

OUR PEOPLE

Our employees are important enablers of the group's ability to achieve its strategic objectives. We operate in a highly governed and competitive service-oriented industry. It is important that we continually develop and motivate our employees to perform well and provide memorable experiences to our guests.

HIGHLIGHTS

- Rolled out an improved HIV management programme to encourage and monitor adherence to appropriate ARV therapy
- Implemented a leading ELMS
- Improved employees' retirement outcomes by moving from our in-house membership provident fund to an external fund
- Rolled out a financial literacy programme to employees in conjunction with the ASISA Foundation
- Achieved 92.2% black employment in our South African operations
- 55.27% female representation across our South African operations (94% of whom are black females) and 51.17% for the group
- Rolled out a coaching programme for senior and middle management
- Successfully onboarded about 1 200 temporary employees.

CHALLENGES

- Ensuring our employees understand the alignment of remuneration and benefits
- Aligning recruitment practices with the group's employment equity plans
- Improving the representation of people with disabilities and increasing black representation across middle and senior management to align with B-BBEE targets
- Keeping abreast of proposed amendments to sections of the Employment Equity Act and its impact on the group, particularly mandatory sectoral targets and the national minimum wage framework.

FOCUS AREAS

Our focus for 2018	What we achieved	Self-assessment
Embedding our succession management practices and integrated management strategy group-wide.	Completed and implemented the group's talent management programme that informs succession planning.	In progress
Developing leadership skills throughout our workforce and strengthening the manager's role as coach and mentor.	Rolled out a coaching programme for senior and middle management.	In progress
	Formulated a manager learning journey with core training programmes to guide managers.	
	Developed and implemented a performance management programme for all line managers to enhance effective performance management.	
Aligning our employee remuneration following the 'equal pay for work of equal value' review.	Continued working around 'equal pay for work of equal value' and applied these principles when appointing new employees and promoting existing employees.	In progress
Embedding the EVP within the group and addressing challenges employees have identified.	Embedded the EVP and SunWay culture programme through presentations and competitions at all South African units.	In progress
Managing employee productivity to avoid unnecessary absenteeism costs.	Implemented a WAM programme to reduce absenteeism.	Limited progress
Actively engaging with employees and addressing concerns as they arise.	Ongoing active engagement through the SunTalk and OneSun platforms.	In progress

Focusing on disabled people at the workplace.

Increased targets for employing persons with disabilities in the new employment equity plans.

In progress

Implemented phase two of the group's disability strategy.

KEY PERFORMANCE INDICATORS

		December 2018	December 2017
Total group employees	Number	14 632	12 959
– South Africa including SunSlots	Number	9 001	8 244
– Other Africa	Number	543	548
– Latam	Number	5 088	4 167
Employee turnover	%	23.3	24.1
Female representation	%	51.17	51.5
Black representation ^[1]	%	92.2	91.5

¹ South African operations.

PERFORMANCE OVERVIEW

The prior financial year was earmarked with good progress in bedding down our SunWay culture journey; empowering employees through talent, learning and leadership development initiatives; intensive employee engagement; and maintaining transformation progress. These focus areas were our guiding principles in supporting the business and enabling the group's 'our people' strategic objective.

Workforce profile

At 31 December 2018, we had 14 632 (2017: 12 959) employees across our operations, a 13% year-on-year increase. The increase was mainly as a result of the employment of 1 200 temporary employees, following a constitutional ruling in July 2018 that required employees earning below the Basic Conditions of Employment Act threshold, and who worked for a three-month period to be permanently employed. We engaged extensively with labour brokers and trade unions, which resulted in an amicable outcome for all affected parties. The onboarding process at our various units was managed seamlessly and without any complications. We acquired 315 employees following the group's acquisition of a casino and hotel in Mendoza, Argentina. Our permanent employees in South Africa comprise:

- permanent full-time employees
- permanent part-time employees, who are paid the same hourly rate as full-time employees; and work according to a roster that guarantees minimum monthly work hours.

For more details on our workforce by [employee statistics](#) and [region and gender](#) for 2018 refer to [Annexure A](#).

Employment equity at our South African operations

Our approach is to achieve legislative and substantive transformation through numerical and non-numerical targets aligned to the group's strategic objectives. These targets are tracked and monitored quarterly and included in line managers' performance contracts. The social and ethics committee is responsible for monitoring our progress against set targets.

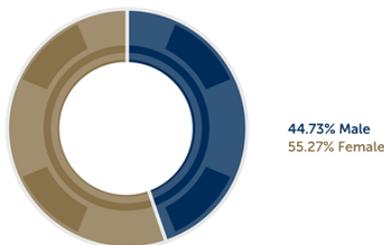
During 2018 we established and adopted a property-specific, three-year employment equity plan that supports the group's strategic objectives. It also accounts for our transformation and talent management strategies, succession planning, talent attraction, career progression and retention. It takes account of the demographics in the provinces where we operate. Each property is positioned to set its own goals and objectives for employment equity, while meeting the provincial gaming boards licensing criteria.

We increased our South African black employee representation to 92.2% (2017: 91.5%), exceeding the distribution of the national economically active population. The management team is made up of 82% (2017: 80%) black people, of whom 46% (2017: 45%) are females. This was mainly due to the increase in black representation at junior and middle management levels. However, there are still challenges at middle and senior management levels, where representation of black people, particularly black females is lower than white people.

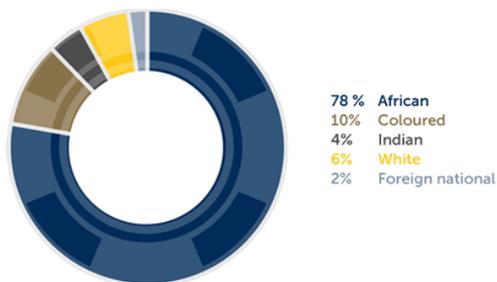
To mitigate our previous challenges in retaining persons with disabilities, we introduced disability capacity building workshops and disability awareness days. This resulted in the retention of persons with disabilities and provides us with an opportunity to increase representation.

Our SunSlots operations' black representation is at 89.6% (2017: 90.6%) and black people make up 82% (2017: 85%) of the management team with 45% (2017: 40%) being female.

Workforce profile by gender (2018)



Workforce profile by race (2018)



Diversity profile South Africa¹

Employee class	Occupational levels	Male					Female					Foreign nationals		Total
		A	C	I	W	Total	A	C	I	W	Total	Male	Female	
Permanent	Top management	2	1	1	3	7	1	1	0	0	2	0	0	9
	Senior management	18	6	24	45	93	12	8	12	21	53	8	0	154
	Middle management	96	33	37	98	264	93	24	20	44	181	13	9	467
	Skilled technical/supervisor/junior management	709	169	93	121	1 092	660	169	73	100	1 002	31	9	2 134
	Discretionary decision-making	2 046	210	61	39	2 356	3 173	278	54	55	3 560	59	31	6 006
Permanent total		2 871	419	216	306	3 812	3 939	480	159	220	4 798	111	49	8 770
Temporary		176	28	5	21	230	210	30	2	12	254	3	1	488
Total		3 047	447	221	327	4 042	4 149	510	161	232	5 052	114	50	9 258

¹ Excluding SunSlots' headcount of 231

Employee turnover

During the year under review there were 3 257 (2017: 3 178) employment terminations employment group-wide, and group turnover was 23.3% of the total headcount (2017: 24.1%).

The tables below provide the reasons for employment termination by region and by age.

Consolidated labour turnover

Region	2018			2017		
	Average headcount	Terminations	Turnover	Average headcount	Terminations	Turnover
South Africa	8 870	913	11.0%	8 019	1 214	14.6%
SunSlots	231	43	19.0%	225	53	23.5%
South Africa total	9 001	956	11.5%	8 244	1 267	14.87%
Africa	543	56	10.2%	548	40	7.3%
Latam	5 088	2245	44.0%	4 167	1 871	46.6%
Total	14 632	3257	23.3%	12 959	3 178	24.1%

Reason for termination by region

Reason	South Africa	South Africa SunSlots	Swaziland	Nigeria	Argentina	Chile	Colombia	Panama	Peru	Group
Death	32	1	1	1	1	4	0	0	2	42
Dismissal – Incapacity health	6	2	0	0	0	0	0	0	0	8
Dismissal – Incapacity/poor work performance	0	0	1	0	0	0	0	0	0	1
Dismissal – Misconduct	268	5	2	10	38	782	32	64	223	1 424
Dismissal – Operations requirement	8	0	0	0	0	0	0	0	0	8
Mutual agreement separation	3	1	0	0	14	62	19	14	1	114
Resignation	538	34	19	19	48	420	22	17	482	1 599
Retirement	58	0	3	0	0	0	0	0	0	61
Total	913	43	26	30	101	1 268	73	95	708	3 257

Reason for termination by age band

Reason	18 – 20	21 – 30	31 – 40	41 – 50	51 – 70	Total
Death	0	5	10	17	10	42
Dismissal – Incapacity health	0	1	0	1	6	8
Dismissal – Incapacity/poor work performance	0	0	0	1	0	1
Dismissal – Misconduct	30	605	538	193	58	1 424
Dismissal – Operations requirement	0	1	5	3	0	9
Mutual agreement separation	0	30	54	20	9	113
Resignation	28	770	550	203	48	1 599
Retirement	0	0	0	0	61	61
Total	58	1 412	1 157	438	192	3 257

Improving our organisational culture

SunWay formula for success

Sun International's SunWay formula for success gained traction across all South African units. As part of the process to measure the SunWay formula, employees provided feedback on how they identified with the formula and gave ideas on how to improve process and efficiencies.

Union relationships

64% (2016: 61%) of our South African workforce (excluding SunSlots, Africa and Argentina) is covered by collective agreements. It is imperative to maintain healthy relationships through meaningful engagements with the various unions. During 2018, all employee relations policies were reviewed and implemented.

Human rights and freedom of association

The group recognises that it has a responsibility to ensure the effective management of human rights. The principle of freedom of association as it relates to the constitution of each country where we operate is formally endorsed in our employee relations policy statements, and in our recognition agreements with the trade unions in South Africa and other countries where we operate.

Creating a high-performance culture

Talent management is an important process in rolling out the business strategy. The 2018 talent management process comprehensively addressed the senior management level across the organisation. Talent reviews were held for the executive, general and group management levels in all units, with a focus on succession for executive management level.

Talent management initiatives

Initiative	Description
Talent management	<ul style="list-style-type: none">• Revitalised the performance management processes by redesigning performance management training aligned to employee feedback.• Redesigned performance evaluation ratings to provide a comprehensive understanding of the differentiation between various ratings.• The performance evaluation was rolled out through the organisation and adopted in the 2018 performance cycle.
Organisational Design	<ul style="list-style-type: none">• Reprofiled all jobs to ensure alignment to the business strategy with clear and defined roles and responsibilities for each job.• Introduced the organisation design committee to enhance organisational structures and the optimise deployment of human resources in the organisation.• Controlled headcount costs by streamlining the process for approval to ensure a systematic and proper planning approach for our workforce.

Learning and development

To ensure that our employees are equipped to carry out their responsibilities, Sun International has several learning and development initiatives aimed at empowering and developing our talent group-wide. Several of these initiatives were developed, implemented or piloted during the financial year as tabled below.

Food and beverage training

The food and beverage executive team launched a training manual that is available in three languages (English, Zulu and Xhosa) on the Sun International Intranet. They partnered with the International Hotel Training School to produce training videos, featuring Sun International employees, to create an accredited Sun Academy programme.

Learning and development initiatives

Initiative	Description
Leading the SunWay	We rolled out the International Hotel Training School to present a revised and more functional leadership programme.
Managing the SunWay	We continued to embed the Managing the SunWay initiative that offers foundational management skills and knowledge customised to the SunWay of leading and managing.
Customer experience	<p>We continued to embed Sun International's standard operating procedures across all units. This was reinforced by implementing a reward and recognition programme that rewards employees who focus on and invest in improving our service delivery and on our brand promise, of 'creating lasting memories'.</p> <p>The outcome we seek is engaged people who can and want to engage with our customers and create the lasting memories for which we are renowned.</p> <p>The CLEAR serving is another way in which we want to entrench:</p> <ul style="list-style-type: none"> • our service principles • our interaction process • our people paying attention to detail and focusing on our customers.
Onboarding	An online onboarding module is complete and will be embedded as part of the employee learning journey.
Coaching for performance	Rolled out a coaching for performance programme with the University of Stellenbosch Business School for senior to middle managers, that includes practical application to create maximum impact.
Performance management	Developed and implemented a performance management programme for all line managers to enhance effective performance management by setting objectives and incorporating coaching.
B-BBEE skills plan	<p>Learning management system</p> <p>We implemented the PeopleSoft ELMS that stores learning records for legislative reporting.</p> <p>We scoped an end-user learning solution with the International Hotel Training School. This solution will enable better learning engagement.</p> <p>Training needs analysis</p> <p>The groupwide training needs analysis was conducted at all units to ensure a more qualitative and proactive approach to our employees' learning needs and B-BBEE skills plans.</p>

Skills development spend

Group training spend was R133 million (2017: R110 million), an increase of 21%. Total employees trained was up 17% (2018: 9 588 vs 2017: 8 221). Our skills development spend across our South African operations, excluding SunSlots, increased by 23% to R117 million compared to R95 million in 2017. This investment included formal and informal learning interventions, with 4 714 South African employees (2017: 4 249) benefiting. Interventions are targeted at employees' roles and growing the leadership pipeline. The number of employees trained per region includes employee terminations during this period.

Skills development spend per region and country

Region	Country	Total expenditure December 2018 R million	Total learners December 2018 Number
South Africa	South Africa	117.42	4 714
SunSlots	South Africa	1.80	220
Sun Dreams Latam	Argentina	0.02	840
	Chile	13.09	2 737
	Colombia	0.06	78
	Panama	0.00	193
	Peru	0.03	764
	Africa	Nigeria	0.15
	Swaziland	0.11	15
Total		132.69	9 588

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

	December 2018 R million	December 2017 R million
Leviable payroll	1 753	1 682
Training costs	117	95
% of leviable payroll	6.7	5.6

Grants and levies

To access skills development grants from the Culture, Art, Tourism, Hospitality and Sport Sector Education and Training Authority under the levy grant scheme, we are required to:

- pay a skills development levy to SARS
- submit a MGP detailing all learning interventions to be undertaken for the year
- submit a mandatory grant report confirming the implementation of the MGP for the previous year.

The group received the maximum recovery for mandatory grants, which is 20% of levies paid to SARS.

South Africa: Grants and levies	December 2018	December 2017
Skills development levy paid (R million)	17.5	16.8
Mandatory grants received (R million)	3.5	3.4

Remuneration and benefits

We participate in and consider market remuneration surveys and align our pay decisions to the principles set out in our remuneration policy. We made progress in aligning our 'equal pay for equal work of value' legislative requirements following an extensive benchmarking exercise. We addressed anomalies in the March 2018 increase process. We aim to conduct an annual 'equal pay for equal work of value' process to ensure that we remove any disproportionate income differentials over time.

Retirement benefits

Management decided to move from the in-house restricted membership provident fund to an external and more comprehensive umbrella fund. We conducted extensive research during 2018 to determine a suitable provider, which was approved by the remuneration committee. This new fund will improve members' retirement outcomes. The transfer to the new fund will take place in 2019.

Performance management

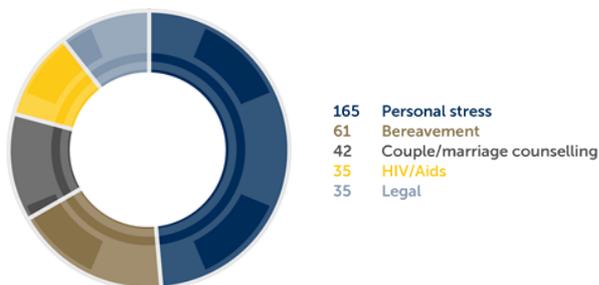
We accurately measure and provide feedback on performance by linking employee performance to business objectives through a KPI scorecard. The scorecard includes KPIs for managing and developing people and transformation, as these are important areas of our business.

Individual employment contracts include minimum requirements and standards for each role. Reward is directly linked to performance at group, team and individual levels. Performance feedback sessions provide opinions on achieving or exceeding the standards set, and are used to address performance that fails to meet requirements. These sessions include a review of development needs and the setting of plans for future development, talent and career management discussions.

Employee wellness

In 2018, we maintained the favourable case utilisation at a rate of 10.2% of headcount, which is above the employee wellness programme norm. This confirms that there is a need in our business units for support in psychosocial matters, and that, through proactive interventions, the propensity for referrals to the programme will increase. It confirms that the business units are responding to the needs identified within the workplace and therefore positioning activities that are relevant to the employees.

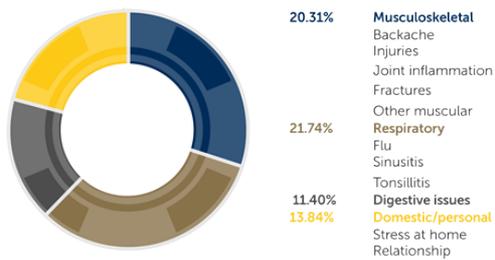
Top five reasons affecting employee wellness (2018)



Workplace absenteeism management (2018)

The WAM programme was rolled out to all South African units. We made 2 666 contacts with employees who were flagged for being absent. Most employees contacted by WAM had musculoskeletal, respiratory, digestive and HIV issues. We identified employees with domestic and personal problems that resulted in absenteeism which are referred to the employee wellness programme for further counselling and advice. The WAM service assists with sick note verification to ensure that sick leave is managed appropriately.

Reasons for workplace absenteeism (2018)



Healthcare cover for union employees

The healthcare cover introduced for our union employees commenced in January 2018. This programme is tailored for eligible employees who are not on a Sun International appointed medical aid scheme. It allows access to quality healthcare screening and treatment for achieving personal health. It also provides annual health screening, hospital trauma cover and other benefits. A comprehensive maternity benefit was tailored for eligible employees.

HIV management programme

We rolled out an improved HIV management programme in January 2018. The purpose of the programme is to assist HIV-positive employees on primary healthcare with maintaining ARV treatment adherence; to help them overcome any barriers; and ensure they live a healthy and productive life. This improved programme had significant success in its first year.

The on-site testing service is active at all units. A total of 2 995 (2017: 2 002) on-site tests were conducted (which includes HIV and health risk assessments) during the year. The prevalence of HIV is approximately 2.95%, but TB symptoms are low. Ongoing awareness campaigns on employees knowing their HIV and TB status continued. Units also include the posts exposure prophylaxis programme, which can prevent employees contracting HIV through accidental exposure.

Smoking, obesity and hypertension remain a focus at all units.

The comprehensive offering of the OneSun wellness strategy helps mitigate the risk of psychosocial and health problems. All business units need to ensure their annual wellness strategies focus on the inclusion of the above interventions to help control these risks. The focus going forward will be on financial wellbeing and HIV management.

Financial assistance programme

We acknowledge that employees are impacted by the difficult economic climate. To assist employees with financial literacy training and retirement planning, we rolled out financial literacy workshops, in conjunction with the ASISA Foundation, to employees earning R20 000 or less per month. During 2018, more than 1 300 eligible employees attended these workshops, with the overall objective of equipping them with knowledge and skills about finance to influence a behavioural change, and to improve their financial wellness. We will continue with this programme going forward.

Waya Waya WageWise

A new savings initiative was launched in 2018 in partnership with the ASISA Foundation as an additional offering under the OneSun Wellness Programme. The initiative's objective is to teach personal financial literacy. We aim to reach all Sun International units in South Africa by August 2019 through targeted workshops.

LOOKING AHEAD

- ▶ Tracking proposed amendments to Employment Equity Act and ensuring that current practices are aligned
- ▶ Integrating the new employment equity plans with our processes and practices
- ▶ Embedding a multi level succession roadmap
- ▶ Introducing a dynamic and innovative approach to talent management and skills development
- ▶ Enhancing the employee experience to improve customer service levels
- ▶ Continuing to provide a balanced working environment for employees, conducive to a healthy lifestyle
- ▶ Continuing to manage human resource risks and leverage opportunities for optimising people-driven business performance.

ANNEXURE A: EMPLOYEE STATISTICS

Regional employee statistics

South Africa		December 2018	December 2017
Permanent full-time employees	Number	4 773	4 928
Permanent part-time employees	Number	3 997	3 091
Skills development spend	R million	117	95
Female management employees	%	45	45
Employee turnover	%	11.5	15
Employees in bargaining unit	%	64	60

SunSlots		December 2018	December 2017
Permanent full-time employees	Number	229	223
Permanent part-time employees	Number	2	2
Skills development spend	R million	1.8	2
Female management employees	%	38	40
Employee turnover	%	19	24
Employees in bargaining unit	%	0	60

Africa		December 2018	December 2017
Permanent full-time employees	Number	543	548
Permanent part-time employees	Number	0	0
Skills development spend	R million	0.27	0.17
Female management employees	%	38	38
Employee turnover	%	10	7
Employees in bargaining unit	%	21	22

Sun Dreams Latam		December 2018	December 2017
Permanent full-time employees	Number	4 512	3 612
Permanent part-time employees	Number	576	555
Skills development spend	R million	13.17	13
Female management employees	%	32	27
Employee turnover	%	44	47
Employees in bargaining unit	%	35	25

Number of employees

Region	Country	December 2018				December 2017			
		Female	Female (%)	Male	Total	Female	Female (%)	Male	Total
South Africa	South Africa	4 847	55.27	3 923	8 770	4 416	55.07	3 603	8 019
SunSlots	South Africa	100	43.29	131	231	105	46.67	120	225
South African total		4 947	54.96	4 054	9 001	4 521	55.84	3 723	8 244
Other Africa	Nigeria	105	30.88	235	340	107	32.13	226	333
	Swaziland	78	38.42	125	203	82	38.14	133	215
Africa total		183	33.70	360	543	189	34.49	359	548
Sun Dreams	Argentina	295	48.36	315	610	0	0	0	0
	Chile	1 562	48.20	1 679	3 241	1 664	48.47	1 769	3 433
	Colombia	23	50.00	23	46	53	43.44	69	122
	Panama	71	39.89	107	178	71	37.97	116	187
	Peru	406	40.08	607	1 013	176	41.41	249	425
Sun Dreams Latam total		2 357	46.32	2 731	5 088	1 964	47.13	2 203	4 167
Group total		7 487	51.17	7 145	14 632	6 674	51.50	6 285	12 959