



2017 United Nations Global Compact Communication on Progress Report

INTRODUCTION

Sun International is pleased to present its 2017 United Nations Global Compact (UNGC) Communication on Progress (COP) report, covering the group's activities for the period 7 December 2016 to 31 December 2017. Sun International has been a signatory to the UNGC since 2015, 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 that of 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 2017 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 2017 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 a signatory to the UNGC, Sun International actively participates 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 IV);**
- **Sustainable Development Goals (SDG's); and**
- **United Nations Millennium Development Goals.**

6 Sandown Valley Crescent Sandton 2196
PO Box 782121 Sandton 2146
South Africa
Telephone Head Office +27 (0)11 780 7000
Facsimile +27 (0)11 780 7716
www.suninternational.com

Direct line 011 780 7073

Direct fax 011 780 7716

Email Jannette.horn@suninternational.com

United Nations Global Compact
685 Third Avenue, FL 12
New York
NY 10017

14 March 2018

STATEMENT OF CONTINUED SUPPORT

As Chief Executive of Sun International, I welcome the opportunity to, again reaffirm our group's commitment, in 2018 to the 10 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. Although the group has decided not to formally sign up as a participant or a signatory of the UNGC after the end of 2018, we remain committed to the implementation, monitoring and annual reporting on progress towards achieving the 10 principles of the UNGC.

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,



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"> providing safe and healthy working conditions; encouraging freedom of association; ensuring non-discrimination in personnel practices; ensuring that the group does not use directly or indirectly forced labour or child labour; making reasonable accommodations for all employees' religious observance and practices; working to protect the economic livelihood of local communities; engaging the group's material stakeholders in assessing and mitigating key material issues; and enforcing group policies across the various jurisdictions in which the group operates. 	<ul style="list-style-type: none"> The group code of ethics is currently being reviewed and a new code will be issued during the course of 2018. A new supplier code of conduct will be issued in 2018 to govern the conduct expected of suppliers and services providers. 	<ul style="list-style-type: none"> Both the code of ethics and the supplier code of conduct will be communicated to all affected stakeholders during the course of 2018.

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"> implementing of explicit policies that protect the human rights of workers in its direct employment; active engagement and open dialogue with stakeholder groups; internally disciplining human rights abuses; and 	<ul style="list-style-type: none"> All contracts with suppliers and service providers now incorporate a provision that state that their practices are not in breach of any human rights and that they will comply with the Sun International code of ethics. 	<ul style="list-style-type: none"> Ensuring appropriate remedial action is implemented where areas of concern are raised or non-conformances are identified.

Analysis of Group's standing	Areas of progress	Further progress required
<ul style="list-style-type: none"> raising awareness within the Group, on human rights issues with specific focus on our sphere of influence. 	<ul style="list-style-type: none"> We are in the process of implementing an automated compliance management process, which will allow group to explore full supply chain audits to include human rights. This will also address the new and amended labour laws in South Africa. 	

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"> 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; 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; non-interference 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; providing workers' representatives with appropriate facilities to assist in the development of effective collective agreement; recognising representative organisations for the purpose of collective bargaining; 	<ul style="list-style-type: none"> In 2017, Sun International and the recognised union conducted joint training in negotiation skills. In 2017, the South African Department of Labour undertook an audit at Sun City, which is our biggest user of service providers. The audit focused on the basic conditions of employment of the service provider employees. Each service provider had to ensure compliance after the audit, which is being monitored by Sun International. 	<ul style="list-style-type: none"> While the group materially complies with the ILO's decent work objectives and requirements, at a supplier / service provider level this still needs to be addressed in terms of their labour practices.

Analysis of Group's standing	Areas of progress	Further progress required
<ul style="list-style-type: none"> ▪ using collective bargaining as a constructive forum for addressing working conditions and terms of employment and relations between employers and workers, or their respective organisations; ▪ addressing 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 ▪ providing information needed for meaningful bargaining. 		

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 which includes:</p> <ul style="list-style-type: none"> ▪ adhering to provisions of national laws and regulations and takes account of international best practice standards; ▪ making 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 ▪ ensuring employment contracts are written in languages easily understood by workers, indicating the scope of and procedures for leaving their job. 	<ul style="list-style-type: none"> ▪ The group will continue monitoring of labour conditions, legislation and standards. 	No further progress required.

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 which includes:</p> <ul style="list-style-type: none"> ▪ Staying abreast of countries, regions, sectors, economic activities where there are a greater likelihood of child labour and respond accordingly with policies and procedures; ▪ Ensuring the procurement department adheres to this principle by sourcing from reputable suppliers; ▪ adhering to minimum age provisions of national labour laws and regulations and takes account of best practice international standards; and ▪ using adequate and verifiable mechanisms for age verification in recruitment procedures. 	<ul style="list-style-type: none"> ▪ The group continues to emphasise the non-negotiable stance on child labour to local unit management and decision makers in the procurement domain to ensure compliance. ▪ This aspect is constantly monitored at the unit level by relevant departments and there have been zero non-compliances raised. ▪ The group is currently reviewing their supplier on boarding process to include any child labour issues. 	<p>The group will continue, through its on boarding process, to monitor our own internal process as well as our suppliers, where possible.</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 which includes:</p> <ul style="list-style-type: none"> ▪ Qualifications, skills and experience are the minimum group requirements for recruitment, placement, training and advancement of employees at all levels; ▪ 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; ▪ ensuring that where discrimination is identified, grievance procedures are in place to address complaints, handle appeals and provide recourse for employees; 	<ul style="list-style-type: none"> ▪ The group will continue to raise awareness on non-discrimination policies and practices, including disability awareness through the upcoming culture survey. ▪ A Disability Awareness programme was implemented and rolled out in 2017. ▪ An employee culture journey was rolled out in 2017 aimed at making employees aware of the behaviour that enhances 	<p>The impact of the employee culture journey will be assessed in 2018 through a survey process.</p>

Analysis of Group's standing	Areas of progress	Further progress required
<ul style="list-style-type: none"> developing and implementing programs to promote access to skills development training and to particular occupations; and adjusting the physical environment to ensure health and safety for employees, customers and other visitors with disabilities are catered for. 	the desired culture and behaviours that negatively affect the culture.	

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 which includes:</p> <ul style="list-style-type: none"> developing standard operating procedures for its operations that confirms our commitment to care for the health of the environment; developing group policies and procedures to ensure consistency in the identification and management of environmental challenges for the group; establishing a steering group that oversees the company's application of precaution, in particular risk management, in sensitive areas; and establishing two-way communication with stakeholders to share information about uncertainties and potential risks and to deal with related enquiries and complaints. Using mechanisms such as workshop discussions, focus groups, the use of website and printed media. 	<ul style="list-style-type: none"> The group appointed a dedicated Group Sustainability Manager in 2017 to manage and coordinate various group portfolios including environmental; A group wide Environmental Strategy (previously referred to as the Climate Changes Strategy) has been rolled out. The group has appointed dedicated SHE representatives at all units with the exception of two units that will be completed during 2018. A Safety, Health and Environmental Legal Register for the group and for each unit has been developed and implemented. All group SHE representatives have been trained on the use and updating of the SHE Legal Register in 2017. Partnerships with other sustainable organisations such as WWF, WWF-SASSI and National Business Initiatives (NBI) continue to be supported by the group. 	<p>As part of the newly established Sustainability Division:</p> <ul style="list-style-type: none"> The group's Environmental Strategy will aligned with the group's overall Sustainability Strategy. SHE procedures will be developed and aligned to ISO 14001:2015 and the proposed ISO 45001 standards. SHE Legal Registers are continually being updated to reflect national, local and provincial legislation. A programme for the installation of sub-meters for water and energy will be rolled out for all units in 2018. The group will be rolling out a standardised waste contractor for all waste service providers to ensure we achieve our target of Zero waste to Landfill by 2020.

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 which includes:</p> <ul style="list-style-type: none"> ▪ defining the company vision, policies and strategies to include the 'triple bottom line' of sustainable development — economic prosperity, environmental quality and social equity; ▪ establishing and implementing sustainability commitments for the group; ▪ conducting environmental audits at unit level; ▪ tracking and communicating progress in incorporating sustainability principles into business practices; and ▪ ensuring ongoing engagement and transparency with stakeholders. 	<ul style="list-style-type: none"> ▪ The group has participated in the Carbon and Water Disclosure Projects to emphasise its environmental responsibility. ▪ The group has reviewed, updated and continue to communicate the following policies: <ul style="list-style-type: none"> ○ Sustainability Policy ○ Environmental Policy ○ Health and Safety Policy ○ Seafood Policy ▪ Environmental Management System (EMS) audits were conducted at relevant units in the Group. ▪ Quarterly environmental progress is reported to Social and Ethics Committee, Risk Committee, Sustainability Committee and relevant Gaming Board meetings. ▪ Unit specific environmental targets for water, waste and energy were developed, approved and implemented in 2017. 	<ul style="list-style-type: none"> ▪ An electronic group SHE management system is proposed for development in 2018. ▪ The group is developing a SHE Culture programme to be rolled out in 2018. ▪ All SHE representatives will receive ISO14001 and ISO45001 training to undertake internal SHE audits. ▪ Cross unit SHE internal audits will be conducted at all units throughout the group in 2018. ▪ In 2018, the group will further be: <ul style="list-style-type: none"> ○ working with suppliers to improve environmental, safety and health performance through the supply chain; ○ including environmental criteria as part of the supplier on boarding process; ○ communicating and market our environmental initiatives more effectively internally and externally; and ○ updating our energy policy and develop water and waste policies in 2018.

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 which includes:</p> <ul style="list-style-type: none"> ▪ improving technology, at unit level; ▪ making information available to stakeholders that illustrates the environmental performance and benefits of using such technologies; ▪ developing waste management, energy conservation and water use initiatives that include advance practices; and ▪ maintaining environmental management systems at unit level. 	<p>The following are a list of only some of the water, energy and waste reduction initiatives that have been implemented at our units:</p> <ul style="list-style-type: none"> ▪ Grandwest in Cape Town has implemented boreholes and a purification plant that reduces the use of potable water. The unit has installed low flow taps and have reduced the water pressure in the hotel. All non-essential taps and water outlets throughout the unit has been closed and irrigation has been seized at non-essential areas. The unit has also rolled out a comprehensive water conservation awareness campaign. ▪ Table Bay in Cape Town has replaced all napkins with biodegradable good quality paper napkins that has their logo on it and a message about water saving. The unit has closed off the ice machine on the hotel floors and guests can request ice if required. Linen at the unit is only washed every 4 days and not every second day (unless request by the guests) and has rolled out a comprehensive water conservation awareness campaign. ▪ Boardwalk in Port Elizabeth uses rainwater and grey water to fill up their lake. Captured groundwater is currently being used for irrigation. The unit has installed low flow taps and have reduced the water pressure in the hotel. Filters have been installed to 	<p>New projects proposed for 2018 to assist the group with reaching reduction targets for water, energy and waste include:</p> <ul style="list-style-type: none"> ▪ Develop a group sustainability manual that highlights all the environmental indicators (among all the other sustainability indicators) the group has to comply to. The focus of the manual is to ensure consistency with definitions, calculations, data reporting and management of environmental issues; ▪ It is anticipated that the manual will also be translated into Spanish and rolled out to our Latam operations in the near future; ▪ A programme for the installation of sub-meters for water and energy will be rolled out at all local units in 2018. ▪ The group will be embarking on the roll out of a standardised waste service level agreement at all units to ensure appointed contractors work together with the units to achieve our target of Zero waste to Landfill by 2020. ▪ With the possible closure of the Sun City Landfill site in 2019, the unit has investigated the possibility of converting waste to energy via pyrolysis.

Analysis of Group's standing	Areas of progress	Further progress required
	<p>reuse the same water in their ponds and water features.</p> <ul style="list-style-type: none"> ▪ Sun City in the North West Province uses treated effluent water to irrigate the two golf courses, allowing them to save 2,5-million litres of water a day <p>Energy Initiatives:</p> <ul style="list-style-type: none"> ▪ Certain units within the group have installed energy saving globes and have commenced with replacing HVAC equipment to reduce energy consumption, which will continue in 2018. ▪ Motion sensors at various back of office areas have been implemented; ▪ Heat pumps have been implemented at most units; ▪ Heat transfer systems have been implemented at some units; ▪ The new Sun Parks proposed for units are aiming to be green venues with respect to the materials used in the design and in terms of reducing water and energy consumption. <p>Waste Initiatives:</p> <ul style="list-style-type: none"> ▪ Wild Coast Sun in the Eastern Cape achieved the group target of Zero waste to landfill in 2017. The unit is considering applying for certification in 2018. ▪ Waste contractors' service agreements are being checked and audited to ensure our waste are correctly handled and disposed of; ▪ Conduct internal waste at unit level; 	<ul style="list-style-type: none"> ▪ A group SHE management system is proposed for development in 2018.

Analysis of Group's standing	Areas of progress	Further progress required
	<ul style="list-style-type: none"> Continued waste awareness initiatives and training is taking place at all our local units; Waste recycling and reuse initiatives are investigated and implemented on a daily basis at our units to ensure we achieve our zero-waste-to-landfill target by 2020. 	

Anti-Corruption: Principle 10

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

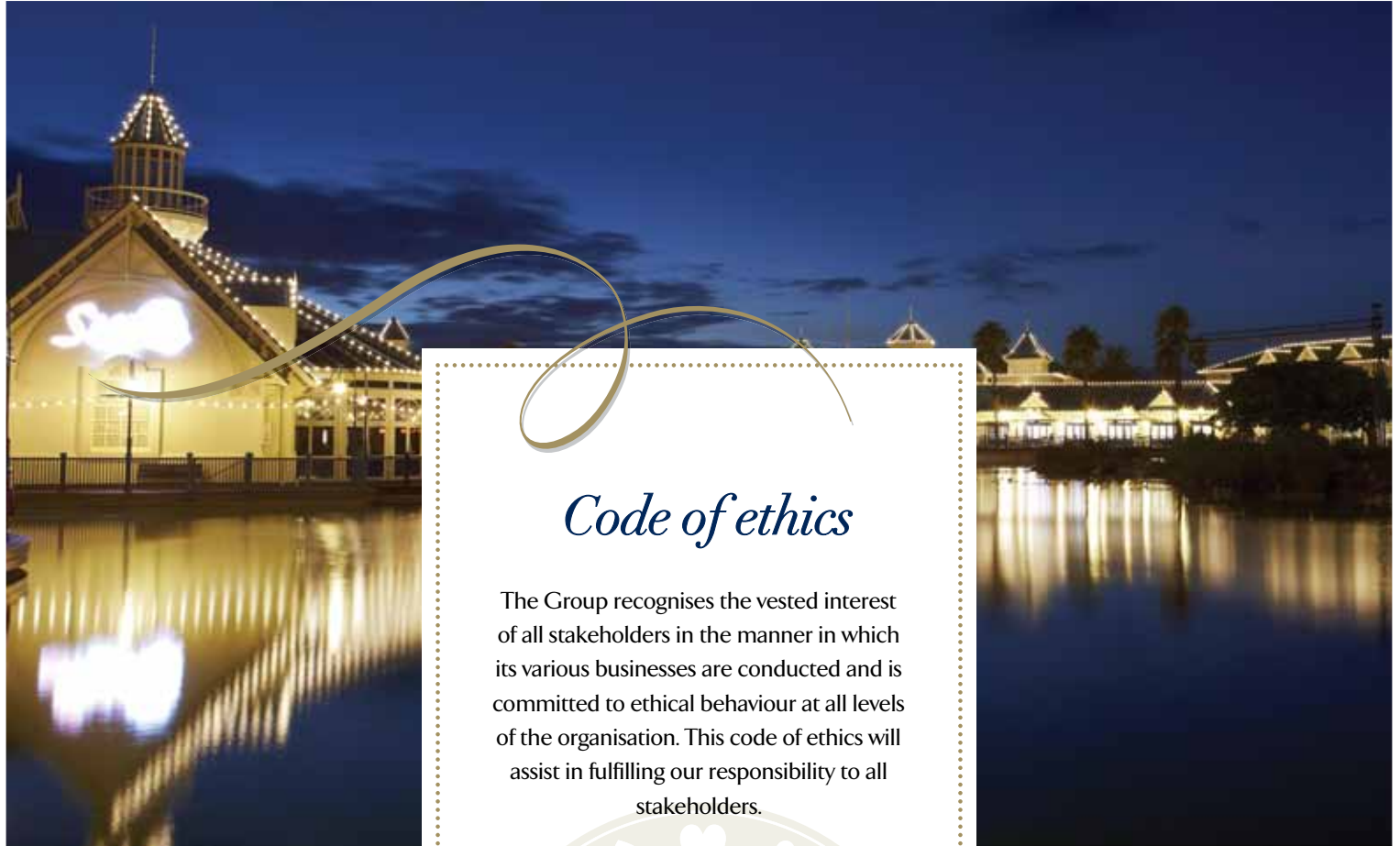
Analysis of Group's standing	Areas of progress	Further progress required
<p>The Sun International group supports this principle through its daily activities which includes:</p> <ul style="list-style-type: none"> the non- tolerance of any corruption within the business operations; defining its stance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

Additional Supporting Documentation

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

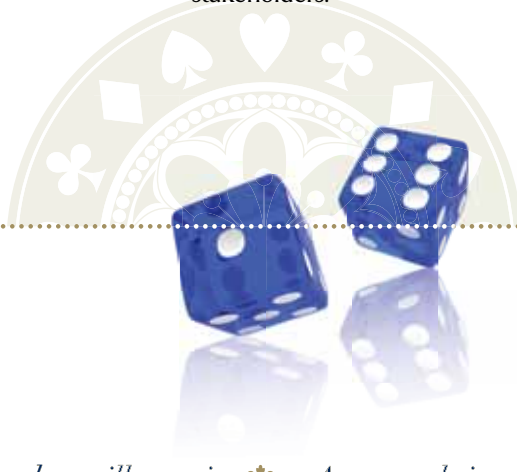
- Appendix 1 – Code of Ethics
- Appendix 2 – Health and Safety Policy
- Appendix 3 – Sustainability Policy
- Appendix 4 – Anti-corruption Policy
- Appendix 5 – Seafood Policy
- Appendix 6 – Environmental Policy

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

Sun International is an internationally recognised and respected gaming and hospitality company that strives to provide memorable experiences for its guests, provide a safe environment for employees, delivers sustainable returns for its shareholders, minimises its environmental footprint and creates genuine value for the communities in which it operates.

As a Group we recognise that we have an obligation towards our employees, guests, service providers, contractors and concessionaires, ensuring a safe and healthy operating environment. Our health and safety commitments apply throughout the development, operation and management of all our properties, both locally and internationally.

Sun International aims to achieve our mission, vision and values by integrating health and safety management into its business through ensuring that we:

- Develop, implement and maintain health and safety 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 businesses in the countries in which we operate;
- Adhere to all other requirements, standards and codes to which the Group subscribes;
- Identify, assess and adopt appropriate measures to prevent, minimise or eliminate risks to relevant stakeholders and be prepared to respond to any emergency;
- Communicate and engage with our relevant and affected stakeholders to build relationships based on honesty, openness, mutual trust and ongoing engagement;
- Demonstrate responsible behaviour in terms of health and safety, through:
 - setting strategic objectives and targets that will be reviewed annually in accordance with the Group's Health and Safety strategy and ongoing performance;
 - ensuring the health and safety of relevant and affected stakeholders without affecting the quality of our service;
 - implementing reporting systems that are consistent, easy to use and conform to the Group's corporate governance requirements;
 - promoting and encouraging a health and safety culture throughout the Group;
 - applying sustainable health, safety and environmental criteria in the sourcing of goods and services;
 - training and developing our employees and providing the necessary resources required to meet our health and safety targets; and
 - continually review, update and improve our Health and Safety Policy, strategy, objectives and performance to achieve a "zero tolerance" towards harm to stakeholders.

Sun International's Health and Safety Strategy and Policy demonstrates our commitment to a safe and healthy operating environment and our continual improvement towards achieving our sustainable business strategy.

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

AM Leeming
Chief Executive
Date: May 2017

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

JE Horn
Group Sustainability Manager
Date: May 2017

Appendix 3: Sustainability Policy

Sun International

GROUP SUSTAINABILITY POLICY

As a leader in the leisure, entertainment, gaming and tourism sector, Sun International is committed to providing memorable experiences for its guests, provide a safe environment for employees, generating sustainable returns for its shareholders and creating shared-value opportunities for its supply chain and communities, all whilst protecting the natural environment.

Our sustainability commitment applies to all our properties, locally and internationally. We recognise that the development, operation and management of our properties have financial, social and environmental implications for our stakeholders. Our aim is to integrate sustainability considerations into our business operations and divisions by ensuring that we:

- demonstrate sound financial value and responsible commercial behaviour, through:
 - adhering to the principles of respect, honesty, accountability, transparency and fairness in our business dealings and in our interactions with stakeholders;
 - comply with relevant legislation and other requirements to which the Group subscribes;
 - implementing management systems that are aligned with international best practice and that are relevant to the nature and scale of our diverse operations; and
 - promoting the triple bottom line *people, planet, profit* among our employees, guests, service providers, contractors and concessionaires.
- demonstrate environmentally responsible behaviour, through:
 - preventing pollution to the environment;
 - conserving the use of natural resources and minimising waste generation;
 - protecting biodiversity; and
 - implementing an environmental strategy and promoting a culture of environmental responsibility.
- demonstrate responsible health and safety behaviour, through:
 - ensuring the health and safety of our stakeholders without affecting the quality of our service;
 - developing, implementing and maintaining management systems that are aligned with international standards;
 - implementing a group-wide health and safety strategy; and
 - promoting and encouraging a health and safety culture in all our operations.
- demonstrate socially responsible behaviour, through:
 - promoting and contributing towards responsible gambling initiatives;
 - creating shared value among local communities by aligning initiatives to our integrated sustainability strategy;
 - implementing initiatives to support and encourage enterprise and supplier development opportunities within local communities; and
 - applying sustainable health and safety, social and environmental criteria when sourcing goods and services.
- demonstrate good corporate governance, through:
 - adopting best practise corporate governance standards;
 - conducting our business in an ethical and socially responsible manner by adhering to a Board Charter and Code of Ethics;
 - ensuring that whistle-blowing, fraud and corruption issues are dealt with in a non-discriminatory and confidential manner; and
 - monitoring performance of non-financial issues through our Sustainability and Social and Ethics Committees.

Sun International's sustainability strategy demonstrates its commitment to advancing its financial, intellectual, human, social and natural capitals through the continual improvement of its sustainability performance.



AM Leeming
Chief Executive
Date: May 2017



JE Horn
Group Sustainability Manager
Date: May 2017

Appendix 4: Anti-corruption Policy



ANTI-CORRUPTION AND ECONOMIC CRIME POLICY

PURPOSE

The purpose of this policy is to set out the policy of the Sun International group to manage corruption and other forms of economic crime, inclusive of control strategies for prevention and remedial action in order to limit the Sun International group's exposure to corruption and other forms of economic crime and to promote the values of an ethical culture throughout the Sun International group.

SCOPE/ELIGIBILITY/APPLICATION

This Policy will apply to all employees and directors throughout the Sun International group, its divisions and subsidiaries, associate companies, entities that Sun International has acquired or merged with, as well as entities in which the Sun International group has a controlling interest. Where any policy adopted by the Sun International group, conflicts in any way with this Anti-Corruption and Economic Crime Policy, this Policy will prevail.

DEFINITIONS

1. **Act of dishonesty** – an act of dishonesty involves a lack of integrity and includes cheating, lying, stealing, fraud, theft and any criminal activity,
2. **Bribery** – for purposes of this Policy, the term bribery has the same meaning as Corruption.
3. **Corruption** – corruption is the giving or receiving of some advantage or benefit, where the benefit or advantage is used as an improper or unauthorised way of influencing a person to do or not to do something.

Corruption in its wider meaning includes any conduct or behaviour where a person accepts, agrees or offers any benefit for himself / herself or for another person, where the purpose is to act dishonestly or illegally. Such behaviour also includes the misuse of material or information, abuse of a position of authority or a breach of trust or violation of duty.

Example: - accepting benefits from a service provider in exchange for the improper extension of their service contract.

4. **Economic crime** – economic crime for the purposes of this document includes, inter alia, fraud, theft, extortion, forgery, uttering a false document, embezzlement, money laundering, racketeering, bribery and corruption.

5. **Employee** – an employee is any person who works for the Sun International group and who receives, or is entitled to receive any remuneration, excluding all independent contractors to the Sun International group / supplier or any person who in any manner assists in caring on or conducting the business of an employer.
6. **Embezzlement** – “A type of theft in the form of appropriation of another’s property which is already in the possession of a thief”.
7. **Extortion** – the crime of extortion is committed when a person unlawfully and internationally obtains some advantage from another person, which may be of a monetary or non-monetary nature, by subjecting that other person to pressure which includes him / her to hand over the advantage.

Example: - threatening to discontinue using a supplier’s service unless they pay over an amount of money.

8. **Facilitation payments** – facilitation payments are small unofficial payments made to secure or expedite the performance of a routine or necessary administrative or other action to which the payer of the facilitation payment has a legal or other entitlement. These payments are also known as speed payments or grease payments.
9. **Fraud** – consists of the unlawful and intentional making of a misrepresentation which causes actual prejudice or which is potentially prejudicial to another.

Example: - taking signed cash cheques of the employer and cashing the proceeds for one’s own use, instead of using the money for its intended purpose.

10. **Forgery** – forgery is a species of fraud. Forgery is the unlawful and intentional making of a false document which causes actual or potential prejudice to another.

Example: - signing a document purporting to be someone other than yourself.

11. **Gift** – money, goods, services or loans given ostensibly as a mark of friendship or appreciation. A gift is professedly given without expectation of consideration or value in return. A gift may be used to express a common purpose and the hope of future business success and prosperity. It may be given in appreciation of a favour done or a favour to be carried out in the future.
12. **Hospitality** – hospitality includes entertaining, meals, receptions, tickets to entertainment, social or sports events, participation in sports events, such activities being given or received or develop relationships between business people.
13. **Internal Anti-Bribery Laws** – all anti-bribery, anti-corruption and anti-money laundering laws, regulations and / or policies of South Africa, including the South African Prevention and Combating of Corrupt Activities, 2004 (as amended); the South African Prevention of Organised Crime Act, 1998 (as amended); the South African Financial Intelligence Centre Act, 2001 (as amended); the South African Electronic Communications and Transaction Act, 2002 (as amended); the United Kingdom of Great Britain and Northern Ireland (“UK”), including the UK Bribery Act, 2010 (as amended); the United States of America, including

the Foreign Corrupt Practices Act, 1977 (as amended) the African and European Union, the Southern African Development Community Protocol Against Corruption; the Organisation for Economic Co-operation and Development; and the United Nations, including the United Nations Global Compact; as well as all other jurisdictions where the Sun International group conducts business.

14. **Reportable Irregularity** – Section 1 of the Auditing Profession Act, No. 26 of 2005 defines a reportable irregularity as follows:-

“Reportable irregularity” means any unlawful act or omission committed by any person responsible for the management of an entity which:-

- (a) Has caused or is likely to cause material financial loss to the entity or to any partner, member, shareholder, creditor or investor of the entity in respect of his / her or its dealings with that entity
- (b) Is fraudulent or amounts to theft; or
- (c) Represents a material breach of any fiduciary duty owed by such person to the entity or any partner, member, shareholder, creditor or investor of the entity under any law applying to the entity or the conduct or management thereof.

15. **Money laundering** – an activity which has or is likely to have the effect of concealing or disguising the nature, source, location, disposition or movement of the proceeds of unlawful activities or any interest which anyone has in such proceeds and includes any activity which constitutes an offence in terms of Section 64 of the Financial Intelligence Centre Act, No. 38 of 2001 (as amended) or Section 4, 5 or 6 of the Prevention of Organised Crime Act, No. 121 of 1998 (as amended) 3.

Example: - proceeds of a crime in the form of cash being used to buy property of high value, to conceal the origin of the funds.

16. **Racketeering (Pattern of racketeering activity)** - the planned, on-going, continuous or repeated participation or involvement in any offence referred in Schedule 1 of the Prevention of Organised Crime Act, No. 121 of 1998 (as amended) and includes at least 2 offences referred to in Schedule 1, of which one of the offences occurred after the commencement of the Act and the last offence occurred within 10 years (excluding any period of imprisonment) after the commission of such prior offence referred in Schedule 1 4. Schedule 1 of POCA includes crimes such as theft, robbery, extortion, fraud, forgery and uttering].

Example: - repeated theft of an item.

17. **Theft** – “A person commits theft if he / she unlawfully and intentionally appropriates movable, corporeal property which:-

- (a) belongs to and is in the possession of, another;
- (b) belongs to another but is in the perpetrator’s own possession; or

- (c) belongs to the perpetrator, but is in another's possession and such other person has a right to possess it which legally prevails against the perpetrator's own right of possession provided that the intention to appropriate the property includes an intention to permanently deprive the person entitled to the possession of the property, of such property".

Example: - stealing equipment or supplies from work.

18. **Uttering a forged document** – uttering a false document is the unlawful and intentional passing off of a false document which causes actual or potential prejudice to another.

Example: - submitting a forged certificate to some other person, knowing it to be false. [List the terms and definitions of all key concepts or terms that are used in this policy]

POLICY

1. INTRODUCTION

The Sun International group prohibits corruption and other economic crime in any form whether direct or indirect and is committed to the prevention of corruption and economic crime through the implementation of the Anti-Corruption and Economic Crime Policy ("this Policy").

The Sun International group has developed this Policy in order to facilitate the observance of all anti-bribery, anti-corruption and anti-money laundering laws, regulations and / or policies of South Africa, including the South African Prevention and Combating of Corrupt Activities Act, 2004 (as amended); the South African Prevention of Organised Crime Act, 1998 (as amended); the South African Financial Intelligence Centre Act, 2001 (as amended); the South African Electronic Communications and Transactions Act, 2002 (as amended); the United Kingdom of Great Britain and Northern Ireland ("UK"), including the UK Bribery Act, 2010 (as amended); the United States of America, including the Foreign Corrupt Practices Act, 1997, (as amended); the African and Europe Unions; the Southern African Development Community Protocol Against Corruption; the Organisation for Economic Co-operation and Development; and the United Nations, including the United Nations Global Compact, as well as all other jurisdictions where the Sun International group conducts business ("International anti-bribery laws").

2. MESSAGE FROM THE CHIEF EXECUTIVE

At a time when we see more and more reports of unethical and unlawful behaviour in our community, it was felt that we needed to communicate to all stakeholders of Sun International that Sun International is committed to behaving and interacting with all stakeholders in a manner that is beyond reproach.

I cannot emphasise strongly enough the importance of adhering to this Anti-Corruption and Economic Crime Policy, as a single incident of unethical or unlawful behaviour can

undo many years of hard work. Unfortunately, no organisation is perfect and it would be naïve of us to believe that there is no unethical or unlawful behaviour occurring within our group.

Each and every one of us has a responsibility to report any unethical or unlawful behaviour of which we become aware, regardless of who is perpetrating it. In order to protect individuals and with the agreement of the Sun International Audit Committee, we have contracted KPMG Hotline to provide an independent reporting line through which anyone in the group can report unethical or unlawful behaviour.

This reporting line is an important tool in both monitoring and stamping out unethical and unlawful behaviour in our group and has been set up in line with current best practices in this field. It has the full support of myself and the Sun International board of directors, and I can assure you that all reports to this facility will be treated confidentially and investigated.

I trust that, as always, you will be fully supportive of these initiatives and that this will re-affirm that the Sun International group can be singularly proud of the way it behaves.

Anthony Leeming
Chief Executive

3. POLICY STATEMENT

3.1 General

The Sun International group is committed to the highest ethical standards and sound corporate governance principles and is proud to participate in the global initiative to combat bribery, corruption and other economic crime by developing, inter alia, an Anti-Corruption and Economic Crime Policy.

This Policy is aimed at providing a high-level framework to guide employees and directors throughout the Sun International group, its divisions and subsidiaries, associate companies, entities that Sun International has acquired or merged with, as well as entities in which the Sun International group has a controlling interest, in dealing with corruption and other economic crime situations.

The Sun International group recognises that corruption and other forms of economic crime represent a risk to its assets, service delivery, efficiency and reputation. The Sun International group has adopted a zero tolerance approach towards corruption and other economic crime and will not tolerate such activities, whether internal or external to the organisation. The Sun International group will vigorously pursue and prosecute any parties, by all means available, who engage in such practices or attempt to do so.

The tone at the top of any organisation sets the moral and ethical compass for all others to follow. Senior management of the Sun International group is committed to eradicating corruption and other

economic crime and is committed to ensuring that the Sun International group strives to be ethical in all its dealings with the public and other interested parties.

In this regard, senior management, under the guidance of the board of directors will ensure that it does not become complacent in dealing with corruption and economic crime and will ensure that this Policy is reviewed and updated regularly.

Furthermore, senior management will endeavour to ensure that all persons to whom this Policy is applicable are made aware of the Policy through various initiatives of awareness, training and publication thereof.

3.2 Promoting Ethical and Lawful Conduct

3.2.1 Sun International Codes

The Sun International group has developed a Code of Ethics and is continuously involved in group-wide efforts to re-emphasise the ethical values that underpin this Code and to provide regular ethics training to its employees and directors.

3.2.2 Ethics Campaigns and Ethics Training

The Sun International in-house magazine entitled "ONE Sun" highlights Sun International's campaigns to roll-out ethics training across the group and confirm ethical values.

3.2.3 Commitment to Governance Principles Set Out in the King IV Report

The Sun International group is committed to integrity in its business dealings and on an annual basis issues a Sun International Corporate Governance Report.

The corporate governance principles and recommendations set out in the 2016, King Report on Corporate Governance for South Africa ("King IV") provide guidance to the Sun International group in its approach to governance, requiring the application of an inclusive range of corporate governance principles or reasons for deviating from such principles and taking into account the concerns and issues of a broad stakeholder environment.

3.2.4 The South African Companies Act

The Sun International group is committed to upholding the provisions of the Companies Act for South Africa, No 71 of 2008 ("the Companies Act"), as amended and is mindful of provisions relating to governance of companies, standards of directors conduct and liability of directors and prescribed officers set out in Part F of Chapter 2 of the Companies Act.

The Sun International group is furthermore mindful of, among others:-

- (a) the prohibitions against reckless trading set out in Section 22 of the Companies Act;
- (b) the Chapter 9 offences namely breach of confidence (Section 213);
- (c) false statements, reckless conduct and non-compliance (Section 214), as well as hindering the administration of the Companies Act (Section 215);

- (d) other offences such as failure to keep accurate accounting records with the intention to deceive or falsify (Section 28(3));
- (e) being party to false or misleading financial statements (Section 29(6));
- (f) misuse of company name or registration number (Section 32); and
- (g) liability for untrue statements in a prospectus (Section 104).

3.2.5 Signatory to the UN Global Compact

The Sun International group is a signatory to the UN Global Compact, which advocates as its 10th principle that business should work against corruption in all its forms, including extortion and bribery and had been active in making submissions to the UN Global Compact in this regard.

3.3 Bribery and Corruption

The terms bribery and corruption for purposes of this Policy have the same meaning.

The Sun International group prohibits all forms of corruption and will not tolerate the persons to whom this Policy is applicable being involved in corrupt activities, whether by offering, promising, soliciting, demanding, giving or accepting bribes or behaving corruptly or unlawfully in the expectation of a bribe or an advantage.

Persons to whom this Policy is applicable are prohibited from soliciting, arranging or accepting bribes intended for the benefit of any Sun International group business or for that person's own benefit or that of the person's family, friends, associates or acquaintances.

Persons to whom this Policy is applicable are expected to observe all International anti-bribery laws.

3.4 Fraud, Theft and Other Forms of Economic Crime

Economic crime for the purposes of this Policy includes, inter alia, fraud, theft, extortion, forgery, uttering a false document, embezzlement, money laundering, racketeering, bribery and corruption. The Sun International group prohibits all forms of economic crime and it will not tolerate the persons to whom this Policy is applicable, being involved in such activities.

3.5 Political Contributions or Donations

The Sun International group and persons to whom this Policy is applicable may not make direct or indirect contributions or donations to political parties, organisations or individuals engaged in politics, as a way of obtaining advantage in business transactions.

Any political contributions or donations made by the Sun International group, only after approval by shareholders, will be publicly disclosed.

3.6 Charitable Contributions and Sponsorships

The Sun International group recognises the risk of charitable contributions and sponsorships being used as a cover-up for corruption and other forms of economic crime and is committed to identifying inappropriate payments and to eliminating them.

The Sun International group is willing to disclose all its charitable contributions and sponsorships, on request.

3.7 Facilitation Payments

Facilitation payments are small unofficial payments made to secure or expedite the performance of a routine administrative or necessary action to which the payer of the facilitation payment has a legal or other entitlement. The purpose of the facilitation payment is usually to speed along an administrative process. The Sun International group recognises that facilitation payments are a form of bribery and / or corruption and is committed to identifying these payments and to eliminating them.

3.8 Gifts, Hospitality and Entertainment

The Sun International Group prohibits the offering of or receipt of gifts, hospitality or entertainment, whenever they could affect or be perceived to affect the outcome of business transactions and are not reasonable and bona fide. (See **Corporate Gifts, Tips and Entertainment Policy**).

3.9 Business Relationships

3.9.1 Conflicts of Interest

All directors should and salaried employees may be obliged to disclose on an annual basis any conflicts of interest which they may have in relation to their involvement with the Sun International group. This may include, without limitation, interests in contracts, businesses, directorships, shareholdings and trusteeships.

3.9.2 Contractual Relationships

Any contractual relationships between the Sun International group and its business partners should be reduced to writing and signed by the parties thereto.

All contracts with business partners require the prior approval of the board of directors, or their delegate/s of the relevant sub-holding company and where appropriate, the board of directors of Sun International.

3.9.3 Standard Ethical Conduct Contractual Clause

The Sun International group and the persons to whom this Policy applies will endeavour to include in any contractual arrangement with other business entities in which the Sun International group has a significant investment or with which it has significant business relationships, such as agents, consultants, joint ventures, consortia, advisors, distributors,

contractors, concessionaires, lessees, service providers, sub-contractors and suppliers ("business partner"), the Sun International Standard Ethical Conduct Clause (see attached **Standard Ethical Conduct Clause**), as well as warranties by the business partner:-

- (a) to observe this Policy alternatively to observe its own equivalent policy;
- (b) to confirm that it has not engaged in any activity or conduct which is inconsistent with this Policy nor will they become involved in any conduct that will breach this Policy through the execution of their obligations; and
- (c) to abide by and uphold the required standards and principles of ethical business conduct included in the Standard Ethical Conduct Clause, for the duration of any agreement with the Sun International group and / or until delivery of all goods and / or services to the Sun International group or until completion of all works for or on behalf of the Sun International group.

3.9.4 Right to Audit Contractual Clause

The Sun International group generally requires that its business partners keep proper books and records available for inspection by the internal audit division of the Sun International group. The Sun International group and persons to whom this Policy applies will endeavour to include in any contractual arrangement with a business partner, a Right to Audit Clause (see attached Standard Right to Audit Clause), or other similar contractual requirement, for the duration of any agreement with the Sun International group and / or until delivery of all goods and / or services to the Sun International group or until completion of all works for or on behalf of the Sun International group.

3.9.5 Compliance with Ethical Standards from Business Partners

The Sun International group will endeavour to make known its Anti-Corruption and Economic Crime Policy to its business partners.

The Sun International group should make it clear that it expects anti-corruption and economic crime standards of its business partners, equivalent to its own policy and procedures and should use its influence to encourage them to either pledge compliance with this Policy or to adopt a policy that is consistent with this Policy (see **Supplier Code of Conduct Policy**).

3.9.6 Procurement Practices

The Sun International group will endeavour to conduct its procurement practices in a fair and transparent manner (see **Supplier Code of Conduct Policy**).

The Sun International group will not deal with contractors and suppliers or other business partners known or reasonably suspected to be paying bribes.

3.9.7 Compensation and Payments to Business Partners

The Sun International group will not channel improper payments through agents or other intermediaries.

Compensation paid to business partners should be appropriate and justified remuneration for legitimate services rendered.

3.9.8 Due Diligence Exercises and Vetting

Business partners to the Sun International group may be subject to various forms of vetting, including the verification of information provided to the Sun International group. This will serve to limit the exposure of the Sun International group to inappropriate business associations.

Selective due diligence exercises will be performed, depending on the significance of the business partner to the continuity of the Sun International business. The process will check on the capabilities of the business partner, the adequacy of its anti-corruption and economic crime policies and programmes and whether there are any known concerns or "red flags" or a history of past unethical behaviour.

The due diligence may be carried out by the Sun International group or by consultants or a combination of both.

When undertaking mergers and acquisitions ("M & A") in particular, the Sun International group will carry out due diligences which may include assessing the risks related to the jurisdictions in which the target company operates, its sector and markets, its directors (who may be shareholders in the case on non-listed entities), the adequacy of its anti-bribery and / or corruption policy and programme and verifying that the M & A will not bring with it, legacy risks related to past unethical behaviour.

3.9.9 Monitoring of Policies and Performance

The Sun International group may from time to time monitor the policies and performance of joint ventures and consortia, as well as other business partners. In the case of practices that are inconsistent with this Policy or other Sun International group policies, the Sun International group will take appropriate action, which may include:-

- (a) requiring correction of deficiencies in the implementation of the policy;
- (b) application of sanctions; and
- (c) termination of its relationship with the business partner.

3.9.10 Right to Terminate Contractual Arrangements

The Sun International group and the persons to whom this Policy applies will endeavour to include in any contractual arrangement with a business partner, the right to terminate a contract with the business partner, in the event that the business partner pays bribes or engages in any other unlawful conduct, or acts in a manner inconsistent with this Policy.

3.9.11 Employees and Directors

Compliance with this Policy is mandatory for all employees and directors of the Sun International group and forms part of Sun International's standard terms and conditions of employment. Non-compliance with this Policy will be a disciplinary offence and the applicable disciplinary process will follow.

No employee will suffer demotion, penalty, victimisation or other adverse consequences for refusing to pay bribes even if such refusal may result in the Sun International group losing business.

All employees and directors to whom this Policy applies may be subjected to pre-employment or pre-promotion screening tests which may include, but not be limited to employment history checks, criminal record checks, tax and credit checks, verification of educational qualifications, reference checks, checks on facts contained in the employee's or director's CV and checks on external business interests.

The tests will be performed by persons nominated by the relevant human resources department.

4. POLICIES AND DIRECTIVES

The Sun International group has designed detailed policies and procedures to provide reasonable assurance that its' Anti-Corruption and Economic Crime Policy and specific objectives for countering bribery and corruption are achieved.

4.1 Code of Ethics

The Sun International group is committed to conducting itself in an ethical and moral way and has developed a Code of Ethics as part of its corporate governance framework. All employees and directors are expected to abide by the Code of Ethics.

4.2 Disciplinary and Grievance Code and Procedure

The Sun International group's Disciplinary and Grievance Code and Procedure sets out the standards and procedures to be followed in respect of employees and directors grievances and disciplinary action.

4.3 Corporate Gifts, Tips and Entertainment Policy

The Sun International group's Gifts, Tips and Entertainment Policy sets out when it is acceptable to give and receive tips and gifts and when it is not. It also deals with declarations by employees and directors in respect of the giving and receiving of gifts, entertainment and hospitality, in a register.

4.4 Conflicts of Interest Policy

Previously, the Sun International board resolved to approve and adopt a specific standalone Conflicts of Interest Policy which regulates, among other issues, the expected behaviour of directors and employees where they find their personal interests conflicting with the interests of the relevant member companies of the Sun International group.

4.5 Reportable Irregularities Policy

Reportable irregularity as defined in Section 1 of the South African Auditing Profession Act, No 26 of 2005, as amended ("the APA") means an unlawful act or omission committed by any person responsible for the management of an entity which may cause material financial loss or is fraudulent or amounts to theft or represents a material breach of a fiduciary duty.

The Sun International group policy regarding reportable irregularities clarifies and regulates as between Sun International, its subsidiaries and its external auditor, compliance with Section 45 of the APA and procedure to be adopted in the event that a reportable irregularity is detected within the Sun International group.

Sun International, being a public listed company, is required in terms of the JSE Listings Requirements, to publish an announcement on SENS if they are found to have committed a reportable irregularity.

5. CONTROL STRATEGIES

The approach in controlling corruption and economic crime is focused into three areas, namely:-

- (a) Structural Strategies;
- (b) Operational Strategies; and
- (c) Maintenance Strategies.

5.1 Structural Strategies

Structural strategies represent the actions to be undertaken at the Sun International group level to address corruption and other economic crime at a structural level.

The following section outlines the levels of responsibility for the prevention, detection, investigation and reporting of corruption and other economic crime throughout the Sun International group.

(a) Organisation and Responsibilities

The board of directors is committed to fundamental values of integrity, transparency and accountability.

The board of directors is committed to integrity in business dealings and will not tolerate bribery or corruption and commits to providing leadership, resources and active support for the implementation of this Policy and associated implementation programmes and / or plans that are developed.

(b) Implementation

The Sun International Chief Executive is responsible for ensuring that this Policy and any associated implementation programmes and / or plans are carried out consistently with clear lines of authority.

On a practical level, the office of the group secretariat, group legal and compliance and group internal audit will be responsible for the implementation of this Policy and any associated implementation programmes and / or plans.

The board of directors, Chief Executive and senior management are actively committed to the implementation of this Policy.

(c) Monitor and Review

Group internal audit will be responsible for monitoring this Policy and any associated programmes or plans and will periodically review this Policy's suitability, adequacy and effectiveness and will implement improvements as appropriate.

Group internal audit will periodically report the results of this Policy's reviews from time to time to the Social and Ethics Committee, board of directors or equivalent body.

The Sun International Social and Ethics Committee, Audit Committee, the board of directors or equivalent body will make an independent assessment of the adequacy of this Policy from time to time and disclose its findings in the enterprise's integrated annual report to stakeholders.

5.2 Operational Strategies

(a) Development of Associated Programmes and / or Action Plans

To implement this Policy, group internal audit, in consultation with business units, subsidiaries, associate companies, entities that Sun International has acquired or merged with, as well as entities in which the Sun International group has a controlling interest, will develop associated implementation programmes and / or plans that are in line with the organisation's zero tolerance approach towards corruption and economic crime.

(b) Communication

This Policy and related policies will be available on the Sun International group website and on the Sun International group Intranet. Endeavours will be made to include reference to this Policy in the standard terms and conditions of employment of each new employee of the Sun International group, after the effective date of this Policy.

The Sun International group undertakes to publicly disclose information about this Policy.

The Sun International group is open to receiving communications from relevant interested parties with respect to this Policy.

(c) Human Resources

Human Resources practices throughout the Sun International group, which include recruitment, promotion, training, performance evaluation, remuneration and recognition, all reflect the Sun International group's commitment to this Policy.

The relevant human resources department will be responsible for performing pre-employment and pre-promotion screening tests on selected employees and directors of the Sun International group.

(d) Training

The Sun International group will endeavour to provide training on this Policy to all persons to whom this Policy is applicable.

Where appropriate, contractors and suppliers will receive training on this Policy.

(e) Internal Controls and Record Keeping

The Sun International group has established and maintains an effective system of internal controls to counter corruption and other forms of economic crime, comprising financial and organisational checks and balances over accounting and record keeping practices and other business processes related to this Policy.

The Sun International group maintains accurate books and records that properly and fairly document all financial transactions, which are available for inspection.

The Sun International group does not permit or tolerate "off the books" accounts.

The internal control systems throughout the Sun International group, in particular the accounting and record keeping practices, are subject to regular review and audit by group internal audit and by the external auditor to provide assurance on their design, implementation and effectiveness.

5.3 Maintenance Strategies

(a) Seeking Guidance

The group governance officer and / or group ethics office will assist in answering questions as to what is acceptable practice in terms of this Policy.

These or other channels are also available for employees and other third parties to seek advice on the application of this Policy.

(b) Review and Updating of Policy and Related Plans and Policies

Group internal audit will conduct a review of this Policy and related policies and action plans periodically to determine the effectiveness thereof.

- (c) Updating in line with the amendments to legislation

Notwithstanding the review of this Policy and related policies and plans on a periodic basis, endeavours will be made to update these documents immediately should changes occur in the applicable legislation.

- (d) External Verification and Assurance

The need to commission external verification or assurance of compliance with this Policy as well, as any associated programmes and plans, will be determined by the Social and Ethics, Risk and / or Audit Committees in conjunction with the board of directors. This is to provide enhanced internal and external assurance of this Policy's effectiveness.

Where such external verification or assurance is conducted, the Social and Ethics, Risk and / or Audit Committees will determine whether the Sun International group should publicly disclose that an external review has taken place, together with the related verification or assurance opinion.

6. REPORTING

To ensure effectiveness of this Policy, it is essential that employees raise concerns and / or violations of this Policy as soon as possible. To this end, the Sun International group provides the secure and assessable reporting channels listed below, through which employees and other third parties should feel able to raise concerns and report violations in confidence and without fear or risk of reprisal.

Prescribed reporting mechanism for internal reporting:-

- (a) directly to the line manager of the person concerned; or
- (b) directly to the Ethics Office; or
- (c) directly to the Chief Executive.

Prescribed reporting mechanism for reporting to external / secure sources:-

- (a) KPMG anonymous toll free hotline, details of which are as follows: 0800 11 53 54; or;
- (b) Sun International Group Ethics Office secure e-mail address: EthicsOffice@suninternational.com

If the person making the report is an employee of the Sun International group and wishes to avail him or herself of the rights of a "whistle-blower" under the Protected Disclosures Act, No. 26 of 2000 (as amended), it is necessary that the employee obtains advice as to the appropriate reporting channel to make use of. The Protected Disclosures Act does not afford protection to employees who make anonymous reports.

(See **Whistle-Blowing Guidelines**).

There will be no reward of any nature for information reported.

7. REMEDIAL ACTION

7.1 Disciplinary Action

All disciplinary proceedings will take place in accordance with the procedures set out in the Sun International group's Disciplinary and Grievance Code and Procedures.

In line with the Sun International group's zero tolerance approach to corruption and economic crime, where acts in contravention of this Policy have been reported, any subsequent resignations may be accompanied by a disciplinary hearing during that employee's notice period.

The Sun International group will endeavour to complete exit checklist procedures and where relevant exit interviews, in the event of dismissal of an employee from the Sun International group as a result of a breach of this Policy.

7.2 Criminal Prosecution

All directors and those employees who are required in terms of the relevant gambling legislation to be in possession of a key employee licence, shall be obliged to disclose on an annual basis whether they have a criminal record.

Should investigations uncover evidence of economic crime including fraud and corruption, the ethics office will review the facts at hand to determine whether the matter is one that ought to be reported to the applicable law enforcement agency.

Any decision by the ethics officer not to refer an allegation of fraud, corruption and / or economic crime to a law enforcement agency for investigation will be referred to the Sun International Social and Ethics, Risk and / or Audit Committees, together with the reasons for the decision.

7.3 Civil Recovery

The Sun International group will actively pursue the recovery of any money or property lost by it through economic crime including fraud and corruption, at its sole discretion.

In respect of civil recoveries, litigation costs involved will be taken into consideration to ensure that the cost of recovery is financially beneficial to the Sun International group.

7.4 Internal Control Review after the Fact

In each instance where bribery, corruption or other forms of economic crime is detected, the matter will be reported to the head of group internal audit who will reassess the adequacy of the current internal control environment (particularly those controls directly impacting on the incident) and assess whether there is a need for modification.

PROCEDURE

None

The Company may implement procedures to give effect to this Policy. In the event that no specific procedures are implemented, employees are to seek the guidance of their line management.

REFERENCES/DOCUMENTS

Standard ethical conduct clause (Annexure A) and Right to audit (Annexure B) below

MONITORING AND SANCTIONS

This Policy may be subject to monitoring and audits. Appropriate internal disciplinary action may be instituted against any employee(s) who breach or cause the breaching of this Policy.

IMPLEMENTATION DATE

The implementation date of this Policy is 1 November 2017.

EXCO COMMENTS

FIRST APPROVING EXCO MEMBER

Signature: 

Name: A.C. JOHNSTON

Designation: DIRECTOR : CORPORATE SERVICES

Date: 5 FEBRUARY 2018

SECOND APPROVING EXCO MEMBER

Signature: 

Name: A.M. LEEMING

Designation: CEO

Date: 6/2/2018

RACI Matrix

RESPONSIBILITY FOR CREATION
Group Company Secretary
RESPONSIBILITY FOR IMPLEMENTATION
HR/ Compliance
ACCOUNTABILITY
Unit General Managers
CONSULTED
All General Managers and Financial Managers
INFORMED
All Employees

STANDARD ETHICAL CONDUCT CLAUSE – ANNEXURE A

1. Required Standards and Principles of Ethical Business Conduct

- 1.1 Sun International, the ultimate holding company of [refer to the Sun International group company], who is party to the relevant agreement, using the same name, definition, abbreviation or acronym as used in the agreement] adheres to the highest levels of lawful, ethical and responsible business conduct and it requires its subsidiaries, as well as suppliers, advisors, customers and stakeholders of the Sun International group, in their interaction with the Sun International group, to adhere to similar principles.
- 1.2 The *supplier / customer [refer to the supplier, customer or business associate using the name, definition, abbreviation or acronym used in the agreement] is referred to the following documents that can be viewed on Sun International's public internet website at www.suninternational.com:-
- (a) The Code of Ethics for the Sun International group; and
 - (b) The Corporate Gifts, Tips and Entertainment Policy for the Sun International group.
- 1.3 The *supplier / customer [use same terminology as in the agreement] confirms that it has read and that it understands the above mentioned policies and that it fully subscribes to the principles of ethical business conduct as are expressly or implicitly dealt with in the said policies. For the same of clarity, the relevant principles are summarised as follows:-
- (a) Fair competition and avoidance of anti-competitive conduct;
 - (b) Integrity in business dealings – no corruption or bribery;
 - (c) Sustainability – no inappropriate risks for human health and the environment
 - (d) Equal opportunities in securities trading – no insider trading
 - (e) Proper record keeping and accurate financial reporting – no deception
 - (f) Fair and respectful working conditions – no discrimination
 - (g) Respecting the legal rights of others – no infringement of intellectual property rights
 - (h) No conflicts of interest between business and personal interests;
 - (i) Co-operation with the authorities – no misinformation;
 - (j) Compliance with laws, regulations, rules and standards;
 - (k) Observance of ethical obligations without causing harm other than by fair commercial competitive practices;
 - (l) Not to supply defective or dangerous products;
 - (m) Not to improperly induce or influence someone by the provision of gifts, entertainment or other gratification;
 - (n) To report any events or suspected events of bribery, corruption, BEE fronting, improper inducement or influencing, or any other unlawful conduct
- 1.4 The Sun International group distances itself from any conduct that deviates from:-

1.4.1. the principles referred to in 1.3 above; and / or

1.4.2. the principles and outcomes contained in King IV (<http://www.iodsa.co.za>);

and it reserves its right not to deal with any party whose conduct is contrary to 1.4.1. and / or 1.4.2. above and [refer to the Sun International company who is party to this agreement] therefore hereby reserves in its sole and absolute discretion (and without being required to furnish any reason for exercising its rights) to terminate this agreement forthwith in the event that any information comes to its attention which causes it to conclude, in its sole and absolute opinion, that in its conduct towards [refer to the Sun International group companies] in terms of or in connection with this agreement *the supplier / customer [refer to the relevant party] has engaged in an act or omission which constitutes a material breach or disregard of 1.4.1. and / or 1.4.2 above and / or any other principles of ethical business conduct.

Such termination shall be justified and lawful and shall not be capable of giving rise to any damages claims against or any other liability for [refer to the Sun International group company]. The *supplier/customer acknowledges that it fully understands the contents of this clause 1.4, including the import and consequences of this clause 1.4 and has either had the clause fully explained to it or has taken legal advice in connection with it or has, of its own free will, waived the right to do so and assumed the consequences of such waiver. In addition, the *supplier/customer acknowledges that it has not been subject to any duress (including economic duress) in agreeing to this clause 1.4 and has agreed to same of its own free will.

RIGHT TO AUDIT – ANNEXURE B

1. The Sun International group shall be entitled on the giving of reasonable notice to [the Contractor] to such effect, to conduct an audit of all relevant books, records, systems, processes, procedures and documents of [the Contractor] in order to verify compliance by [the Contractor] with its obligations in terms of this Agreement.
2. [The Contractor] shall co-operate and render all assistance reasonably requested by the Sun International group relating to such audit. In addition, [the Contractor] shall provide the Sun International group access to all such books, records, systems, data and documents of [the Contractor] and to any premises and personnel of [the Contractor] for the purposes of conducting such audit. The Sun International group shall have the right to take copies of any such records and information they reasonably require to assist in connection with any such audit.
3. [The Contractor] shall maintain all data, records and documentation relating to this Agreement and to its other operations, for the duration of this Agreement to enable the Sun International group to undertake the audit contemplated in Clause 1.

Appendix 5: Seafood Policy



GROUP SUSTAINABLE SEAFOOD POLICY

Sun International is an internationally recognised and respected gaming and hospitality Group that strives to provide memorable experiences for its guests. Seafood is an important component of our guest offering and is a key differentiator in our Group's sustainable business strategy. As such, we have partnered with WWF South Africa's *Southern African Sustainable Seafood Initiatives (SASSI)* to ensure that we are continuously and effectively implementing a sustainable seafood strategy across our food and beverage outlets and restaurants.

As a Group we understand that there is a global concern around the over-exploitation of seafood resources and the environmental impacts of fishing and aquaculture activities on marine ecosystems. We are therefore committed to driving positive change in the manner we source and serve seafood in our restaurants by:

- supporting sustainable seafood¹ choices and obtaining our seafood from legally and responsibly managed seafood suppliers;
- working together with our seafood suppliers to ensure that all our procured seafood is traceable back to its origins;
- providing our food and beverage operations with the necessary knowledge to recognise and purchase sustainable seafood; and
- providing our guests with sufficient and accurate information on seafood products, allowing them to make environmentally responsible choices.

To ensure that Sun International adheres to this policy, the Group have developed clear targets to ensure that by 2018 we source seafood products from suppliers that are:

- certified by the Marine Stewardship Council (MSC); or
- certified by the Aquaculture Stewardship Council (ASC); or
- listed as Green on WWF-SA's SASSI consumer list; and/or
- sourced from fisheries or farms that are actively engaged in credible, time-bound improvement projects² to achieve either MSC or ASC certification or WWF-SASSI Green-list status.

Sun International's Sustainable Seafood Policy demonstrates our commitment to a well balanced and sustainable environment and our continual improvement towards achieving a sustainable business strategy.

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

AM Leeming
Chief Executive
Date: September 2017

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

JE Horn
Group Sustainability Manager
Date: September 2017

¹ Sun International defines sustainable seafood as products that are certified by the Marine Stewardship Council (MSC) or the Aquaculture Stewardship Council (ASC) and/or species that are categorized as Green on the WWF-SASSI list.

² Sun International, with the assistance of WWF-SA, will determine the credibility of these improvement projects on a case-by-case basis and will provide guidance to fisheries/aquaculture facilities as to what constitutes a credible, time-bound improvement project.

Appendix 6: Environmental Policy



GROUP ENVIRONMENTAL POLICY

As a leader in the leisure, entertainment, gaming and tourism industry, Sun International is committed to providing memorable experiences for its guests in a sustainable and environmentally responsible manner. As a Group we recognise and acknowledge that the development, operation and management of our properties have financial, social and environmental implications for our stakeholders. Sun International understands that the long-term future of the Group is dependent on the sustainable use of our natural resources and as a result, our environmental strategy forms an integral part of our business strategy.

Sun International is committed to minimising, and where possible preventing, its impact on the environment through:

- developing, implementing and maintaining an environmental management system that is in line with the ISO 14001 standard.
- continually improving the environmental management system in order to enhance our environmental performance.
- ensuring compliance with applicable environmental legislation, regulations and other relevant requirements and promote and monitor environmental standards within the Group.
- promoting efficient use of materials and resources throughout our facilities by:
 - ensuring responsible use of energy through energy conservation initiatives, increasing energy efficiencies and giving preference to renewable energy sources where possible;
 - developing and improving operations and on-site technologies to minimise waste generation with the aim to achieve a zero-waste-to-landfill; and
 - implementing water saving initiatives and increasing the reuse and recycling of waste water to minimise the use and dependence on clean potable water.
- setting and regularly reviewing environmental objectives and targets which are incorporated into the Group's strategic goals to ensure continual environmental improvement.
- promoting awareness of shared responsibility and accountability amongst employees, stakeholders, local communities, and other affected parties on environmental matters of mutual concern; and
- engaging and informing stakeholders of our environmental commitments through our ongoing monitoring and reporting initiatives.

Through our comprehensive Environmental Strategy, Sun International is committed to protecting the environment, minimising its environmental footprint and continually reviewing and improving its sustainability strategy.

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

AM Leeming
Chief Executive
Date: May 2017

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

JE Horn
Group Sustainability Manager
Date: May 2017