

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

The Sun International brand has a proud legacy in the gaming, hospitality and entertainment sector. The Sun International Group has a diverse portfolio of assets including world class five star hotels, modern and well-located casinos, and some of the world's premier resorts. Our destinations offer experiential luxury, enduring quality and incredible adventure, supported by an authentic dedication to personal service. Our superior

hotels and resorts portfolio makes Sun International a recognized premium brand.

Sun International operates or has an interest in South Africa, Swaziland, Nigeria and Latin America. In South Africa, we have 14 resorts, luxury hotels and casinos. Our approach has been to differentiate our hotels,

resorts and casinos in architecture, service, experience, location and the mix of entertainment and activities. Creating lasting memories for our guests and customers is a core part of our DNA. The portfolio includes

Leading Hotels of the World such as The Table Bay hotel in Cape Town and The Palace of The Lost City hotel at Sun City. Its gambling portfolio includes some of South Africa's best known iconic properties such as

GrandWest and the world-renowned Sun City. The creative architecture of these properties and the blending of their designs with their local environment make each property unique. As a responsible company, we

recognise that we have an obligation to ensure we operate in an environmentally responsible and proactive manner. This ensures a safe and pristine environment for our guests, employees and other stakeholders

affected by our operations.

In 2017, Sun International amended the previous CDP (carbon and water) submission-reporting period (July – June) to align with the financial reporting period 01 January to 31 December. All CDP submissions will

reflect this period from this point forward. We believe that this does not affect comparability, as reporting has always been for a 12-month cycle.

During the 2017 financial year Sun International formalised an integrated sustainability structure to improve overall coordination of the group's sustainability initiatives. The new structure has improved the

monitoring and reporting of environmental data, initiatives and potential risks and opportunities, both locally and internationally. As a result, the environmental policy and strategy (previously referred to as the

climate change strategy) is being revised to align with the revised integrated sustainability strategy. Furthermore, the scope of the 2017 CDP (carbon and water) reporting for the Group has been limited to the South African operations only due to the lack of monitoring data in operations outside of South Africa. Until the data collection systems and procedures are embedded in our Latam and African operations, we will continue

to only report our South African operations' data.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	January 1 2017	December 31 2017	No	<Not Applicable>
Row 2	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 3	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 4	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

South Africa

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

ZAR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Financial control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	Sun International recognises the importance of a comprehensive approach to responding to climate change. Our board of directors and Chief Executive (assisted by the board's social and ethics and risk committees and our recently establish sustainability committee) are accountable for Sun International's environmental management and environmental footprint reduction. The responsibility for climate related issues therefore lies with the company Chief Executive which is instrumental in determining the strategic direction and objectives of the group, including the group's environmental strategy.
Other, please specify (Group Sustainability Manager)	The Group Sustainability Manager with support from the Group Environmental Specialist is responsible for identifying and managing climate related issues and ensuring that the Board is adequately advised on potential issues that could affect the group operationally. The Group Sustainability Manager reports directly, with the support of the Chief Executive, to the Social and Ethics Committee and the Risk Committee and also chairs the Sustainability Committee meetings, a sub-committee of the board.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	Reviewing and guiding strategy	Climate related issues, as defined by the CDP, are discussed under environmental issues such as water, waste, energy and carbon, in board meetings. All major projects and initiatives are communicated to the board for review, comment and approval. The board is informed and updated on a quarterly basis of any new or current environmental risks. The board provide guidance and advice on any major environmental risk.

C1.2

(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities • Review and approve resources required to manage climate related risks.	Quarterly
Environment/ Sustainability manager	Both assessing and managing climate-related risks and opportunities	Quarterly
Sustainability committee	Both assessing and managing climate-related risks and opportunities • Review and approve resources required to manage climate related risks.	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.

The highest-level management position (below board level) with responsibility for climate-related issues is the Chief Executive. The rationale for making this individual responsible for climate change matters is due to

the CE's position as one of the highest-ranking executives who works closely with the board in managing the group. The CE is supported in managing this responsibility by the Sustainability Committee which was

established in 2017. The Sustainability Committee is a sub-committee of the Board of Directors and reports into the Group Social and Ethics Committee that is a standing committee of the Board. The committee is

chaired by the Group Sustainability Manager and include the following as members of the committee:

- Chief Executive
- Chief Financial Officer
- Chief Operations Officer
- Group HR Director
- Group Chief Strategy Officer
- Group Director: Legal, Compliance and Corporate Services

The main description of responsibilities of the CE and the Sustainability Committee relates to the monitoring, management, review and guiding of sustainable development initiatives with specific reference to:

- Environmental – represented by the Group Environmental Specialist;
- Health and Safety – represented by the Group Health and Safety Specialist;
- Socio-economic development – represented by the Group Socio-economic development and Community Engagement Specialists;
- Supplier and enterprise development – represented by the Supply Development Manager;
- Community and Stakeholder Engagement – represented by the Group Community and Stakeholder Engagement Specialist;
- Ethics and corporate governance – represented by the Group Director: Legal, Compliance and Corporate Services and the Group Manager: Governance, Ethics and Secretarial; and
- Broad-based black economic empowerment – represented by the Group Sustainability Manager.

The committee meets as frequently as deemed necessary to carry out its responsibilities but not less than four (4) meetings per year.

The committee's responsibilities related to climate issues and monitoring processes include:

- addressing sustainability risks to develop and refined strategies and to assess progress toward established sustainability goals and targets (emission reduction targets for South African operations presented and

approved by the committee in 2017);

- assist the board in meeting its responsibilities in relation to the Group's sustainability policies, operating procedures and relevant in-country legislation; and
- review, comment and approve the Group's Sustainability Report that forms part of the Group's Integrated Annual Report.

From a management perspective, the composition of the committee is as follows:

- shall comprise of three or more directors and group managers as approved by the Board;
- members of the committee and its Chairman shall be elected by the Board at the annual Board Meeting, and the members shall serve until the next annual board meeting or until a member resigns or is removed from the committee by the Board; and
- each committee member shall contribute a specific skills and/or experience which are relevant to the mandate of the committee.

The committee reports to the Sun International Management Limited (SIML) Board Committee each time the board meets.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.

Who is entitled to benefit from these incentives?

Chief Executive Officer (CEO)

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	0	1	
Medium-term	1	5	
Long-term	5	10	

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	>6 years	

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

Climate related risks are identified and assessed according to the Sun International Risk Assessment Methodology and are integrated in a multi-disciplinary company-wide risk identification, assessment, and

management processes. The methodology evaluates risk in terms of potential impact, likelihood of occurrence and the perceived effectiveness of controls in place to manage the risks.

There are three impact categories: operational impact, regulatory compliance impact and financial impact. Financial risk has the following impact factors:

- Minor (1) - A risk or impact that could result in a decline of Sun International Limited's EBITDA by up to 5%
- Substantial (2) - A risk or impact that could result in a decline of Sun International Limited's EBITDA by between 5-10%
- Serious (3) - A risk or impact that could result in a decline of Sun International Limited's EBITDA by between 10-15%
- Critical (4) - A risk or impact that could result in a decline of Sun International Limited's EBITDA by between 15-20%
- Catastrophic (5) - A risk or impact that could result in a decline of Sun International Limited's EBITDA by greater than 20%

In 2017, Cape Town in the Western Cape province of South Africa, became the first city in the world to face the prospect of not having potable water for its citizens. The city and province collectively have been

experiencing drought conditions since 2015 leading to a steady decline in the storage capacity of the city's six (6) reservoir dams. In the context of Sun International, the group has its highest revenue generating

operation (GrandWest Casino and Entertainment World) and internationally recognised 5-star luxury hotel (The Table Bay) located in Cape Town. In 2017 the water crisis ranked as a level 4 risk impact and at a stage

was one of the top 10 risk on the group level risk register, due to the following:

- Reduced hotel occupancy at both units;
- Lack of water supplied to some of our employees living in less affluent areas; and
- Possible Insufficient water pressure in the fire suppression sprinkler system at GrandWest.

The water crisis and the potential impact on the business was tabled with senior management at the following quarterly meetings in 2017:

- Social and Ethics committee
- Sustainability committee
- Risk committee

The group risk register is updated quarterly based on the current risk factors affecting the group. Risks are considered on a long-term basis (i.e. between 5-10 years). Overall, the annual group risk register is included in the group's Integrated Annual Report. At the conclusion of 2017, with the implementation of water saving initiatives at both units and the identification of suitable alternative water supplies, the water risk dropped to within the top 15 risks of the group due to the proactive management approach to planning for potential water shortages.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Regulatory compliance is one of the impact categories in the Sun International Risk Assessment Methodology. These risks are always factored into the integrated company-wide risk assessments which are undertaken on a quarterly basis. As such the group strives to be well informed of all current regulations related to climate-related risks and to assess the impact of these regulations on the group's activities. The National Greenhouse Gas Emission Reporting Regulations were published in 2017 in South Africa, which required mandatory reporting for specific activities in 2018 by organisations. The group started the process in 2017 of identifying the relevant activities. An example of a risk in this regard is if Sun International fails to comply with legislation, the impact could result in fines and penalties, criminal implications for directors and reputational damage which could affect investor confidence and the company's share price.
Emerging regulation	Relevant, always included	Regulatory compliance is one of impact categories in the Sun International Risk Assessment Methodology. These risks are always factored into the integrated company-wide risk assessments which are undertaken on a quarterly basis. As such the group strives to be well informed of all current regulations related to climate-related risks and to assess the impact of these regulations on the group's activities. The second draft of the Carbon Tax Bill for South Africa was issued in November 2017 for comment. Sun International has been following the development of the bill closely and have provided comments via the National Business Initiative (NBI). Sun International will evaluate the implication of the latest Carbon Tax bill on its operations and ensure compliance with the requirements of the bill. An example of a risk in this regard is if Sun International fails to comply with legislation, the impact could result in major carbon tax imposed on the group, fines and penalties, criminal implications for directors and reputational damage which could affect investor confidence and the company's share price.
Technology	Relevant, always included	Technology risks are considered as operational impacts and are one of the impact categories in the Sun International Risk Assessment Methodology. These risks are always factored into the integrated company-wide risk assessments which are undertaken on a quarterly basis. Sun International takes into consideration best practice environmental and climate related technologies when undertaking changes to operational activities at the units in South Africa. With the development of the Time Square operation in Pretoria, the casino, arena and hotel has been designed taking into account green building design and energy saving initiatives from a HVAC, lighting and water perspective (harvesting rainwater and reusing water on site). Another example is the planned implementation of a "waste-to-energy" plant at Sun City in the North West Province. This initiative is in line with the group's zero-waste-to-landfill target for 2020. An example of a risk in this regard is if Sun International fails to keep up to date with technology innovations, for example innovations that could reduce energy consumption and greenhouse gas emissions. The impact could result in loss of competitive advantage, loss of income as well as carbon tax liabilities once the South African Carbon Tax is implemented.
Legal	Not relevant, explanation provided	With respect to climate-related litigation claims, due the sector that Sun International operates, this is not considered a significant risk, however, the group does have an environmental, legal and claims department that is equipped should this risk occur.
Market	Relevant, sometimes included	Sun International continues to review and assess the needs of our guests. Trends associated with climate change initiatives have been identified at our some of operations in the past. Local and international Tour operators have been enquiring about out environmental programmes and initiatives in the past. An example of such is that Sun City was one of the first hotels in South Africa to be certified on the new ISO 14001:2015 standards, just one of the many criteria requested by tour operators and guests.
Reputation	Relevant, always included	Reputational risk is considered as an operational impact, which is one of impact categories in the Sun International Risk Assessment Methodology. These risks are always factored into the integrated company-wide risk assessments which are undertaken on a quarterly basis. Water risks put Sun International's reputation at risk. With South Africa being a water scarce country and having experience drought conditions in various parts of the country since 2015, water availability and water usage is critical for the day-to-day management and financial well-being of our operations. Our business is centered around providing the best hospitality experience to our guests and water is key source for maintain clean and hygienic conditions at our operations. The affected operations GrandWest and Table Bay Hotel in the Western Cape and Boardwalk in the Eastern Cape displayed water conservation/saving messages in all public areas and specifically placed notices informing the public that grey water was being used to irrigate gardens in order to maintain the entrances to the operations. Various other awareness and water saving initiatives were implemented and communicated to our guest such as removing bath plugs from the rooms to encourage guests to rather shower than bath, etc.
Acute physical	Relevant, always included	Acute physical risks are considered as operational and financial impacts, which are two of the impact categories in the Sun International Risk Assessment Methodology. These risks are always factored into the integrated company-wide risk assessments which are undertaken on a quarterly basis. With the Sun International Wild Coast Sun, Boardwalk and Table Bay operations all located along the coast of South Africa, these operations are at risk of extreme coastal weather events such as tsunamis, sea level rise and extreme weather conditions, which has been considered by the group insurance company. These risks are reviewed and the likelihood of the risks occurring are assess on an annual basis by our insurance company and presented to the risk community.
Chronic physical	Relevant, always included	Chronic physical risks are considered as operational impacts which is one of the impact categories in the Sun International Risk Assessment Methodology. These risks are always factored into the integrated company-wide risk assessments which are undertaken on a quarterly basis. Chronic physical risks such as water scarcity represent a key risk for Sun International's operations. With South Africa being a water scarce country and having experience drought conditions in various parts of the country since 2015, water availability and water usage is critical for the day-to-day management and financial well-being of our operations. Our business is centered on providing the best hospitality experience to our guests and water is key source for maintain clean and hygienic conditions at our operations.
Upstream	Relevant, always included	The drought in the Western Cape did have an impact on operations and suppliers. GrandWest had to stop a car wash business which was set up as an Enterprise Development project as they could not generate any income due to the drought. Table Bay Hotel reduced their laundry services due to the water crisis to 2-4 days or on request for guests.
Downstream	Relevant, always included	The drought in Western Cape did have an impact on staff and communities. Sun International supplied staff with water to take home and in some cases we supplied communities and schools in the area with bottled water. We also installed rainwater harvesting tanks to schools.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

Processes:

Climate related risks and opportunities are identified, assessed and managed according to the Sun International Risk Assessment Methodology and are integrated in a multi-disciplinary company-wide risk

identification, assessment, and management process. The methodology evaluates risks and opportunities in terms of potential impact, likelihood of occurrence and the perceived effectiveness of controls in place to

manage the risks and opportunities and ensures that every key risk in each sub-set of the group is included in a structured and systematic process of risk and opportunity management. All key risks and opportunities

are managed within a unitary framework that is aligned to the Company's responsibilities. Each risk and opportunity is comprehensively reviewed and is managed by the group through detailed risk sheets that identify mitigating controls, key action plans and accountability by risk owners. Both company and asset level risks are placed into the strategic risk register once identified and follow the same process.

Management

Each identified risk and opportunity is measured on its impact and likelihood. Based on the impact and likelihood of occurring, the residual risk exposure is calculated and rated, falling into one of the following

categories: extreme, high, moderate, within tolerance, within appetite. Risks rated as extreme require immediate action whereby management must immediately escalate to Exco and Board while immediate

remediation plans are instituted. Risks and opportunities are considered on a short, medium and long-term basis (i.e. between 5-10 years).

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Increased pricing of GHG emissions

Type of financial impact driver

Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company- specific description

The proposed carbon tax bill, expected to be implemented from January 2019, has required that Sun International closely look at its carbon accounting methods in order to analyse potential tax risks and decrease this liability where possible. In order to limit the company's exposure to carbon taxes, actions to reduce energy consumption are being implemented on an ongoing basis. Failure to do so could increase the company's tax burden. In addition, carbon tax related costs could indirectly be passed down. In the short term liquid fuel prices could increase. As the draft bill stands, carbon tax on liquid fuels will be imposed at the source. It is estimated that the increased fuel price would be R0.13/litre. Furthermore, there still remains a high degree of uncertainty with regards to how electricity-related emissions will be taxed post 2020 which pose a long terms risk. Currently, Eskom will not be allowed to pass through its tax liability onto its customers prior to 2020.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Potential financial impact

120900

Explanation of financial impact

The potential increase in fuel costs for Sun International's business could amount to around R0.13/litre of fuel consumed. In FY17 Sun International consumed approximately 930 000 litres of diesel. This translates to a potential additional increase of fuel costs of around R 120,900.00 per annum. The announced carbon tax could potentially have an impact on the price of electricity. National Treasury has given a commitment that there will be no impact of carbon tax on the electricity tariff up to 2020. After 2020 the carbon tax impact could be in the order of 5 cents per kWh, increasing to a potential level of 12 cents per kWh by 2030.

Management method

The group recognized the need to quantify an accurate carbon footprint in order to assess the extent to which it would be liable for carbon tax. To this end external consultants were used to develop and implement a carbon accounting data tool to account for carbon regularly and improve the quality and accuracy of all non-financial data. The tool enables emissions to be calculated on a quarterly basis.

Cost of management

150000

Comment

The cost of services for external consultant for quantifying our carbon footprint.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Physical risk

Primary climate-related risk driver

Chronic: Changes in precipitation patterns and extreme variability in weather patterns

Type of financial impact driver

Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions)

Company- specific description

Extremes in precipitation and droughts have the potential to affect the group in two ways. Firstly, precipitation extremes lead to potential for flooding, which may cause physical damage to property and may also pose safety risks to guests and staff. Droughts are a threat to water availability. As a result water restrictions may be imposed by the authorities, which may limit water use to only essential operations. The operations in South Africa are completely dependent on the supply and availability of potable water to all of its facilities for the purposes of drinking, cooking, cleaning, guests experience, heating and cooling. In addition, water is integral to the amenities such as swimming pools (potable), landscaped gardens and golf courses (in most cases recycled, surface groundwater). Not having access to a good quality and sufficient supply of freshwater would have a huge and negative impact on Sun International operations and quality of guest's experience, resulting in a loss of customer base.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

High

Potential financial impact

10700000

Explanation of financial impact

The reliance on water to operate hotels, boilers, laundry, recreational activities and to maintain good hygiene standards in ablutions and while preparing food in kitchens is critical. The lack of water is not just a financial risk but also impacts on the reputation of the company. In the Western Cape, the recent drought necessitated the implementation of a number of initiatives related to water savings and water management. At GrandWest, the operation decided on a containerized water treatment plant to ensure that the HVAC system remained functional while considering increasing the number of boreholes and upgrading the treatment works to provide potable water to the operation (approximately R 2million). At Table Bay the operation has had R8,7 million worth in cancellations to date since January 2017. This is a direct reduction in revenue that the operation has lost due to the water crisis.

Management method

Due to the water crisis and restrictions GrandWest and Table Bay Hotel implemented the following measures: - In public restroom areas, all washbasin taps were disconnected with the exception of one and waterless hand sanitiser was provided for use. - Bath plugs removed in the Hotels to discourage guests to use the baths and rather to shower. - The replacement of entrance gardens with water-wise plants and using grey-water for irrigation rather than potable water. - Installation of low flow aerators on taps and changing of shower heads. - Replacement of cloth napkins with bio-degradable branded napkins that can be disposed of rather than washed. - Changing the room linen rotation from every 2 days to every 4 days depending on the length of the guest stay or on request. Alternative water supply options assessed: GrandWest installed a containerized water treatment plant (R2 million) to ensure that the HVAC system remained functional while considering increasing the number of boreholes and upgrading the treatment works to provide potable water to the operation. A submission was made to the Board of Sun International to approve a project to purify borehole water to potable water standard. This project was approved for an amount of R18million. Table Bay Hotel considered installing a containerised desalination plant however, this was rejected due the V&A waterfront installing a plant. The decision was taken truck in water from GrandWest should day zero occur in Cape Town.

Cost of management

20964000

Comment

Table Bay Costs: Bio-degradable napkins (for rooms and restaurant areas)=R114,000 Installation of low flow aerators on taps and changing shower heads=R50,000 Installation of a grey water collection system for irrigation=R320,000 Replacing gardens with water wise plants=R30,000 GrandWest Costs: Temporary treatment works for Mechanical HVAC from borehole=R1,8 million Interconnecting pipework for the above =R80,000 Jojo tanks and interconnecting works (20)=R250,000 Boreholes and water purification plant=R18 million Measures taken inside complex (mistifiers/water restrictors)=R30,000 Additional electronic metering to manage consumption=R250,000 Gardening tank for irrigation=R40,000

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Reputation: Shifts in consumer preferences

Type of financial impact driver

Reputation: Reduced revenue from decreased demand for goods/services

Company- specific description

As a JSE-listed company and member of WWF-SA and National Business Initiative (NBI), Sun International is mandated to be a responsible company and to engage in climate change mitigation and adaptation activities that benefit all stakeholders, including employees, communities, guests and investors. The reputational risk to the brand from not integrating our climate change understanding, approach and actions into the Group Environmental Strategy and Energy Management Strategy can be significant.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Potential financial impact

312000000

Explanation of financial impact

The financial implications to the brand from not being a responsible good corporate citizen are difficult to quantify. A 2% reduction in turnover from guests and gaming visitors using competitor companies based on climate considerations or reputational issues, would result in approximately R312 million loss of revenue (based on 2017 financial performance).

Management method

Sun International is the only hospitality company to publicly respond to the CDP in SA. Sun International has implemented a Green Procurement Policy and is a signatory member of South African Sustainable Seafood Initiative (SASSI). Through our SASSI membership we aim to ensure that all sea food across all our hotels has been fished sustainably. All our restaurants and hotel kitchens are now SASSI aligned, and as far as possible we only offer sustainably caught fish stocks. Sun International funds WWF-SA to support the organisation's efforts to address climate change issues in South Africa and is a Principle Partner.

Cost of management

1700000

Comment

The cost of employing an external consultancy to assist in CDP (climate change and water), carbon emissions reporting and cost of memberships to SASSI, WWF-SA and NBI equates to approximately R1,7 million. The group incurred a cost of R14,5 million for sourcing seafood in 2017 with approximately 6% of the total cost related to red and orange listed species.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**Identifier**

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Type of financial impact driver

Reduced exposure to GHG emissions and therefore less sensitivity to changes in cost of carbon

Company- specific description

The possibility of fuel and energy taxes becoming material to Sun International leads the company to assess its current fuel and energy consumption and to put measures in place to reduce consumption. This can result in cost savings and minimise taxation, particularly in line with impending carbon tax legislation. Globally, as well as in South Africa there is increasing awareness around

climate change mitigation. In this regards there are increased regulations and taxation methods emerging in efforts to curb emissions. Reducing energy demand is a key factor in the various discussions related to lowering carbon emissions. Sun International has used this as an opportunity to become more efficient and work towards reducing energy consumption across the Group.

Time horizon

Current

Likelihood

Virtually certain

Magnitude of impact

Medium

Potential financial impact

10000000

Explanation of financial impact

Sun International's Energy Management Strategy enables a drive towards reducing energy consumption through efficiency (such as lighting retrofits, HVAC optimisation, LED parking lighting retrofit, motion sensors) and monitoring (meters and energy audits). Sun International's electricity spend in FY17 was R230 million which was a 3% increase in costs from FY16, however this is due to increases in tariffs by the state owned electricity provider as well as an improvement in the accuracy of reporting data for 2017 from 201. This increase could further be attributed to the opening of one of our biggest casino's in Pretoria, with two smaller units being closed. When this is considered in the context of overall kWh consumption, there was a 9% decrease in absolute consumption by the operations.

Strategy to realize opportunity

With the establishment of the Sustainability Department at Sun International in 2017, a review of the existing group wide Energy Management Policy and Strategy was undertaken to establish the status of energy initiatives throughout the group. Site visits for the majority of the operations were undertaken in 2017 to identify energy initiatives, metering requirements and other energy related issues. Based on the outcomes of these site visits, it was identified that most energy initiatives (HVAC optimisation, lighting retrofits and heat pumps) have been implemented by the operations during the roll out of the Eskom Demand Side Management (DSM) Programme. Unfortunately the group energy meter project to standardise metering across all operations scheduled for 2017 was not completed. Due to this and the completion of the outstanding site visits in 2018, the metering project has been rolled over for 2018. Ongoing training and awareness is being done around energy saving initiatives for staff and guests. As part of the SHE culture programme which will be developed for the group in 2018 for roll out in 2019, energy and water awareness will be rolled out to all level of employees .

Cost to realize opportunity

2900000

Comment

The proposed budget for the metering project is R2,900,000. A total of just under R11 million has been spent over the past 3 years on energy initiatives at almost all properties including lighting retrofits, HVAC optimisation, heat pumps, motion sensors and LED parking lights.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Other

Type of financial impact driver

Other, please specify (Reduced waste management costs)

Company- specific description

Sun International set a Zero waste to landfill by the end of 2020 target in 2015 for all operations in South Africa. To date, WildCoast Sun operation has achieved Zero waste to landfill and has been earmarked as the benchmark within the group for other operations to learn from to achieve this goal. The operation will be applying in 2018 to be certified as the first operation in the hospitality sector in South Africa to be certified as Zero Waste by the Green Buildings Association of South Africa.

Time horizon

Current

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Potential financial impact

571000

Explanation of financial impact

The WildCoast Sun (WCS) operation is based in a rural setting in the Eastern Cape, which motivated the team at the operation to find alternative methods for management the waste generated. Through separation of food waste from other waste sources, the operation was able to compost 20 tonnes of waste worth R460,000 (based on a rate of R23 for a 10kg bag of compost). Overall the unit saved R472,000 on compost purchased in 2017, which was used to indirectly finance two Enterprise Development projects which were set up for the zero waste to landfill project. The compost generated by the operation is used throughout the complex for gardens and golf course as well as for the vegetable garden which supplies the operation's kitchen, a saving of R99,000 in 2017.

Strategy to realize opportunity

2014 – WCS started separating food waste from all other wastes in kitchens to convert to it into compost which is managed by 2 Enterprise Development projects. One Enterprise Development project is responsible for separating and collecting all food and recyclable waste with the other responsible for turning the food waste into compost. The collection of waste is a 24/7 operation. 2015 – WCS diverted all waste away from the waste compactor and diverted waste to an in-house waste centre from which a recycling company collected all waste and recyclables. 2016 – WCS removed the compactors and skips from the operation, which prevented the mixing of waste. All waste is collected in plastic bags and stored in crates at the waste centre, which is removed off site by the recycling company. The contract of the existing waste contractor managing the compactors is not renewed and the recycling company is appointed as the Zero Waste Contractor. 2017 – All non-hazardous waste from the WCS is recycled as far as possible and waste that cannot be recycled is processed into waste aggregate and turned into an eco-block used for building and paving. 2018 - The operation is planning to register as one of the first certified zero waste to landfill facilities in South Africa.

Cost to realize opportunity

1679552

Comment

The Zero waste services for 2017= R1,565,552 which is divided as follows: Recycle 4 Africa R757 372 (Zero Waste contractor) Gayo Enterprises R445 380 (food and recyclable waste separations ED project) Vuka Enterprises R362 800. (food composting and vegetable garden ED project) The 2017 equipment costs=R114,000 which can be broken down as follows: Dustbins, crates R54 000 Compost yard equipment R34 000 Seedlings R23 000 The operation achieved savings of R526,000 based on the zero waste programme through: R99,000 on vegetable procured from the onsite veggie garden; and R427,000 from compost generated on site to be used throughout the operation areas. Zero Waste to Landfill was made possible by: 1) appointing a recycling company instead of a waste management contractor 2) removing the compactors, skips and wheelie bins 3) using normal dustbins lined with plastic bags 4) separating food waste 5) making compost with the food waste 6) turning waste aggregate into eco-blocks.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Other

Type of financial impact driver

Other, please specify (Supplementing energy usage)

Company- specific description

Sun International set a Zero waste to landfill by the end 2020 target in 2015 for all operations in South Africa. In order for Sun City, the largest operation in the group to achieve this, the most feasible option is to install a pyrolysis plant to convert the non-recyclable waste at the operation into energy. Due to the fact that their current landfill site on the property is being decommissioned at the end of 2019, and with no other landfills in the area as well as the target of zero waste to landfill, Sun City had decided to implement a waste to energy solution of their non-renewable waste.

Time horizon

Current

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Potential financial impact

13275000

Explanation of financial impact

The waste to energy project (pyrolysis plant) for Sun City started in development and prefeasibility phase in 2017. The main aim of the project is to assist the operation with achieving the 2020 goal of zero waste to landfill. With Sun City being the largest operation in the group along with the largest contributor to our overall waste volumes, energy and water consumption, this project will allow the operation to eliminate waste to landfill while generating additional energy that can be used by the operation. This will reduce energy consumed from the coal-fired state owned power stations. With the closure of the Sun City landfill site scheduled for 2019, the pyrolysis plant is scheduled to be online and late 2019. The ash of the pyrolysis plant will be used to generate bricks for use by the operation or as part of an Enterprise Development project to create employment.

Strategy to realize opportunity

To realise the opportunity, Sun City will implement the project in two phases: Phase 1 closure and rehabilitation of the existing landfill site. All necessary studies and permits have been conducted and issued respectively for the landfill site. Phase 2 installation of the pyrolysis plant for the conversion of waste to energy. There ash generated by the process will be used to produce an ash brick at a plant to be undertaken through an Enterprise Development project

Cost to realize opportunity

13978127

Comment

The R13,978,128 includes planning and CAPEX implementation costs. The landfill closure process was approved in 2018 with the anticipated approval for the EIA for the pyrolysis expected end 2018.

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Impacted	Risk 2: The water crisis in the Western Cape affected GrandWest and Table Bay Hotel due to the water restrictions imposed by the City of Cape Town metro. At Table Bay the operation has had R8,7 million worth in cancellations to date since January 2017. This is a direct reduction in revenue that the operation has lost due to the water crisis. These operations had to examine and identify high consumptive uses and minimise where relevant. They implemented the following: At GrandWest: - In the public restroom areas, all washbasin taps were disconnected with the exception of one and hand sanitiser was provided for use. - Bath plugs were removed in the Hotel to discourage guests to use the baths and rather to shower. - Installation of low flow aerators on taps and changing of shower heads. - The gardens leading to the entrance of the casino complex was replaced with water-wise plants and the operation commenced with using grey-water for irrigation rather than potable water. - Some of the water features around the property had to be drained to save water. At Table Bay: - Installation of low flow aerators on taps and changing of shower heads. - In the public restroom areas, all washbasin taps were disconnected with the exception of one and hand sanitiser was provided for use. - Bath plugs were removed in the Hotel to discourage guests to use the baths and rather to shower. - Replacement of cloth napkins with bio-degradable branded napkins to minimise washing of napkins. - Changing the room linen rotation from every 2 days to every 4 days depending on the length of the guest stay or on request. In addition, the cost of water increased incrementally until Level 6B restrictions were reached where after the tariffs increased to twice that of 2016.
Supply chain and/or value chain	Impacted	Risk 2: The water crisis in the Western Cape affected GrandWest and Table Bay Hotel due to the water restrictions imposed by the City of Cape Town metro. These operations had to examine and identify high consumptive uses and minimise where relevant. From a supply chain perspective, Table Bay Hotel changed its napkins at the operation by replacing the cloth napkin with a bio-degradable napkins. This resulted in a change in service provider which has reduced the water and energy usage for washing the cloth napkins as well as aligning with the zero waste to landfill target as the napkins are bio-degradable. From a value chain perspective in terms of the restrictions on water usage at Table Bay and GrandWest, the operations had to be mindful of how this would impact the experience of their guests. At both operations, adequate information was made available in public areas and in-rooms to inform guests of the need to conserve water usage and to provide them with statistics on how much water would be consumed with particular usage such as filling a bathtub and flushing a toilet. From an employee perspective and with the possibility of day zero in 2017, GrandWest provided employees with water for home use. At GrandWest the car wash supplier had to change from a water wash system to a dry wash car cleaning service.

	Impact	Description
Adaptation and mitigation activities	Impacted	Opp1: The implementation of energy efficiency projects (lighting retrofits, HVAC optimisation, LED parking lighting retrofits and heat pumps) has enabled to units to have a 9% decrease in absolute consumption from 2017 from data collected in 2016. It should be noted that Sun International's electricity spend in FY17 was R230 million which was a 3% increase in costs from FY16, however this is due to increases in tariffs by the state owned electricity provider as well as an improvement in the accuracy of reporting data for 2017 from 2016. There are improvements identified in 2017 from a metering and sub-metering perspective which will be carried out in 2018, which will allow for greater accuracy and reliance on the data captured to track energy usage and possible reductions/savings. Opp2: The achievement of zero waste to landfill at WildCoast Sun operation has set the benchmark within the group for the other operations to achieve this goal. The operation has changed the mind-set of not just employees but guests by encouraging at source sorting which is supplemented by the two enterprise development projects set up between the operation and the local community. The operation has employed a waste recycling company rather than waste contractor companies to manage all recyclable waste and the small percentage that is left over, which the recycling company converts into an eco-brick. Opp3: GrandWest donated water to various schools in the area during the drought period and also sponsored a school with rain-harvesting tanks for future water saving and use. Risk 2: The water crisis in the Western Cape affected GrandWest and Table Bay Hotel due to the water restrictions imposed by the City of Cape Town metro. At Table Bay the operation has had R8,7 million worth in cancellations to date since January 2017. This is a direct reduction in revenue that the operation has lost due to the water crisis. The operations implemented the following: - In the public restroom all washbasin taps were disconnected with the exception of one and waterless hand sanitiser was provided for use. - Bath plugs were removed in the Hotel to discourage guests to use the baths and rather to shower. - The gardens leading to the entrance were replaced with water-wise plants and grey water was used for irrigation. - replacement of cloth napkins with branded bio-gradable napkin.
Investment in R&D	Impacted	Risk 2: GrandWest undertook the following: - In 2016, the City of Cape Town instituted water restrictions and through water saving initiatives the operation had reduced by April 2017 between 45-50% based on 2016 consumption values. - Initiated a water hydrological survey to check for possibility to use borehole water after looking extensively for alternate water sources approximately near the operation. - Drilled the first borehole early 2017 after it was confirmed that there are approx. 13 different positions on the property. - Selected the most viable borehole after consideration of future use of the boreholes. - Appointed a service provider and started investigating the treatment of the borehole water for mechanical purposes. - The unit conducted a BCP process to look at the impact on the unit and what alternatives could be considered and how it would be implemented. - To mitigate day zero, the operation decided on a containerized water treatment plant to ensure that the HVAC system remained functional while considering increasing the number of boreholes and upgrading the treatment works to provide potable water to the operation (approx R 2mil). - The water tariffs increased incrementally until we reached level 6B restrictions. Tariffs doubled from the 2016 tariffs. - A submission was made to the Board of Sun International to approve a project to purify borehole water to potable water standard, Project was approved for an amount of R18 million. - In May 2018 the treatment works started producing potable water for the complex. Opp3: The waste to energy project (pyrolysis plant) for Sun City started in development and prefeasibility phase in 2017. The main aim of the project is to assist the operation with achieving the 2020 goal of zero waste to landfill. With Sun City being the largest operation in the group along with the largest contributor to our overall waste, energy & water statistics, this project will allow the operation to eliminate waste to landfill while generating additional energy that can be used by the operation, thereby reducing energy consumed from the coal-fired state owned power stations. With the closure of the Sun City landfill site scheduled for 2019, the pyrolysis plant is schedule to be online and late 2019. The energy produced by the plant is estimated to be 1Mwh per year. This equates to 1.5% of the units electricity per year.
Operations	Impacted	Risk 2: The water crisis in the Western Cape affected GrandWest and Table Bay Hotel due to the water restrictions imposed by the City of Cape Town metro. These operations had to examine and identify high consumptive uses and minimise where relevant. To mitigate disruptions to operations the following was implemented: GrandWest: - In 2016, the City of Cape Town instituted water restrictions and through water saving initiatives the operation had reduced by April 2017 between 45-50% based on 2016 consumption values. - Initiated a water hydrological survey to check for possibility to use borehole water after looking extensively for alternate water sources approximately near the operation. - Drilled the first borehole early 2017 after it was confirmed that there are approx. 13 different positions on the property. - Selected the most viable borehole after consideration of future use of the boreholes. - Appointed a service provider and started investigating the treatment of the borehole water for mechanical purposes. - The unit conducted a BCP process to look at the impact on the unit and what alternatives could be considered and how it would be implemented. - To mitigate day zero, the unit decided on a containerized water treatment plant to ensure that the HVAC system remained functional while considering increasing the number of boreholes and upgrading the treatment works to provide potable water to the operation (approx R 2mil). - The water tariffs increased incrementally until we reached level 6B restrictions. Tariffs doubled from the 2016 tariffs. - A submission was made to the Board of SI to approve a project to purify borehole water to potable water standard, Project was approved for an amount of R18million Table Bay Hotel: - Installing water restrictors in guest bathroom, guest toilets and staff change rooms. The water consumption at the basin taps will reduced to less than one liter per minute. - Installation of grey water system to harvest, treat and reintroduce backwash water into the pool. - Tour operators wanted guarantees of availability of water before confirming bookings.
Other, please specify	Not yet impacted	Risk1: The proposed Carbon Tax bill could potentially have financial implications for the all South African operations in 2019. The discussion regarding the contents of the bill and the implications thereof have been in the public domain since 2015 with the possible implementation of the bill scheduled for January 2019. Sun International commenced the process in 2017 to understand its exposure and how the bill could affect operations. With the review and correction of the energy data for 2017, the Group is proactively working together with consultant to calculate the possible financial exposure. Opp3 The waste to energy project (pyrolysis plant) for Sun City started in development and prefeasibility phase in 2017. The main aim of the project is to assist the operation with achieving the 2020 goal of zero waste to landfill. With Sun City being the largest operation in the group along with the largest contributor to our overall waste, energy and water statistics, this project will allow the operation to eliminate waste to landfill while generating additional energy that can be used by the operation, thereby reducing energy consumed from the coal-fired state owned power stations. With the closure of the Sun City landfill site scheduled for 2019, the pyrolysis plant is schedule to be online and late 2019. The operation will continue to recycle most of their waste and only waste that cannot be recycled will be used to generate energy as part of the pyrolysis project The closure of the landfill site will minimise the production of CO2 gases and with the improved technology of the pyrolysis plant the emissions being released from the plant will be minimal and will be monitored on an ongoing basis. The energy produced by the plant is estimated to be 1Mwh per year. This equates to 1.5% of the units electricity per year. This will minimise the dependency of the operation on coal fired electricity. The above project in not only in line with the group's zero waste to landfill targets but also to reduce our impact on climate change.

(C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.

	Relevance	Description
Revenues	Impacted	Risk 2 With the incremental increase in water tariffs by the City of Cape Town, GrandWest and Table Bay Hotel have had to ensure that the finance departments have set aside an adequate allocation of funds to pay the significant increase in water accounts. Additional funds had to be made available to ensure the continual supply of water, including more in bottled water and mitigation measure should day zero arrive. Impacts were also experience in the amount of bookings. Table Bay Hotel has lost R8,7 million in revenue since January 2017 due to water crises in the Western Cape. This had a financial impact on the group.
Operating costs	Impacted	Risk 2 With the incremental increase in water tariffs by the City of Cape Town, GrandWest and Table Bay Hotel have had to ensure that finance has set aside an adequate allocation of funds to pay the water accounts. GrandWest had to allocate funds for the feasibility studies for the new boreholes and purification plant to ensure ongoing supply of water for HVAC system in 2017. Board approval issued in 2017 for the installation of a purification plant to enable to unit to purify water from the boreholes to potable water standards. Impacts were also experience in the amount of bookings. Table Bay Hotel has lost R8,7 million in revenue since January 2017 due to water crises in the Western Cape. This had a financial impact on the group, but less guest also meant a reduction in operation cost.
Capital expenditures / capital allocation	Impacted	Risk 2 Grandwest – capital expenditure for purification plant and associated studies Table Bay installation of greywater treatment system and tanks. Opp1 Group water and energy metering project and energy initiatives by operations. Feasibility studies for waste to energy plant at Sun City. Rain harvesting storage tanks at various operations.
Acquisitions and divestments	We have not identified any risks or opportunities	We have not had any acquisitions or divestment opportunities arising due to water or climate relate issues.
Access to capital	Not yet impacted	No direct impact on access to capital has been experience due to climate related risks. Sun International will be identifying the risk to your low laying operations such as Wild Coast, Table Bay Hotel and Boardwalk in future.
Assets	Not yet impacted	No direct impact on access to capital has been experience due to climate related risks. Sun International will be identifying the risk to your low laying operations such as Wild Coast, Table Bay Hotel and Boardwalk in future.
Liabilities	Not yet impacted	No direct impact on directors liabilities have been experience due to climate related risks. Sun International will be identifying the risk to your low laying operations such as Wild Coast, Table Bay Hotel and Boardwalk in future.
Other	Not yet impacted	Due to this increase of droughts and severe weather conditions, the group is continually review their insurance policies to ensure they are covered in the event of extreme weather conditions.

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

No, but we anticipate doing so in the next two years

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

i) The company's business strategy is focused on becoming a leaner and more efficient organisation, including reducing costs to make operations, especially large resorts, cost effective to manage and maintain. With

rising energy and resource prices inhibiting this core focus, importance has been given to the Energy, Water and Waste Management Strategies that drive cost containment and increase cost savings through

environmental efficiency. Sun International and its associated operations are completely dependent on the supply and availability of electricity and potable water. To this degree, the Energy and Water Management

policies and strategies are being used to integrate such resource use and efficiency into the overall operational business strategy.

ii) The company's future growth in South Africa will come from leveraging existing assets by moving under-performing casino licenses to new locations. Integral to these growth prospects is the commitment by Sun

International to use green building and energy efficiency to assist taking advantage of these opportunities. A key development in 2017 was the opening in March 2017 of the Time Square operation in Pretoria,

Gauteng which was developed due to the transfer of the casino license from the Morula operation. The complex includes an entertainment arena, casino and multi-level accommodation hotel (i.e. rooms ranging from 3, 4 and 5 star) with conferencing facilities. The operation is located within the green precinct of Menlyn and has been developed as per the Green Building Council SA requirements.

iii) A key project for the Group has been undertaking the necessary studies to obtain approval to close the current company-owned landfill at Sun City resort. In line with the strategy, this landfill will be closed by 2019 (as it reaches capacity) and an alternative waste management solution, a pyrolysis plant has been identified to assist the operation with achieving zero waste to landfill at the resort. A feasibility study was concluded in 2017 with the necessary environmental approval processes to be undertaken in 2018.

iv) The need for adaptation is apparent given energy supply constraints and water shortages experienced at some properties. Water restrictions have resulted in water restrictions at two operations namely

GrandWest and Table Bay Hotel. Both operations have implemented water saving initiatives to reduce overall withdrawals in 2017 between 30%-50% when compared to 2016 withdrawals. Table Bay outlaid the

following costs:

- Bio-degradable napkins (for rooms and restaurant areas)=R114,000
- Installation of low flow aerators on taps and changing shower heads=R50,000
- Installation of a grey water collection system for irrigations=R320,000
- Replacing gardens with water wise plants=R30,000

GrandWest outlaid the following costs:

- Temporary treatment works for Mechanical HVAC from borehole=R1,8 million
- Interconnecting pipework for the above =R80,000
- Jojo tanks and interconnecting works (20)=R250,000
- Measures taken inside complex (mistifiers/water restrictors)=R30,000
- Additional electronic metering to manage consumption=R250,000
- Gardening tank for irrigation=R40,000

GrandWest identified an alternative water supply from the boreholes on site whose water will be treated to potable water standards for the operation which would cost the unit approximately R18 million, while Table Bay Hotel will seek to tie into the V&A Waterfront's proposed desalination plant supply or to truck in water from GrandWest.

v) Regulation has also required the group to understand its carbon emissions baseline in South Africa by implementing a data management process to analyse emissions in preparation for forthcoming regulation,

including but not limited to a carbon tax. The company has also set KPIs for each property regarding targets in energy, water and

waste, in line with committed mitigation goals.

vi) Energy efficiency is a key short-term part of our strategy. All South African sites have undergone energy audits as well as awareness training conducted through the NBI PSEE programme, increasing good behaviour change, resulting in an increase in efficiency and a drop in energy demand. The Energy Management Strategy stipulates that in 2017 energy project plans are to be submitted, and smart metering across all sites will be installed, however this was not completed in 2017 and has been scheduled for roll out in 2018.

vii) From a reputational perspective, Sun International is working on updating the Group Environmental Strategy and Energy Management Strategy that will be integrated into the fabric of the company and this will

stand the Group well as climate change impacts become more frequent and intense. Integrating energy efficiency into all properties (and green building for new properties) will reduce operating costs below industry

level, providing a competitive edge over competition. This is important in light of tough economic trading conditions currently being experienced in South Africa.

C3.1g

(C3.1g) Why does your organization not use climate-related scenario analysis to inform your business strategy?

The company's business strategy is focused on becoming a leaner and more efficient organisation, including reducing costs to make operations, especially large resorts, cost effective to manage and maintain. With

rising energy and resource prices inhibiting this core focus, importance has been given to the Energy, Water and Waste Management Strategies that drive cost containment and increase cost savings through

environmental efficiency. Sun International and its associated operations are completely dependent on the supply and availability of electricity and potable water. To this degree, the Energy and Water Management

policies and strategies are being used to integrate such resource use and efficiency into the overall operational business strategy.

Climate related risks and opportunities are identified, assessed and managed according to the Sun International Risk Assessment Methodology and are integrated in a multi-disciplinary company-wide risk

identification, assessment, and management process. The methodology evaluates risks and opportunities in terms of potential impact, likelihood of occurrence and the perceived effectiveness of controls in place to

manage the risks and opportunities and ensures that every key risk in each sub-set of the group is included in a structured and systematic process of risk and opportunity management. All key risks and opportunities

are managed within a unitary framework that is aligned to the Company's responsibilities. Each risk and opportunity is comprehensively reviewed and is managed by the group through detailed risk sheets that identify mitigating controls, key action plans and accountability by risk owners. Both company and asset level risks are placed into the strategic risk register once identified and follow the same process.

Each identified risk and opportunity is measured on its impact and likelihood. Based on the impact and likelihood of occurring, the residual risk exposure is calculated and rated, falling into one of the following

categories: extreme, high, moderate, within tolerance, within appetite. Risks rated as extreme require immediate action whereby management must immediately escalate to Exco and Board while immediate

remediation plans are instituted. Risks and opportunities are considered on a short, medium and long-term basis (i.e. between 5-10 years).

Therefore, although we do not formally apply climate-related scenario analysis for managing our climate related risks and opportunities, we do have internal processes that consider climate related risks which can

impact our operations.

Our intention over the next two years will be to improve the understanding and importance of conducting climate-related scenario analysis within the different management levels in Sun International and by

leveraging the skills of our internal risk and finance teams.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Scope

Scope 2 (location-based)

% emissions in Scope

100

% reduction from base year

15

Base year

2017

Start year

2017

Base year emissions covered by target (metric tons CO2e)

244351

Target year

2022

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

% achieved (emissions)

0

Target status

New

Please explain

This target has been revised following a review of energy data during the groups 2018 Sustainability Assurance Audit for the 2018 Integrated Annual Report. The target is therefore reported as new as the base year and its data was changed to correspond with the updated energy data. A key finding by the external auditor was inaccuracies in the reporting of energy data by operations. The operations have been dependent on consumption values from municipality and Eskom accounts rather than using their own meter readings for reporting. In addition, the consumption values for one of the operations was inaccurate due to the municipality not including a 10 multiplier for the meter readings since 2015. On the basis of this, the group has agreed to relook at the emission reduction targets and have corrected all 2017 data to use this as the baseline year going forward. To ensure accurate reporting from 2018 onwards, the group metering project as identified under opp1 will be rolled out in 2018.

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

Target

Other, please specify (water reduction target)

KPI – Metric numerator

Kiloliters of water withdrawn

KPI – Metric denominator (intensity targets only)**Base year**

2016

Start year

2017

Target year

2022

KPI in baseline year

5023355

KPI in target year

4018684

% achieved in reporting year

29

Target Status

Retired

Please explain

This is a target to track total water withdrawals by the operations. This target has been retired following a review of water data during the groups 2018 Sustainability Assurance Audit for the 2018 Integrated Annual Report. A key finding by the external auditor was inaccuracies in the reporting of water data by operations. The operations have been dependent on consumption values from municipality and water board accounts rather than using their own meter readings for reporting. In addition, the consumption values for one of the operations was inaccurate due to the municipality not including a 10 multiplier for the meter readings following the installation of a new meter in 2017 and a second operation was not using correct consumption values for reporting but rather the estimate volumes as per the municipal account. On the basis of this, the group has agreed to relook at the water reduction targets and have corrected all 2017 data to use this as the baseline year going forward. To ensure accurate reporting from 2018 onwards, the group metering project as identified under opp1 will be rolled out in 2018.

Part of emissions target**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

Target

Waste

KPI – Metric numerator

Kilograms of general waste

KPI – Metric denominator (intensity targets only)**Base year**

2016

Start year

2016

Target year

2020

KPI in baseline year

4981536

KPI in target year

0

% achieved in reporting year

21

Target Status

Underway

Please explain

The target set by group is to achieve zero general waste to landfill by 2020. In 2017, the Wild Coast Sun operation achieved zero waste to landfill which has set the benchmark within the group for the other operations to achieve this goal. The operation has changed the mindset of not just employees but guests by encouraging at source sorting which is supplemented by the two enterprise development projects set up between the operation and the local community. In addition, the operation has employed a waste recycling company rather than the traditional waste contractor companies to manage all recyclable waste and the small percentage that is left over, which the waste recycling company converts into an eco-brick.

Part of emissions target

Is this target part of an overarching initiative?

Other, please specify (Zero waste to landfill by 2020)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	
To be implemented*	0	
Implementation commenced*	0	
Implemented*	1	120
Not to be implemented	1	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Activity type

Other, please specify (Sustainable Product Purchases)

Purchase of sustainable glass bottles to replace plastic bottles

Description of activity

<Not Applicable>

Estimated annual CO2e savings (metric tonnes CO2e)

120

Scope

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

67770

Investment required (unit currency – as specified in CC0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

Sun International has partnered with Vivreau in order to provide eco-friendly sustainable bottled water. These bottles are provided at all hotels, casinos and restaurants as well as at their Head Office. By making use of glass bottles rather than plastic bottles for bottled water; Sun International reduces their Scope 3 emissions from the manufacture of these bottles. Manufacturing plastic bottles is much more emission intensive than glass. Glass can also be recycled more than plastic as the quality of plastic degrades when it is recycled.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	We have developed an online SHE risk register link to the operations activities and the specific legislation governing the activities and processes. Sun International invested in a formal Sustainability Department in 2017 and appointed a Group Manager for Sustainability and a Group Environmental Specialist dedicated to amongst other legal compliance to environmental legislation and standards. All our operations have a SHE management system in place and most of these are aligned to internationally accepted standards such as ISO 14001. Internal compliance audits are conducted on an annual basis by the group's compliance and/or internal audit department. Our biggest operation, Sun City is one of the first hotels in the country to achieve ISO 14001:2015 certification. In 2018, all our operations SHE managers have been trained to perform internal (and cross unit) compliance audits in future. The group strives to ensure compliance with all relevant regulatory requirements and standards.
Internal incentives/recognition programs	Performance bonuses for management/specialists does include achievement of reduction targets for operations/portfolios that they manage.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Product

Description of product/Group of products

The Time Square Casino, Arena and Hotel in Pretoria has considered green initiatives in their design. For the HVAC systems: All air handling units contain an economy module. This will mean the chiller plant will not need to supply chilled water to the AHU when the outside temperature is cold enough for space cooling. All AHU have a variable speed drive which slows down the air flow, saving on fan energy. The full fresh air AHU serving the smoking areas have a recovery module to recover the conditioning room air before being discharged to the atmosphere. These units will be full fresh air units. Refrigerant – R410a is used in the units. All elevators are fitted with the latest 'Regen' technology. These systems use the drive motor as a generator to decelerate the lift cars and in doing so 'pump' energy back into the system. - All escalators are fitted with variable frequency drives. This will allow the escalators to slow down during time of no traffic saving up to 30% of normal power consumption.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Qualitative analysis of operation)

A qualitative analysis of the facility

% revenue from low carbon product(s) in the reporting year

0

Comment

Products only installed in 2017 with the operation opening in April 2017. Sun International enables customer's at the Time Square facilities to avoid emissions associated with their stay at the Hotel, Arena and Casino.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

12074

Comment

Scope 2 (location-based)

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

244351

Comment

All scope 2 emissions are accounted for in a scope 2 location based value. The figure represents emissions from the Eskom grid purchased electricity within the base year.

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Row 1

Gross global Scope 1 emissions (metric tons CO2e)

12074

End-year of reporting period

<Not Applicable>

Comment

The 2017 data for Scope 1 emissions were reassessed resulting in an emission value that differs from that reported in the 2017 Integrated Annual Report.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment

This figure represents the emissions from the grid purchased electricity supplied by Eskom within the reporting year.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Row 1

Scope 2, location-based

244351

Scope 2, market-based (if applicable)

<Not Applicable>

End-year of reporting period

<Not Applicable>

Comment

All of Sun International's scope 2 emissions are accounted for under location based emissions.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Morula

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why the source is excluded

This property will not form part of the portfolio going forward. Excluded to normalize base year for future comparisons.

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

2518

Emissions calculation methodology

This value was calculated by multiplying the activity data with an emissions factor. Activity data: The activity data was obtained using municipal invoices and water meters and consist of the water withdrawal volumes excluding the water onward billed to tenants as this falls outside the control boundary. This amounted to 1798ML. Emission Factor: The Rand Water emission factor was used. The values was obtained from the Rand Water integrated report 2016 and equates to 1.4tCO2e/ML. Assumptions: Rand Water is a major water utility in South Africa and as such their emission factor is applied across all the operations.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

The change in emissions for this category is due to a change in methodology. The emissions related to Sun International's tenants are no longer accounted for.

Capital goods

Evaluation status

Not evaluated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

13550

Emissions calculation methodology

Emissions were calculated by multiplying the activity data by an emission factor. Activity data: The activity data for this category consists of quantities for diesel (821kl), petrol (346kl), LPG (725 tonnes) and electricity consumption (226 351MWh). Emission factors: The emission factors used are as follows, 0.62566kgCO₂e/litre (diesel)from DEFRA 2017, 0.59549kgCO₂e/litre (petrol) from DEFRA 2017 and 369.7kgCO₂e/tonne (LPG) from DEFRA 2017.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

224

Emissions calculation methodology

The emissions for this category are calculated by multiplying activity data by an emission factor and the distance travelled. Activity data: The activity data for this category consists of quantities for diesel (821kl), petrol (346kl), LPG (725 tonnes) and refrigerants (3664 kg). Emission factor: The emission factor used for the calculation was 0.000197tCO₂e/tonne.km from DEFRA 2017. Assumptions: The distance travelled one way was assumed to be 25km. The number of trips per month was assumed to be 2 and the emission factor for an all rigid, average laden heavy goods vehicle was used.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

3699

Emissions calculation methodology

The emissions for this category were calculated by multiplying activity data with an emission factor. Activity data: The activity data consists of the volumes of municipal waste produced and the volumes of commercial waste produced. The commercial waste produced consists of medical waste. Emission factor: the emission factors used were: Municipal solid waste: 1.0163tCO₂e/tonne (Friedrich & Trois, 2013 – Current and future greenhouse gas emissions from the management of municipal solid waste in the eThekweni Municipality South Africa) and Commercial: 0.0218tCO₂e/tonne (DEFRA 2017). The GWP values used for this calculation were: Carbon Dioxide = 1 Assumptions: The medical waste was classified as commercial waste with respect to the emission factor.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

2279

Emissions calculation methodology

The emissions for this category were calculated by multiplying activity data by an emission factor. Activity data: the activity data consists of the flight data received from the travel agent used by Sun International. This data consisted of the distance travelled for each flight. This distance travelled was used as the activity data in the calculations. The distances were split into short- and long-haul flight distances. Emission factor: The emission factors for the calculation are detailed below: Short haul flights: 0.17867kgCO₂e/passenger.km (DEFRA 2017, aggregation of the travel and WTT emission factors). Long haul flights: 0.21908kgCO₂e/passenger.km (DEFRA 2017, aggregation of the travel and WTT emission factors). The GWP values used for this calculation were: Carbon Dioxide = 1. Assumptions: It was assumed all passengers were average passengers for the purpose of the emission factor values.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Employee commuting

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

161

Emissions calculation methodology

The emissions for this category were calculated by multiplying activity data by an emission factor. Activity data: The activity data consists of the number of employees which was obtained from Sun International's integrated report 2017. This number was 12959 employees. Emission factor: The emission factor used is for a medium sized petrol car and consists of the travel emission factor and the well to tank emission factor. These values are 0.1949kgCO₂e/km and 0.05303kgCO₂e/km respectively. Assumptions: The distance travelled was 25km one way. All employees used a medium sized petrol car.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Sun International does not have any upstream leased assets.

Downstream transportation and distribution

Evaluation status

Not evaluated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Sun International mainly provides services (such as hospitality and gaming). Therefore there are no emissions post sale as the service ends when the customer has left.

Use of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Sun International mainly provides services (such as hospitality and gaming). Therefore there are no emissions post sale as the service ends when the customer has left.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Sun International mainly provides services (such as hospitality and gaming). Therefore there are no emissions post sale as the service ends when the customer has left.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Sun International does not have any downstream leased assets. Sun International does lease out floor space at its facilities however as per the Greenhouse Gas Protocol definition; the electricity consumption and its relevant emissions fall under Scope 2 for Sun International rather than emission associated with the downstream leased assets Scope 3 category. This is because it is an operational lease and the financial control approach is used.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Sun International does not operate any franchise operations.

Investments

Evaluation status

Not evaluated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Other (upstream)

Evaluation status

Not evaluated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Other (downstream)

Evaluation status

Not evaluated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000016

Metric numerator (Gross global combined Scope 1 and 2 emissions)

256425

Metric denominator

unit total revenue

Metric denominator: Unit total

15600000000

Scope 2 figure used

Location-based

% change from previous year

1.1

Direction of change

Increased

Reason for change

There was an increase in gross emissions which resulted in an increase in the intensity despite the increase in total revenue.

Intensity figure

0.013867

Metric numerator (Gross global combined Scope 1 and 2 emissions)

256425

Metric denominator

unit hour worked

Metric denominator: Unit total

18491296

Scope 2 figure used

Location-based

% change from previous year

0

Direction of change

No change

Reason for change

This is the first year reporting this intensity therefore a comparison cannot be made with previous years.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	5000	IPCC Third Assessment Report (TAR - 100 year)
CH4	50	IPCC Third Assessment Report (TAR - 100 year)
N2O	24	IPCC Third Assessment Report (TAR - 100 year)
HFCs	7000	IPCC Third Assessment Report (TAR - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
South Africa	12074

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By facility

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Boardwalk	827	-33.985983	25.658055
Carnival City	304	-26.426733	28.313888
Carousel	400	-25.308333	28.293611
Fish River	62	-33.484475	27.1325
Flamingo	70	-28.691433	24.775277
Golden Valley	474	-33.6282	19.436111
GrandWest	454	-33.919197	18.546111
Maslow	163	-26.098055	28.057777
Meropa	95	-23.943772	29.422777
Naledi Sun	37	-29.212194	26.841666
Sibaya	460	-29.680719	31.099722
Sun City	8036	-25.348602	27.099444
Table Bay	165	-33.9028	18.421944
Time Square	304	-25.788183	28.282222
WildCoast Sun	156	-31.078563	30.186388
Windmill	67	-29.169625	26.180555
Head Office	0	-26.102288	28.049967

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
South Africa	244351		251243	

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2 location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Boardwalk	17059	
Carnival City	21105	
Carousel	14555	
Fish River	2546	
Flamingo	1905	
Golden Valley	3701	
GrandWest	29389	
Maslow	4684	
Meropa	5060	
Naledi Sun	1018	
Sibaya	15941	
Sun City	75697	
Table Bay	5846	
Time Square	19950	
WildCoast Sun	20392	
Windmill	3712	
Head Office	1791	

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable>		
Other emissions reduction activities	119	Decreased	0.05	This decrease is due to the initiative reported in question C4.3b and resulted in a reduction of 119tCO2e in emissions. The emissions value percentage was calculated as savings/FY2016 total emissions * 100. Therefore the percentage change in emissions=(119/241471)*100=0.05% decrease.
Divestment	522	Decreased	0.22	This decrease is due to the closure of the Fish River facility within the FY2017. This divestment resulted in a 522tCO2e reduction in emissions. The percentage change was calculated as the savings/FY2016 total emissions * 100. Therefore the percentage change in emissions = (522/241471)*100=0.22% decrease.
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output	20254	Increased	8.39	The change in output is related to the opening of the Time Square casino and Meropa Hotel which is organic growth for Sun International. This resulted in a 20254 tCO2e increase in emissions. The percentage change was calculated as the increased in emissions/FY2016 total emissions *100. Therefore the percent change in emissions = (20254/241471)*100 = 8.39% increase in emissions.
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other	4659	Decreased	1.93	Sun International had several other reasons for their emissions change. These include managing behaviour at their facilities as well as several energy efficiency initiatives. Energy management also played a key role in reducing Scope 2 emissions. This resulted in a decrease of 4659 tCO2e in emissions. The percentage change was calculated as change in emissions/FY2016 total emissions * 100. Therefore the percentage change in emissions is (4659/241417)*100=1.93% increase.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	20175	20175
Consumption of purchased or acquired electricity	<Not Applicable>	0	251243	251243
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	0	271418	271418

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Diesel

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

7462

MWh fuel consumed for the self-generation of electricity

619

MWh fuel consumed for self-generation of heat

6843

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Fuels (excluding feedstocks)

Petrol

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

3458

MWh fuel consumed for the self-generation of electricity

0

MWh fuel consumed for self-generation of heat

3458

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Fuels (excluding feedstocks)

Liquefied Petroleum Gas (LPG)

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

9255

MWh fuel consumed for the self-generation of electricity

0

MWh fuel consumed for self-generation of heat

9255

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Diesel

Emission factor

0.00283

Unit

metric tons CO2e per liter

Emission factor source

South African Technical Guidelines

Comment

Aggregated using the GWP values listed in the South African Technical Guidelines

Liquefied Petroleum Gas (LPG)

Emission factor

0.00297

Unit

metric tons CO2e per metric ton

Emission factor source

South African Technical Guidelines

Comment

Aggregated using the GWP values listed in the South African Technical Guidelines

Petrol

Emission factor

0.00243

Unit

metric tons CO2e per liter

Emission factor source

South African Technical Guidelines

Comment

Aggregated using the GWP values listed in the South African Technical Guidelines

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	223	223	0	0
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor

No purchases or generation of low-carbon electricity, heat, steam or cooling accounted with a low-carbon emission factor

Low-carbon technology type

<Not Applicable>

MWh consumed associated with low-carbon electricity, heat, steam or cooling

<Not Applicable>

Emission factor (in units of metric tons CO₂e per MWh)

<Not Applicable>

Comment

In C6.3 we have only reported location based emissions.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Waste

Metric value

7575389

Metric numerator

kilograms

Metric denominator (intensity metric only)

% change from previous year

13

Direction of change

Decreased

Please explain

Sun International has a target to reduce its waste generated at all of its facilities to zero. Tracking this metric enables the company to monitor its progress towards achieving this target.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Moderate assurance

Attach the statement

Sun_International_IAR2017_Independent_assurance_statement.pdf

Page/ section reference

Page 1

Relevant standard

A1000AS

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Other, please specify (Electricity consumption)	AA1000AS	By verifying the electricity consumption data; Sun International obtains confidence in the values and can track their energy usage against their relevant targets.
C9. Additional metrics	Other, please specify (waste generation)	AA1000AS	Sun International verifies its waste data as it tracks this information for their target to reduce waste to landfill volumes to zero.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, but we anticipate being regulated in the next three years

C11.1d

(C11.1d) What is your strategy for complying with the systems in which you participate or anticipate participating?

Sun International is actively participating in the review of and commenting on of the proposed Carbon Tax legislation. We have involved our finance department in training and awareness initiatives in an attempt to be able to project and estimate the financial implication of the carbon tax bill.

In the sustainability department we are implementing real time water and energy metering systems to ensure we have accurate and real time data to monitor and manage our energy and water use going forward. This will also allow us to comply with the requirements of the proposed Carbon Tax Bill act in providing accurate and measureable data.

The operations have been trained in 2018 on the use of the data systems and as soon as the meters have been implemented at the operations, more training will be done on the use and management of the metering

platforms.

Electricity reduction targets have been revised in 2018 based on more accurate electricity data. These reduction targets will require additional energy saving initiatives to be implemented at the units to be able to

achieve the required reductions.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, other partners in the value chain

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

Sun International is also a principal member of WWF-SA, and actively participate and sponsor WWF events particularly the organisation's efforts to address climate change issues in South Africa. Through the WWF, Sun International has also committed to the WWF's Sustainable Seafood Initiative (SASSI) and as a result has implemented a Green Procurement Policy related to some of our partners in our value chain. Through our SASSI membership we aim to ensure that all sea food across all our operations have been fished sustainably. All our restaurants and hotel kitchens are now SASSI aligned, and as far as possible we only offer sustainably caught fish stocks. Sun International funds WWF-SA to support the organisation's efforts to address climate change issues in South Africa and is a Principle Partner.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

No

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Sun International is an active member of the National Business Initiative (NBI) in South Africa that represents major businesses around public policy making initiatives. Through the NBI we provided input to and

comments on any new policy or legislation that impacts on environmental issues.

Sun International is also a principal member of WWF-SA, and actively participate and sponsor WWF events.

Through the WWF, Sun International has also committed to the WWF's Sustainable Seafood Initiative (SASSI).

Sun International remained a member of the United Nations Global Compact in 2017 and compiled a UNGC progress report that is publically available on the Sun International website and the UNGC members' site.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports in accordance with the CDSB Framework

Status

Complete

Attach the document

Sun_International_IAR2017_Environment.pdf

Content elements

Emissions figures

Emission targets

Other metrics

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Group Sustainability Manager	Business unit manager

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

Please confirm below

I have read and accept the applicable Terms