

# SkyCity Modern Slavery Statement

This Statement is prepared on behalf of SkyCity Entertainment Group Limited together with the entities it owns or controls (together, **SkyCity**) and outlines the actions taken by SkyCity to identify, assess and mitigate modern slavery and human trafficking risks in SkyCity's operations and supply chains over the financial year ended 30 June 2023 (**FY23**).

This Statement has been prepared in response to the reporting requirements of the Modern Slavery Act 2018.

## Our Commitment

SkyCity respects human rights and recognises the ongoing challenges modern slavery and human trafficking poses, and is committed to implementing systems, policies, and practices to manage exposures to modern slavery.

## About Us

### Our operations

SkyCity Entertainment Group Limited is a tourism, leisure and entertainment company that is dual listed on the New Zealand and Australian stock exchanges.

SkyCity operates integrated entertainment complexes in three locations across New Zealand (Auckland, Hamilton and Queenstown) and one in Australia (Adelaide).

SkyCity plays an important role in the communities it operates within, providing economic and social benefits to communities through the SkyCity Community Trusts' activities in New Zealand and as a major employer of around 4,500 people in New Zealand and Australia.

### Our structure

As the parent company of the SkyCity Entertainment Group of companies, SkyCity Entertainment Group Limited wholly owns and controls 34 subsidiary entities which undertake the various operational and management activities of SkyCity - the majority of which are incorporated in Australia and New Zealand and operate in connection with SkyCity's New Zealand and Australian operations.

Two SkyCity subsidiaries incorporated in Malta and one subsidiary incorporated in the United Kingdom facilitate the operation of SkyCity's online gaming business, the SkyCity Online Casino. SkyCity also has two non-trading subsidiaries incorporated in Hong Kong.

## **Our supply chain**

SkyCity partners with more than 570 suppliers to deliver its services to customers. During FY23, SkyCity spent approximately NZ\$56 million with direct suppliers, ranging from large multinational companies to small businesses and vary in structure from short term to longstanding stable relationships.

SkyCity's five largest procurement categories (as a % of total spend) as at 30 June 2023 were food, beverage and retail (35%), utilities, rates and rent (13%), professional fees and insurance (14%), marketing (13%) and technology related hardware, software and services (10%).

SkyCity aims to procure most of its goods and services locally or from suppliers that are based in the same country as the SkyCity subsidiary undertaking the purchase. SkyCity does procure goods and services directly from overseas based suppliers from time to time. For example, SkyCity purchases playing card and gaming chip products from a company with operations in Singapore and Japan.

SkyCity is aware that its direct suppliers source their products and services from a variety of different vendors across a range of locations. SkyCity has partnered with a third party to develop a more comprehensive supply chain map to better demonstrate the geographic location and nature of products and services sourced and an understanding of the risks of modern slavery associated with these locations.

## **Managing Modern Slavery and Human Rights Risks in our Business**

### **Risk management**

SkyCity manages risk through an Enterprise Risk Management Framework (**ERMF**) which enables it to gain an overview of the material risks SkyCity is exposed to and outlines the approach to identify, assess, manage and report on its material risks. Together with an employee Code of Conduct, the ERMF allows our people to adopt and apply good risk cultures, behaviours and practices.

SkyCity uses a 5x5 risk assessment matrix to evaluate the likelihood and impact of risks occurring across the organisation, including ESG risk. The impact scales are assessed based on financial impact as well as impact to health and safety, customer, operations, reputation and regulatory impacts.

Due to the nature and complexity of SkyCity's business, we consider the types of modern slavery risks to be most likely to arise in our business operations and supply chain to be related to our role as an employer, our role providing entertainment and services, and our role as a procurer of goods and services.

## **Our policies and business processes**

SkyCity has a comprehensive suite of employee responsibility policies and processes in place across its organisation which are relevant to its attempts to ensure that there is no modern slavery in any part of its workforce. These include policies and processes relating to:

- Appropriate Workplace Behaviour
- Code of Conduct
- Conflict of Interest
- Disciplinary and Dismissal
- Diversity and Inclusion
- Employee Assistance Programme
- Equal Employment Opportunity
- Health and Safety Policy
- Recruitment and Selection Criteria

SkyCity respects the right of freedom of association and supports employee engagement, representation and dialogue through a number of communication channels, including anonymous employee pulse surveys, regular meetings with employee representatives (unions) and employee forums such as the SkyCity Inclusion Council and SkyCity Employee Resource Groups who represent diverse and under-represented communities.

SkyCity also supports the ability of an employee to individually raise potential concerns or grievances, as further detailed in the 'remediation processes' summary below.

SkyCity applies its employment practices in line with the applicable legislation, including in respect of the statutory minimum wage, health and safety at work, the protection of human rights and the elimination of discrimination in the workplace.

## **Management of Modern Slavery Risks in SkyCity's Operations and Supply Chains**

SkyCity manages the risks of modern slavery in its operations and supply chains by assessing and addressing the risks through due diligence and remediation processes.

### **Due Diligence processes**

SkyCity always aims to obtain a clear picture of a potential suppliers' supply chain to ensure that it will align with SkyCity's high expectations around ethical procurement practices. All new suppliers are asked about their supply practices prior to becoming an approved supplier of SkyCity.

SkyCity has several policies, practices and procedures in place to assist it in conducting supply chain due diligence, which in turn enables SkyCity to take measures to mitigate the risks of modern slavery.

#### *Sustainable Supply Chain Assessment*

SkyCity's key suppliers for its New Zealand and Adelaide properties have undertaken a sustainable supply chain assessment (**Assessment**).

The Assessment involves the supplier filling out an online questionnaire in relation to their supply chain and providing evidence to support their actions and policies across specific criterion in the areas of the environment, labour and human rights, ethics, and sustainable procurement. Once a supplier completes an Assessment, they receive a rating scorecard that shows areas where they are achieving good practice in their supply chain and areas where they may need to improve. These ratings are measured against an industry tailored set of environmental, social and governance criteria.

By having its suppliers complete an Assessment, SkyCity is able to identify critical risks in a supplier's provision of goods and services (including potential modern slavery risks) and can begin a dialogue with such suppliers with a view to improving and managing these risks over time.

At as 30 June 2023, 76 New Zealand and Adelaide based suppliers representing over NZ\$44 million (16%) of SkyCity's total annual procurement spend (excluding major capital construction projects) had completed an Assessment. Of SkyCity's annual food and beverage procurement spend, 56% (NZ\$27 million) is captured under the Assessment process. SkyCity is committed to increasing the number of its suppliers who undertake the Assessment year on year. Existing suppliers are also encouraged to update their Assessments regularly to ensure SkyCity has the most up to date information to monitor progress.

In FY23, SkyCity also implemented a third party monitoring system across its New Zealand suppliers which notifies SkyCity of any supplier who may have significant risk of modern slavery in its supply chain.

#### *Ethical Sourcing Code*

SkyCity has in place an Ethical Sourcing Code (**Code**) to enhance the way it mitigates risks such as modern slavery by guiding SkyCity to carefully select and work with suppliers to establish ethical approaches to procurement.

The Code outlines SkyCity's alignment with the ten principles of the United Nations Global Compact and asks that its suppliers provide acknowledgement of SkyCity's commitment to those principles.

The Code encourages SkyCity's suppliers to improve the ethical practices in their supply chains by setting out SkyCity's expectations as to the way a supplier

addresses human rights in its operations, which includes the supplier's approach towards the risks of modern slavery. SkyCity requests its suppliers develop and implement policies and procedures to ensure respect of all human rights in their businesses and those of their suppliers.

SkyCity takes the following practical measures to seek its suppliers' commitment to the principles of the Code:

- asking its suppliers to warrant compliance with SkyCity's corporate responsibility policies notified to the supplier from time to time (which includes the Code) when awarding tenders, as well as taking specific measures to mitigate the risks of modern slavery in its supply chain, during both its vendor onboarding process and in its standard terms and conditions for the supply of products and services;
- periodically reminding suppliers about the Code when completing supplier reviews and sending out supplier communications to all active suppliers; and
- making a copy of the Code available on its corporate website.

#### *Ethical and Responsible Sourcing Strategy*

SkyCity has established an Ethical and Responsible Sourcing Strategy (**Strategy**), which is a further measure SkyCity has in place to mitigate the risks of modern slavery in its supply chains.

The Strategy seeks to minimise the negative impacts linked to SkyCity's operational footprint and make a positive contribution to the businesses, people and communities that make up SkyCity's supply chain by encouraging ethical sourcing practices and understanding of global best practice.

The Strategy promotes SkyCity's undertaking of further supplier risk assessments and audits to enable SkyCity to achieve greater engagement with its suppliers on their compliance with the Code and, consequently, with the mitigation of modern slavery risks. SkyCity intends to develop the Strategy to introduce processes for the internal reporting of a supplier's non-compliance with the Code and internal auditing of SkyCity's supplier risk assessments.

#### *Local Suppliers*

Throughout the reporting period, SkyCity utilised technology to categorise products that it purchases in more detail, including location of the supplier. This categorisation enables SkyCity to modify its procurement practices where required to support the intention outlined in SkyCity's internal procurement policy - to source and procure locally made and supplied products from Australasian owned and operated businesses as a preference wherever possible.

This policy drives greater rigour in the onboarding of new suppliers and has an emphasis on supplier consolidation and ethical sourcing. SkyCity believes that an emphasis on buying local assists in its mitigation of modern slavery risks in that it leads to a more transparent and traceable supply chain when compared to those of a large multinational corporation based overseas.

### *Staff Training*

SkyCity has communicated this Statement to all relevant employees to ensure a high level of understanding of the risks of modern slavery in its operations and supply chains. Further, SkyCity has regular conversations on modern slavery risks with relevant employees in its procurement, hotels, ICT, property maintenance, capital construction, and human resource teams as a further way of mitigating the risk of modern slavery occurring within SkyCity's operations and supply chains.

### *Summary*

Despite these policies, procedures and practices, the scope and geographic spread of SkyCity's supply chain and the wide variety of suppliers that SkyCity engages can create challenges for ensuring that suppliers are doing more than just acknowledging their commitments to SkyCity's principles.

SkyCity's suppliers are very diverse, ranging from small localised family businesses to global multinationals. In some cases, SkyCity's suppliers are very small operators that have few resources to provide detailed information about their supply practices. In other cases, SkyCity has had long-standing arrangements with suppliers, but has not engaged them before on risks in their supply chain such as modern slavery.

SkyCity is committed to continually improving the effectiveness of these policies, procedures and practices.

### **Remediation processes**

SkyCity would seek to use its commercial leverage with suppliers to mitigate and remediate any instances of modern slavery risks that it discovers in its supply chain. SkyCity would initially look to take a collaborative approach with any such supplier. However, SkyCity would consider suspending and/or terminating any supplier of goods/services if it appears that the risks of modern slavery cannot be resolved.

## **Grievance Mechanisms**

SkyCity's Australian Whistleblowing Policy provides a grievance mechanism which can be used by SkyCity's external suppliers to anonymously disclose to SkyCity certain categories of misconduct, which includes modern slavery risks in

SkyCity's supply chain. A qualifying supplier will be protected from retaliatory conduct from SkyCity and may qualify for protections at law.

SkyCity will conduct an unbiased and impartial investigation of any reported misconduct and take appropriate remedial/preventative action.

SkyCity's New Zealand Whistleblowing Policy does not extend protection to external suppliers due to legislative restrictions.

Both SkyCity's Australian and New Zealand Whistleblowing Policies give SkyCity's employees a means to anonymously report on modern slavery practices that they may discover in SkyCity's supply chain (while also receiving internal protections and potentially protections at law).

SkyCity also has a standalone anonymous reporting hotline called safe2tell which can be used by employees to confidentially report modern slavery risks in SkyCity's operations and/or supply chains.

## **Measuring the Effectiveness of our Actions**

SkyCity does not have key performance indicators specific to modern slavery at this time given its modern slavery risk is generally low.

SkyCity will assess and monitor any instances of non-compliance with this Statement in line with its incident management standards.

In relation to SkyCity's operations, SkyCity actively monitors and reviews:

- employee risk culture survey scores;
- employee engagement scores;
- concerns raised through its safe2tell hotline and Whistleblowing Policies;
- tracking against Board approved ESG targets; and
- modern slavery risks across its supply chain via third party platforms and internal reviews.

In relation to SkyCity's supply chain risks, SkyCity will continue to take measures to ensure that it only trades with those who comply with this Statement or who are taking verifiable steps towards compliance with it.

## **Joint Statement**

SkyCity is producing this Statement on behalf of the entire SkyCity Entertainment Group (i.e. all of the subsidiaries that SkyCity owns and controls).

The reporting entities covered by this Statement are SkyCity Entertainment Group Limited, SkyCity Adelaide Pty Limited and SkyCity Australia Pty Limited.

SkyCity has the proper internal processes in place to consult with its subsidiaries to ensure that it can assess the risks of modern slavery from a group-wide perspective and produce a comprehensive report relating to the entirety of SkyCity's operations and supply chains.

This Statement has been produced by executive teams (Legal, Finance, Procurement, Risk and People and Culture teams) who perform a group function and/or have group oversight, with final approval from the Board who represent the entire group.

## **Chair Attestation**

SkyCity recognises the positive impact its own practices can have on decreasing modern slavery risks and is committed to the continued implementation and enforcement of effective systems and controls that seek to ensure that modern slavery is not taking place anywhere in its operations or supply chains.

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This Statement is approved by the SkyCity Entertainment Group Board, as the parent entity of the SkyCity Entertainment Group:



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Julian Cook  
**Board Chair**  
**April 2024**