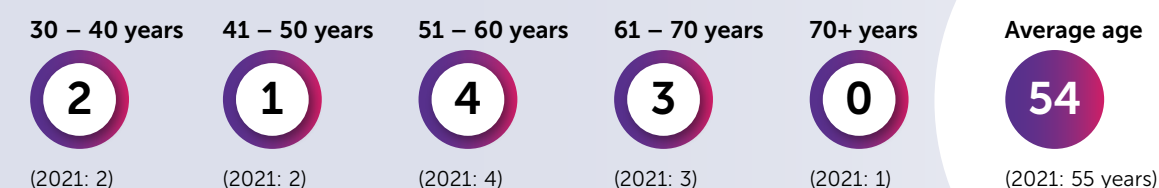
Independence

The board, through the nomination committee, annually assesses the independence of the non-executive directors against the criteria set out in King IV™ and the JSE Listings Requirements. On and prior to the date of this report, the nomination committee agreed that the current six non-executive directors satisfied the independence criteria. These directors are Graham Dempster and Nigel Payne and Caroline Henry, Sindi Mabaso-Koyana, Dawn Marole and Zimkhitha Zatu Moloi. On and prior to this report date, the nomination committee agreed that Sam Sithole and Tapiwa Ngara are not classified as independent non-executive directors as they represent a major shareholder of the group. Anthony Leeming and Norman Basthdaw are classified as executive directors.
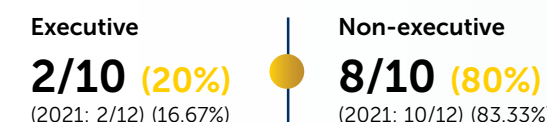
During 2022, the nomination committee noted that in terms of Sun International's MoI any director who has reached the age of 70 years or older shall retire at the AGM. Peter Bacon retired from Sun International's board effective 31 March 2022 and shareholders were advised of this in accordance with paragraph 3.59 of the JSE Listings Requirements on 22 November 2021.

Boitumelo Makgabo-Fiskerstrand retired as a board member of Sun International at the AGM held on 10 May 2022. Shareholders were advised on 21 November 2022 that, in accordance with paragraph 3.59 of the JSE Listings Requirements, Enrique Cibie, an independent non-executive director of the Company, decided to retire from the Sun International board effective 31 December 2022.
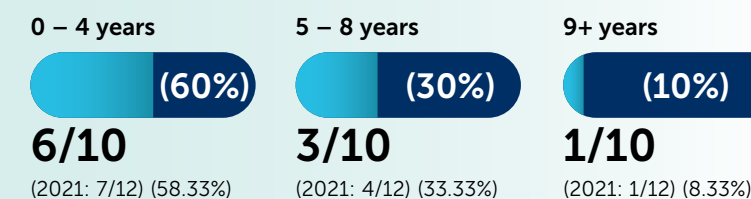
INDEPENDENCE (at 31 December 2022)

Independent	Non-independent
6/10 (60%)	**4/10 (40%)**
(2021: 8/12 (66.67%)	(2021: 4/12 (33.33%)

EXECUTIVE AND NON-EXECUTIVE DIRECTORS (at 31 December 2022)
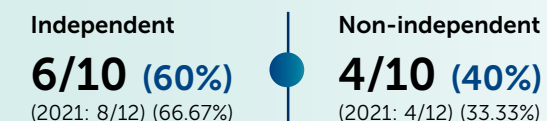
Executive	Non-executive
2/10 (20%)	**8/10 (80%)**
(2021: 2/12 (16.67%)	(2021: 10/12 (83.33%)

TENURE OF DIRECTORS (at 31 December 2022)

0 – 4 years	5 – 8 years	9+ years
(60%)	**(30%)**	**(10%)**
6/10	**3/10**	**1/10**
(2021: 7/12 (58.33%)	(2021: 4/12 (33.33%)	(2021: 1/12 (8.33%)

Sun International

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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 committee's composition, collective skills (industry knowledge, experience, technical skills and governance competencies) and competency are documented and monitored in terms of a board skills matrix. Governance competencies are considered in terms of strategy and strategic planning, policy development, financial performance, risk and compliance oversight, gaming and hospitality strategy, commercial experience, stakeholder engagement and knowledge and experience in companies with operations internationally. Gaps identified on the main board include IT/Technology, marketing/sales and hospitality sector skills and experience (following the retirement of Peter Bacon) as well as black female representation on the board. 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. Black directors comprised 40% of the total directors serving on the board (Sam Sithole and Tapiwa Ngara being excluded per the B-BBEE Codes of Good Practice) whilst the number of female directors equalled 40% of the total board composition.

GENDER
(at 31 December 2022)

Male
6 (2021: 8 males)

Female
4 (2021: 4 females)

ETHNICITY
(at 31 December 2022)

African, Coloured, Indian
6 (2021: 6)

White
4 (2021: 6)

EFFECTIVE LEADERSHIP

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

Chairman and lead independent director

The board is chaired by Sam Sithole, a non-executive director appointed as board chairman effective 2 July 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 board charter, the board chairman is subject to an annual appointment from its board members. During November 2022 the board approved the re-appointment of Sam Sithole as non-executive chairman of Sun International for a further 12-months, with effect from 1 January 2023.

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 2022, the board confirmed the appointment of Graham Dempster, lead independent director, for a further period of 12-months effective 1 January 2023.

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

Chairman's responsibilities

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

Lead independent director responsibilities

Responsible for providing support and advice to the chairman as a trusted confidante. If the chairman has a conflict of interest, the lead independent director maintains ethical and effective leadership in the chairman's absence.

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 including 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

Anthony Leeming is Sun International's chief executive and 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 2022 the chief executive was found to be adequately equipped and suitable to carry out the duties of his role.

Group company secretary

Andrew Johnston continued to serve as group company secretary during the year under review. Andrew 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 25 years. The appointment and removal of the group company secretary is a matter for the board as a whole.

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

Group company secretary responsibilities include the following:

GUIDES
The board and committees (collectively and individually) on how their responsibilities should be discharged in the company's best interests.

PROVIDES
Ongoing legal, secretarial and corporate governance support and advice to the board.

ENSURES
Appropriate induction of board members on joining the board and committees in terms of their responsibilities.

FACILITATES
Ongoing board training to ensure directors are made aware of relevant legislation, codes or frameworks impacting the group.

DISTRIBUTES
Board packs and the minutes of all the board and committee meetings and ensures that copies of the group's annual financial statements are distributed to relevant persons.

CERTIFIES
That the group has filed the required returns and notices as per the Companies Act and complied with the JSE Listings Requirements.

Sun International

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ETHICAL LEADERSHIP

Code of ethics

The group subscribes to the highest standards of lawful, ethical and responsible business conduct, and requires that all stakeholders in their interaction with the group adhere to similar principles. The group seeks to achieve sustainable growth by recognising the vested interests of all stakeholders and the group's commitment to sustainable business practices in building and maintaining a sustainable ethical culture across the group, emphasising the role each of its stakeholders play by leading by example.

The group appreciates that it operates within a network of relationships that requires collaboration with all stakeholders being honest, acting with integrity and being accountable, fair and respectful, which ultimately protects its name and reputation. 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 (which helps to ensure that all employees always act ethically and our CLEAR (connect, listen, engage, act and reconnect) customer principles and strategy.

🌐 A copy of the group code of ethics can be accessed on the group's corporate website https://corporate.suninternational.com/investors/investors-governance/code-of-ethics/

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

Ethics advice facilities and whistle-blowing hotline

The group has a zero-tolerance policy towards ethical misconduct. Each employee is required to encourage colleagues to speak-up about any ethical concerns they may have and to do what is right. Stakeholders have several avenues to report whistle-blowing incidents and/or ethical concerns or dilemmas. These include the group's 24-hour anonymous tip-off hotline independently run by Deloitte & Touche (via the portal, email and toll-free number) in compliance with section 159(7) of the Companies Act and an in-house walk-in function at any of the ethics office representatives located at central office, and a dedicated, secure and confidential ethics office email address.

The Deloitte & Touche anonymous tip-off hotline has trained operators who respond to calls in all South Africa's official languages and guide stakeholders through standardised questions. Once a tip-off has been reported, the ethics office is notified and all tip-offs reported are confidentially investigated, monitored and actioned accordingly. The ethics office liaises with whistle-blowers through these avenues to obtain information to investigate. The chief executive is advised of any matter involving senior management and any of the ethics office's representatives. There is ongoing commitment from management to ensure that all incidents reported are thoroughly investigated and that the relevant and appropriate remedial actions are taken.

Anonymity is always maintained to curb perceptions of victimisation or fear of intimidation or retaliation. All stakeholders are encouraged to report actual events or suspected events of bribery, corruption, improper inducement or influencing, or any other unlawful or unethical conduct, through these incident reporting channels.

Based on observations made by the ethics office, it appears that the incidents are being reported by both internal and external stakeholders (including customers) – this could indicate stakeholder confidence in the tip-off hotline process. The incidents reported were received through the Deloitte & Touche tip-off hotline as well as directly to the group ethics office email address.

The highest prevailing categories of incidents reported during 2019 to 2022 (inclusive) have been fraud/corruption, conflicts of interest, and human resources-related incidents. All reported incidents were investigated by management, and where necessary, corrective actions were taken. In addition, where possible, the ethics office directly interacted with the whistle-blowers or indirectly through the Deloitte & Touche hotline platform

to obtain additional information. Sun International is legally bound by the Protected Disclosures Act 26 of 2000 and is committed to the protection of whistle-blowers. None of the incidents related to human rights abuses emanating from Sun International.

Ethics management

The board, through its social and ethics committee, manages organisational ethics and has an ethics office. The ethics office strategy and implementation plan is premised on its mandate as set out in the social and ethics committee mandate and terms of reference and aligned to legislation and industry best practices, including the Companies Act, the Protected Disclosures Act, the King IV™ Report, and the ethics management framework established by The Ethics Institute. The ethics office is an independent, active and dedicated department within the group, comprising of the group ethics officer, chief financial officer, director: corporate services and director of internal audit. Its duties include, among others:

- **Partnering** with management to facilitate the enhancement of an ethical culture across the group and discouraging unethical behaviour to promote a sound ethical tone at the top.
- **Contributing** towards ethics risk management group-wide.
- **Planning**, organising, directing and controlling of all formal ethics-related group activities including creating awareness around and advising on standards of ethical behaviour and discouraging unethical behaviour.
- **Providing** oversight, management, coordination and reporting of whistle-blowing matters investigated through all incident reporting channels.
- **Promoting** ethics awareness group-wide through training, campaigns and surveys.

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, anti-money laundering and the conflict of interest policy.

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.

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. The ethics officer serves as a member of the combined assurance forum, which contributes to the group's enterprise risk management processes, and is also an invitee to the group risk working committee. Closed sessions are held between the social and ethics committee chairman, independent director, members, chief executive and the ethics officer after each social and ethics committee meeting, to discuss any material ethical issues reported group-wide.

The executive committee signed a declaration during 2022 confirming their personal commitment to the code of ethics as part of their commitment to ethical leadership and setting the ethical tone at the top.

Group values

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

Teamwork | Customer first | Passion | Professionalism

Sustainable Development Goals (SDGs)

Sun International embraces the United Nations SDGs, and we endeavour to contribute to achieving them through our operations and business strategies. The six SDGs depicted below are the most relevant SDGs and remained the key focus for 2022.

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

SUSTAINABLE DEVELOPMENT GOALS

Organisation for Economic Cooperation and Development

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

OECD

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 2022, Sun International contributed about R8 million (2021: R6 million) towards the NRGP in respect of casinos, sports betting and LPMs collectively.

The group also has various measures in place to promote responsible gambling at all our gambling properties and sites. These include responsible gambling brochures and posters on site and all gambling-related advertising and SMSs comply with national and provincial gambling laws and have the NRGP contact details. All surveillance and security departments continuously scan the gaming areas for problem gamblers and minors and if identified, they are warned and removed from the gaming areas. At a minimum all gaming employees receive responsible gambling training from the NRGP to identify possible problem gamblers. To register for MVG cards, the applicant's age is verified and a copy of their identity document is retained.

Sun International offers a self-exclusion programme whereby any person with a gambling problem can exclude themselves from gambling at specific Sun International gambling operations, or all of them. Self-excluded people are removed from the marketing mailing list and they do not receive any gambling-related communication. The players' MVG cards are deactivated, and their cash desk profile is blocked. If a person wants to uplift their self-exclusion status, they are required to attend professional counselling sessions through the NRGP and are only reinstated upon a letter from a professional psychologist or psychiatrist. Any winnings accruing to self-excluded persons and minors are forfeited, with winnings donated to a charity of the problem gambler's choice and winnings by a minor are remitted to the National Gambling Board.

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.

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, board charter and a separate conflicts of interest policy.

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.

UN GLOBAL COMPACT

Insider trading and dealing in securities

The following policies are in place:

Group disclosure policy
This policy deals with the determination of price-sensitive information, the maintenance of confidentiality and the prompt dissemination of such information in accordance with JSE 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 Financial Markets Act 19 of 2012. This policy is applicable to all employees and directors who may be deemed to be insiders for the purposes of dealing in the company's securities. Furthermore, this policy is binding on the immediate family members of all persons deemed to be insiders and any persons who may have acquired insider information from an insider.

Equal pay for work of equal value

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

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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 aforegoing or additionally thereto and being eligible, may offer themselves for election or re-election. Sam Sithole, Tapiwa Ngara and Zimkhitha Zatu Moloi retire from the board in accordance with articles 25.6.1 and 25.17 of the company's MoI while Dawn Marole retires from the board in accordance with articles 25.5and 25.17 of the company's MoI, at the upcoming AGM in May.

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 will form part of the annual statutory report as Annexure B.

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 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 2022, ongoing training was conducted including:

- Presentations from executives on matters of significance to the group.
- Engagement with the major investors on their market views.
- Circulation of articles, briefings and updates on the regulatory environment, from external specialists and the group company secretary.
- An update regarding the JSE's pro-active monitoring of financial statements.
- The Financial Intelligence Centre Act regarding the various risks the group's gambling activities may be exposed to in terms of money-laundering, terror financing and proliferation financing and the group's APEX Risk Management Compliance Programme.

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 were conducted towards the end of 2022, with no adverse findings.

An external board and committee evaluation is conducted every six years and is planned for during 2023. 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.

> **Tapiwa Ngara** was appointed as the chairman of the Sun International risk committee with effect from 1 April 2022 and as a member of the social and ethics committee with effect from 10 May 2022. He then resigned from the social and ethics committee with effect from 10 March 2023.
>
> **Sindi Mabaso-Koyana** was appointed as a member of the Sun International nomination committee with effect from 10 May 2022.
>
> **Caroline Henry** resigned as a member of the Sun International social and ethics committee with effect from 10 May 2022.
>
> **Zimkhitha Zatu Moloi** was appointed as the chairman of the Sun International social and ethics committee and as a member of the Sun International risk committee with effect from 10 May 2022.
>
> **Nigel Payne** was appointed as a member of the Sun International social and ethics committee with effect from 10 May 2022.
>
> **Dawn Marole** was appointed to the board on 12 May 2022 and as a member of the Sun International remuneration and social and ethics committees with effect from 26 August 2022.

Board meetings

A minimum of four board meetings are scheduled for each financial year. The board also reviewed and approved changes to the composition of certain of the board and statutory committees of the company:

The board held its annual strategy session with the broader executive management team, to deliberate on the group's strategic direction and agree on the group's annual budget as proposed by management. The group's key strategic objectives 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.

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Stakeholders addressed

Top risks addressed
R1 R3 R4 R5 R8 R9

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Audit committee

BOARD COMMITTEES AND ATTENDANCE

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

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

Each committee comprises three or more members, the majority of whom are independent, except for the risk committee of which 57% of the members are independent and 71% non executive. 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 of Sun International's subsidiary companies as well as Meropa, being an associate company. This is subject to annual confirmation. The Sun International social and ethics committee performs the same function for all Sun International subsidiaries. Meropa has however established its own social and ethics committee.

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

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

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

Independence*
100%
(2021:100%)

Attendance**
92%
(2021:93%)

* Independence % is calculated as at 31 December 2022.
** Attendance % is calculated based on attendance throughout the year including those who retired.
1 Enrique Cibie retired effective 31 December 2022.
2 Peter Bacon retired effective 31 March 2022.
3 Effective 25 August 2022, Graham Wood attends audit committee meeting by right of attendance.
^ Executive.

In addition to the above, Deloitte & Touche and certain key members of senior Sun International management attend the audit committee meetings by invitation.

FOCUS AREAS DURING 2022
- 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 summary of audit findings and status update relative to the annual audit plan.
- Reviewed information technology risks as they relate to financial reporting.
- Reviewed adequacy of internal audit resources and expertise.
- Reviewed and approved the scope of the risk-based internal audit plan for the year ended 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.
- Recommended the re-election of the external auditor to the board and shareholders.
- Reviewed the combined assurance policy and framework and implementation plan.
- Reviewed the results of the audit committee evaluation, the evaluation of internal audit by the committee and management as part of Sun International's commitment towards complying with best corporate governance practice in terms of King IV™.

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).
- 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 Deloitte & Touche not impairing the independence of Deloitte & Touche.
- Positive results of the audit committee self-evaluation exercise and evaluation of internal audit by the audit committee and management where no material issues were identified by committee members.
- Fact that the audit committee has executed its responsibilities set out in paragraph 3.84(g) of the JSE Listings Requirements.
- Amendment of the audit committee's terms of reference to include the chief operations officer at meetings by right of attendance.

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 any further potential 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™.

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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 race diversity is considered in all appointments and that the board's employment equity status is either maintained or improved
- **confirms** the appointment of employer-appointed trustees to the retirement fund

Committee member	Number of meetings	Attendance
Sam Sithole	3	3
Graham Dempster	3	3
Caroline Henry	3	3
Boitumelo Makgabo-Fiskerstrand[1]	1	1
Sindi Mabaso-Koyana[2]	2	2
Right of attendance		
Anthony Leeming (CE)^	3	3

Independence*
75%
(2021:75%)

Attendance**
100%
(2021:100%)

Stakeholders addressed

Top risks addressed

R1

CLICK HERE TO SEE EXPLANATION OF ICONS

* Independence % is calculated as at 31 December 2022.
** Attendance % is calculated based on attendance throughout the year including those who retired.
1 Ms Boitumelo Makgabo-Fiskerstrand retired from the Sun International Board as well as the nomination committee effective 10 May 2022.
2 Ms Sindi Mabaso-Koyana was appointed as a member of the Sun International nomination committee with effect from 10 May 2022.
^ Executive.

FOCUS AREAS DURING 2022

- Annual independence evaluation of each non-executive director.
- Re-appointment of Sam Sithole as non-executive chairman of Sun International and Graham Dempster as lead independent director of Sun International.
- Board changes and changes to board committee memberships.
- Assessed the qualifications, competency and expertise of Andrew 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.
- 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 MoI.
- Management's engagement with the National Gambling board and the dti regarding aligning national key employee licence/probity application templates with POPIA and other data privacy laws.
- The committee self-evaluation exercise.

SATISFIED ITSELF AS TO THE:

- Independence of each non-executive director categorised as independent.
- The appointment of Sun International's chairman and lead independent director.
- The proposed election and re-election of directors at the 2022 and 2023 AGMs.
- 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.
- Gaps identified on the board included IT/Technology, marketing/sales and hospitality sector skills and experience (including gaming) as well as black female representation on the board.
- 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.
- Appointment of new employee elected trustees for the Sanlam Umbrella Fund.
- Zero changes to the board members' JSE schedule 13 declarations since their initial appointments to the boards.
- Positive results of the committee self-evaluation exercise with no material issues identified by members.
- The group's employment equity strategy being well managed and that overall, the group meets and, in most cases, exceeds its EE targets and that the only areas that the group needs to focus on is to improve its EE targets at senior/executive level.

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 gender, race and 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.

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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 IT governance risks
- **monitors** and reviews stakeholder engagement with regard to assessing and dealing with stakeholder issues and concerns
- **assesses** the compliance environment in which the group operates
- **reviews** and satisfies itself regarding the group's insurance portfolio

Committee member	Number of meetings	Attendance
Peter Bacon[1]	1	1
Nigel Payne	3	2
Enrique Cibie[3]	3	3
Caroline Henry	3	3
Graham Dempster	3	3
Tapiwa Ngara[4]	3	3
Zimkhitha Zatu Moloi[5]	2	2
Norman Basthdaw (CFO)[^]	3	3
Anthony Leeming (CE)[^]	3	3
Graham Wood[2]	1	1
Verna Robson[2]	1	1
Right of attendance		
Verna Robson[12]	2	2
Graham Wood[12]	2	2
Pragasen Pather[^]	3	3

Independence*

57%

(2021:50%)

Attendance**

96%

(2021:96%)

* Independence % is calculated as at 31 December 2022.
** Attendance % is calculated based on attendance throughout the year including those who retired/resigned.
1 Peter Bacon retired from the board and the risk committee on 31 March 2022.
2 The risk committee was re-constituted at the board meeting held on 11 March 2022 to exclude Graham Wood and Verna Robson as members but to attend meetings by right of attendance.
3 Enrique Cibie retired from the board and risk committee with effect from 31 December 2022.
4 Tapiwa Ngara was appointed as the chairman of the risk committee with effect from 1 April 2022.
5 Zimkhitha Zatu Moloi was appointed as a member of the risk committee with effect from 10 May 2022.
^ 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, and who attends risk committee meetings by invitation.

FOCUS AREAS DURING 2022

- Reviewed the group's risks and identified the top 10 risks detailed in the risk management report.
- Ongoing impact of weak economic conditions with the Covid-19 risk having reduced somewhat but remained a threat.
- Recovery of the hospitality and tourism industry.
- Reviewed the group's insurance programme before presentation to the board for approval.
- Impact of civil unrest on international tourism.
- Reviewed cyber-security controls as cyber-attacks increase.
- Monitored legislation impacting the group.
- Monitored various legal matters.
- Focused on continued relationship building with minority shareholders.
- Reviewed risk control and internal audit management reports.
- 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 due to 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 four assurance layers – management, support functions, internal and external assurance.
- Potential Playtech implementation risks.
- Reviewed water and electricity efficiencies and supply risk.
- Reviewed gaming and non-gaming compliance and group sustainability matters.
- Reviewed the group's Business Continuity Management Strategy and Policy.
- Reviewed Sun International's proposed Enterprise Risk Management Strategy and Framework that supports the integration of risk management with strategy, combined assurance and across all business processes. This was approved by the risk committee at its first meeting of 2023.
- Compliance with data protection laws, such as POPIA.
- Reviewed Sun International's proposed ESG strategy.

SATISFIED ITSELF AS TO THE:

- Control processes around governance, risk management and controls which had been adequately designed and effectively implemented to support the achievement of the strategic objectives.
- The establishment of a POPIA compliance function into a maintenance and management phase that would involve the implementation of an established culture, continued monitoring of compliance and automated personal information inventories and third-party due diligence assessments.
- Finalisation of Sun International's ESG strategy.
- Creation by Human Resources of the required awareness of the provisions of the Code of Good Practice on Prevention and Elimination of Harassment in the Workplace and that training would be implemented during 2023.
- Fact that the revised APEX Risk Management and Compliance Programmes (RMCPs) and RMCP Controls together with all supporting policies, procedures and products/services rating matrix for each casino entity was approved at the board and various subsidiary boards. Anti-Money Laundering training had also been provided.
- Ongoing engagement with the Association of Certified Anti-Money laundering Specialists (ACAMS) to provide gaming specific anti-money laundering training to all relevant anti-money laundering personnel within the group.
- Ongoing focus by management on embedding controls in partnership with Internal Audit, in terms of King IV™ IT governance.
- Ongoing focus on sustainability initiatives – waste and utility management, health, safety and wellbeing.
- Continued monitoring of the heightened risk of power outages and the impact of this on group electrical infrastructure.

Stakeholders addressed

Top risks addressed

R1 | R2 | R3 | R4
R5 | R6 | R7 | R8
R9 | R 10

CLICK HERE TO SEE EXPLANATION OF ICONS

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, any future potential 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.
- Analysing the third-party independent review report of the group's risk management approach and methodology once received.
- Integrating the group's enterprise risk management framework with the combined assurance framework to further enhance the group's risk management and assurance process.
- APEX Risk Management Compliance and Compliance Programme training.
- Ensuring that management implements Sun International's ESG strategy.
- Approving and implementing Sun International's Enterprise Risk Management Strategy and Framework.
- Enhancing the POPIA controls and practices.

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Stakeholders addressed

Top risks addressed

R1 R2 R3 R5

CLICK HERE TO SEE EXPLANATION OF ICONS

Social and ethics committee

COMMITTEE PURPOSE

- **monitors** the group's social, transformation, economic and environmental performance, responsible gambling and the social impact of its reputational risk
- **reports** to the board and the group's stakeholders on social, transformation, economic and environmental developments and progress
- **oversees** the group's ethical conduct and confirms that it carries out its responsibilities in accordance with section 72 and Regulation 43 of the Regulations to the Companies Act as well as the JSE Listings Requirements
- **monitors** the group's six prioritised sustainable development goals (SDGs)
- **assists** the board in assessing aspects of governance applicable to the committee's function and terms of reference
- **ensures** that Sun International remains a socially committed and responsible corporate citizen
- **ensures** gaming promotions are ethical

Committee member	Number of meetings	Attendance
Zimkhitha Zatu Moloi[1]	3	3
Boitumelo Makgabo-Fiskerstrand[2]	1	1
Caroline Henry[2]	1	1
Dawn Marole[3]	1	1
Nigel Payne[4]	2	2
Tapiwa Ngara[4]	2	2
Anthony Leeming (CE)[^]	3	3
Right of attendance		
Norman Basthdaw (CFO)[^]	3	3
Andrew Johnston[^]	3	3
Verna Robson[^]	3	3

Independence*

60%

(2021:75%)

Attendance**

100%

(2021:100%)

* Independence % is calculated as at 31 December 2022.
** Attendance % is calculated based on attendance throughout the year including those who retired/resigned.
1 Zimkhitha Zatu Moloi was appointed the new chairman of the social and ethics committee effective 10 May 2022.
2 Boitumelo Makgabo-Fiskerstrand retired from the Sun International Board as well as chairman of the social and ethics committee effective 10 May 2022 and Caroline Henry resigned as a member of the social and ethics committee effective 10 May 2022.
3 Dawn Marole was appointed as a member of the social and ethics committee with effect from 26 August 2022.
4 Nigel Payne and Tapiwa Ngara were appointed members of the social and ethics committee effective 10 May 2022. Tapiwa Ngara resigned as a member of the social and ethics committee effective 10 March 2023.
^ Executive.

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

> 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 Regulations to the Companies Act, and as a board committee in respect of its responsibilities prescribed by the board in its mandate and terms of reference.

FOCUS AREAS DURING 2022

- 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.
- Satisfying itself in conjunction with the remuneration committee that 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 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 and SDG, as well as the OECD recommendations regarding corruption and noted that this is dealt with in various group policies.
- 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 monitoring crèche usage and self-exclusion applications.
- Employment Equity Act: Code of Good Practice on the Prevention and the Elimination of Harassment in the Workplace.
- Reviewed Sun International's proposed ESG strategy.
- Reviewed initiatives around gender-based violence initiatives.
- Reviewed the group's activities around responsible and transparent procurement and sustainable supply chain, including a review of the group's top suppliers, their B-BBEE ratings, and Sun International initiatives to procure locally within the communities.

SATISFIED ITSELF AS TO THE:

- Fact that based on the committee's performance during the year, it had fulfilled its mandate in terms of Regulation 43 of the Regulations to the Companies Act, the JSE Listings Requirements and its MoI.
- Fact that 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 its mandate during the year under review, or repeated regulatory penalties, fines, censures, or compliance orders.
- Fact that the group has operated as a socially responsible corporate citizen demonstrating an ongoing commitment to sustainable development and community upliftment.

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 provisions relating to a social and ethics committee in the proposed Companies Amendment Bill, 2021.

Sun International

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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 (LTI)

Committee member	Number of meetings	Attendance
Sindi Mabaso-Koyana	4	4
Enrique Cibie[1]	4	4
Sam Sithole	4	4
Dawn Marole[2]	1	0
Nigel Payne	4	3
Right of attendance		
Anthony Leeming (CE)[^]	4	4
Verna Robson[^]	4	4

Independence[*]

75%

(2021:75%)

Attendance[**]

88%

(2021:100%)

* Independence % is calculated as at 31 December 2022.
** Attendance % is calculated based on attendance throughout the year.
1 Enrique Cibie retired effective 31 December 2022.
2 Dawn Marole was appointed as a member of the Sun International remuneration committee with effect from 26 August 2022.
^ Executive.

Stakeholders addressed

CLICK HERE TO SEE EXPLANATION OF ICONS

Top risks addressed

R 1

FOCUS AREAS DURING 2022

- ▶ Progressed the EPWEV analyses initiated by Human Resources.
- ▶ Ensured that remuneration practices align with the remuneration policy.
- ▶ Adopted and monitored the 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 shareholders.
- ▶ Annual appraisal of performance of chief executive, executives, 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 2021. Reviewed feedback on the outcome of non-binding advisory vote of shareholders.
- ▶ Reviewed compulsory employee benefits – retirement funding and healthcare benefits.
- ▶ Approval of service contracts as necessary.
- ▶ Reviewed the limits of authority of the chief executive and recommended to the board for approval.
- ▶ Reviewed and recommended the award of LTI's to eligible employees.
- ▶ Noted the vested and unvested long-term share-based incentives awarded to executives and senior management in the last few years.

- ▶ Reviewed and debated a revised performance indicator matrix for all staff who quality for a STI known as the Executive Bonus Scheme.
- ▶ Reviewed the remuneration survey conducted.
- ▶ Review of the Patterson system supported by 21st Century.
- ▶ Reviewed the proposed changes to the Companies Amendment Bill, 2021 which would impact remuneration committees and remuneration going forward.
- ▶ Received a report from PricewaterhouseCoopers Inc. detailing a proposed revised comparator group of companies for Sun International to benchmark its non-executive directors' fees and executives TCOE.
- ▶ The non-executive directors' fees as approved by the shareholders at the AGM, be paid to the non-executive directors with effect from 1 July 2022 following a benchmark exercise conducted by 21st Century.
- ▶ Reviewed various retirement fund reports including, among others, the closure and winding up of the Sun International Provident Fund, Royal Swazi Spa and certain advance payments made to ex-employees, the migration of employees from the SACCAWU provident fund to the Sanlam Umbrella Fund and the closure and winding up of the Sun International Pension Fund.
- ▶ Reviewed the proposed non-executive director's accommodation benefit policy.
- ▶ Reviewed the proposed increase of the night work transport allowance payable to employees earning less than R284.5k per annum.
- ▶ Considered an incentive proposal for SunBet employees if they achieved certain EBITDA levels.

APPROVED THE:

- KPIs for executive committee members and general managers for FY2022 and FY2023 and confirmed the performance rating for the chief executive for the 2022 financial year.
- Award of STI matching shares to eligible employees.
- Remuneration policy and implementation report submitted to shareholders at the 2022 AGM.
- Framework for Fair Remuneration.
- Revised comparator group of companies.
- Payment of an annual STI to eligible employees in respect of FY2021.
- Move to the Paterson job grading system.
- Remuneration report (policy and implementation) for endorsement by shareholders at the 2023 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.

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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

Stakeholders addressed

CLICK HERE TO SEE EXPLANATION OF ICONS

Top risks addressed

R1   R2   R3   R6

Committee member	Number of meetings	Attendance
Graham Dempster	7	7
Sam Sithole[1]	6	6
Sindi Mabaso-Koyana	7	7
Tapiwa Ngara[1]	6	6
Nigel Payne	7	7
Right of attendance		
Anthony Leeming (CE)^	7	7
Norman Basthdaw (CFO)^	7	6

Independence*
60%
(2021:60%)

Attendance**
94%
(2021:100%)

* Independence % is calculated as at 31 December 2022.
** Attendance % is calculated based on attendance throughout the year.
1 Sam Sithole and Tapiwa Ngara recused themselves from one Investment Committee meeting in terms of Section 75 (director's personal financial interests) of the Companies Act.
^ Executive.

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

FOCUS AREAS DURING 2022
- Noted the capex budget for 2022 and capex budget for 2023.
- 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.

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.

The initiatives to execute on our key business objectives are still relevant and will continue to be assessed as our business seeks to enhance our digital capabilities. We are cognisant of the increasing importance for holistic IT strategy and constant re-alignment of the key strategic objectives to risk indicators. Our IT governance committee is confident we have the right processes in place to adapt to changing business needs as well as emerging risks.

RISK GOVERNANCE AND COMBINED ASSURANCE FRAMEWORK

In line with King IV™, Sun International has adopted a combined assurance model which is an integral part of the group's enterprise risk management process. Our combined assurance approach ensures among others, the following:

- The group's assurance arrangements are executed in an integrated and holistic manner.
- That an adequate and correct level of assurance is provided by various assurance providers on key organisational risks.
- Any assurance gaps are identified and mitigated.
- Prevents duplication of efforts.

SUPPORTING SUSTAINABLE BUSINESS PRACTICES

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

Achieving the group's key strategic imperatives is underpinned by the group's sustainable business practices; and is often an enabler by ensuring that a sound corporate reputation and the group's brand are synonymous. Two strategic objectives, our people and ESG, 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.

During 2022, the board engaged the services of an external assurance provider to provide an independent assurance statement on the group's ESG reporting. This external review assessed the processes and data reported in the integrated annual report for 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 ESG reporting and has incorporated the JSE Sustainability Disclosure Guidance that was issued in June 2022. 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.

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 in which we operate. Being a responsible corporate citizen is imperative for maintaining our casino licences. 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™	King IV™ and its recommended practices are applied throughout the group as shown in our King IV™ application register. The board confirms that the group applied the 16 principles of King IV™ and that the spirit of King IV™ is preserved and embedded in the way the group operates.
Local and international legislation	Sun International is committed to complying with all relevant legislation and best practices in the jurisdictions in which it operates. 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 climate surveys	Sun International participates annually in the CDP.
International <IR> Framework (January 2021)	Sun International applies the IIRC'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 goals to the business.
JSE Sustainability Disclosure Guidance	Sun International has included the JSE Sustainability Disclosure Guidance as an annexure in its ESG report.

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 supported by the group's governance framework, that is based on the mindful and relevant application of the King IV Report on Corporate Governance for South Africa 2016 (King IV) principles and practices. The group's governance framework provides a sound foundation for King IV™ implementation 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 environmental, social and governance (ESG) 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.

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
- ESG
- Board committees and attendance

EXPLANATION:
Induction and ethics training ensures directors have the necessary competence and knowledge to execute their functions and responsibilities. Committee meeting attendance ensures oversight in delivering group objectives and executing delegated powers.

Committee meeting attendance is greater than 93% (2021: 90%). 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: 2022: 87% (2021: 98%)
- Audit committee: 2022: 92% (2021: 93%)
- Investment: 2022: 94% (2021: 100%)
- Nomination committee: 2022: 100% (2021: 100%)
- Remuneration committee: 2022: 88% (2021: 100%)
- Risk committee: 2022: 96% (2021: 96%)
- Social and ethics committee: 2022: 100% (2021: 100%)

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.

1 Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all its rights are reserved.

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.

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

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 & Touche.

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.

Several projects are in place group-wide to develop small businesses, facilitate transformation and uplift local communities. Our SED and CSI in-kind investments create shared value and empower and uplift the communities we operate in. It also helps us to fulfil our licence conditions. Our enterprise and supplier development (ESD) also helps to create value across the group's broad supplier base.

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

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

Sun International

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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. The development of Sun International's risk enterprise management strategy and framework will support Sun International's enterprise risk management policy. All ESG matters are discussed at the Sun International executive committee and any pertinent issues are elevated to the social and ethics committee and risk committee. The ESG department assists with assessing and monitoring environmental, health and safety, SED, ESD 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 remains relevant. This review was last conducted in 2020 and the material matters for 2022 have remained the same, except for the addition of the evolving regulatory environment. 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, ESG, 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 chairman 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 on the group's activities. The external advice protocol allows the board to understand what process to follow regarding obtaining external advice, and ensures the board obtains the necessary advice and expertise in the execution of and delivery of the group's objectives. Though the board remains ultimately responsible, the committees provide focused attention on areas to ensure initiatives and projects are properly assessed and implemented. The company secretary is pivotal in ensuring good corporate governance.

The board is comfortable that it has fulfilled its responsibilities in accordance with its charter and is satisfied with the strategic direction set for the group. It appropriately manages its duty, as custodian of corporate governance.

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
- MoI
- Committees' terms of reference

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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, age culture and skills diversity, field of knowledge and experience, regional industry 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 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.

Black directors comprised 40% of the total directors serving on the board (Sam Sithole and Tapiwa Ngara being excluded per the B-BBEE Codes of Good Practice) whilst the number of female directors equalled 40% of the total board composition.

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 comprises of senior executives and management only. The risk committee has an IT governance sub-committee. 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 remuneration 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 last evaluations were performed during the latter part of 2022, the results of which indicated that there were no adverse concerns. The nomination committee annually considers the competence of the group company secretary and the audit committee annually considers the competence of the chief financial officer. As recorded in the annual financial statements, the chief financial officer and the group company secretary were declared competent and have the necessary expertise and experiences to carry out their functions and duties on behalf of the company. Bonuses and remuneration of the executive directors are linked to their performance reviews.

Sun International is aware that the performance of the board, statutory and board committees is essential considering the increased focus on accountability, transparency and adding value.

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

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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 TCOE and STIs. The audit committee reviews the chief financial officer and the director of 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 executive, to complete a risk assessment dashboard. The results are consolidated using a formula that categorises all risks in order of importance and details actions to mitigate the risks. This risk categorisation guides the group in relation to its business operations' priorities going forward. The risk function is assisted by the audit and risk management committees. A dedicated group risk manager co-ordinates and enhances the group's risk management process as well as facilitates 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.

Top three risks

2022	2021
Weak economic conditions	Weak economic conditions
Utility supply and efficiencies	Coronavirus (Covid-19)
Political and civil unrest	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 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 adopted 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 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 with the latest developments and can address any evident gaps. The central policy portal prompts employees on any policy updates.

There were no material or repeated regulatory penalties, fines, censures or compliance orders for the year under review.

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

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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 remuneration policy and report. This remuneration policy and report are 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 ESG reporting 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. The development of an ESG strategy was in progress. 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 ESG 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

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SOCIAL AND ETHICS COMMITTEE REPORT

ZIMKHITHA ZATU MOLOI
Chairman

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.

COMMITTEE'S ROLES AND RESPONSIBILITIES

Monitors
the group's social, transformation, economic and environmental performance, responsible gambling and the social impact of its reputational risk

Monitors
the group's six prioritised sustainable development goals (SDGs)

Reports
to the board and the group's stakeholders on social, transformation, economic and environmental developments and progress

Assists
the board in assessing aspects of governance applicable to the committee's function and terms of reference

Oversees
the group's ethical conduct and confirms that it carries out its responsibilities in accordance with section 72(4) and Regulation 43 of the Regulations to the Companies Act as well as the JSE Listings Requirements

Ensures
that Sun International remains a socially committed and responsible corporate citizen

Ensures
gaming promotions are ethical and responsible

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

MESSAGE FROM THE CHAIRMAN

Dear stakeholders

I am pleased to present Sun International's social and ethics committee (the committee) report for the year ended 31 December 2022. The purpose of this report is to inform our stakeholders on the discharge of our duties as set out in the Companies Act as supplemented by the committee's terms of reference. The salient matters of interest during 2022 are elaborated in this report.

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 and International Labour Protocol.

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 environmental, social and governance (ESG) 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 towards the six prioritised SDGs.

Consumer relationships and marketing initiatives.

National Responsible Gambling Programme (NRGP) implementation.

Labour and employment activities, including the company's standing in terms of decent work and working conditions, fair and transparent labour practices and our relationships with our employees' contribution towards the educational and skills development of our employees.

Gaming promotions to ensure that they are conducted ethically, fairly, and transparently.

Procurement spend, to ensure that it creates value across the group's broad supplier base and supports local procurement opportunities through enterprise and supplier development.

Management of ethics in line with best practice principles.

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 2022 social and ethics report will be tabled at the Sun International AGM to be held on 9 May 2023.

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 Regulations to the Companies Act. 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 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.

Committee member	Number of meetings	Attendance
Zimkhitha Zatu Moloi[1]	3	3
Boitumelo Makgabo-Fiskerstrand[2]	1	1
Caroline Henry[2]	1	1
Dawn Marole[3]	1	1
Nigel Payne[4]	2	2
Tapiwa Ngara[4]	2	2
Anthony Leeming (CE)^	3	3
Right of attendance		
Norman Basthdaw (CFO)^	3	3
Andrew Johnston^	3	3
Verna Robson^	3	3

Independence*
60%
(2021:75%)

Attendance**
100%
(2021:100%)

* Independence % is calculated as at 31 December 2022.
** Attendance % is calculated based on attendance throughout the year including those who retired/resigned.
1 Zimkhitha Zatu Moloi was appointed the new chairman of the social and ethics committee effective the 10 May 2022.
2 Boitumelo Makgabo-Fiskerstrand retired from the Sun International Board as well as chairman of the social and ethics committee effective 10 May 2022 and Caroline Henry resigned as a member of the social and ethics committee effective 10 May 2022.
3 Dawn Marole was appointed as a member of the social and ethics committee with effect from 26 August 2022.
4 Nigel Payne and Tapiwa Ngara were appointed members of the social and ethics committee effective 10 May 2022. Tapiwa Ngara resigned as a member of the social and ethics committee effective 10 March 2023.
^ Executive.

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

The committee's composition includes four non-executive directors, one of whom is not independent, 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 Regulations to the Companies Act as well as the committee's mandate and terms of reference. In addition, Sun International executives whose areas of discipline are covered by the committee, and who have rights of

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attendance on the committee include the chief financial officer, director: corporate services, and director: human resources. In addition, certain key members of management, namely the environmental, social and governance manager, risk manager, director of internal audit and the ethics officer, attend committee meetings by invitation. As per the mandate of the committee, its terms of reference were reviewed and approved, and we achieved a 100% (2021: 100%) meeting attendance for the year under review.

As part of its commitment towards complying with best corporate governance practice in terms of King IV™, Sun International conducts committee reviews every two years. The last evaluation of the committee was performed towards the end of 2022, with no adverse findings.

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.

SALIENT MATTERS OF INTEREST

Ethics and culture

Our ethical and responsible commitment is driven by the group's code of ethics (the code) which commits all stakeholders to the highest ethical conduct and standards. The board is responsible for setting the tone from the top and to lead ethically and effectively towards the achievement of an ethical culture across the group.

The executive committee members signed a declaration during 2022 confirming 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 whistle-blowing 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 & Touche Tip-Offs hotline anonymously through a 24/7 toll-free number to report any ethical concerns or dilemmas, which are handled confidentially. The ethics office oversees ethics throughout the group and receives regular feedback on any matters of concern.

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

Responsible gambling

> **Contributed about R8 million** (2021: R6 million) towards the NRGP in respect of casinos, sports betting and LPMs collectively

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 National Responsible Gambling Programme (NRGP), creates awareness around public initiatives undertaken in the industry, which include prevention, treatment and counselling initiatives, training for regulators and industry employees, research audits, and life skills programmes for schools. Sun International reports progress on these NRGP principles across all gambling operations to relevant governance committees. In addition, the group reports to relevant governance committees on matters such as crèche utilisation statistics and any attempts by minors to access the gambling floors, which remain strictly monitored at all units. Training employees in the different stages of the NRGP is also reported.

Group internal audit is responsible for conducting various internal audits and reports its findings 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. The Western Cape Gambling and Racing Board (WCGRB) continues to explore measures to enforce a player pre-commitment system to further assist problem gamblers and to prevent the risk of persons becoming problem gamblers. The WCGRB is yet to undertake local research to consider the way forward.

The group continues to explore ways to improve its anti-money laundering and anti-terrorism controls to identify and report the related transactions and customers. These controls include identifying its customers, identifying politically exposed persons, vetting its database of customers against the UN sanctions list, and the filing of cash transactions and suspicious transactions. The group has implemented various intelligence reports that are investigated by its anti-money laundering personnel, which include high balances maintained by players without any gambling activity or where the gambling activity is not in keeping with the amount maintained by players. The Sun International board has issued a compliance statement confirming its commitment towards preventing the group from being exploited in respect of money-laundering and terror financing. All gaming employees are trained on the FIC Act and each gaming business has a dedicated anti-money laundering compliance officer, and the group has also appointed a group anti-money laundering compliance officer.

Zero tolerance of bribery and corruption

The committee continues, to review the group's standing and progress in accordance with the 10 principles of the UNGC (on a voluntary basis) and the OECD recommendations regarding anti-corruption. The company monitors compliance with its policies in relation to bribery and corruption; gifts, entertainment and tips; and responsible gambling. The committee concluded that the group substantially complied with the requirements of the UNGC principles, and that there were no material areas of concern. Sun International remains committed to improved reporting practices and transparency around activities and performance in combating corruption. During the year under review, Sun International's APEX Risk Management and Compliance Programmes (RMCPs) and RMCP Controls, together with all supporting policies, procedures and products/services rating matrix for each casino entity, were approved at the board and various subsidiary boards. Anti-money laundering training has also been provided to the various boards.

Board diversity

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 experience, field of knowledge, regional and industry experience, age and culture. Black directors comprised 40% of the total directors serving on the board (Sam Sithole and Tapiwa Ngara being excluded per the B-BBEE Codes of Good Practice) while the number of female directors equalled 40% of the total board composition. 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.

People, culture and transformation

> Black employee representation
> **93.9%** (2021: 92.2%)
>
> Management team comprises of **86%** (2021: 84%) black people, and **46%** (2021: 46%) females

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. The group's employee recognition programme, Sun Stars, was well received by employees and has been instrumental in motivating employees and driving positive change in behaviour. We also introduced a new initiative as part of our Sharing the Sun campaign – Changing Lives – where the chief executive grants a deserving employee their wish to make a difference in their life. This year's recipient from Time Square was granted her wish for a hearing aid.

Transformation is integral to Sun International's sustainability and is rooted in our South African operations. The social and ethics committee monitors appointments, retirements and resignations to ensure we achieve a demographic workforce in line with both internal targets and commitments to legislation. The proposed amendments to the Employment Equity Act were delayed and are expected to be enacted in 2023. The group made good progress against its three-year employment equity targets and once the amendments are enacted, the group's employment equity targets will be reviewed and aligned to the new sectoral targets. We established a new employment equity central forum responsible for monitoring the group's employment equity progress and we have rolled out training for managers responsible for employment equity and employment equity forums.

We achieved an overall black employee representation of 93.9% (2021: 92.2%), exceeding the distribution of the national economically active population. Sun International's management team is made up of 86% (2021: 84%) black people, and 46% (2021: 46%) are females. Demographic representation at middle and senior management levels improved, however, challenges still remain where representation of black people, particularly black females, are lower than the economically active population statistics. We are confident that our current succession plans, talent management and extensive training programmes will have a positive outcome at these levels going forward.

We are currently undergoing our B-BBEE verification audit and the results will be made available on our website on 31 March 2023.

Sun International's talent acquisition strategy contributed positively to our employment equity progress, with 98.2% appointees from designated groups of which 87.3% were African appointees. Sun International's recruitment of persons with disabilities remains challenging, however a successful awareness campaign was held with senior executives who had the opportunity to experience the challenges faced by disabled employees in the workplace by competing in a wheelchair race at the central office. This awareness campaign led to positive changes in the workplace as well as removing the stigma and fear of victimisation experienced by employees living with disabilities.

Ongoing learning and development remains a key focus for the group and during the year we invested R84 million (2021: R52 million) in skills development. There was also an increase in training interventions and a marked increase in the adaption of new courses offered to Sun International employees. We launched an online platform (Elea) for senior and middle management and specialists, that enables the identification of leadership strengths and development areas. In addition, an online learning platform using LinkedIn Learning, that focuses on developing individual skills, was piloted during 2022 and, due to the positive outcomes, was launched for all management in January 2023. The Wild Coast Academy was launched in 2022 and students from the community are actively involved in the hospitality programmes offered at the Academy, which is also the site for all learnership training.

The group continues to focus on fair, ethical and responsible remuneration in line with the Department of Labour's amendments to regulations governing income differentials. We conduct equal pay for work of equal value analyses and assessments annually, to ensure that pay parity is retained between persons performing similar roles and functions across the group – any anomalies identified are addressed. As part of the 2021/2022 equal pay analyses, we introduced once off lump-sum payments for employees in respect of the 2021 financial year. This was implemented as a pro-active intervention to ensure the ongoing motivation and retention of these employees, for both non-bargaining employees and bargaining employees.

Sun International continued to tackle the gender-based violence (GBV) social pandemic. During the year under review, the group expanded its reach against GBV by launching both internal and external campaigns to promote awareness around this scourge.

Sun International

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Our ESG journey

Sun International's top six SDGs

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

The group's ESG journey continues to mature to ensure an integrated sustainable business that creates value for all our stakeholders. As part of our journey, our aim is to continue improving our suite of ESG data linked to our material ESG topics which will be used to drive productivity, efficiency, and client service performance across the business. Ongoing tracking and setting of KPIs and targets and developing stronger ESG links to our business strategy, combined with the strategic communication of performance relative to these metrics, will allow the business to differentiate ourselves based on our ESG credentials and enhancing our brand in the market.

To demonstrate our commitment to Sun International's ESG journey, we signed a R2.4 billion sustainability linked loan (SLL), the first in the South African hospitality sector. This SLL aims to promote the achievement of key sustainability performance targets, to demonstrate Sun International's commitment towards being a responsible corporate citizen and further cementing our position as a leader in ESG in the South African travel and leisure sector.

Independent assurance

As part of our independent assurance scope, IBIS Consulting conducted a review of the group's environmental, health, safety and wellness as well as socio-economic development (SED) portfolios. A Type II (moderate) assurance approach was adopted by way of onsite visits to five operations, which included a review of key data indicators, with additional evidence provided and interviews conducted, to ensure a fair and transparent process. A further review of the remaining operations' data was undertaken to assess for anomalies or data trends. 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.

Enterprise and supplier development

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 the area where the unit operates, so that local community members can respond directly to these opportunities. This makes the procurement process transparent and dispels potential suppliers' fears of responses not being considered for specific services. Work is being done to enhance this portal as well as to make it more user friendly for suppliers. Sun International's supplier code of conduct ensures all suppliers adhere to minimum best practice ethical standards.

The group is committed to creating opportunities for all suppliers, especially B-BBEE compliant SMMEs. We maintained our B-BBEE levels across all pillars to support economic upliftment through our supply chain nationally. We continue to promote procurement spend across the provinces where we operate, while ensuring optimal strategic spend. The group implemented a new B-BBEE system to assist with information accuracy and monitor trends to optimise B-BBEE spend. One of the key performance indicators (KPIs) included in Sun International's SLL is spend on suppliers that are at least 30% black women owned, to enhance value sharing and provide economic upliftment for businesses owned by some of the most marginalised within our communities.

Socio-economic development

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. Focus areas for SED spend include education, sports, and arts and culture projects, where these investments continue to make a difference in the lives of the communities where we operate. We continue to improve the reporting of our CSI in-kind donations. Our guests and employees reached out to the KwaZulu-Natal flood victims and donated R500 000.

All our selected SED 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. We launched the Sun International eco-schools project that was implemented at 18 schools nationally, with over 500 learners involved in environmental lessons, incorporating climate resilience and safe school teacher workshops.

Sun International launched its employee volunteering programme, in partnership with forgood[1], South Africa's largest online volunteering platform. During Mandela Month 62% of employees donated goods to worthy causes as part of this employee volunteering initiative.

Environmental

Sun International's ENVIRO-AMBITION 2025 five-year strategy focuses on carbon emissions, water, electric energy and waste. It 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 ESG 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 group continues to explore innovative environmental initiatives to address waste management and pressing water and energy resource concerns facing South Africa. Boardwalk completed the installation of a reverse osmosis plant and pending the approval of a water use license, the operation will be able to fully supply water to the hotel and casino. This will secure water quality and supply for the unit with the ongoing water supply issues in the Eastern Cape. Following the board's approval of the group's renewable energy plan, there will be a significant focus on investigating and implementing renewable energy solutions, with key units being prioritised.

Health, safety and wellbeing

The health, safety and wellbeing (HSW) strategy for Sun International has five key focus areas, namely preventing stakeholder harm, proactive control and mitigation of risks, implementing innovative solutions to manage HSW, embedding a caring and vigilant culture, and maintaining compliance to legislation and the adoption of best practice. We are pleased to report that there were no fatalities for the year under review and continue to look for innovative ways to manage HSW, such as the development and roll out of our new ESG and ERM management platform, that will come online in 2023. This solution will enhance our data management controls and enable proactive risk and compliance management.

We also ensure that stakeholder feedback is considered when managing our risks and have incorporated the feedback of our customers when evaluating health and safety performance. In 2022 we achieved an average customer satisfaction score of 90% for health and safety. Our focus on health and safety training resulted in a significant increase in training with 9 430 employees, service providers and contractors trained, compared to 4 993 in the prior year. The wellness days we rolled out for employee wellbeing also resulted in 1 913 employees participating group-wide. Through our medical surveillance programme, enhanced focus on risk mitigation, and assuring the control environment through our internal and external audits, we continue to maintain compliance and align with best practice.

Protection of personal information

Received 26 POPIA applications	Received one Promotion of Access to Information Act, 2000 (PAIA) applications

The stewardship of customer information and data protection is paramount. During 2022, we continued to enhance our controls to ensure compliance with the Protection of Personal Information Act (POPIA) and the General Data Protection Regulation (GDPR).

1 forgood offers a cost-effective cloud platform that allows employees to find volunteering and donation drive opportunities from across the development sector. [https://www.forgood.co.za/forgood-business]

CONCLUSION

Based on the committee's performance during the year, we are satisfied that it has fulfilled its mandate in terms of the Companies Act read with Regulation 43 of the Regulations to the Companies Act. 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 2022 financial year, Sun International was compliant in all material respects with the Companies Act, Regulations to the Companies Act, the JSE Listings Requirements, King IV™ and its memorandum of incorporation.

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.
- Ensuring in conjunction with the remuneration committee 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.
- Ongoing training and communication with employees through the Sun Talk platform and engaging with employees in terms of their wellness through the employee wellness programme.
- Overseeing the implementation and roll out of Sun International's ESG strategy and addressing any concerns.
- Monitoring the group's activities around responsible and transparent procurement and sustainable supply chains.
- Monitoring anti-money laundering and anti-terrorism controls to identify and report the related transactions and customers.
- Monitoring the responsible online gambling programme.
- Monitoring regulatory developments:
  - Tobacco Products and Electronic Delivery Systems Control Bill.
  - Employment Equity Act: Code of Good Practice on the Prevention and the Elimination of Harassment in the Workplace.
  - Proposed changes set out in the Companies Amendment Bill, 2021 as they pertain to the social and ethics committee.
  - 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 Regulations to the Companies Act, 2011 and whether there is any material non-compliance that requires disclosure.

ZIMKHITHA ZATU MOLOI

Chairman of the social and ethics committee

10 March 2023

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INDEPENDENT ASSURANCE STATEMENT

To the management of Sun International Management Limited:

IBIS Environmental Social Governance Consulting Africa (Pty) Ltd (IBIS) was commissioned by Sun International Management Limited (Sun International) to conduct an independent third-party assurance engagement in relation to the sustainability information in its Integrated Report and Environmental, Social and Governance (ESG) Report (the Reports) for the financial year that ended 31 December 2022.

IBIS is an independent licensed provider of sustainability assurance services. The assurance team was led by Petrus Gildenhuys with support from Bongani Machabe, Ibrahim Akoon, Megan Nair and Bradley Riley from IBIS. Petrus is a Lead Certified Sustainability Assurance Practitioner (LCSAP) with more than 25 years' experience in sustainability performance measurement involving both advisory and assurance work.

ASSURANCE STANDARD APPLIED

This assurance engagement was performed in accordance with AccountAbility's AA1000AS v3 (2020) ("AA1000AS") and was conducted to meet the AA1000AS Type II moderate level requirements as indicated below:

Respective responsibilities and IBIS' independence

SUN INTERNATIONAL	IBIS
Sun International is responsible for preparing the Reports and for the collection and presentation of sustainability information within the report.	IBIS' responsibility is to the management of Sun International alone and in accordance with the scope of work and terms of reference agreed with Sun International.
Sun International is also responsible for maintaining adequate records and internal controls that support the reporting processes.	IBIS applies a strict independence policy and confirms its impartiality to Sun International in delivering the assurance engagement.

ASSURANCE SCOPE

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

Subject matters in the assurance scope

Alignment with the AA1000AP (2018) stakeholder engagement principles of inclusivity, materiality, responsiveness, and impact.

The following selected disclosures relating to Sun International 's material sustainability risks and opportunities.

Type of KPI	Key performance indicators	Unit of measure	ESG Page Reference
Environmental	Total Scope 1 and Scope 2 greenhouse gas (GHG) emissions	tCO_2e	Page 12
	Total volume of freshwater withdrawal	m^3	Page 12
	Total volume of water discharged	m^3	Page 68
	Total volume of general waste to licensed landfill	kg	Page 20
	Total volume of general waste recycled	kg	Page 20
	Total volume of hazardous waste to licensed landfill	kg	Page 20
	Total volume of hazardous waste recycled	kg	Page 20
	Recycling Rate of general and hazardous waste (calculated)	Percentage	Page 22
Health and Safety	Total person hours worked (used as the Group's intensity measure)	Number	Page 9
	Lost Time Injury Frequency Rate (LTIFR)	Per 200 000 hours worked	Page 9
	Total Recordable Injury Frequency Rate (TRIFR)	Per 200 000 hours worked	Page 9
	Total Injury Frequency Rate (TIFR)	Per 200 000 hours worked	Page 9
	New cases of noise-induced hearing loss (NIHL)	Number	Page 33
	New cases of occupational diseases (other)	Number	Page 33
Social	SED budget spent as per the BBBEE requirement of 1% NPAT	Millions of Rands	Page 3
	Rand Value SED spend split between education, sport and arts and culture	Millions of Rands	Page 37
	CSI (in kind non-monetary and monetary value spend)	Millions of Rands	Page 3
	SED Stakeholder engagement: • List of Unit community stakeholders • Unit reporting on engagement opportunities • Unit List of stakeholder concerns and feedback	Qualitative	Page 16
	% Increase in procurement from businesses with 30% black women ownership	Percentage	Page 43

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ASSESSMENT CRITERIA

The following assessment criteria were used in undertaking the work:

AA1000AP (AccountAbility Principles)
AA1000AP (2018) adherence criteria for the Principles of inclusivity, materiality, responsiveness and impact

Sun International 's Sustainability Reporting Guideline
Sustainability manual that specifies definitions and guidance for reporting sustainability information maintained by Sun International

Greenhouse Gas Protocol
Greenhouse Gas Protocol: Revised Edition (WRI & WBCSD, 2004) (GHG Protocol)

ASSURANCE PROCEDURES PERFORMED

Our assurance methodology included:

TESTING
Testing, on a sample basis, the measurement, collection, aggregation, and reporting processes in place.

INTERVIEWS
Interviews with relevant data owners to understand and test the processes in place for maintaining information in relation with the subject matters in the assurance scope.

INSPECTION
Inspection and corroboration of supporting evidence received to evaluate the data generation and reporting processes against the assurance criteria.

ASSESSING
Assessing the presentation of information relevant to the scope of work in the Reports for consistency with the assurance observations.

REPORTING
Reporting the assurance observations to management as they arose to provide an opportunity for corrective action prior to completion of the assurance process.

ENGAGEMENT LIMITATIONS

IBIS planned and performed the work to obtain all the information and explanations believed necessary to provide a basis for the assurance conclusions for a moderate level of assurance in accordance with AA1000AS. The procedures performed in a moderate assurance engagement vary in nature from, and are less in extent, than for a high assurance engagement. As a result, the level of assurance obtained for a moderate assurance engagement is lower than for high assurance as per AA1000AS. The scope of work did not extend to any subject matters other than specified in this assurance statement. IBIS experienced no limitations to the agreed extent of work required for the engagement.

ASSURANCE CONCLUSION

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

KEY OBSERVATIONS AND RECOMMENDATIONS FOR IMPROVEMENT

The following assessment criteria were used in undertaking the work: Based on the work set out above, and without affecting the assurance conclusion, the key observations and recommendations for improvement are set out below.

In relation to AA1000AP

Inclusivity: Sun International has a publicly available sustainability policy that articulates it sustainability commitments. Through its corporate reporting, Sun International has articulated its objectives relating to stakeholder engagement. The Risk committee and Social and Ethics committee provide oversight of the Group's stakeholder engagement and are responsible for keeping the board abreast of stakeholder engagement activities and developments. IBIS recommends that Sun International continues with its plans to develop a communication and consultation plan. As part of this initiative, Sun International should consider public disclosure of engagement effectiveness to build credibility around their stakeholder engagement efforts. It is recommended that Sun International also considers describing how its stakeholder engagement mechanisms support its stakeholder engagement objectives to enhance its position as a responsive and stakeholder inclusive company.

Materiality: The materiality process reflects a systematic, organisation-wide process to determine material issues, that includes the evaluation and prioritisation of relevant material sustainability topics. The enterprise risk management framework, which incorporates sustainability risks, describes the management, roles, and responsibilities, that are allocated to manage sustainability risks. Sun International's corporate reporting provides a comprehensive and balanced understanding and prioritisation of material sustainability topics. It is recommended that Sun International consider enhancing its materiality determination process by also incorporating emerging material topics.

Responsiveness: Sun International has processes and procedures in place to ensure that stakeholders receive adequate and timely responses to stakeholder queries. Queries are routed to the relevant departments to prepare and approve responses to stakeholder queries. It is recommended that Sun International continue to formalize the communication plan for its ESG strategy, ensuring that both the reputation of Sun International as a responsive organisation is maintained, and that stakeholders continue to receive appropriate, comprehensive, and timely responses to queries.

Impact: Sun International has identified and assessed it impacts on society and the environment, and implemented policies and procedures to ensure that it can measure, evaluate, and manage its impacts. These impacts have been aligned to the United Nations' Sustainable Development Goals (SDGs), and public reporting of Sun International's impact performance is provided to stakeholders through its corporate reporting. IBIS recommends that Sun International improve the articulation of how the business model and strategic objectives relate to its impact goals.

In relation to the selected disclosures

IBIS observed that appropriate measures are in place to provide reliable source-data related to the selected sustainability disclosures in the assurance scope for 2022. The general control environment for sustainability information continues to improve by use of the Group sustainability manual, which is intended to ensure consistent interpretation of definitions across the Group and provide guidance on the implementation of key internal controls. Discrepancies in data identified during the assurance process for 2022 were subsequently corrected. IBIS recommends the implementation of a more rigorous review process, including periodic secondary reviews of data against supporting evidence and the Sun International Internal sustainability guideline before finalisation and submission. When possible, consideration should also be given to the replacement of manual data-related processes with automated alternatives. A comprehensive management report detailing specific findings and recommendations for continued sustainability reporting improvement has been submitted to Sun International management for consideration.

PETRUS GILDENHUYS

Director, IBIS Environmental Social Governance Consulting Africa (Pty) Ltd

Johannesburg

31 March 2023

AA1000
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000-156/V3-PNNYH

JSE METRICS

The JSE released its Sustainability Disclosure Guidance in June 2022 to create an enabling environment for better disclosure practices. This guideline is aligned with the most influential global initiatives on sustainability/ESG and climate change disclosure, including the IFRS Exposure Drafts on Sustainability-related Financial Information (IFR S1) and Climate-related Disclosures (IFR S2), the Value Reporting Foundation's Integrated Reporting Framework, the GRI Sustainability Reporting Standards and the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations, as well as an extensive range of frameworks and standards and the ESG guidance of various peer exchanges.

The metrics are divided into 'core' (C) and 'leadership' (L) where leadership would be over and above what is normally disclosed i.e. best practice reporting.

Sun International's progress against these metrics is tabled below.

ENVIRONMENTAL

		Metric	Unit	Sun International's response	Other frameworks	Rationale
E1 CLIMATE CHANGE						
E1.1 GHG Emissions						
E1.1a	C	Absolute gross **greenhouse gas** emissions expressed as metric tonnes of CO_2 equivalent and measured in accordance with the Greenhouse Gas Protocol for: **Scope 1, Scope 2,** and **Scope 3** emissions. Scope 1 and Scope 2 emissions should be disclosed separately for (i) the consolidated accounting group (the parent and its subsidiaries) and (ii) associates, joint ventures, unconsolidated subsidiaries or affiliates not included in (i).	Metric tonnes of carbon dioxide equivalent (tCO_2e)	Scope 1 = 16 321 Scope 2 = 202 953	IFRS S2 GRI 305:1-3 ESRS E1-7 ESRS E1-8 ESRS E1-9 ESRS E1-10 SASB 110 TCFD GHG Protocol	GHG emissions cause climate change, which is expected to have increasingly significant economic, environmental, and social impacts. As a result, GHGs are a key focus area for policy, regulatory, market and technology responses to limit rising temperatures. Organisations with emission-intensive business models are likely to face greater risks from the transition to a lower emission economy in terms of increased regulatory requirements and additional capital expenditure. For many organisations, the most significant GHG emissions are found in their supply chains, not in their own operations. Reporting on Scope 3 emissions can assist in identifying potential supply chain risks in terms of exposure to the transition to a lower emission economy. It can also help improve energy efficiency and cost reduction programmes.
E1.1b	L	Scope 3 emissions should include upstream and downstream emissions. The categories of Scope 3 emissions and basis for measurement for information provided by entities in the value chain should be disclosed. Recognising the challenges related to the disclosure of Scope 3 emissions, including data availability, reasons should be provided when Scope 3 emissions or categories of Scope 3 emissions are omitted.	Metric tonnes of carbon dioxide equivalent (tCO_2e)	Currently this is not reported. Scope 3 emissions to be identified in 2023.	IFRS S2 GRI 305:1-3 ESRS E1-9	
E1.1c	C	GHG emissions intensity for Scope 1, 2 and 3, expressed as metric tonnes of CO_2 equivalent per unit of physical or economic output.	$MtCO_2$-e per unit of output	Total Scope 1 and 2 emissions = 219 273 Unit of output = Revenue Revenue = R11.3 billion rand Intensity = 0.0000194	GRI 305:1-3 ESRS E1-10	
E1.2 Energy mix						
E1.2	C	Total energy use and share of energy usage by generation type noting use of energy from renewable non-fossil sources, (namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas).	MWhs or GJ/ Percentage by type	Currently this is not reported as the group does not have any renewable projects implemented. This will be reported from 2023.	GRI 302 ESRS E1-5 SASB 130	

ENVIRONMENTAL continued

		Metric	Unit	Sun International's response	Other frameworks	Rationale
E1 CLIMATE CHANGE continued						
E1.3 Science-based targets						
E1.3	L	Define and report progress against time-bound short-, medium-, and long-term science-based GHG emissions targets that are in line with the goals of the Paris Agreement and Glasgow Climate Pact. This includes reducing global carbon dioxide emissions by 45% by 2030 relative to the 2010 level, and to net zero around mid-century, based on the best available scientific knowledge and equity, taking into account common but differentiated responsibilities and respective capabilities, and in the context of sustainable development and efforts to eradicate poverty. Science-based emissions reduction targets should be informed by recognised scientific methodologies and verified through approved processes; they should (as an absolute minimum) be consistent with relevant host country/ies' Nationally Determined Contribution.	Description	The group has absolute carbon emission reduction targets which were developed using the Equity Method proposed by Promethium Carbon in 2018. In 2023 the group will be reviewing the Scope 1, 2 emission targets and will be setting Scope 3 emission targets. The group will apply an appropriate science-based target methodology.	GRI 305 SASB 110	The Paris Agreement and recent Glasgow Climate Pact aim to limit the global average temperature increase to well below 2o^C above pre-industrial levels and preferably to 1.5o^C above pre-industrial levels. Climate-related risks such as extreme weather events are projected to increase substantially as temperatures increase. Science-based targets are emission reduction targets aligned with the latest climate science that provide companies with a pathway that is consistent with the Paris Agreement. Under the Paris Agreement, the principle of common but differentiated responsibilities and respective capabilities acknowledges different national circumstances while calling on all parties to take action.
E1.4 Just transition						
E1.4a	C	Existence and nature of a 'transition plan' that commits to stakeholder engagement with affected workers and communities (see the JSE Climate Disclosure Guidance for further detail).	Description	The group will endeavour to report against this metric in 2023 disclosures.	TCFD consultation WBA GRI 11 (Oil and Gas supplement)	The Paris Agreement incorporated the notion of a 'just transition', which originated in the labour movement, to signal the importance of minimising the negative impacts and maximising the positive opportunities for communities and workers as part of the shift toward a low emission economy. Given the importance of the just transition, it will be critical to pay increasing attention to the related risks and opportunities and ensure that social considerations are also addressed in decarbonisation and energy transition plans.
E1.4b	C	Number of workers in the past year recruited, retrained, retrenched, and/or compensated due to implementation of the decarbonisation plan.	#	The group will endeavour to report against this metric in 2023 disclosures.		
E1.4c	L	Number of engagements undertaken with affected parties by group and geography.	#	The group will endeavour to report against this metric in 2023 disclosures.		
E1.4d	L	Nature of climate-related lobbying activities, and those of relevant associations and membership groups, and their alignment with the objectives of the Paris Agreement and Glasgow Climate Pact.	Description	The group will endeavour to report against this metric in 2023 disclosures.		
E1.4e	L	Nature of provision for delivery of the transition plan within executive remuneration.	Description	The group will endeavour to report against this metric in 2023 disclosures.		
E1.4f	L	Nature of provision for impacts on workers and communities within climate scenario plans.	Description	The group will endeavour to report against this metric in 2023 disclosures.		
E1.4g	L	Amount of capital and expenditure deployed on direct and indirect climate adaptation and climate mitigation efforts.	ZAR/US$ etc	The group will endeavour to report against this metric in 2023 disclosures.		
E2 WATER SECURITY						
E2.1 Water usage						
E2.1a	C	Total water consumption from all areas, and from areas with water stress.	Megalitres	Total consumption is calculated as: Total withdrawals – total discharges = 3 456 785 kl - 1 289 931kl Total consumption = 2 163 853kl Converted value = 2 163.853 megalitres	GRI 303-5 ESRS-E3-4 SASB 140	Water is a finite resource and its consumption has implications for the environment and society at both local and national levels. Organisations can face operational, regulatory and reputational risks relating to water use, while failing to manage water use efficiently can result in additional costs. Water usage in water-stressed areas can result in negative societal impacts due to greater competition over scarce resources. There is also a greater risk of possible operational disruptions and shutdowns.
E2.1b	L	Total water withdrawal from all areas with water stress, with a breakdown by following sources if applicable: surface water, groundwater, seawater, produced water, third-party water.	Megalitres	Surface water = 3 170.136 megalitres Groundwater = 7.305 megalitres River abstraction = 275.503 megalitres Rain water = 0.841 megalitres	GRI 303-3 ESRS-E3-4 SASB 140	
E2.1c	L	Freshwater consumption intensity: total freshwater use per material unit (e.g. sales revenue, unit of production, m^2 of building, or other).	Megalitres per unit	Total consumption as per E2.1a = 2 163.853 megalitres Unit of output = Revenue Revenue = R11.3 billion rand Intensity = 0.000000191	ESRS-E3-4 SASB 140	

ENVIRONMENTAL continued

		Metric	Unit	Sun International's response	Other frameworks	Rationale
E3 BIODIVERSITY AND LAND USE						
E3.1 Biodiversity footprint (ecosystems)						
E3.1a	C	Number and area of sites owned, leased, or managed in or adjacent to areas of high biodiversity value (Key Biodiversity Areas – KBAs), for operations (if applicable) and full supply chain (if material).	# and hectares (or km² if applicable)	Number of KBAs = 1 Sun City Size: 3053,72 hectares Locally, the site falls within a Nature Reserve Protected Areas in accordance with the South African Protected Areas Database (2017) and falls within a Critical Biodiversity Area 2 in terms of the North-West Biodiversity Sector Plan. The ecological sensitivity categorisations provided for the site are mainly attributed to its proximity to the Pilanesberg National Park, which is a protected area.	GRI 304-1 ESRS-E2-6	As noted in the World Economic Forum's 2020 Global Risks Report 'biodiversity loss has critical implications for humanity, from the collapse of food and health systems to the disruption of entire supply chains.' Key biodiversity areas (KBAs) are sites that contribute significantly to the global persistence of biodiversity, while protected areas are areas of recognised ecological or cultural importance that typically have specific legal protections. KBAs as defined in South Africa by SANBI include Critical Biodiversity Areas and Ecological Support Areas Companies with operations inside or close to such areas may pose a greater threat to biodiversity and, as a result, face a heightened risk of exposure to associated legal or reputational risk. A primary driver of biodiversity loss is the growth in demand for land or marine areas and the associated conversion of ecosystems. Current demand for land is indicated in the area of land used in a company's operations and supply chains while the annual change reflects whether there is increasing or decreasing pressure for new conversions of ecosystems.
E3.1b	C	Area of land used for the production of basic plant, animal or mineral commodities (e.g. the area of land used for forestry, agriculture or mining activities).	Total surface Hectares	Zero hectares	GRI 304-2 ESRS-E4-5	
E3.1c	C	Level of capital and expenditure deployed towards implementation of measures undertaken to manage positive impacts and avoid, minimise, restore/ rehabilitate and/or offset negative impacts on biodiversity and ecosystems.	ZAR, $US or other currency	Vacation Club (VC) Phase 3 construction project which includes the rehabilitation and landscaping of disturbed biodiversity area. Costs - R1 821 096, Appointment of an Independent Environmental Impact Assessment (EIA) consultant prior to construction- Costs R350 000. Landscaping and management plant species within the resort – Appointment of Top Turf – Cost approximately R1 000 000 per month.	ESRS-E4-7	
E3.1d	L	Describe wherever material across the value chain mechanisms aimed at enhancing management of biodiversity and ecosystem impacts (such as policies, targets, certifications, and audits).	Description	An environmental policy has been developed. There is an existing biodiversity management policy, plan and procedure implemented by Sun City. An environmental authorization and management programme was obtained for management purposes. Environmental management monitoring is conducted monthly in disturbed areas such as the VC Phase 3 construction project. Protected tree removal, disturbance certifications are obtained prior to any actions taken.	GRI 304 ESRS-E4-7	
E3.1e	L	Describe and report results of any processes aimed at identifying, assessing and/or managing the biodiversity footprint of the organisation, including for example: size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals; and status of each area based on its condition at the close of the reporting period, noting the standards and methodologies used.	Description Hectares (or km²)	Biodiversity Survey for identification of plant species with a South African National Botany Institute (SANBI) botanist, Professor Michael Cheek was conducted in 2021. Specialists reports for identifying fauna and flora on-site were provided during the EIA survey prior to authorisation. These reports were conducted by external professionals and describe the status of each area based on its pre-development status quo and includes the standards and methodologies used.	GRI 304-3	

Sun International

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ENVIRONMENTAL continued

	Metric	Unit	Sun International's response	Other frameworks	Rationale
E4 POLLUTION AND WASTE					
E4.1 Solid waste					
E4.1a (C)	Total weight of waste generated (non-recycled), with a breakdown by composition of waste, noting % directed to disposal (including landfill and incineration), and % diverted from disposal (eg reuse, recycling, recovery).	Tonnes and %	Refer to Page 20 in the Environmental Performance Section. Note the values are provided in kg.	GRI 306-3 ESRS-E5-6 SASB 150	Waste is a growing concern in many economies due to factors such as urbanisation, poor regulation and standards, inadequate facilities, and new sources of waste such as plastic and e-waste. Waste management is critical for both environmental protection and public health. Effective waste management, which can include circular economy principles, can reduce operational and capital costs through improved efficiencies and, in some case, provide new input sources. A failure to manage waste can result in reputational damage and increase potential financial and legal liability costs.
E4.1b (C)	Total weight of hazardous waste generated, noting % directed to disposal (including landfill and incineration), and % diverted from disposal (eg reuse, recycling, recovery).	Tonnes and %	Refer to Page 20 in the Environmental Performance Section. Note the values are provided in kg.	GRI 306-4 GRI 306-5 ESRS-E5-6 SASB 150	
E4.1c (C)	Waste intensity: total waste per material unit (eg sales revenue, unit of production, or other).	Tonnes / ZAR or US$ etc / unit	Total waste = 7 278 120 kg Total waste = 7 278.120 tonnes Unit of output = Revenue Revenue = R11.3 billion rand Intensity = 0.000000644	GRI 306-3	
E4.2 Single-use plastics					
(L)	Report wherever material along the value chain: estimated metric tonnes of single-use plastic consumed and share (%) of single-use plastic weight of total plastic weight.	Tonnes / %	This is not measured and tracked for reporting purposes. The reporting of plastics waste is consolidated in the recycling waste figures for the group. The group recycled 451.817 tonnes of plastic in 2022.	ESRS-E5-4 ESRS-E5-5 SASB 410	Eliminating plastic pollution requires a shift from single-use to reusable packaging. Recycling is important, but reusable packaging will reduce the need for single-use products. Plastic waste has significant environmental impacts that range from the loss of marine life to the build-up of potentially toxic material in the food chain.
E4.3 Atmospheric pollution					
E4.3a (C)	Report wherever material along the value chain: nitrogen oxides (NOx), sulphur oxides (SOx), volatile organic compounds (VOC), persistent organic pollutants (POP), particulate matter, and other significant air emissions identified in relevant regulations.	Kilograms or multiples per emission type	The group will endeavour to report against this metric in 2023 disclosures.	GRI 305-7 ESRS-E2-4 SASB 120	Air pollutants, which include particulate matter, volatile organic compounds and the oxides of sulphur and nitrogen, are harmful to human health and a leading cause of respiratory illnesses and premature death around the world. Pollutant emissions in densely populated areas are often particularly harmful due to the large number of people affected and the higher level of ambient pollution.
E4.3b (L)	Wherever possible estimate the proportion of specified emissions that occur in or adjacent to urban/densely populated areas.	Description	The group will endeavour to report against this metric in 2023 disclosures.	ESRS-E2-5	
E4.4 Water pollution					
(L)	Total water discharge to all areas in megalitres, and list of priority substances of concern for which discharges are treated, including how these substances were defined, approach to setting discharge limits, and number of incidents of non-compliance with discharge limits.	Megalitres, description and # of incidents	Two sources for water discharges are captured for the group: Discharge to municipal sewer = 556.551 megalitres *Discharge to rivers/streams/wetlands = 733.380 megalitres There were zero incidents in 2022. * applicable to Sun City and Wild Coast Sun which operate wastewater treatment facilities.	GRI 303-4 ESRS-E2-5 ESRS-E2-6	Water pollution can result from a range of economic activities. Sources of water pollution include industrial waste, sewerage, and agricultural runoff. The effective functioning of ecosystems and the services that they provide requires the nitrogen, phosphorus and potassium cycles to be kept in balance. Where levels of nitrogen, phosphorus and potassium exceed sustainable thresholds, freshwater and oceanic dead zones may occur. Water pollution can also result in a variety of other ecological and public health issues.
E5 SUPPLY CHAIN AND MATERIALS					
E5.1 Supply chain (environmental)					
(L)	Report wherever material across the supply chain: mechanisms (e.g. supplier screening, and audits) to identify and address significant actual and potential negative environmental impacts, nature of these impacts, and measures to address these.	Description	Supplier screenings and audits are undertaken by procurement, there are no specific audits undertaken to assess environmental impacts. This process will be reviewed in 2023.	GRI 308-1 GRI 308-2 SASB 440 SASB 430	Environmental issues in the supply chain can lead to operational risks, such as shutdowns, financial risks from fines and compliance orders, and reputational risks. These can impact an organisation's ability to access finance and capital. Mechanisms such as supplier codes of conduct can reduce environmental risks in the supply chain by improving business practices. These can result in positive returns through lower costs, improved efficiency and access to new markets.
E5.2 Materials of concern					
E5.2a (C)	Process to identify and manage emerging materials and chemicals of concern in products (materials of concern could include conflict minerals or recognised high impact raw materials such as palm oil).	Description	The group will endeavour to report against this metric in 2023 disclosures.	GRI 417-1 SASB 430	Materials of concern in the supply chain can raise both reputational and operational risks due to environmental factors such as biodiversity loss, deforestation, water pollution and waste management. A process to identify and manage materials of concern, such as a due diligence and supply chain mapping process, should be used to prevent and/or address potential environmental impacts.
E5.2b (L)	Percentage of materials identified in point 1 above that are covered by a sustainability certification standard or formalised sustainability management programme.	% materials	The group will endeavour to report against this metric in 2023 disclosures.	SASB 430	Signing up to a sustainability certification standard or formalised sustainability management programme can provide stakeholders with a degree of confidence that materials of concern within the supply chain are being properly addressed.

SOCIAL

	Metric	Unit	Sun International's response	Other frameworks	Rationale

S1 LABOUR STANDARDS

S1.1 Diversity and inclusion

S1.1a (C) — Percentage of **employees per employee category** by race, gender, age group (under 30, 30-50, over 50), and where relevant other **diversity indicators.**

Unit: % workforce by category

Category	Gender		Age			Racial			
	%M	%F	< 30	30 - 50	> 50	A	C	I	W
Top	72.73%	27.27%	0.00%	33.33%	66.67%	27.27%	9.09%	27.27%	45.45%
Senior	60.50%	39.50%	2.52%	66.39%	31.09%	25.21%	10.08%	28.57%	38.66%
Middle	60.19%	39.81%	2.30%	81.57%	16.13%	45.60%	15.28%	15.74%	26.62%
Junior Management/ Skilled									
Technical	50.85%	49.15%	11.66%	75.97%	12.37%	69.00%	13.95%	8.95%	7.92%
Discretionary Decision making	36.80%	63.20%	36.06%	55.15%	8.79%	87.83%	8.18%	1.49%	1.00%
TOTAL	42.06%	57.94%	28.73%	60.95%	10.32%	79.54%	10.03%	4.66%	4.96%
% PWD	0.90%								

Other frameworks: GRI 405-1, SASB 330

Rationale: Organisations with higher levels of diversity, particularly within executive teams, are generally better able to innovate, attract top talent, improve their customer orientation, enhance employee satisfaction, access more wide-ranging networks, and secure their licence to operate.

S1.1b (C) — Number of allegations and **confirmed incidents of discrimination and/or human rights incidents** relating to workers incidents during the reporting period, noting the investigation status of reported and actual incidents, actions taken, and total amount of monetary losses due to legal proceedings associated with labour law violation, employment discrimination, and/or human rights violations.

Unit: # and description

Response: The group had zero reportable incidents or financial losses in 2022.

Other frameworks: GRI 406-1, ESRS-S1-18, ESRS-S1-25, SASB 310

Rationale: To be effective, organisational culture should be built on a foundation or respect, courtesy, and professionalism, free from any acts of discrimination, bullying or harassment.

S1.2 Pay equality

S1.2a (C) — Ratio between the CEO's total **annual remuneration** and the median, lower quartile, and upper quartile of the total **annual remuneration** of all the organisation's **employees** (excluding the CEO).

Unit: Ratio

Response: There is no statutory requirement yet in South Africa to report against this metric.

Other frameworks: GRI 2-21, GRI 202-1, ESRS-S1-14, ESRS-S1-17

Rationale: Globally, economic analysis has shown that high levels of inequality undermine economic growth. As noted under G2.1 Remuneration practices, incentives provided to senior executives, and the manner in which they are structured, can significantly reinforce or impede long-term value creation. However, at an organisational level, a wide gap between CEO compensation and the median reinforces inequality and could undermine long-term value creation. This is seen to be particularly relevant in South Africa given that it has one of the highest levels of inequality globally.

S1.2b (L) — The ratio of the average **annual remuneration** of the top 10% of the organisation's top earners, and the average **annual remuneration** for the bottom 10% of the lowest earners in the organisation.

Unit: Ratio

Response: There is no statutory requirement yet in South Africa to report against this metric.

S1.2c (C) — The total **annual remuneration** of both the highest paid employee and the lowest paid employee; the average remuneration; and the median remuneration of all employees.

Unit: ZAR

Response: There is no statutory requirement yet in South Africa to report against this metric.

S1.2d (C) — Ratio of the total **annual remuneration** of women to men, and by race group, for each **employee category,** by significant locations of operation (as defined by the organisation).

Unit: Ratio

Response: There is no statutory requirement yet in South Africa to report against this metric.

Other frameworks: GRI 202-1, SASB 310

Rationale: Corporate policies promoting pay equality reflect an organisation's culture and help organisations to bridge diversity gaps, attract talent and drive long-term competitiveness. Organisations with racial and other discrimination imbalances, expose themselves to reputational and potential legal risk.

S1.3 Wage level and living wage

S1.3a (C) — When a significant proportion of **employees** are compensated based on wages subject to minimum wage rules, report the relevant ratio of the **standard entry level wage** by race and gender compared to the applicable legislated **minimum wage** for the sector.

Unit: Ratio

Response: The group continues to focus and develop its remuneration practices to ensure that all employees are remunerated fairly, responsibly, and transparently. Part of this exercise included adopting a Framework for Fair Remuneration Policy, which included addressing equal pay for work of equal value; the disparity of the pay gap between male and female employees across the group and continuing to address the concept of a living wage. In respect of the latter, the group is satisfied that it pays all of its employees fairly and that no permanent full-time employee earns below a living wage.

A description has been provided as a response to this metric in place of a ratio for 2022. The group will endeavour to report against this metric in 2023 disclosures.

Other frameworks: GRI 202-1, SASB 310

Rationale: A wide gap between the highest-paid individual and the median reinforces inequality and could impede long-term value creation. Disclosure provides greater insight into how organisations are spending on top-management, their basis for doing so, and the opportunity costs that might impact their performance.

S1.3b (C) — Ratio of lowest wage to **living wage** for employees and non-employee **workers** for each significant location of operation.

Unit: Ratio

Response: Refer to response for S1.3a.

Other frameworks: Accounting for a Living Wage (Shift and Capitals Coalition)

Rationale: The provision of living wages offer companies a wide range of internal benefits, including: lowering staff turnover, a more motivated and productive workforce, greater economic security, strengthening value chain stability, improving company reputation, and stimulating local economies leading to various positive multiplier effects.

S1.3c (L) — Percentage of employees and non-employee workers whose wages fall below a specific **living wage methodology or benchmark.**

Unit: % workforce

Response: Refer to response for S1.3a.

SOCIAL continued

	Metric	Unit	Sun International's response	Other frameworks	Rationale
S1 LABOUR STANDARDS continued					
S1.4 Freedom of Association and Collective Bargaining					
S1.4a (C)	Describe how the organisation manages freedom of association and collective bargaining, noting any policy or policies considered likely to affect workers' decisions to form or join a trade union, to bargain collectively or to engage in trade union activities.	Description	The group has a written relationship agreement with our Recognition Union which has been in place since 1995 which contains a clause that endorses freedom of association and such is aligned with the labour legislation and the constitution.	GRI 407 ESRS-S1-2	The right to freedom of association and collective bargaining are not only internationally recognised as fundamental rights of employees, but are also useful tools for organisations and employees to engage, build trust, and negotiate solutions when potential conflicts arise.
S1.4b (C)	Percentage of total employees covered under collective bargaining agreements.	%	65% of employees are covered under the agreement.	GRI 2-30 ESRS-S1-22 SASB 310	
S1.4c (C)	Disclose the extent of major work stoppages (including both strikes and lockouts) due to disputes between the undertaking and its workforce, including the number of major work stoppages, and for each: number of workers involved; length in days of stoppage, reasons, and steps taken to resolve each dispute.	No and description	There were no work stoppages due to disputes in 2022.	ESRS-S1-23	
S1.4d (L)	An explanation of the due diligence assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk including measures taken by the organisation to address these risks.	Description	All the group service provider contracts contain an undertaking where suppliers must undertake that they fully comply with all the requirement of the labour law pertaining to its employees. The labour laws clearly set out "freedom of association and associated provisions" relating to collective bargaining where applicable within that particular industry. This is a desktop questionnaire and check system that we now have in place to ensure that we fully understand each individual beneficiary and also mitigate any risk that could affect the relationship going forward.	GRI 407-1	
S1.5 Characteristics of employees and workers in workforce					
S1.5a (C)	Describe key characteristics of employees in own workforce, including: total number of all employees by country; permanent employees; temporary employees; non-guaranteed hours employees; full-time employees; and part-time employees – with breakdown by race and gender for each.	Ratio workers	Refer to the People Section on Pages 24 – 26 under Social Performance for employee data.	ESRS-S1-7	This provides insight into the organisation's approach to employment, including the nature of impacts arising from its employment practices, to provide contextual information that aids an understanding of the information reported in other disclosures.
S1.5b (C)	Describe key characteristics of non-employee workers in the organisation's own workforce, including: total number of non-employee workers, noting the most common type of workers and their relationship with the organisation.	Description	Non-employees consist of independent contractors sourced through an IT service agreement, attending to specialised skills like server updates, e.g oracle specialist. Other non-employees would be those employees on all our properties employed by service providers and concessionaires in speciality restaurants (Wimpy), spas (Camelot Spa), lawns (Top Turf), clinics (Medicare) and gardens (BidVest) and many more.	ESRS-S1-8	
S2 COMMUNITY DEVELOPMENT					
S2.1 Community human rights					
S2.1a (C)	Total number and percentage of operations that have been subject to a human rights due diligence process or impact assessments, by country.	# and % operations + description	None of the operations required assessment in 2022.	GRI 408-1 GRI 409-1 GRI 410-1 GRI 205-1 ESRS S3-2 ESRS S3-3 SASB 210 UN Guiding Principles on Business and Human Rights	The activities of organisations may cause or contribute to environmental or social abuses that violate the human rights of individuals, workers and communities. Without a mechanism for employees and other key stakeholders to report human rights violations, organisations could miss opportunities to identify and mitigate such underlying issues.
S2.1b (C)	Nature of processes for engaging with affected communities and their representatives, and channels for affected community members to raise concerns.	Description	Each operation in the group, where applicable, has a Community Engagement Forum managed by the General Manager of the property.		
S2.1c (C)	Number and type of grievances reported with associated impacts related to a **salient human rights issue** in the reporting period, and an explanation of the % of these that are remedied in agreement with those who expressed their grievance.	# + description	None of the operations had grievances reported 2022.		
S2.1d (L)	Number and percentage of relevant sites (typically those involved in extracting, harvesting, or developing natural resources or energy) that implement a human rights and security approach consistent with the Voluntary Principles on Security and Human Rights.	# + % operations	This is not applicable as the core business activities of the group relate to hospitality, entertainment and gambling.		
S2.1e (L)	Number and percentage of sites at which the ownership, use of or access to land is contested, and an explanation of actions taken to address related social risks.	# + % operations	The has two sites where there have been purported land claims in the last 24 months. Both matters have been contested by the group which believes that the claimants have no legitimate rights nor expectations to claim ownership and title thereto. The group has invoked legal proceedings in both matters to contest the allegations made by the claimants.		

SOCIAL continued

	Metric	Unit	Sun International's response	Other frameworks	Rationale
S2 COMMUNITY DEVELOPMENT continued					
S2.2 Skills for the future					
S2.2 ⓒ	Describe the employee and external skills development programmes aimed at developing skills that increase the recipient's future mobility, career development, and/or income earning potential.	Description	Sun International undertakes unemployed learnership such as gaming learnership or one of the various food and beverage learnerships (crockery, chef etc). A learnership is a work-based learning programme that leads to a National Qualifications Framework (NQF) registered qualification. Learnerships are directly related to an occupation or field of work, for example, Learnerships are managed by Sector Education and Training Authorities (SETAs). They were introduced by government to help skill learners and to prepare them for the workplace. Learnership programmes can help and individual to gain the necessary skills and workplace experience that will lead to better employment or self-employment opportunities. Learnerships are based on legally binding agreement between an employer, a learner and a training provider. This agreement spells out the tasks and duties of the employer, the learner and the training provider. It is designed to ensure the quality of the training and to protect the interests of each party. A learnership requires that a learner enter into a fixed-term employment contract with the company whilst studying towards a qualification registered on the NQF, which is in line with the learnership (the cost of the qualification falls to the Company). Once the qualification is completed, the learnership will also end.	GRI 404-2 SASB 101	Building human capital to secure a motivated, productive and skilled workforce is a key priority for organisations. When firms fail to invest in training, education, skilling and reskilling of their employees, it can affect their business performance, reputation and ability to attract talented workforce. It can also lead to higher operating costs related to recruiting, developing and retaining employees.
S2.3 Employment and wealth creation					
S2.3a ⓒ	Total number and rate of new employee hires during the reporting period,' by age group, gender, other indicators of diversity, and region.	# and rate	Refer to the People Section on Pages 25 – 27 under Social Performance.	GRI 401-1 GRI 202-2 SASB 310	Employment and job creation are key drivers of economic growth, dignity and prosperity. The metrics provide a basic indication of an organisation's capacity to attract diverse talent, which is key to innovate new products and services. Employee turnover may serve as an indication of employee satisfaction or dissatisfaction and potential unfairness in the workplace.
S2.3b ⓒ	Total number and rate of employee turnover (for permanent employees) during the reporting period, by age group, gender, other indicators of diversity, and region.	# and rate	Refer to the People Section on Page 27 under Social Performance.	GRI 401-1 SASB 310	
S2.4 Community development					
S2.4a ⓒ	Direct economic value generated and distributed (EVG&D) on an accrual basis, covering the basic components for the organisation's global operations, ideally split out by: (i) Revenue (ii) Operating costs (iii) Employee wages and benefits (iv) Payments to providers of capital (v) Payments to government (taxes, royalties, levies, etc.) (vi) Community investment (including charitable giving, impact investment and other social investment).	ZAR	The group will endeavour to report against this metric in 2023 disclosures.	GRI 201-1	The metrics on economic contribution provide a broad indication of how an organisation has created wealth for its various stakeholders by summarising the direct monetary value added to local economies. Disclosure on the financial assistance received from government, when compared with separate disclosures on taxes, is often useful in developing a more balanced review of the balance of transactions between the company and government.

SOCIAL continued

	Metric	Unit	Sun International's response	Other frameworks	Rationale
S2 COMMUNITY DEVELOPMENT continued					
S2.4 Community development continued					
S2.4b (C)	Description of significant identified indirect economic impacts of the organisation, including for example: number of jobs supported in supply or distribution chain; number of suppliers/enterprises supported from defined vulnerable groups; nature of economic development in areas of high poverty; availability of products and services for those on low incomes or previously disadvantaged; enhanced skills and knowledge in a professional community or geographic location.	Description – with # and spend where relevant	The group has 120 Enterprise and Supplier Development (ESD) beneficiaries which have been funded and developed, with the aim of enabling job creation. Beneficiaries are required to outline their anticipated number of jobs created over a 3-year period. Additionally, they are required to create a community development plan which speaks to how they will give back to local previously disadvantaged communities through their businesses, with a particular focus on skills transfer initiatives which enable local community members to develop a skill which they can leverage to live sustainably and independently.	GRI 203-2 203-2 GRI 204-1 GRI 413-1 GRI 413-2 SASB 210	
S2.4c (C)	Percentage of the procurement budget used for significant locations of operation that is spent on **local suppliers,** noting the organisation's definitions of 'local' and for significant locations of operation.	% of spend	R3,5 billion (81%) of the R4,3 billion in procurement spend in 2022 was spent with suppliers based in South Africa. Significant efforts are being made to improve on reporting to allow more detailed spend breakdowns in local and doorstep community suppliers. Additionally, efforts are underway to identify and implement localisation of procurement spend with suppliers outside of South Africa.	GRI 204-1	
2.4d (L)	Description (quantitative and qualitative) of the extent of **significant infrastructure investment** and services supported.	ZAR + description	The group will endeavour to report against this metric in 2023 disclosures.	GRI 203-1	
2.4e (L)	Total monetary value of **financial assistance** received by the organisation from any government during the reporting period.	ZAR	The group does not receive monetary financial assistance from any government department.	GRI 201-4	
S3 HEALTH AND SAFETY					
S3.1 Workplace health and safety					
S3.1a (C)	Number and rate of fatalities as a result of a **work-related injury or ill-health** during the reporting period across the organisation; the disclosure should include both **employees and workers** who are not employees, but whose work and/or workplace is controlled by the organisation.	# and rate	Refer to the Health, Safety and Wellbeing section on Page 32 under Social Performance.	GRI 403-9 GRI 403-10 ESRS-S1-11 SASB 320	Maintaining strong safety and health standards can improve employee productivity and operational efficiency. Working proactively in these areas of business will help identify and mitigate risks and it is increasingly required by law.
S3.1b (C)	Number of recordable **work-related injuries**, and **number of work-related illnesses** or health conditions arising from exposure to work-related hazards during the reporting period; the disclosure should include both **employees and workers** who are not employees, but whose work and/or workplace is controlled by the organisation.	No / rate	Refer to the Health, Safety and Wellbeing section on Page 32 under Social Performance.	GRI 403-9 GRI 403-10 SASB 320	
S3.1c (L)	An explanation of how the organisation facilitates workers' access to nonoccupational medical and healthcare services and the scope of access provided for employees and workers, and a description of any voluntary health promotion services and programmes offered to workers to address major non-work-related health risks, including the specific health risks addressed.	Description	All employees belong to either a registered medical aid scheme or health insurance to ensure that they have access to non-occupational healthcare services. Some of our properties also have on-site clinics due to the nature and size of their operations. These clinics provide employees with access to basic primary healthcare. Furthermore, the group has an employee wellness programme which provides all employees annually with a free Health and Lifestyle Risk Assessment (HRA) to detect non work related health risks, and provides counselling and testing where appropriate. Health risks commonly addressed during wellness interventions include: Human Immunodeficiency Virus (HIV); Tuberculosis (TB); Heart disease; Stroke; Diabetes; Cancer; Obesity; Sleep; Substance use; Stress management and exercise	GRI 403-6	

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Metric			Unit	Sun International's response	Other frameworks	Rationale
S4 CUSTOMER RESPONSIBILITY						
S4.1 High Risk Products and services						
S4.1a	C	Description of products and services that present specific risks to individuals, communities or the environment; an outline of the nature of these risks and the measures taken to mitigate these.	Description	The company has implemented a responsible gambling policy that enables customers to exclude themselves from participating in gambling at specific gaming businesses or across the group. The company also gives effect to self-exclusion requests received from the provincial gambling boards. Also, the respective gaming employees are trained by the SARGF to identify problem gamblers. All gaming advertisements comply with national and provincial gambling legislation in respect of responsible gambling. In particular all gaming adverts contain a responsible gambling slogan and the toll-free contact details for the SARGF. Such adverts are placed within appropriate parameters from places where minors are mostly present. To add, all gaming properties offer responsible gambling brochures to the public, and player smart cards and Cashdesk profiles of excluded persons are deactivated. Excluded persons may only uplift their exclusion after receiving professional counselling and producing a certificate that they are capable of gambling responsibly. The company makes financial contributions of 0,01% of its gross gaming revenues towards funding the SARGF to provide counselling and in-patient treatment to problem gamblers and any person affected by problem gambling.	GRI 416-1 GRI 417-1 SASB 250 SASB 0 SASB 270	Disclosure should demonstrate how well an organisation manages the potential impact of its products or services on customers, its exposure to product recalls, and the strength of organisation policies, practices and procedures regarding supply chain, sourcing, and manufacturing compliance. Potential areas of concern include (but are not limited to) products and services associated with gambling, alcohol, tobacco, food and nutrition, medicines, breast milk substitutes, consumer finance, and retailing of processed foods and alcohol.
S4.1b	C	Number and nature of any product recalls.	# and description	This is not applicable to the group activities.	GRI 416-2 GRI 417-2 SASB 270	
S4.2 Product innovation						
S4.2a	C	Total research and development spend.	ZAR, $US or other currency	The group is in the process of transitioning from the current Bally gaming system to Playtech system. Total cost for development is not available as the project is ongoing.	Adapted from US GAAP ASC 730	Innovation is a significant contributor to ensuring longer-term prosperity. Total costs relating to R&D can be regarded as a basic indication of an organisation's efforts to innovate new products and services and be fit for the future. This can also provide insights into the capacity of the organisation to create new offerings and generate social or environmental benefits. The metric is a proxy to measure the effectiveness and productivity of an organisation's investments in innovation and serves as a primary metric for the maturity phase of innovation.
S4.2b	L	Total costs related to research and development aimed at enhancing social or environmental attributes of products and services.	ZAR, $US or other currency	The group will endeavour to report against this metric in 2023 disclosures.	Adapted from US GAAP ASC 730	
S4.2c	L	Percentage of revenue from products and services designed to deliver specific social or environmental benefits or to address specific sustainability challenges; if the company applies a taxonomy or benchmark to label their activities as sustainable, they should report on the benchmark used and how they meet the criteria of the benchmark.	% revenue	The group will endeavour to report against this metric in 2023 disclosures.	Adapted from GRI (FiFS7 + FiFS8) and SASB FN0102-16.a, EPIC)	
S4.3 Customer data and privacy						
S4.3a	C	A description of the mechanisms and steps taken to ensure privacy of consumer data.		Mechanisms and steps already implemented have been noted below (at a high level): Training and Awareness relating to privacy best practices and the practical application of POPIA principles. Development and monitoring of a Privacy CRMP as primary monitoring tool. Completion of Personal Information Inventories for all business processes (this included review of all related forms, notices, terms, etc. relating to each of these business areas). Identification and risk rating of third parties who process personal information – followed by in-depth Due Diligence of high risk rated third parties. High level review of the Sun International information security environment .	GRI 418-1 SASB 230	With the world becoming increasingly digitised, and with many organisations having significant access to potentially sensitive data on customers, clients and/or consumers, there is a heightened need to safeguard consumers' rights of privacy by limiting the types of information gathered and the ways in which such information is obtained, used and secured. Increasing use of electronic communication (including for financial transactions), as well as growth in large-scale databases, raise concerns about how consumer privacy can be protected, particularly with regard to personally identifiable information.
S4.3b	C	Total number of substantiated complaints received concerning breaches of customer privacy (categorised by complaints received from outside parties and substantiated by the organisation, and complaints from regulatory bodies), and total number of identified leaks, thefts, or losses of customer data.		The group received zero substantiated complaints concerning breaches of customer privacy in 2022. As part of our process, unsubstantiated matters are regularly investigated.	GRI 418-1 SASB 230	

Sun International

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SOCIAL continued

		Metric	Unit	Sun International's response	Other frameworks	Rationale
S5 SUPPLY CHAIN						
S5.1 Supply chain (social)						
S5.1a	C	Description of the operations and suppliers considered to have a significant risk of child labour, forced or compulsory labour, or other significant actual and potential negative social impacts, given the type of operation, commodities, or geographic region, and the nature of the measures taken by the organisation intended to contribute to eliminating these risks.	Description	All suppliers or bids that have been awarded are subject to vetting process and all suppliers and bidders are required to sign general terms and conditions that covers all aspect ethical labour practices across the entire value chain and adhere with the group Suppliers code of conduct.	GRI 408-1 GRI 409-1 ESRS S2-2 ESRS S2-3 ESRS S2-5 SASB 430 SASB 440	All organisations have the responsibility to respect human rights, including within their sphere of influence. Delivering on this responsibility requires that organisations exercise due diligence to identify, prevent and address any actual or potential human rights impacts resulting from their activities or the activities of those with which they have relationships. Identifying, managing and disclosing these risks, helps to mitigate potential abuses, in the interests of the organisation, affected stakeholders and society at large.
S5.1b	C	The number and percentage of identified child labour or forced and compulsory labour incidents in its operations or value chain; and percentage of these where the reporting entity has played a role in securing remedy for those affected.	# and %	The group will endeavour to report against this metric in 2023 disclosures.	SASB 440	
S5.1c	C	Report material matters across the supply chain: mechanisms (eg supplier screening, and audits) to identify and address significant actual and potential negative social impacts, nature of these impacts, and measures to address these.	Description	The group will endeavour to report against this metric in 2023 disclosures.	GRI 414-1 GRI 414-2 ESRS S2-5 SASB 430 SASB 440	
S5.1d	C	% of products certified by external agencies, % of traceable origin.	%	The group will endeavour to report against this metric in 2023 disclosures.	SASB 430	

GOVERNANCE

	Metric	Unit	Sun International's response	Other frameworks	Rationale
G1 BOARD COMPOSITION					
G1.1 Board Diversity					
G1.1 (C)	Composition of the board and its committees by race, gender, age group (<30, 30-50, >50) and, where relevant any under-represented social groups.	# and %	Refer to Board Overview Section of Corporate Governance Report Pages 47 – 48.	GRI 2-9 ESRS G1-1	The capabilities and perspectives of board members are important for making robust decisions. This disclosure captures a variety of important dimensions relating to composition, going beyond a single metric, and emphasises competencies relating to economic, environmental, and social G1.2 topics.
G1.2 Board competence					
G1.2 (C)	Description of the specific skills, competencies, and experience on the Board to address the organisation's significant sustainability-related impacts, risks, and opportunities.	Description	Refer to Board of Directors Section Page 4.	GRI 2-9 ESRS G1-3	
G1.3 Board independence					
G1.3 (C)	Composition of the board regarding: executive or non-executive; independence; tenure on the governance body; and number and nature of each individual's other significant positions and commitments.	# and %	Refer to Board Overview Section of Corporate Governance Report Pages 47 – 48. 60% independent and 40% non-independent. 60% independent and 40% non-independent. 20% executive (CE and CFO) and 80% non-executive.	GRI 2-9 ESRS G1-1	
G2 REMUNERATION					
G2.1 Remuneration practice					
G2.1 (C)	How the remuneration policies for board members and senior executives relate to their objectives and performance in relation to delivery of the organisation's strategy and management of its impacts on people, the environment and the economy, noting the split between fixed pay and variable pay, and with variable pay split into short- and long-term incentives.	Description	Refer to Remuneration Committee Section of Corporate Governance Report Page 55.	GRI 2-19 ESRS G1-6	The incentives provided to board members and senior executives, and the manner in which they are structured, can significantly reinforce or impede long-term value creation. Importantly, this disclosure requires the reporting organisation to explicitly address how its approach to remuneration relates to the organisation's economic, environmental and social objectives.
G3 ETHICAL BEHAVIOUR					
G3.1 Anti-corruption					
G3.1a (C)	Total percentage of governance body members, employees and business partners who have received training or awareness-raising on the organisation's anti-corruption policies and procedures, broken down by employee category and region.	% Board members	The SIL board, all subsidiary boards of gaming companies and their employees received training on money-laundering, terror financing and proliferation financing. All gaming employees receive refresher training annually. A training session on money laundering risk mitigation was held during March 2021 for the SIL board – 100% attended.	GRI 205-2 ESRS G2-5 SASB 510	Corruption undermines stakeholder legitimacy and trust; it is linked to misallocation of capital, environmental harm, human exploitation and unethical and illegal behaviour. Anti-corruption training and investment in initiatives to improve both operating environment and culture develop an organisation's anti-corruption capabilities. The total number and nature of corruption incidents are a proxy for the effectiveness of an organisation's overarching anti-corruption culture and capabilities.
G3.1b (C)	Total number and nature of incidents of corruption confirmed during the current year, related to this year and previous years, with a description of the activities taken to address confirmed incidents, and of the outcomes of these activities.	# and description	Refer to Ethical leadership Section of Corporate Governance Report Page 49. Description of the nature of incidents are provided while the quantity has not been reported.	GRI 205-3 ESRS G2-3	
G3.1c (C)	A description of: i) the internal and external grievance mechanisms (including whistle-blowing facilities) for reporting concerns about unethical or unlawful behaviour and lack of organisational integrity; ii) mechanisms for seeking advice about ethical and lawful behaviour and organisational integrity; and iii) the extent to which these various mechanisms have been used, and the outcomes of processes using these mechanisms.	# and description	Refer to Ethical leadership Section of Corporate Governance Report Page 49. The ethics advice facilities and whistle-blowing hotline details are provided.	GRI 2-25 GRI 2- GRI 205-3 ESRS G2-6 ESRS G2-7 SASB 510	
G3.1d (L)	Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, to combat corruption.	Description	Refer to Ethical leadership Section of Corporate Governance Report Page 49. The ethics management section describes how the group is embedding an ethical culture amongst employees.	GRI 205 ESRS G2-3	

GOVERNANCE continued

		Metric	Unit	Sun International's response	Other frameworks	Rationale
G3 ETHICAL BEHAVIOUR continued						
G3.2 Lobbying and political contributions						
G3.2a	C	Total monetary value of financial and in-kind political contributions made directly and indirectly by the organisation, by country and recipient/beneficiary.	ZAR, $US or other currency	The group will endeavour to report against this metric in 2023 disclosures.	GRI 415-1 ESRS G2-9	Consistency between an organisation's activities related to lobbying and its publicly stated purpose and strategy is a core component of alignment on long-term objectives, which is essential for long-term value creation. Monitoring this consistency is an important element of overall transparency and the authentic pursuit of the organisation's objectives.
G3.2b	C	Identify the significant issues that are the focus of the company's participation in public policy development and lobbying, including within any business association that the company is a member of; describe the company's strategy relevant to these areas of focus, identifying any differences between its lobbying positions and its purpose, policies, goals and other public positions.	Description	The group will endeavour to report against this metric in 2023 disclosures.	GRI 415-1 ESRS G2-9	
G4 COMPLIANCE AND RISK MANAGEMENT						
G4.1 Incidents						
G4.1	C	Number and nature of significant environmental, social and/or governance related incidents during the reporting period, including incidents of legal non-compliance (whether under investigation, pending finalisation, or finalised) and directives, compliance notices, warnings or investigations, and any public controversies.	# and description	There were no known significant ESG related incidents for 2022.	GRI 2-27 SASB 510 SASB 270	The number and nature of significant environmental, social and/or governance related incidents can be a proxy for the general effectiveness of an organisation's overarching culture, management systems and capabilities, particularly when tracked over time.
G4.2 Fines and monetary loss						
G4.2	C	Total number and monetary value of fines, settlements, penalties, and other monetary loss suffered in relation to ESG incidents or breaches, including individual and total cost of the fines, settlements and penalties paid in relation to ESG incidents or breaches; and description of plans to address any incidents or breaches.	# / ZAR, $US or other currency; and description	There were zero reported for 2022.	GRI 2-27 SASB 510 SASB 270	
G5 TAX TRANSPARENCY						
G5.1 Tax paid and estimated tax gap						
G5.1a	C	A description of the organisation's approach to tax, including: i) whether the organisation has a tax strategy and, if so, a link to this strategy if publicly available; ii) the governance body or executive-level position within the organisation that formally reviews and approves the tax strategy, and the frequency of this review; iii) how its approach to tax is linked to the business and sustainability strategies of the organisation.	Description	The group will endeavour to report against this metric in 2023 disclosures.	GRI 207-1	Reporting of total tax paid provides global information on the organisation's contribution to governmental revenues. This disclosure provides information on the organisation's global tax profile and on the various categories of taxes that support governmental functions and public benefits.
G5.1b	C	For each tax jurisdiction: the total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the company, by category of taxes.	ZAR, $US or other currency	The group will endeavour to report against this metric in 2023 disclosures.	GRI 207-4	
G5.1c	L	Extent of exposure to countries and jurisdictions recognised for their corporate tax rate, tax transparency and tax haven status; estimated tax gap (gap between estimated effective tax rate and estimated statutory tax rate).		The group will endeavour to report against this metric in 2023 disclosures.		

Sun International

STRATEGIC LEADERSHIP

SUSTAINABLE VALUE CREATION

ENVIRONMENTAL PERFORMANCE

SOCIAL PERFORMANCE

SUPPORTING GOOD GOVERNANCE

ANNEXURE JSE METRICS

CORPORATE DATA AND ADMINISTRATION

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CORPORATE DATA AND ADMINISTRATION

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