

Phumelela Gaming and Leisure - 2012

Global Reporting Initiative (GRI) G3 Content Index

Additional GRI Responses

STANDARD DISCLOSURES PART I: Profile Disclosures

1. Strategy and Analysis

| Profile Disclosure | Description | Reference | Section | Comments |
|--------------------|---|-----------|--|-----------------------------|
| 1.1 | Statement from the most senior decision-maker of the organization | 50 - 51 | Chairman's Report | Discussed within the report |
| 1.2 | Description of key impacts, risks, and opportunities. | 53 - 56 | Group Chief Executive Officer's Report | Discussed within the report |

2. Organisational Profile

| Profile Disclosure | Description | Reference | Section | Comments |
|--------------------|--|-------------------|--|--|
| 2.1 | Name of the organisation. | 1 | Scope of the Report | Phumelela Gaming and Leisure Limited. |
| 2.2 | Primary brands, products, and/or services. | iFC, 3, GRI Index | Financial highlights; Background and nature of the Group operations; GRI Index | Phumelela Gaming and Leisure Limited is licensed to operate horseracing in four provinces and totalisator in seven of South Africa's provinces. Phumelela's operations consist of racing, media and betting operations, horseracing events, horseracing and betting information, horseracing publications, television productions / broadcasting and sports betting. |
| 2.3 | Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures. | 6, 116 | Phumelela at a glance, Details of subsidiary companies | An organisational chart is provided, as well as a discussion on the details of subsidiary companies. |
| 2.4 | Location of organization's headquarters. | iBC | Company Information | Phumelela's registered office and headquarters is at Turffontein Racecourse, 14 Turf Club Street, Turffontein, Johannesburg. |
| 2.5 | Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report. | 4, 9 | Operational Geography - South Africa; International representation | Phumelela operates in 6 continents and over 35 countries. The sustainability aspects reported pertain to the South African operations over which we have management control. |
| 2.6 | Nature of ownership and legal form. | 1, 3 | Scope of the Report; Background and nature of the Group operations | Phumelela Gaming and Leisure Limited (Phumelela) is listed on the JSE under the share code PHM in the "Travel and Leisure" sector. The Thoroughbred Horseracing Trust is Phumelela's main shareholder (35% shareholder). |
| 2.7 | Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries). | 3-4, 6 | Background and nature of the Group operations: Phumelela at a glance | Phumelela operates in the "Travel and Leisure" sector serving a diverse range of South African and International customers in the informed betting market. |
| 2.8 | Scale of the reporting organization. | 4, 10, 23, 26 | Background and nature of the Group operations; Key Performance Indicators; Employees | Scale of Phumelela is described in terms of number of branches and operations per region, number of employees (1546), group revenues and total capitalisation broken down in terms of debt and equity. |
| 2.9 | Significant changes during the reporting period regarding size, structure, or ownership. | 1 | Scope of the Report | Discussed within the Report. |
| 2.10 | Awards received in the reporting period. | GRI Index | GRI Index | No awards were received in the reporting period. |

3. Report Parameters

| Profile Disclosure | Description | Reference | Section | Comments |
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| 3.1 | Reporting period (e.g., fiscal/calendar year) for information provided. | 1 | Scope of the Report | The reporting period is defined as the financial year from 01 August 2011 to 31 July 2012. |

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| 3.2 | Date of most recent previous report (if any). | 1 | Scope of the Report | The previous Report was for the period of 01 August 2010 to 31 July 2011. |
| 3.3 | Reporting cycle (annual, biennial, etc.) | 1 | Scope of the Report | Phumelela reports annually. |
| 3.4 | Contact point for questions regarding the report or its contents. | 1 | Scope of the Report | Any feedback or questions relating to the sustainability initiatives and data in this Report can be directed to Mr R Gopaul at RushenG@phumelela.com. |
| 3.5 | Process for defining report content. | 1 | Scope of the Report | We have applied the Global Reporting Initiative (GRI) G3 guidelines to assist us in our assessment process and to identify performance indicators relevant to our business. Content has been chosen according to materiality. |
| 3.6 | Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance. | 1 | Scope of the Report | Discussed within the Report. The Report covers Phumelela's South African operations, over which we have management control. |
| 3.7 | State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope). | 1 | Scope of the Report | Discussed within the Report. The majority of our environmental sustainability data is limited to our racing operations as opposed to our betting operations due to the different nature and sustainability impact of these business functions. |
| 3.8 | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations. | 1, 116 | Scope of the Report; Details of Subsidiary Companies | Joint ventures and subsidiaries are reported in the notes to the financial statements. Betting World this financial year became a wholly owned subsidiary of the Group. |
| 3.9 | Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols. | 1 | Scope of the Report | Data has been measured according to Phumelela's policies and has been presented for the specific indicators in the report, tabulated or graphed with units where applicable. |
| 3.10 | Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods). | 68, 113, 114 | Notes to the Financial Statements | Discussed within the Report |
| 3.11 | Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report. | GRI Index | GRI Index | Phumelela is in the process of continually improving our reporting, and as such are reporting more performance data each year. The inclusion of Betting World Data is as a result of Betting World becoming a wholly owned subsidiary during the financial year. |
| 3.12 | Table identifying the location of the Standard Disclosures in the report. | GRI Index | GRI Index | This GRI content index provides an indication of key indicators presented in the report. Where data is not applicable, or were additional GRI responses could be presented, reference has been made in this GRI content index |
| 3.13 | Policy and current practice with regard to seeking external assurance for the report. | GRI Index | GRI Index | Phumelela has opted to not have the Report externally assured. |
| 4. Governance, Commitments, and Engagement | | | | |
| Profile Disclosure | Description | | | |
| 4.1 | Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. | 35 - 49 | Corporate Governance | Discussed within the Report. |
| 4.2 | Indicate whether the Chair of the highest governance body is also an executive officer. | 36 | Corporate Governance - Board Structure | Discussed within the Report. The Chairman is an independent non-executive, as per the requirements of King III. |
| 4.3 | For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members. | 36 | Corporate Governance - Board Structure | Discussed within the Report. Phumelela has a unitary board structure consisting of six independent non-executive directors, three non-executive directors and five executive directors. |

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| 4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. | 35 | Corporate Governance - Engagement with stakeholders, shareholders & investors, and employees | Discussed within the Report. |
| 4.5 | Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance). | 44 - 45, 47 - 49 | Corporate Governance - Remuneration Committee, Remuneration Policy | Discussed within the Report. |
| 4.6 | Processes in place for the highest governance body to ensure conflicts of interest are avoided. | 36, 46, 47 | Corporate Governance - Board Charter, Code of Ethics, Conflicts of Interest | Discussed within the Report. |
| 4.7 | Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity. | 37 - 41, 43 | Corporate Governance - Membership, Directors | Discussed within the Report. |
| 4.8 | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation. | iFC, 46 | The Essence of Phumelela; Corporate Governance - Code of Ethics | Discussed within the Report. |
| 4.9 | Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. | 36,45,46 | Corporate Governance - Board Charter; Audit Committee and Social and Ethics Committee | Discussed within the Report. The Audit Committee and Social and Ethics Committee report on economic, environmental and Social performance of the Group to the Board |
| 4.10 | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance. | 43 | Corporate Governance - Directors; Effectiveness of the board | Discussed within the Report. |
| 4.11 | Explanation of whether and how the precautionary approach or principle is addressed by the organisation. | 45 | Corporate Governance - Audit Committee | Discussed within the Report. The Audit committee is responsible for identifying risk areas and evaluating exposure to significant risks. |
| 4.12 | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses. | 33 | Commitment to external initiatives | Phumelela subscribes to or endorses a number of externally developed initiatives. These are tabulated within the Report. The Social and Ethics Committee is responsible for ensuring the Company is and remains a socially responsible corporate citizen. |
| 4.13 | Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic. | 33 | Commitment to external initiatives | Phumelela has membership in a variety of external initiatives as part of its commitment to good corporate citizenship, these are tabulated within the Report. |
| 4.14 | List of stakeholder groups engaged by the organization. | 14 - 18 | Stakeholder Engagement | Stakeholders and their specific interests/concerns are tabulated. |
| 4.15 | Basis for identification and selection of stakeholders with whom to engage. | 13 | Stakeholder Engagement | Phumelela defines its stakeholders as those parties who are invested in Phumelela and those who have interests in our operations; all of whom may either be directly affected by or have influence over our activities at a corporate or operational level. |
| 4.16 | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. | 15 - 18 | Stakeholder Engagement | Engagement processes are described for each stakeholder group. Tabulated within the Report. |

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| 4.17 | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its Reporting. | 15 - 18 | Stakeholder Engagement | Engagement processes are described for each stakeholder group. Tabulated within the Report. |
| STANDARD DISCLOSURES PART III: Performance Indicators | | | | |
| Economic | | | | |
| Performance Indicator | Description | | | |
| EC1 | Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. | 12, 28, 30 | Value added statement; Society - Procurement, SED, CSI | Discussed within the Report. |
| EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change. | GRI Index | GRI Index | Weather conditions are a major factor affecting race days and closely monitored. If a race is called off due to high rainfall or lightning it has a cost implication for Phumelela. Drought is also a concern as dry conditions result in the use of more municipal water at our cost. As such, we are mindful that that climate change is a risk for our operations and could have financial implications. |
| EC3 | Coverage of the organization's defined benefit plan obligations. | 16, 26 - 27 | Stakeholder Engagement; Employee Benefits | Phumelela provides defined contribution plans for the benefit of employees. |
| EC4 | Significant financial assistance received from government . | GRI Index | GRI Index | The company does not receive any financial assistance from government. |
| EC5 | Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation. | GRI Index | GRI Index | The majority of our entry level employees are operators who sell bets to our customers at our betting outlets. They are paid on a per hour basis. Their hourly rates are negotiated annually with representative trade unions. The rates are benchmarked against the leading ones in the retail industry. |
| EC6 | Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. | 28 | Society - Procurement | Phumelela's procurement policy is described within the Report. |
| EC7 | Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation. | 26 | Human Capital - Training and Development | Phumelela employees individuals from local communities surroundign our various areas of opertions. |
| EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement. | 27 - 30 | Society - SED and CSI | Details of corporate social investment and socio-economic development programmes have been provided within the Report. |
| EC9 | Understanding and describing significant indirect economic impacts, including the extent of impacts. | 31 - 33 | Society - Product Responsibility | Phumelela is aware of its responsibility to its customers and is committed to enabling informed and supporting responsible betting. We are a member of the South African Responsible Gambling Trust (SARGT). |
| Environmental | | | | |
| Performance Indicator | Description | | | |
| EN1 | Materials used by weight or volume. | GRI Index | GRI Index | Phumelela's material use includes chemicals used for agricultural and cleaning purposes. We use Material Safety Data Sheets (MSDSs) to record, monitor and control the chemicals in use at our sites and hazardous chemical stores are provided at our various sites for safe storage. There is no weight or volume data at this time. |
| EN2 | Percentage of materials used that are recycled input materials . | GRI Index | GRI Index | This is not recorded, but the company have recently engaged with a service provider to administer the recycling within the organisation. |
| EN3 | Direct energy consumption by primary energy source. | 20 | Environment - Energy Use | Direct energy consumption comes from petrol an diesel used to power our vehicles and generators. Where possible volumes have been reported. |
| EN4 | Indirect energy consumption by primary source. | 20 | Environment - Energy Use | Indirect energy consumption comes from our electricity consumption at all operations. Where possible volumes have been reported. |

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| EN5 | Energy saved due to conservation and efficiency improvements. | 20 | Environment - Energy Use | Phumelela has started to roll-out an energy saving programme with the replacement of certain electrical fittings and installation of energy saving light bulbs. No data of energy savings to date have been reported. |
| EN6 | Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. | GRI Index | GRI Index | At this time Phumelela has not implemented any renewable energy based products. |
| EN7 | Initiatives to reduce indirect energy consumption and reductions achieved. | 20, 118 | Environment - Energy Use; GRI Index | Phumelela has started to roll-out an energy saving programme with the replacement of certain electrical fittings and installation of energy saving light bulbs. No data of energy savings to date have been reported. |
| EN8 | Total water withdrawal by source. | 19 | Environment - Water Use | Discussed within the Report |
| EN9 | Water sources significantly affected by withdrawal of water. | 19 | Environment - Water Use | Discussed within the Report |
| EN10 | Percentage and total volume of water recycled and reused. | 19 | Environment - Water Use | Wherever possible we recycle water and at all our race courses, where possible we use our own water resources to water the tracks and maintain the gardens. Quantities are not recorded at all racecourses and have not been reported in this Report. |
| EN11 | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. | GRI Index | GRI Index | The land owned by Phumelela for racing and training purposes is classified as agricultural land. Phumelela is aware of the need to preserve the biodiversity of its land and encourages the protection of the birds and animals which populate its properties. A large number of different bird species are to be found on all our properties, where a variety of small mammals are also to be found. |
| EN12 | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. | GRI Index | GRI Index | Operations do not occur within areas of high biodiversity value. However no assessment has been made on the effect of our products and services on biodiversity. |
| EN13 | Habitats protected or restored. | GRI Index | GRI Index | Not applicable to Phumelela as Phumelela's activities are based in urban areas or agricultural land. No habitats have been protected or restored. |
| EN14 | Strategies, current actions, and future plans for managing impacts on biodiversity. | GRI Index | GRI Index | Not applicable to Phumelela as Phumelela's activities are based in urban areas or agricultural land, thus no biodiversity issues require management. |
| EN15 | Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. | GRI Index | GRI Index | Not applicable to Phumelela as Phumelela's activities are based in urban areas or agricultural land, thus no biodiversity issues require management. There are no IUCN Red List species and national conservation list species are affected by our operations. |
| EN16 | Total direct and indirect greenhouse gas emissions by weight. | GRI Index | GRI Index | Carbon footprint data has yet to be calculated. |
| EN17 | Other relevant indirect greenhouse gas emissions by weight. | GRI Index | GRI Index | Carbon footprint data has yet to be calculated. |
| EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved. | GRI Index | GRI Index | Phumelela does not currently have any initiatives to reduce greenhouse gas emissions. We hope to address this in the future. |
| EN19 | Emissions of ozone-depleting substances by weight. | GRI Index | GRI Index | Phumelela's operations are not considered to emit ozone-depleting substances. |
| EN20 | NOx, SOx, and other significant air emissions by type and weight. | GRI Index | GRI Index | Phumelela's operations are not considered to emit significant amounts of air emissions. Emissions from generators are carefully monitored. |
| EN21 | Total water discharge by quality and destination. | GRI Index | GRI Index | Black water (sewerage) and Grey water (basins, kitchens) are discharged into municipal sewage systems where it is treated. Storm water is collected in catchment dams on site. Storm water is monitored as the catchment dams are ecological habitats. |
| EN22 | Total weight of waste by type and disposal method. | 21 | Environment - Waste Management | Discussed within the Report |
| EN23 | Total number and volume of significant spills. | 21 | Environment - Waste Management | Discussed within the Report |

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| EN24 | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally. | GRI Index | GRI Index | This indicator is not relevant to Phumelela as we do not deal with significant quantities of waste types of this nature. Certain sites have facilities for the collecting and disposal of fluorescent lighting tubes. Asbestos previously used in buildings, is removed when necessary by contractors to appropriate waste sites in accordance with legal requirements. |
| EN25 | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff. | GRI Index | GRI Index | Not applicable. Discharges of water are and run-off are not harmful and are managed via storm water drains and catchment dams. In the case of Turffontein, the overflow is channelled to Wemmer Pan. |
| EN26 | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation . | 21 | Environment - Polytrack | Discussed within the Report |
| EN27 | Percentage of products sold and their packaging materials that are reclaimed by category. | GRI Index | GRI Index | Phumelela does not sell products that require packaging materials, thus there are no such materials reclaimed. |
| EN28 | Monetary value of significant fin es and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. | GRI Index | GRI Index | Phumelela has not been subject to any fines or non-monetary sanctions for non-compliance with environmental laws and regulations. |
| EN29 | Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. | GRI Index | GRI Index | Transportation by road of horses and jockeys to race destinations and the travel undertaken Phumelela's employees results in the production of greenhouse gases. Phumelela does not, however, consider this a significant environmental impact. |
| EN30 | Total environmental protection expenditures and investments by type. | GRI Index | GRI Index | Not covered |
| Social: Labour Practices and Decent Work | | | | |
| Performance Indicator | Description | | | |
| LA1 | Total workforce by employment type, employment contract, and region, broken down by gender. | 23, 25, 26 | Human Capital - Employees (Phumelela Gaming and Leisure & Betting World) | Tabulated and graphed within the Report |
| LA2 | Total number and rate of new employee hires and employee turnover by age group, gender, and region. | 26 | Human Capital - Employees | Tabulated and discussed within the Report |
| LA3 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations. | 26 - 27 | Human Capital - Employee benefits | Discussed within the Report |
| LA4 | Percentage of employees covered by collective bargaining agreements . | 27 | Human Capital - Employee relations | Phumelela recognises the right of its employees to freedom of association to join trade unions. Approximately 33% of the permanent workforce has trade union membership, with the majority belonging to the South African Catering and Allied Workers' Union (SACAWU) and a small minority belong to the South African Transport and Allied Workers' Union (SATAWU). |
| LA5 | Minimum notice period's regarding significant operational changes, including whether it is specified in collective agreements. | 27 | Human Capital - Employee Relations | The minimum notice period regarding operational changes is specified in collective bargaining agreements and ranges between one and three months. |
| LA6 | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs. | GRI Index | GRI Index | The Company complies fully with the Occupational Health and Safety Act 85 of 1993 in respect of all provisions relating to health and safety at the workplace. Health and Safety at the workplace is managed through the co-operation of Health and Safety and First Aid Committees consisting of management and employee members. The objectives aim at minimising all risks pertaining to injury, diseases and other occupational hazards at the workplace. All divisions/departments have a first aid representative. |
| LA7 | Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and gender. | 22 | Human Capital - Safety | Partially reported. Injuries on duty provided, however there is no breakdown per region or by gender. |

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| LA8 | Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases. | 22 | Human Capital - Health | Phumelela provides all employees with a wellness newsletter and has a programme for HIV/Aids awareness and education, voluntary testing, counselling and treatment. |
| LA9 | Health and safety topics covered in formal agreements with trade unions. | GRI Index | GRI Index | Health and Safety Committees meet monthly. Formal minutes are kept to comply with the law. The entire health and safety processes and programmes of the Company are subjected to independent external audits. Union shop-stewards form part of our Health and Safety Committee structures. |
| LA10 | Average hours of training per year per employee by gender and by employee category. | 26 | Human Capital - Training and Development | Data on training is discussed within the Report, however there is no breakdown by gender or employee category. The organisation invested more than R1,6 million in training and development initiatives. |
| LA11 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. | 26, 27 | Human Capital - Training and Development; Society - Skills development | Training programmes are discussed within the Report. |
| LA12 | Percentage of employees receiving regular performance and career development reviews by gender. | 26 | Human Capital - Training and Development | Phumelela's performance management programme reviews employees' skills and development opportunities on a biannual basis. The company conducts performance reviews once a year normally in June. |
| LA13 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity. | 23, 25, 26, 37 - 41 | Human Capital - Employees; Corporate Governance - Membership | Governance body and employee data is tabulated, however more information could be provided with respect to age group and indicators of diversity. |
| LA14 | Ratio of basic salary of men to women by employee category. | GRI Index | GRI Index | Phumelela offers an equal rate of pay to male and female employees of equal experience. |
| Social: Human Rights | | | | |
| Performance Indicator | Description | | | |
| HR1 | Percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening. | GRI Index | GRI Index | No formal human rights screening takes place, however the Social and Ethics Committee ensures that the Company adheres to practices that align with the United Nations Global Compact Principles. |
| HR2 | Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening and actions taken. | GRI Index | GRI Index | Phumelela has not yet implemented human rights screening processes for significant suppliers and/or contractors. |
| HR3 | Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. | GRI Index | GRI Index | No formal human rights training is provided to employees on aspects of human rights. |
| HR4 | Total number of incidents of discrimination and corrective actions taken. | GRI Index | GRI Index | Phumelela does not tolerate any form of inhumane treatment and unfair discrimination or intimidation in the workplace is not tolerated. No incidents of discrimination were recorded. |
| HR5 | Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights. | GRI Index | GRI Index | Phumelela recognises the right of its employees to freedom of association and to join trade unions. Our Labour Relations have enjoyed a considerable period of peace. We have not had industrial action for a period of 10 years. No procedures are in place to identify operations or suppliers where the right to exercise freedom of association and collective bargaining may be at risk. |
| HR6 | Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour. | GRI Index | GRI Index | Phumelela does not employ child labour in any of its operations. |
| HR7 | Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of all forms of forced or compulsory labour. | GRI Index | GRI Index | Phumelela upholds our employee's labour rights and does not tolerate any form of inhumane treatment, child labour, forced labour, unfair discrimination or intimidation in the workplace. The recently appointed Social and Ethics Committee oversees these issues. |

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| HR8 | Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations. | GRI Index | GRI Index | Security is provided by various Security Companies and no concerns have been raised about human rights abuses by security personnel |
| HR9 | Total number of incidents of violations involving rights of indigenous people and actions taken. | GRI Index | GRI Index | Phumelela has not been subject to any complaints or investigations into incidents of violations involving rights of indigenous people. Furthermore, Phumelela is committed to respecting all human rights. |
| Social: Society | | | | |
| Performance Indicator | Description | | | |
| SO1 | Percentage of operations with implemented local community engagement, impact assessments, and development programs. | GRI Index | GRI Index | Not reported. |
| SO2 | Percentage and total number of business units analysed for risks related to corruption. | 46 | Corporate Governance - Ethics | Phumelela has identified that the awarding of tenders and procurement practices are areas of high risk of bribery and corruption. Any corrupt actions in Horse Racing is managed by the independent National Horse Racing Authority, who would take actions against the Jockey or Trainer. |
| SO3 | Percentage of employees trained in organization's anti-corruption policies and procedures. | 46 | Corporate Governance - Ethics | Partially reported. Phumelela does not tolerate any fraudulent or illegal activities in relation to the running of the company. This is covered in the code of ethics and is managed by Audit committee. |
| SO4 | Actions taken in response to incidents of corruption. | GRI Index | GRI Index | All incidents of theft are investigated and disciplinary action is taken and reported to the police in all instances. |
| SO5 | Public policy positions and participation in public policy development and lobbying. | GRI Index | GRI Index | Phumelela have made recommendations to Regulators relating to policy and legislation relating to the industry. |
| SO6 | Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country. | 46 | Corporate Governance - Donations to Political Parties | The Phumelela policy states that all donations must be pre-approved by shareholders. No donations were made to political parties in the financial year. |
| SO7 | Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes. | GRI Index | GRI Index | Phumelela and Gold Circle received notice from the competition commission of a complaint lodged by a third party alleging, inter alia, price-fixing and market allocation between them, this investigation is ongoing and legal counsel is assisting in responding. |
| SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. | GRI Index | GRI Index | Phumelela was fined by the North West Gambling Board for engaging with a third party Manufacturer who has not completed the necessary Gambling Board probity. The Manufacturer is responsible for payment of the fine and has instituted actions to correct the non-compliance. |
| Social: Product Responsibility | | | | |
| Performance Indicator | Description | | | |
| PR1 | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. | 21, 30 - 33 | Environment - Polytrack; Society - Product Responsibility; GRI Index | Phumelela is constantly having to innovate its product to remain economically viable. Examples include the installation of Polytrack training tracks as well as diversifying our betting products, such as the introduction of the Sports betting to meet the needs of punters as they move away from horse betting. |
| PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes. | GRI Index | GRI Index | Phumelela has not been subject to any complaints or concerns relating to non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle. |
| PR3 | Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements. | GRI Index | GRI Index | The rules relating to all totalisator bet types are displayed in all betting outlets and published on the Phumelela websites. |
| PR4 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes. | GRI Index | GRI Index | Phumelela has not been subject to any complaints or concerns relating to incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling. |

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| PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. | GRI Index | GRI Index | Not reported. |
| PR6 | Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship. | GRI Index | GRI Index | Certain Gambling Boards have regulations relating to advertising in the Gaming Industry. |
| PR7 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes. | GRI Index | GRI Index | Phumelela has not been subject to any complaints or concerns relating to non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship. |
| PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. | GRI Index | GRI Index | Phumelela has not been subject to any complaints or concerns relating to substantiated complaints regarding breaches of customer privacy and losses of customer data. |
| PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. | GRI Index | GRI Index | Phumelela has not been subject to any complaints, concerns or fines relating to non-compliance with laws and regulations concerning the provision and use of products and services. |

| Phumelela Gaming and Leisure - 2012 | | | | | A |
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| Global Reporting Initiative (GRI) G3 Content Index | | | | | |
| Additional GRI Responses | | | | | |
| STANDARD DISCLOSURES PART I: Profile Disclosures | | | | | |
| 1. Strategy and Analysis | | | | | |
| Profile Disclosure | Description | Reference | Section | Comments | |
| 1.1 | Statement from the most senior decision-maker of the organization | 50 - 51 | Chairman's Report | The Chairman's report provides an overview of the current macro-economic conditions in which Phumelela is operating, regulation and overall prospects for the Group. | OK |
| 1.2 | Description of key impacts, risks, and opportunities. | 53 - 56 | Group Chief Executive Officer's Report | The Chief Executive Officer's report provides an overview of the trading performance, performance, risks and opportunities faced by the Group. | OK |
| 2. Organisational Profile | | | | | |
| Profile Disclosure | Description | | | | |
| 2.1 | Name of the organization. | 1 | Scope of the Report | Phumelela Gaming and Leisure Limited. | OK |
| 2.2 | Primary brands, products, and/or services. | iFC, 3, GRI Index | Financial highlights; Background and nature of the Group operations; GRI Index | Phumelela Gaming and Leisure Limited is licensed to operate horseracing and the totalisator in seven of South Africa's provinces. Phumelela's operations consist of racing, media and betting operations, through which we offer horseracing events, horseracing and betting information, horseracing publications, television productions / broadcasting and sports betting and information. | OK |
| 2.3 | Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures. | 6 | Phumelela at a glance | An organisational chart is provided. | OK |
| 2.4 | Location of organization's headquarters. | GRI Index | GRI Index | Phumelela's registered office and headquarters is at Turffontein Racecourse, Johannesburg. | OK |
| 2.5 | Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report. | 4, 9 | Operational Geography - South Africa; International representation | Phumelela operates in 6 continents and over 40 countries. The sustainability aspects reported pertain to the South African operations over which we have management control. | OK |
| 2.6 | Nature of ownership and legal form. | 1, 3 | Scope of the Report; Background and nature of the Group operations | Phumelela Gaming and Leisure Limited (Phumelela) is listed on the JSE under the share code PHM in the "Travel and Leisure" sector. The Thoroughbred Horseracing Trust is Phumelela's main shareholder (35% shareholder). | OK |
| 2.7 | Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries). | 3- 4 | Background and nature of the Group operations | Phumelela operates in the "Travel and Leisure" sector serving a diverse range of South African and international customers in the informed betting market. | OK |
| 2.8 | Scale of the reporting organization. | 4,10, 23, 52 | Background and nature of the Group operations; Key Performance Indicators; Employees; Group chief executive officer's report | Scale of Phumelela is described in terms of number of branches, operations per region, number of employees (1546), Group Revenues and total capitalisation broken down in terms of debt and equity. | OK |
| 2.9 | Significant changes during the reporting period regarding size, structure, or ownership. | 1 | Scope of the Report | The inclusion of Betting World as a wholly owned subsidiary of Phumelela and the introduction of TAB Corp as a 50% holding partner in the Isle of Man Totalisator Operations. | OK |
| 2.10 | Awards received in the reporting period. | GRI Index | GRI Index | No awards were received in the reporting period. | OK |
| 3. Report Parameters | | | | | |
| Profile Disclosure | Description | | | | |
| 3.1 | Reporting period (e.g., fiscal/calendar year) for information provided. | 1 | Scope of the Report | The reporting period is defined as the financial year from 01 August 2011 to 31 July 2012. | OK |
| 3.2 | Date of most recent previous report (if any). | 1 | Scope of the Report | The previous Report was for the period of 01 August 2011 to 31 July 2012. | OK |
| 3.3 | Reporting cycle (annual, biennial, etc.) | 1 | Scope of the Report | Phumelela reports annually. | OK |
| 3.4 | Contact point for questions regarding the report or its contents. | 1 | Scope of the Report | Any feedback or questions relating to the sustainability initiatives and data in this Report can be directed to Mr R Gopaul at RushenG@phumelela.com. | OK |
| 3.5 | Process for defining report content. | 1 | Scope of the Report | We have applied the Global Reporting Initiative (GRI) G3 guidelines to assist us in our assessment process and to identify performance indicators relevant to our business. Content has been chosen according to materiality. | OK |

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| 3.6 | Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance. | 1 | Scope of the Report | Discussed within the Report. The Report covers Phumelela's South African operations, over which we have management control. | OK | 2 | 0 |
| 3.7 | State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope). | 1 | Scope of the Report | Discussed within the Report. The majority of our environmental sustainability data is limited to our racing operations as opposed to our betting operations due to the different nature and sustainability impact of these business functions. | OK | 2 | 0 |
| 3.8 | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations. | GRI Index | GRI Index | Joint ventures and subsidiaries are reported in the notes to the financial statements. | OI | 0 | 1 |
| 3.9 | Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols. | 1 | Scope of the Report | Data has been measured according to Phumelela's policies and has been presented for the specific indicators in the report, tabulated or graphed with units where applicable. | OK | 2 | 0 |
| 3.10 | Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods). | 68, 113, 114 | Notes to the Financial Statements | There are no restatements or changes to information included in the previous Report. | OI | 0 | 1 |
| 3.11 | Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report. | GRI Index | GRI Index | Phumelela is in the process of continually improving our reporting, and as such are reporting more performance data each year. | OI | 0 | 1 |
| 3.12 | Table identifying the location of the Standard Disclosures in the report. | GRI Index | GRI Index | This GRI content index provides an indication of key indicators presented in the report. Where data is not applicable, or were additional GRI responses could be presented, reference has been made in this GRI content index | OK | 2 | 0 |
| 3.13 | Policy and current practice with regard to seeking external assurance for the report. | GRI Index | GRI Index | Phumelela has opted to not have the Report externally assured. | OK | 2 | 0 |
| 4. Governance, Commitments, and Engagement | | | | | | | |
| Profile Disclosure | Description | | | | | | |
| 4.1 | Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. | 35 - 36 | Corporate Governance | Discussed within the Report. | OI | 0 | 1 |
| 4.2 | Indicate whether the Chair of the highest governance body is also an executive officer. | 36 | Corporate Governance - Board Structure | Discussed within the Report. The Chairman is an independent non-executive, as per the requirements of King III. | OK | 2 | 0 |
| 4.3 | For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members. | 36 | Corporate Governance - Board Structure | Discussed within the Report. Phumelela has a unitary board structure consisting of six independent non-executive directors, three non-executive directors and five executive directors. | OK | 2 | 0 |
| 4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. | 35 | Corporate Governance - Engagement with stakeholders, shareholders & investors, and employees | Discussed within the Report. | OK | 2 | 0 |
| 4.5 | Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance). | 44 - 45, 47 - 49 | Corporate Governance - Remuneration Committee, Remuneration Policy | Discussed within the Report. | OI | 0 | 1 |
| 4.6 | Processes in place for the highest governance body to ensure conflicts of interest are avoided. | 36, 46, 47 | Corporate Governance - Board Charter, Code of Ethics, Conflicts of Interest | Discussed within the Report. | OK | 2 | 0 |
| 4.7 | Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity. | 37 - 41, 43 | Corporate Governance - Membership, Directors | Discussed within the Report. | OK | 2 | 0 |
| 4.8 | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation. | iFC, 46 | The Essence of Phumelela; Corporate Governance - Code of Ethics | Discussed within the Report. | OK | 2 | 0 |
| 4.9 | Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. | 36 | Corporate Governance - Board Charter | Discussed within the Report. | OI | 0 | 1 |

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| 4.10 | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance. | 43, 47 | Corporate Governance - Directors; Effectiveness of the board; Accountability and Internal Audit | Discussed within the Report. | OK | 2 | 0 |
| 4.11 | Explanation of whether and how the precautionary approach or principle is addressed by the organisation. | 45 | Corporate Governance - Audit Committee | Discussed within the Report. The Audit committee is responsible for identifying risk areas and evaluating exposure to significant risks. | OI | 0 | 1 |
| 4.12 | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses. | 33 | Commitment to external initiatives | Phumelela subscribes to or endorses a number of externally developed initiatives. These are tabulated within the Report. | OI | 0 | 1 |
| 4.13 | Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic. | 33 | Commitment to external initiatives | Phumelela has membership in a variety of external initiatives as part of its commitment to good corporate citizenship, these are tabulated within the Report. | OK | 2 | 0 |
| 4.14 | List of stakeholder groups engaged by the organization. | 14 - 18 | Stakeholder Engagement | Stakeholders and their specific interests/concerns are tabulated. | OK | 2 | 0 |
| 4.15 | Basis for identification and selection of stakeholders with whom to engage. | 13 | Stakeholder Engagement | Phumelela defines its stakeholders as those parties who are invested in Phumelela and those who have interests in our operations; all of whom may either be directly affected by or have influence over our activities at a corporate or operational level. | OK | 2 | 0 |
| 4.16 | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. | 15 - 18 | Stakeholder Engagement | Engagement processes are described for each stakeholder group. Tabulated within the Report. | OK | 2 | 0 |
| 4.17 | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its Reporting. | 15 - 18 | Stakeholder Engagement | Engagement processes are described for each stakeholder group. Tabulated within the Report. | OK | 2 | 0 |
| STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs) | | | | | | | |
| G3 DMA | Description | | | | | | |
| DMA EC | Disclosure on Management Approach EC | N/A | N/A | This indicator has not been covered in the report | NC | 0 | 0 |
| DMA EN | Disclosure on Management Approach EN | N/A | N/A | This indicator has not been covered in the report | NC | 0 | 0 |
| DMA LA | Disclosure on Management Approach LA | N/A | N/A | This indicator has not been covered in the report | NC | 0 | 0 |
| DMA HR | Disclosure on Management Approach HR | N/A | N/A | This indicator has not been covered in the report | NC | 0 | 0 |
| DMA SO | Disclosure on Management Approach SO | N/A | N/A | This indicator has not been covered in the report | NC | 0 | 0 |
| DMA PR | Disclosure on Management Approach PR | N/A | N/A | This indicator has not been covered in the report | NC | 0 | 0 |
| STANDARD DISCLOSURES PART III: Performance Indicators | | | | | | | |
| Economic | | | | | | | |
| Performance Indicator | Description | | | | | | |
| EC1 | Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. | 12, 28, 30 | Value added statement; Society - Procurement, SED, CSI | Discussed within the Report. | OK | 2 | 0 |
| EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change. | GRI Index | GRI Index | Weather conditions are a major factor affecting race days and closely monitored. If a race is called off due to high rainfall or lightning it has a cost implication for Phumelela. Drought is also a concern as dry conditions result in the use of more municipal water at our cost. As such, we are mindful that that climate change is a risk for our operations and could have financial implications. | OK | 2 | 0 |
| EC3 | Coverage of the organization's defined benefit plan obligations. | 16, 26 - 27 | Stakeholder Engagement; Employee Benefits | Phumelela provides defined contribution plans for the benefit of employees. | OK | 2 | 0 |
| EC4 | Significant financial assistance received from government . | GRI Index | GRI Index | The company does not receive any financial assistance from government. | OK | 2 | 0 |
| EC5 | Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation. | GRI Index | GRI Index | The majority of our entry level employees are operators who sell bets to our customers at our betting outlets. They are paid on a per hour basis. Their hourly rates are negotiated annually with representative trade unions. The rates are benchmarked against the leading ones in the retail industry. | OI | 0 | 1 |
| EC6 | Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. | 28 | Society - Procurement | Phumelela's procurement policy is described within the Report. | OK | 2 | 0 |
| EC7 | Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation. | 26 | Human Capital - Training and Development | Discussed within the Report. | OI | 0 | 1 |

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| EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement. | 27 - 30 | Society - SED and CSI | Details of corporate social investment and socio-economic development programmes have been provided within the Report. | OK | 2 | 0 |
| EC9 | Understanding and describing significant indirect economic impacts, including the extent of impacts. | 31 - 33 | Society - Product Responsibility | Phumelela is aware of its responsibility to its customers and is committed to enabling informed and supporting responsible betting. We are a member of the South African Responsible Gambling Trust (SARGT). | OK | 2 | 0 |
| Environmental | | | | | | | |
| Performance Indicator | Description | | | | | | |
| EN1 | Materials used by weight or volume. | GRI Index | GRI Index | Phumelela's material use includes chemicals used for agricultural and cleaning purposes. We use Material Safety Data Sheets (MSDSs) to record, monitor and control the chemicals in use at our sites and hazardous chemical stores are provided at our various sites for safe storage. There is no weight or volume data at this time. | OK | 2 | 0 |
| EN2 | Percentage of materials used that are recycled input materials . | GRI Index | GRI Index | This is not recorded, but where possible recycled materials are used. | NC | 0 | 0 |
| EN3 | Direct energy consumption by primary energy source. | 20 | Environment - Energy Use | Direct energy consumption comes from petrol an diesel used to power our vehicles and generators. Where possible volumes have been reported. | OK | 2 | 0 |
| EN4 | Indirect energy consumption by primary source. | 20 | Environment - Energy Use | Indirect energy consumption comes from our electricity consumption at all operations. Where possible volumes have been reported. | OK | 2 | 0 |
| EN5 | Energy saved due to conservation and efficiency improvements. | 20 | Environment - Energy Use | Phumelela has started to roll-out an energy saving programme with the replacement of certain electrical fittings and installation of energy saving light bulbs. No data of energy savings to data to date have been reported. | OI | 0 | 1 |
| EN6 | Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. | GRI Index | GRI Index | At this time Phumelela has not implemented any renewable energy based products. | OI | 0 | 1 |
| EN7 | Initiatives to reduce indirect energy consumption and reductions achieved. | 20, 118 | Environment - Energy Use; GRI Index | Phumelela has started to roll-out an energy saving programme with the replacement of certain electrical fittings and installation of energy saving light bulbs. No data of energy savings to data to date have been reported. | OI | 0 | 1 |
| EN8 | Total water withdrawal by source. | 19 | Environment - Water Use | Discussed within the Report | OK | 2 | 0 |
| EN9 | Water sources significantly affected by withdrawal of water. | 19 | Environment - Water Use | Discussed within the Report | OK | 2 | 0 |
| EN10 | Percentage and total volume of water recycled and reused. | 19 | Environment - Water Use | Wherever possible we recycle water and at all our race courses we use our own water resources to water the tracks and maintain the gardens. Quantities are not recorded at all racecourses and have not been Reported in this Report. | OI | 0 | 1 |
| EN11 | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. | GRI Index | GRI Index | The land owned by Phumelela for racing and training purposes is classified as agricultural land. Phumelela is aware of the need to preserve the biodiversity of its land and encourages the protection of the birds and animals which populate its properties. A large number of different bird species are to be found on all our properties, where a variety of small mammals are also to be found. | OI | 0 | 1 |
| EN12 | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. | GRI Index | GRI Index | Operations do not occur within areas of high biodiversity value. However no assessment has been made on the effect of our products and services on biodiversity. | OI | 0 | 1 |
| EN13 | Habitats protected or restored. | GRI Index | GRI Index | Not applicable to Phumelela as Phumelela's activities are based in urban areas or agricultural land. No habitats have been protected or restored. | OK | 2 | 0 |
| EN14 | Strategies, current actions, and future plans for managing impacts on biodiversity. | GRI Index | GRI Index | Not applicable to Phumelela as Phumelela's activities are based in urban areas or agricultural land, thus no biodiversity issues require management. | OK | 2 | 0 |
| EN15 | Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. | GRI Index | GRI Index | Not applicable to Phumelela as Phumelela's activities are based in urban areas or agricultural land, thus no biodiversity issues require management. There are no IUCN Red List species and national conservation list species are affected by our operations. | OK | 2 | 0 |
| EN16 | Total direct and indirect greenhouse gas emissions by weight. | GRI Index | GRI Index | Carbon footprint data has yet to be calculated. | NC | 0 | 0 |
| EN17 | Other relevant indirect greenhouse gas emissions by weight. | GRI Index | GRI Index | Carbon footprint data has yet to be calculated. | NC | 0 | 0 |
| EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved. | GRI Index | GRI Index | Phumelela does not currently have any initiatives to reduce greenhouse gas emissions. We hope to address this in the future. | NC | 0 | 0 |
| EN19 | Emissions of ozone-depleting substances by weight. | GRI Index | GRI Index | Phumelela's operations are not considered to emit ozone-depleting substances. | OK | 2 | 0 |
| EN20 | NOx, SOx, and other significant air emissions by type and weight. | GRI Index | GRI Index | Phumelela's operations are not considered to emit significant amounts of air emissions. Emissions from generators are carefully monitored. | OK | 2 | 0 |

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| EN21 | Total water discharge by quality and destination. | GRI Index | GRI Index | Black water (sewerage) and Grey water (basins, kitchens) are discharged into municipal sewage systems where it is treated. Storm water is collected in catchment dams on site. Storm water is monitored as the catchment dams are | OI | 0 | 1 |
| EN22 | Total weight of waste by type and disposal method. | 21 | Environment - Waste Management | Discussed within the Report | OK | 2 | 0 |
| EN23 | Total number and volume of significant spills . | 21 | Environment - Waste Management | Discussed within the Report | OI | 0 | 1 |
| EN24 | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally. | GRI Index | GRI Index | This indicator is not relevant to Phumelela as we do not deal with significant quantities of waste types of this nature. Certain sites have facilities for the collecting and disposal of fluorescent lighting tubes. Asbestos previously used in buildings, is removed when necessary by contractors to appropriate waste sites in accordance with legal requirements. | OI | 0 | 1 |
| EN25 | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff. | GRI Index | GRI Index | Not applicable. Discharges of water are and run-off are not harmful and are managed via storm water drains and catchment dams. In the case of Turffontein, the overflow is channelled to Wemmer Pan. | OK | 2 | 0 |
| EN26 | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation . | 21 | Environment - Polytrack | Discussed within the Report | OK | 2 | 0 |
| EN27 | Percentage of products sold and their packaging materials that are reclaimed by category. | GRI Index | GRI Index | Phumelela does not sell products that require packaging materials, thus there are no such materials reclaimed. | OK | 2 | 0 |
| EN28 | Monetary value of significant fin es and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. | GRI Index | GRI Index | Phumelela has not been subject to any fines or non-monetary sanctions for non-compliance with environmental laws and regulations. | OK | 2 | 0 |
| EN29 | Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. | GRI Index | GRI Index | Transportation by road of horses and jockeys to race destinations and the travel undertaken Phumelela's employees results in the production of greenhouse gases. Phumelela does not, however, consider this a significant environmental impact. | OK | 2 | 0 |
| EN30 | Total environmental protection expenditures and investments by type. | GRI Index | GRI Index | Not covered | NC | 0 | 0 |
| Social: Labour Practices and Decent Work | | | | | | | |
| Performance Indicator | Description | | | | | | |
| LA1 | Total workforce by employment type, employment contract, and region, broken down by gender. | 23, 25, 26 | Human Capital - Employees (Phumelela Gaming and Leisure & Betting World) | Tabulated and graphed within the Report | OK | 2 | 0 |
| LA2 | Total number and rate of new employee hires and employee turnover by age group, gender, and region. | 26 | Human Capital - Employees | Tabulated and discussed within the Report | OK | 2 | 0 |
| LA3 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations. | 26 - 27 | Human Capital - Employee benefits | Discussed within the Report | OK | 2 | 0 |
| LA4 | Percentage of employees covered by collective bargaining agreements . | 27 | Human Capital - Employee relations; GRI Table: Additional GRI Responses | Phumelela recognises the right of its employees to freedom of association to join trade unions. Approximately 33% of the permanent workforce has trade union membership, with the majority belonging to the South African Catering and Allied Workers' Union (SACAWU) and a small minority belong to the South African Transport and Allied Workers' Union (SATAWU). | OK | 2 | 0 |
| LA5 | Minimum notice period's regarding significant operational changes, including whether it is specified in collective agreements. | 27 | Human Capital - Employee relations; GRI Table: Additional GRI Responses | The minimum notice period regarding operational changes is specified in collective bargaining agreements and ranges between one and three months. | OK | 2 | 0 |
| LA6 | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs. | GRI Index | GRI Index | The Company complies fully with the Occupational Health and Safety Act 85 of 1993 in respect of all provisions relating to health and safety at the workplace. Health and Safety at the workplace is managed through the co-operation of Health and Safety and First Aid Committees consisting of management and employee members. The objectives aim at minimising all risks pertaining to injury, diseases and other occupational hazards at the workplace. All divisions/departments have their own elected members for Health and Safety Committees. | OI | 0 | 1 |
| LA7 | Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and gender. | 22 | Human Capital - Safety | Partially reported. Injuries on duty provided, however there is no breakdown per region or by gender. | OI | 0 | 1 |
| LA8 | Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases. | 22 | Human Capital - Health | Phumelela provides all employees with a wellness newsletter and has a programme for HIV/Aids awareness and education, voluntary testing, counselling and treatment. | OK | 2 | 0 |

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| LA9 | Health and safety topics covered in formal agreements with trade unions. | GRI Index | GRI Index | Health and Safety Committees meet monthly. Formal minutes are kept to comply with the law. The entire health and safety processes and programmes of the Company are subjected to independent external audits. Union shop-stewards form part of our Health and Safety Committee structures. | OI | 0 | 1 |
| LA10 | Average hours of training per year per employee by gender and by employee category. | 26 | Human Capital - Training and Development | Data on training is discussed within the Report, however there is no breakdown by gender or employee category. The organisation invested more than R1,6 million in training and development initiatives, with an average of 35 hours of training per employee involved. | OI | 0 | 1 |
| LA11 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. | 26, 27 | Human Capital - Training and Development; Society - Skills development | Training programmes are discussed within the Report. | OK | 2 | 0 |
| LA12 | Percentage of employees receiving regular performance and career development reviews by gender. | 26 | Human Capital - Training and Development | Phumelela's performance management programme reviews employees' skills and development opportunities on a biannual basis. The company conducts performance reviews once a year normally in June. | OI | 0 | 1 |
| LA13 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity. | 23, 25, 26, 37 - 41 | Human Capital - Employees; Corporate Governance - Membership | Governance body and employee data is tabulated, however more information could be provided with respect to age group and indicators of diversity. | OI | 0 | 1 |
| LA14 | Ratio of basic salary of men to women by employee category. | GRI Index | GRI Index | Phumelela offers an equal rate of pay to male and female employees of equal experience. | OK | 2 | 0 |
| Social: Human Rights | | | | | | | |
| Performance Indicator | Description | | | | | | |
| HR1 | Percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening. | GRI Index | GRI Index | No formal human rights screening takes place. | OK | 2 | 0 |
| HR2 | Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening and actions taken. | GRI Index | GRI Index | Phumelela has not yet implemented human rights screening processes for significant suppliers and/or contractors. | OK | 2 | 0 |
| HR3 | Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. | GRI Index | GRI Index | No formal human rights training is provided to employees on aspects of human rights. | OK | 2 | 0 |
| HR4 | Total number of incidents of discrimination and corrective actions taken. | GRI Index | GRI Index | Phumelela does not tolerate any form of inhumane treatment and unfair discrimination or intimidation in the workplace is not tolerated. No incidents of discrimination were recorded. | OK | 2 | 0 |
| HR5 | Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights. | GRI Index | GRI Index | Phumelela recognises the right of its employees to freedom of association and to join trade unions. Our Labour Relations have enjoyed a considerable period of peace. We have not had industrial action for a period of 10 years. No procedures are in place to identify operations or suppliers where the right to exercise freedom of association and collective bargaining may be at risk. | OK | 2 | 0 |
| HR6 | Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour. | GRI Index | GRI Index | Phumelela does not employ child labour in any of its operations. | OK | 2 | 0 |
| HR7 | Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour. | GRI Index | GRI Index | Phumelela upholds our employee's labour rights and does not tolerate any form of inhumane treatment, child labour, forced labour, unfair discrimination or intimidation in the workplace. | OK | 2 | 0 |
| HR8 | Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations. | GRI Index | GRI Index | Security is provided by Recall Security and no concerns have been raised about human rights abuses by security personnel | OK | 2 | 0 |
| HR9 | Total number of incidents of violations involving rights of indigenous people and actions taken. | GRI Index | GRI Index | Phumelela has not been subject to any complaints or investigations into incidents of violations involving rights of indigenous people. Furthermore, Phumelela is committed to respecting all human rights. | OK | 2 | 0 |
| Social: Society | | | | | | | |
| Performance Indicator | Description | | | | | | |
| SO1 | Percentage of operations with implemented local community engagement, impact assessments, and development programs. | GRI Index | GRI Index | Not reported. | NC | 0 | 0 |
| SO2 | Percentage and total number of business units analysed for risks related to corruption. | 46 | Corporate Governance - Ethics | Phumelela has identified that the awarding of tenders and procurement practices are areas of high risk of bribery and corruption. | OI | 0 | 1 |
| SO3 | Percentage of employees trained in organization's anti-corruption policies and procedures. | 46 | Corporate Governance - Ethics | Partially reported. Phumelela does not tolerate any fraudulent or illegal activities in relation to the running of the company. This is covered in the code of ethics and is managed by Audit committee. | OI | 0 | 1 |

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| SO4 | Actions taken in response to incidents of corruption. | GRI Index | GRI Index | All incidents of theft are investigated and disciplinary action is taken and reported to the police in all instances. | OK | 2 | 0 |
| SO5 | Public policy positions and participation in public policy development and lobbying. | GRI Index | GRI Index | Phumelela does not participate in public policy development or lobbying. | OK | 2 | 0 |
| SO6 | Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country. | 46 | Corporate Governance - Donations to Political Parties | The Phumelela policy states that all donations must be pre-approved by shareholders. No donations were made to political parties in the financial year. | OK | 2 | 0 |
| SO7 | Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes. | GRI Index | GRI Index | Phumelela and Gold Circle received notice from the competition commission of a complaint lodged by a third party alleging, inter alia, price-fixing and market allocation between them, this investigation is ongoing and legal counsel is assisting in responding. | OK | 2 | 0 |
| SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. | GRI Index | GRI Index | Phumelela was fined R180 000 by the North West Gambling Board for non-compliance with certain gambling regulations. | OK | 2 | 0 |
| Social: Product Responsibility | | | | | | | |
| Performance Indicator | Description | | | | | | |
| PR1 | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. | 21, 30 - 33 | Environment - Polytrack; Society - Product Responsibility; GRI Index | Phumelela is constantly having to innovate its product to remain economically viable. Examples include the installation of Polytrack training tracks as well as diversifying our betting products, such as the introduction of the Soccer 6 bet to meet the need for punters as they move away from horse betting. | OK | 2 | 0 |
| PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes. | GRI Index | GRI Index | Phumelela has not been subject to any complaints or concerns relating to non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle. | OK | 2 | 0 |
| PR3 | Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements. | GRI Index | GRI Index | The rules relating to all totalisator bet types are displayed in all betting outlets and published on the Phumelela website. | OK | 2 | 0 |
| PR4 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes. | GRI Index | GRI Index | Phumelela has not been subject to any complaints or concerns relating to incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling. | OK | 2 | 0 |
| PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. | GRI Index | GRI Index | Customer satisfaction surveys are conducted and the results are used for internal review and product development. Results are not reported. | OI | 0 | 1 |
| PR6 | Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship. | GRI Index | GRI Index | Not reported. | NC | 0 | 0 |
| PR7 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes. | GRI Index | GRI Index | Phumelela has not been subject to any complaints or concerns relating to non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship. | OK | 2 | 0 |
| PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. | GRI Index | GRI Index | Phumelela has not been subject to any complaints or concerns relating to substantiated complaints regarding breaches of customer privacy and losses of customer data. | OK | 2 | 0 |
| PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. | GRI Index | GRI Index | Phumelela has not been subject to any complaints, concerns or fines relating to non-compliance with laws and regulations concerning the provision and use of products and services. | OK | 2 | 0 |

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| Contact Details | Mr R Gopaul at RushenG@phumelela.com. |
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