

Governance and sustainability

Our commitment to good governance remains underpinned by the pillars of responsibility, fairness, transparency and accountability to all stakeholders. These pillars preserve the group's long-term sustainability, thereby delivering value to all stakeholders. The board will continue to oversee that management abide by these pillars in their dealings to ensure value creation is sustained.

Governance and sustainability principles underpin our business model and provide the foundation on which we continue to build and grow our business. It has always been one of the group's strategic priorities and hence has fostered the desired ethical culture throughout the group.



Highlights

- Implemented an automated compliance portal across the group that facilitates the ease of compliance with applicable requirements
- Included on the FTSE/JSE Responsible Investment Index
- Improved IT governance within our South African operations
- Made good progress in simplifying the group corporate structure
- Continued to create shared value through our social economic development strategy
- Developed a group health and safety policy to ensure alignment with management objectives
- Finalised our climate change strategy, setting the path towards seeking carbon neutrality by 2020

Challenges

- Integrating the group's governance and compliance structures into new acquisitions without unnecessarily encumbering these acquisitions

Our approach

To ensure our activities have positive economic, environmental and social impacts, we need a robust governance structure that not only helps us track our progress, but which is also integrated into our strategy and decision-making processes. Our governance framework provides clear accountability, promotes best practice and supports our vision of being an internationally recognised and respected gaming and hospitality group.



Details of our governance framework are available at <http://ir.suninternational.com>.

To ensure we consistently practise effective corporate governance throughout the Sun International group, our board applies the principles of King III.



For details of our application of King III see <http://ir.suninternational.com>.

The board is in the process of reviewing the draft King IV principles and will be adopting these principles as appropriate for the group.

In terms of the governance principles, our board considers the concerns and priorities of its wider stakeholder environment in its strategic guidance and decision-making processes. We also incorporate the principles of the United Nations Global Compact (UNGC) in our board's decision-making processes and report on these practices online.

Sun International's efforts towards sustainable and transparent business practices are reflected in our inclusion as a constituent of the JSE Socially Responsible Investment (SRI) Index for the past number of years, and our inclusion in the FTSE/JSE Responsible Index which has recently been launched. The group remains committed to following the principles laid down for the reporting of key governance measures. Furthermore, the group continues to use the Global Reporting Initiative (GRI) framework as the basis for its integrated sustainability reporting. The board has again engaged the services of an external assurance provider to provide an independent assurance statement on the group's sustainability reporting as advocated by King III.



A copy of our independent assurance statement can be found online at <http://ir.suninternational.com>.

Ethical leadership, culture and practices

The development, operation and management of our gaming operations, hotels and resorts can have ethical, environmental and social impacts on the communities in which we operate. We have integrated our approach to corporate governance and sustainability in our corporate governance and sustainability strategy, which is based on our commitment to the following key principles:

Maintaining an ethical climate throughout our operations

Engaging with and responding to all our stakeholders

Creating shared value for both our business and the communities in which we operate

Implementing environmental management systems that are aligned with international best practice

Behaving in a socially and environmentally responsible manner

Actively encouraging behaviour that is both ethically and environmentally responsible among our guests, employees, suppliers, contractors and concessionaires

Applying social and environmental criteria to our sourcing of goods and services, whenever practical

Practising good corporate governance



Details of our sustainability information regarding community, environment and our people can be found online at <http://ir.suninternational.com>.

The board is responsible for overall focus of the group's sustainability and success by determining its strategy, overseeing the appointment of executive management, ensuring sound corporate governance and reporting to all stakeholders on the proper conduct of the business.

Matters reserved for the board

Sun International's strategy, major capital investments and divestment, annual budget and operating plans.

Our legal licence to operate is affected by our social licence, which in turn depends on our level of acceptance or approval of the communities in which we operate. We recognise that not only do we have a social responsibility towards the communities in which we operate, but also that our corporate behaviour within these communities creates perceptions that can positively or negatively impact our reputation.

A full set of reports from the board and the various committees can be found online at <http://ir.suninternational.com> and detail our approach to governance at board level.

10/15 DIRECTORS ARE INDEPENDENT NON-EXECUTIVE DIRECTORS **67%**

5/15 DIRECTORS ARE FEMALE **33%**

11/13 NON-EXECUTIVE DIRECTORS ARE INDEPENDENT **85%**

6/15 DIRECTORS ARE HISTORICALLY DISADVANTAGED SOUTH AFRICANS **40%**

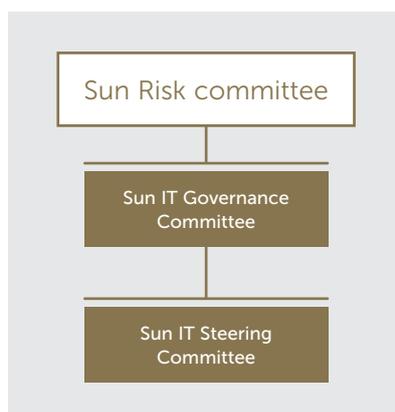
IT governance

The board is responsible for oversight of IT governance within Sun International, which operates within its IT mandate that takes into account King III's IT governance requirements. Various IT management committees, as depicted in the IT governance framework alongside, have been established to assist the board in discharging its duties. Sun International's chief information officer reports directly to the chief financial officer and is responsible for IT operations within the group. Sun International's IT strategy is based on four key principles that are aligned with the group's strategic objectives. The IT strategic principles are shown alongside.

Sun International is committed to ensuring the continuity of its business operations and has a Business Continuity Management (BCM) Programme that is aligned to ISO 22301 and ISO 27031 standards.

The components of the programme include a BCM policy, impact assessment, continuity plan, testing and a disaster recovery plan.

IT governance framework



IT STRATEGIC PRINCIPLES

Operational excellence: achieved by providing cost-effective reliable and available services.

Manage out complexity: achieved by having a technology architecture with an overarching goal of simplification.

Partner with the business: to enable and empower the business to focus on its customers and their needs.

Value management: building processes to ensure visibility on IT spend and the return on investment within IT.

The acts, regulations, framework and listings requirements that apply to Sun International

Sun International conducts its business within 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 within which we operate. Being a sound legal citizen is imperative for maintaining our casino licences and we provide a snapshot of our legal and regulatory universe below.

What we comply with	
JSE Listings Requirements	Sun International is a public company listed on the Johannesburg Stock Exchange and accordingly complies with all applicable JSE Listings Requirements. www.jse.co.za
King III	The King Report on Corporate Governance for South Africa 2009 and the King Code of Governance Principles (collectively King III) are applied throughout the group. With the release of the draft King IV, Sun International has been proactive in reviewing the proposed principles and keeping the board apprised of the upcoming changes. We are also confident that when King IV is published towards the end of 2016, the implementation process across the group will not be very onerous, as we already comply with some of the proposed amendments, such as proactive shareholder engagement in respect of remuneration – see page 24 for detail of our extensive engagement with key shareholders. www.iodsa.co.za
Local and international legislation	Sun International is committed to complying with all relevant legislation, regulations and best practices in the jurisdictions within which it operates. The group has identified the main areas of legislation that materially affect its operations and regularly engages with its key regulators to make public comments and submissions on proposed new industry and other relevant legislation.
Licence conditions issued by gaming boards	The gaming industry in which the group operates is highly regulated and is 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 apply	
International <IR> Framework	The International Integrated Reporting Framework which was finalised in December 2013.
United Nations Global Compact Principles	10 principles set out in the United Nations Global Compact (UNGC) Principles. An analysis of the group's standing with reference to the UNGC Principles has been provided for stakeholders who wish to review the group's standing in further detail.
Organisation for Economic Co-operation and Development	Guidelines for multinational enterprises 2011 regarding anti-corruption.

SUPPORTING EDUCATION

In line with the group's creating shared value (CSV) strategy, Sun International has **renovated and equipped hospitality- and tourism-related classrooms** in a total of 19 schools around our properties, helping prepare learners for careers in the hospitality industry.

On completion, the Department of Basic Education ensures that staff requirements are met for the examinable and accredited curriculum delivery. One best performing learner qualifies for a Sun International bursary for tertiary education, followed by a

place in our Internship Programme, ultimately securing themselves employment with Sun International. **A Day in the Life of a Chef** Programme provides an opportunity for learners from the Sun International supported schools project to have access to Sun International executive chefs. In addition, the **Teacher Assists** Programme provide in-depth workshops and on the job experience at our units to better equip teachers with what the business requirements are.



A Day in the Life of a Chef

