



2016 United Nations Global Compact Communication on Progress Report

INTRODUCTION

Sun International is pleased to present its 2016 United Nations Global Compact (UNGC) Communication on Progress (COP) report, covering the group's activities for the period 8 December 2015 to 7 December 2016. Sun International has been a signatory to the UNGC since 2013, and has been an active participant in various meetings and related initiatives in line with the UNGC principles, in particular through the National Business Initiative (NBI), a local business association that supports and encourages implementation of among others the UNGC's 10 principles and the United Nations' Millennium Development Goals (MDGs) in South Africa.

As a publicly listed company on the Johannesburg Stock Exchange (JSE) in South Africa, Sun International accepts its responsibility to ensure that the company operates in a manner that not only strives to be financially sound, but also encourages a high level of transparency, accountability and social and environmentally responsible behaviour. To ensure we continue to achieve this goal, we ensure that our governance and risk management structures identify, and where applicable, adhere to local and international standards and best practices, including the UNGC.

This document presents a summarised overview of the different commitments, initiatives and projects Sun International has been embarking on during the reporting period. As a group we continue to support and integrate the 10 principles into our business strategy, our culture and our day-to-day operations, demonstrating our continued commitment and support towards the UNGC.

With this COP report, we confirm that we are actively working towards ensuring that the UNGC and its principles become fully entrenched in our business strategy and culture, and that we will continue to seek and participate in collaborative projects that advance the broader development goals of the UNGC and the MDGs.

The 2016 report provides an abridged and partial view into how we acknowledge and implement the 10 principles in our business. The report should be read in conjunction with the 2016 Sun International Integrated Annual Report, which can be found at <http://ir.suninternational.com/> and the Group's Standing on the UNGC principle that can be viewed at http://suninternational.onlinereport.co.za/ir_2016/pdf/sections/Sustainability/Sun_International_IAR2016_UN_Global_Compact_Principles.pdf

In addition to being signatories to the UNGC, Sun International actively takes part in the following local and international initiatives and codes of good practise:

- **Carbon Disclosure Program (CDP)**
- **Carbon Disclosure Program Water (CDP W)**
- **Adherence to the recommendations of the King Code of Corporate Governance for South Africa (King III); and**
- **United Nations Millennium Development Goals.**

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STATEMENT OF CONTINUED SUPPORT

As Chief Executive of Sun International, I welcome the opportunity to, again reaffirm our group's commitment to the Ten Principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labour, Environment and Anti-Corruption. Sun International remains committed to supporting and advancing the UNGC principles not only through our direct business activities, but also within our sphere of influence.

As part of our sustainable business strategy, we know and understand that our business success is directly linked to the integration of governance, social and environmental issues into our long-term business strategy as well as our day-to-day operations. We aim to lead by example in the area of responsible business conduct by raising awareness of the importance of the UNGC principles. Respecting these principles today will ensure a better future for our company, our employees and our stakeholders.

The Sun International group continues to strive for the highest possible standards in good corporate citizenship and sustainable business practices. As such, we are committed to sharing this information with our stakeholders using our primary channels of communication. In all of our business dealings, honesty, fairness, equality and ethical conduct form the cornerstone of how we conduct business.

Sincerely yours,

A handwritten signature in black ink, appearing to read "A Leeming".

Anthony M. Leeming
Chief Executive
Sun International

UNGG COP FEEDBACK ON PRINCIPLES

Human Rights: Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights

Analysis of Group's standing	Areas of progress	Further progress required
<p>The Sun International Group supports and respects human rights through its daily activities which includes:</p> <ul style="list-style-type: none"> by providing safe and healthy working conditions; by encouraging freedom of association; by ensuring non-discrimination in personnel practices; by ensuring that the Group does not use directly or indirectly forced labour or child labour; by making reasonable accommodations for all employees' religious observance and practices; by working to protect the economic livelihood of local communities; by engaging the Group's material stakeholders in assessing and mitigating key material issues; and by enforcing Group policies across the various jurisdictions in which the Group operates. 	<ul style="list-style-type: none"> Group code of ethics in place and subject to annual review. 	<p>No further action required at this stage.</p>

Human Rights: Principle 2

Business should make sure that they are not complicit in human rights abuses

Analysis of Group's standing	Areas of progress	Further progress required
<p>The Sun International Group supports and respects human rights through its daily activities which includes:</p> <ul style="list-style-type: none"> by implementing explicit policies that protect the human rights of workers in its direct employment; through active engagement and open dialogue with stakeholder groups; by internally disciplining human rights abuses; and through raising awareness within the company of human rights issues within the company's sphere of influence. 	<ul style="list-style-type: none"> The last audit relating to labour law practices and procedures of all service providers within Group was undertaken 2013. Now that all the new amended labour laws are in place but still slightly uncertain, another audit is required. 	<p>Ensuring appropriate remedial action is implemented where necessary.</p>

Labour: Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Analysis of Group's standing	Areas of progress	Further progress required
<p>The Sun International Group supports this principle through its daily activities which includes:</p> <ul style="list-style-type: none"> ▪ by ensuring that all workers are able to form and join a trade union of their choice without fear of intimidation or reprisal, in accordance with national law; ▪ has put in place non-discriminatory policies and procedures with respect to trade union organisation, union membership and activity in such areas as applications for employment and decisions on advancement, dismissal or transfer; ▪ does not interfere with the activities of worker representatives while they carry out their functions in ways that are not disruptive to regular company operations. Practices such as allowing the collection of union dues on company premises, posting of trade union notices, distribution of union documents, and provision of office space, have proven to help build good relations between management and workers, provided that they are not used as a way for the company to exercise indirect control; ▪ provides workers' representatives with appropriate facilities to assist in the development of effective collective agreement; ▪ recognises representative organisations for the purpose of collective bargaining; ▪ uses collective bargaining as a constructive forum for addressing working conditions and terms of employment and relations between employers and workers, or their respective organisations; ▪ addresses any problem-solving or other needs of interest to workers and management, including restructuring and training, redundancy procedures, safety and health issues, grievance and dispute settlement procedures, disciplinary rules, and family and community welfare; and ▪ provides information needed for meaningful bargaining. 	<ul style="list-style-type: none"> ▪ In January 2016 Sun International completed a two day Relationship Building initiative with the recognised union in SA. This was followed by a further three days of reviewing all outstanding and outdated agreements in February 2016. ▪ Meetings between all parties are ongoing. 	<p>While the Group is materially in compliance with the ILO's decent work objectives and requirements, the issue is to be addressed at a supplier/service provider level in terms of their labour practices.</p>

Labour: Principle 4

Businesses should uphold the elimination of all forms of forced and compulsory labour

Analysis of Group's standing	Areas of progress	Further progress required
<p>The Sun International Group supports this principle through its daily activities:</p> <ul style="list-style-type: none"> ▪ by adhering to provisions of national laws and regulations and takes account of international best practice standards; ▪ makes available employment contracts to all employees stating the terms and conditions of service, the voluntary nature of employment, the freedom to leave (including the appropriate procedures) and any penalties that may be associated with a departure or cessation of work; and ▪ employment contracts are written in languages easily understood by workers, indicating the scope of and procedures for leaving the job. 	<ul style="list-style-type: none"> ▪ Continued monitoring. 	<p>No further progress required.</p>

Labour: Principle 5

Businesses should uphold the effective abolition of child labour

Analysis of Group's standing	Areas of progress	Further progress required
<p>The Sun International Group supports this principle through its daily activities:</p> <ul style="list-style-type: none"> ▪ through awareness of countries, regions, sectors, economic activities where there is a greater likelihood of child labour and respond accordingly with policies and procedures; ▪ the procurement department adheres to this principle by sourcing from reputable suppliers; ▪ by adhering to minimum age provisions of national labour laws and regulations and takes account of best practice international standards; and ▪ through use of adequate and verifiable mechanisms for age verification in recruitment procedures. 	<ul style="list-style-type: none"> ▪ Awareness and communication emphasised to local Unit management. ▪ Local Unit management and decision makers in the procurement domain to drive the Group's non-negotiable stance on this matter. ▪ This aspect is constantly monitored by the Units and no non-compliance has been reported to date. 	<p>No further progress required.</p>

Labour: Principle 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation

Analysis of Group's standing	Areas of progress	Further progress required
<p>The Sun International Group supports this principle through its daily activities:</p> <ul style="list-style-type: none"> through the institution of company policies and procedures which make qualifications, skill and experience the basis for the recruitment, placement, training and advancement of staff at all levels; by keeping up-to-date records on recruitment, training and promotion that provide a transparent view of opportunities for employees and their progression within the organisation; where discrimination is identified, grievance procedures are in place to address complaints, handle appeals and provide recourse for employees; programs have been established to promote access to skills development training and to particular occupations; and has reasonably adjusted the physical environment to ensure health and safety for employees, customers and other visitors with disabilities. 	<ul style="list-style-type: none"> Continue to raise awareness on non-discrimination policies and practices, including disability awareness through the upcoming culture survey. In addition, a Disability Awareness programme was developed in the latter part 2016 and training will commence in Feb 2017; and An employee culture/engagement survey was run in March 2016. 	<p>Significant action points has flowed out of the culture /employee engagement survey. These action points are currently being addressed.</p>

Environment: Principle 7

Businesses should support a precautionary approach to environmental challenges

Analysis of Group's standing	Areas of progress	Further progress required
<p>The Sun International Group supports this principle through its daily activities:</p> <ul style="list-style-type: none"> through the development of a code of conduct or practice for its operations and products that confirms commitment to care for health and the environment; has developed company guidelines on the consistent application of the approach throughout the company; has established a managerial committee or steering group that oversees the company application of precaution, in particular risk management in sensitive issue areas; and has established two-way communication with stakeholders of information about uncertainties and potential risks and to deal with related 	<ul style="list-style-type: none"> A group wide Climate Change Strategy has been implemented. An Environmental Legal Registers have been developed and implemented throughout the Group; and Partnerships with other sustainable organisations such as WWF, WWF-SASSI and National Business Initiatives (NBI) have been established. 	<p>Sub-meters for water and energy installed throughout all the properties.</p> <p>All environmental procedures aligned to ISO 14001 reviewed to implement new requirements of ISO 14001:2015.</p>

Analysis of Group's standing	Areas of progress	Further progress required
enquiries and complaints. Use mechanisms such as workshop discussions, focus groups, the use of website and printed media.		

Environment: Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility

Analysis of Group's standing	Areas of progress	Further progress required
<p>The Sun International Group supports this principle through its daily activities:</p> <ul style="list-style-type: none"> has defined the company vision, policies and strategies to include the 'triple bottom line' of sustainable development — economic prosperity, environmental quality and social equity; has certain sustainability commitments in place; has adopted environmental audits at all of its operations; by tracking and communicating progress in incorporating sustainability principles into business practices; and by ensuring transparency with stakeholders. 	<ul style="list-style-type: none"> Group participated in the Carbon and Water Disclosure Projects emphasizing its environmental responsibility; Environmental Management System (EMS) audits conducted throughout the Group; Quarterly EMS progress reported to Social and Ethics meeting; and Environmental risks identified for water and waste and discussed quarterly at the operational risk committee meeting. 	<p>In order to further promote this principle, the Group may wish to consider the following:</p> <ul style="list-style-type: none"> work with suppliers to improve environmental performance and extending responsibility through the supply chain; communicate and market our environmental initiatives more effectively internally and externally; and Zero-Waste-To-Landfill strategy rolled-out.

Environment: Principle 9

Businesses should encourage the development and diffusion of environmentally friendly technologies

Analysis of Group's standing	Areas of progress	Further progress required
<p>The Sun International Group supports this principle through its daily activities:</p> <ul style="list-style-type: none"> improving technology, at unit level; by making information available to stakeholders that illustrates the environmental performance and benefits of using such technologies; waste management, energy conservation and water use are advanced practices; and environmental management systems are in place at most Units. 	<ul style="list-style-type: none"> Water stewardship programme developed Energy saving technology i.e. PV investigated as a Group deal to be implemented 	<p>Water saving technology assessed and relevant actions to be implemented where feasible. Energy technology programme formulated and to be rolled out as a Group initiative.</p>

Anti-Corruption: Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery

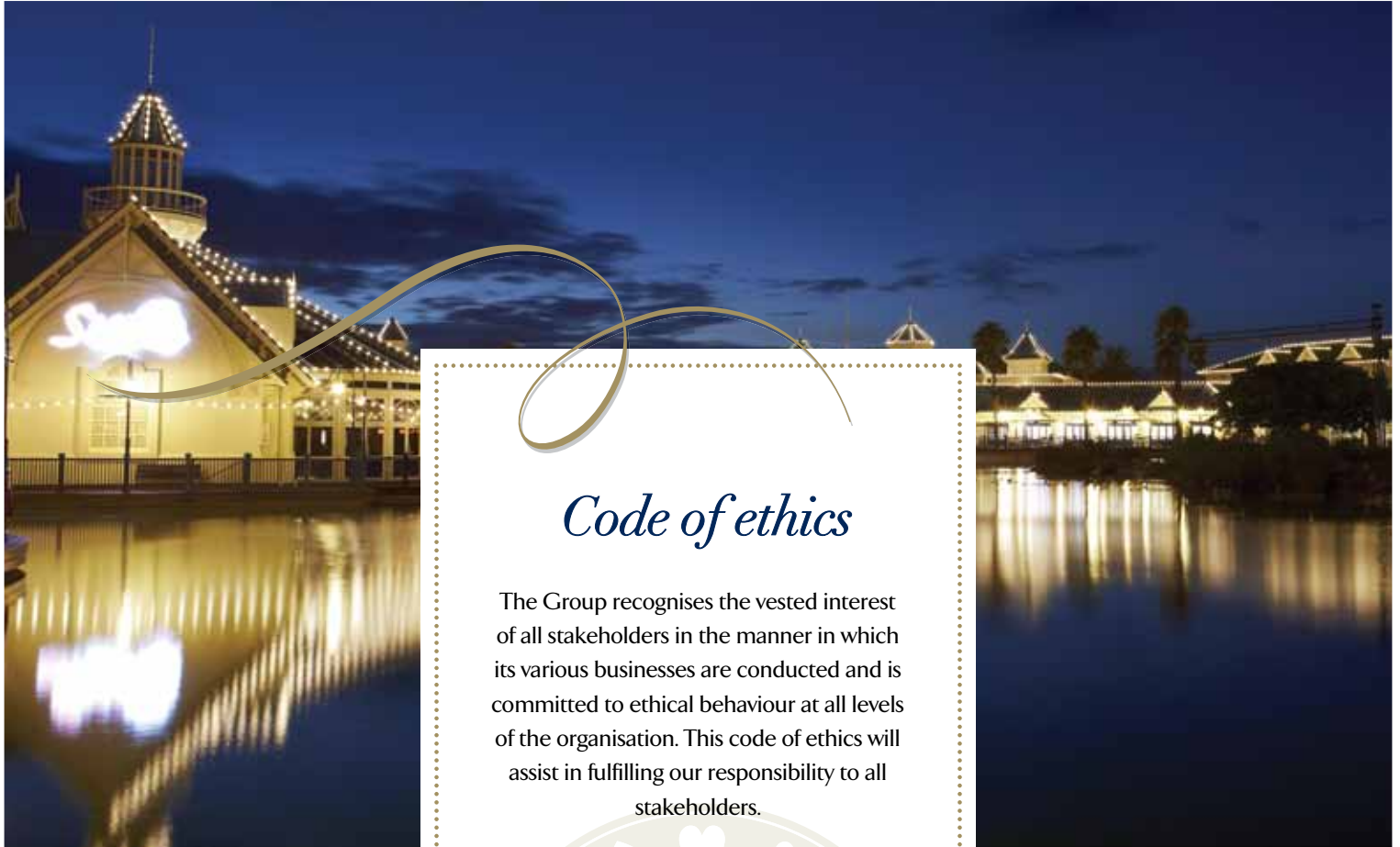
Analysis of Group's standing	Areas of progress	Further progress required
<p>The Sun International Group supports this principle through its daily activities:</p> <ul style="list-style-type: none"> ▪ through the non- tolerance of any corruption within the business operations; ▪ by defining its stance with all stakeholders particularly in foreign jurisdictions; ▪ by carefully mitigating its risk with new partners by conducting probity investigations; ▪ by conducting country risk profiles of new jurisdictions to raise any such risks. 	<ul style="list-style-type: none"> ▪ Group anti-corruption policy to be reviewed, updated, signed and issued. ▪ Policy to be presented by management to the employees at all Units. 	<p>No further progress required.</p>

Additional Supporting Documentation

The following supplementary information have been included as Appendices in the report:

- Appendix 1 - Code of Ethics
- Appendix 2 - Health and Safety Policy
- Appendix 3 - Sustainability Policy
- Appendix 4 - Anti-corruption Policy

Appendix 1: Code of Ethics



Code of ethics

The Group recognises the vested interest of all stakeholders in the manner in which its various businesses are conducted and is committed to ethical behaviour at all levels of the organisation. This code of ethics will assist in fulfilling our responsibility to all stakeholders.

The Group will act in a way that will earn it and its subsidiaries the reputation of being:

- committed to integrity and honesty in everything it does;
- consistent in fulfilling its moral and legal obligations;
- committed to sustainability and integrated social, environmental and economic performance;
- supportive of loyalty and long-standing relationships;
- protective of the quality of its services and products;
- non-political and non-sectarian in all its activities; and
- committed to supporting responsible gambling.

As regards its people resources, the Group is committed to enlightened employment policies and practices whereby:

- discrimination and sexual harassment are not tolerated;
- conflicts of interest are actively managed; and
- training and skills development is emphasised and encouraged.

Appendix 2: Health and Safety Policy



GROUP HEALTH AND SAFETY POLICY

Our vision is for Sun International to be an internationally recognised and respected gaming and hospitality group that provides memorable experiences for our guests, offering rewarding employment for our people, delivering superior returns for our shareholders and creating genuine value for the communities in which we exist.

We recognise that we have an obligation to the protection of the health and safety of our guests, people and stakeholders throughout the development, operation and management of our properties which currently operate in Southern Africa, Nigeria and Latin America.

We will achieve our mission, vision and obligations by integrating health and safety management into our business through ensuring that we:

- Develop, implement and maintain management systems that are consistent and aligned with internationally recognised standards that suit the nature and scale of our diverse operations;
- Comply with legislation relevant to our business in the country in which we operate. Where the South African legislation supersedes another countries legislation, the South African legislation shall be adopted. We shall further adhere to all other requirements to which the Group subscribes;
- Identify, assess, and take appropriate measures to minimise or eliminate risks to our affected parties, and be prepared to respond to emergencies at all times;
- Communicate and engage on health and safety issues with employees and other persons directly affected by the decisions and activities of Sun International, and to share responsibility for meeting the requirements of this Policy; and
- Demonstrate responsible behaviour in terms of health and safety, through:
 - Setting objectives and targets that will be reviewed annually in accordance with the Group's health and safety performance. Our objectives for 2016 / 2017 include:
 - maintaining a fatality rate of zero,
 - maintaining a zero occupational disease rate,
 - reducing the incidence of workplace injuries compared to the previous year,
 - ensuring that all of our properties have a legal register in place.
 - Monitoring and managing our identified processes to improve the Group's health and safety performance;
 - Implementing reporting systems that are consistent, easy to use and conform to the Group's corporate governance requirements;
 - Preventing injury and ill health to people without affecting the quality of service provided to our guests;
 - Promoting a health and safety culture throughout our business;
 - Applying health and safety criteria in the sourcing of goods and services;
 - Developing our people, while assessing their competence to carry out their duties and responsibilities safely; and
 - Providing the necessary resources to manage health and safety effectively, and to achieve our performance targets.

We will review and report on our progress and ensure that this Policy remains relevant to the needs of our stakeholders.

We are committed to the continual improvement of our health and safety performance and will be successful in achieving our targets towards our goal of minimising harm to people.

G E Stephens
Chief Executive
Date: 1 May 2016

V L Robson
Director: Group Human Resources
Date: 1 May 2016

Appendix 3: Sustainability Policy

GROUP SUSTAINABILITY POLICY

Sun International is a leader in the leisure, entertainment, gaming and tourism sector. Our properties are located throughout Southern Africa, as well as in Nigeria and Latin America. We recognise that the development, operation and management of our properties have financial, social and environmental effects. Our aim is to integrate sustainability considerations into our business through ensuring that we:

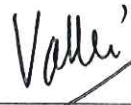
- comply with legislation relevant to our business. All of our operations are required, at a minimum, to adhere to South African legal requirements and other requirements to which the Group subscribes;
- adhere to the principles of respect, honesty, accountability, transparency and fairness in our business dealings and in interactions with stakeholders;
- conduct our business in an ethical manner;
- implement management systems that are aligned with international best practice and that suit the nature and scale of our diverse operations;
- promote environmental and social responsibility among our guests, employees, suppliers, contractors and concessionaires;
- apply financial, social and environmental criteria in the sourcing of goods and services;
- demonstrate environmentally responsible behaviour, through:
 - preventing pollution of the environment;
 - conserving the use of natural resources;
 - minimising waste generation;
 - protecting biodiversity; and
 - implementing a climate change response strategy;
- demonstrate socially responsible behaviour, through:
 - participating in the responsible gambling initiatives;
 - creating shared value with the appropriate communities by aligning initiatives to our corporate strategies; and
 - supporting aligned projects to encourage enterprise development opportunities within local enterprises.
- demonstrate good corporate governance, through:
 - adopting internationally recognised King III governance standards;
 - adhering to a Board Charter and Code of Ethics;
 - ensuring that whistle-blowing, fraud reports or other concerns are dealt with in a non-discriminatory and confidential manner; and
 - monitoring performance on non-financial issues through a Social and Ethics Committee.

We are committed to continual improvement of our sustainability performance.



G E Stephens
Chief executive

Date: 8 October 2014



M V Moosa
Chairman

Date: 8 October 2014

Appendix 4: Anti-corruption Policy

GROUP CORPORATE SERVICES POLICY

Policy Name: Anti-Corruption Policy

Policy Owner: Director: Corporate Services and Legal

Policy Tracking Number: CS/Aug 2012/01

Original creation date	Date of last revision	Effective date	Date of next review
New	N/A	1 April 2013	2 years after effective date

PURPOSE

The purpose of this policy is to reinforce our group's commitment to observing and upholding our position on bribery and corruption, without compromising our standards in acting professionally, fairly and with integrity in our business dealings and relationships in all the jurisdictions in which our group companies operate.

SCOPE/ELIGIBILITY/APPLICATION

The policy applies to each wholly and majority-owned company within the group, worldwide, and to all employees, whether permanent (core and scheduled), fixed-term, temporary or casual (collectively: "employees"), as well as the directors and officers of the company and all our group companies and to suppliers and service providers to the group. Where Sun International holds a minority interest in a company, or an interest through which it is able to exercise effective control in the company concerned, we will encourage the application of this policy in such business.

REFERENCES/DOCUMENTS

The policy is designed to respond to the statutory requirements and best practice guidelines of the following instruments:

- The South African Companies Act, 2008 and the Regulations made thereunder, and applicable South African anti-corruption legislation.
- The United States Foreign Corrupt Practices Act, 1977.
- The United Kingdom Bribery Act, 2010.
- The OECD (Organisation for Economic Co-operation and Development) recommendations regarding corruption.

This policy will apply alongside the prevailing group policies, codes and guidelines on related matters, including but not limited to the:

- Group's values;
- Group's disciplinary rules and procedures;
- Fraud Policy;
- Money Laundering Policy; and
- Conflict of Interest Policy.

DEFINITIONS

"Corruption" is the abuse of public or private office for personal, usually in the form of commercial, gain.

"Bribery" is the offering, promising, giving, requesting, accepting or soliciting, either directly or indirectly, of a financial or other benefit that improperly affects the actions or decisions of public servants, officials or any other individual and includes, without limitation, the payment of a bribe to a government or public official to secure or expedite the performance of a routine matter to which the payer is entitled.

"Kickbacks" are, typically, payments made in return for a business favour or advantage.

POLICY

Sun International prohibits all forms of bribery and corruption. We will uphold applicable laws and OECD guidelines regarding the countering of bribery and corruption and particularly those laws and guidelines that are directly relevant to our core business areas of gaming, leisure and hospitality.

Accordingly, the policy standard is not to engage in bribery or corruption or any other form of unethical inducement or payment, including kickbacks. All persons to whom this policy is applicable are required to comply with this policy and are responsible for ensuring that Sun International's business is undertaken with the utmost integrity.

It is recognised that there may be instances where an official threatens or compromises the safety and security of a person in order to extract a bribe. In such cases, the circumstances and any payment must be reported forthwith to the person's general manager or divisional director or board of directors, as applicable.

PROCEDURE

The implementation and periodic revision of this policy are the responsibility of the Sun International Limited Social and Ethics Committee upon recommendation of the Chief Executive, who will also annually report on the policy to the company's board of directors, through the relevant committees of the board.

The communication of this policy, the education in respect thereof, and the enforcement of and monitoring of compliance with this policy will be conducted in accordance with the group's Policy on Policies.

MONITORING AND SANCTIONS

We are committed to ensuring that: (a) the exposure of our group companies to corrupt activities is subject to periodic risk assessments; (b) employees and the directors and officers of the company and our group companies are made aware of this policy by means of oral and/or written communication; and (c) the efficiency of managing the corruption risk is evaluated periodically by assurance providers.

A contravention of this policy will result in the following sanctions:

- in the case of a contravention by an employee: a charge will be brought against the employee under the company's disciplinary code;
- in the case of a contravention by a director or officer of a group company who is not an employee of a group company: a referral will be made to the board of directors of the group company concerned for such sanction as the board may decide upon; and
- in the case of a contravention by a supplier or service provider to a group company: the suspension or termination by the group company of the supplier agreement or service agreement concerned, or such other sanction as the group company may decide upon,

and in each instance, at the discretion, as the case may be, of the chairperson of the disciplinary hearing, or the board of directors of the group company concerned, or the group company as the contracting party to the agreement with the supplier or service provider concerned: the laying of a charge with the police or the criminal prosecuting authorities of the country with jurisdiction regarding the contravening act in question.

The group's internal controls and operating procedures are intended to detect, prevent and/or deter improper and corrupt activities. However, these controls cannot provide absolute safeguards against irregularities. We rely on our employees to assist us in this matter and encourage and enable employees and stakeholders to report improper and corrupt activities that cause damage to the ethical standards and financial position of the group, as well as endangering the group's reputation.


Instances of bribery, corruption or kickbacks can be reported via the confidential Ethics/Fraud line (+ 27 (0)800 11 53 54), or by means of a report to a unit general manager, a divisional director, the Director of Internal Audit or a director of the main board of directors.

The company will not tolerate any form of retaliation, harassment or intimidation of anyone who submits such a report made in good faith. All concerns will be investigated and appropriate action taken.

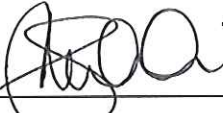
POLICY GROUP APPROVAL/COMMENTS

APPROVAL COMMITTEE SIGN-OFF/COMMENTS

FIRST APPROVING BOARD MEMBER

Signature: 
Name: G. E. STEPHENS
Designation: CHIEF EXECUTIVE
Date: _____

SECOND APPROVING BOARD MEMBER

Signature: 
Name: C. A. REDDIAR
Designation: DIRECTOR: CORPORATE SERVICES & LEGAL
Date: _____

RACI Matrix

RESPONSIBILITY FOR CREATION
Director: Corporate Services and Legal
RESPONSIBILITY FOR IMPLEMENTATION
Sun International Limited Social and Ethics Committee
ACCOUNTABILITY
Unit General Managers and applicable SIML Directors
CONSULTED
SIL Board of Directors SIML Board of Directors
INFORMED
All employees and third parties as defined under SCOPE/ ELIGIBILITY/ APPLICATION