

MODERN SLAVERY STATEMENT

2022 - 2023



1. INTRODUCTION

This Statement is Sky Network Television Limited's (the **reporting entity** or **Sky**) Modern Slavery Statement (**Statement**) for the period of 1 July 2022 to 30 June 2023.

This Statement has been produced in accordance with Australia's Modern Slavery Act 2018 (the **Act**), further to Sky's listing on the ASX, and outlines the steps Sky has taken to identify and address the risks of modern slavery in its supply chain and business operation.

2. SKY'S STRUCTURE

Sky is a New Zealand company listed on NZX (**NZX: SKT**) and ASX (**ASX: SKT**).

This Statement applies to Sky and all its subsidiary entities as disclosed on page 66 of the company's annual report for the 2023 financial year. Sky's Annual Report for FY23 can be downloaded here: <https://www.sky.co.nz/documents/117005/348248/Sky+Annual+Report+2023.pdf/a893e050-277a-5d96-fa3c-baa6553ce309?t=1692830150951>

Sky and its related entities provide subscription and free-to-air media and related services in New Zealand. An overview of trading companies in Sky's group structure is appended to this Statement at Annexure 1.

3. SKY'S OPERATIONS

Sky is a multi-product media business, providing a wide range of sport and entertainment content to its significant customer base of over one million customer relationships. Sky delivers this content through a full suite of products, including satellite subscription and IP streaming services and free-to-air as well as through commercial customers including hospitality and accommodation providers. Sky also offers broadband internet services and advertising services.

As at 30 June 2023, Sky and its entities employed approximately 670 people in New Zealand, principally in Auckland.

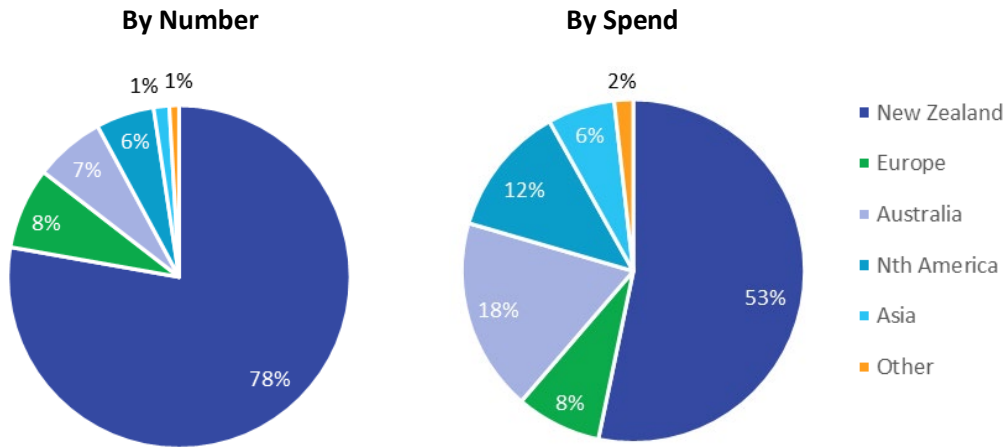
4. SKY'S SUPPLY CHAIN

Sky's key supplier arrangements (where expenditure exceeds NZ\$50,000 p.a.) largely involve longer-term relationships encompassing the key areas of technology and related support services (including software and hardware), content licensing and production (sport and entertainment) and marketing services. Other specific services that may not be classified as key supplier arrangements are also considered in Sky's modern slavery risk assessment, including property, security, cleaning, catering, contact centre resourcing and mail services.

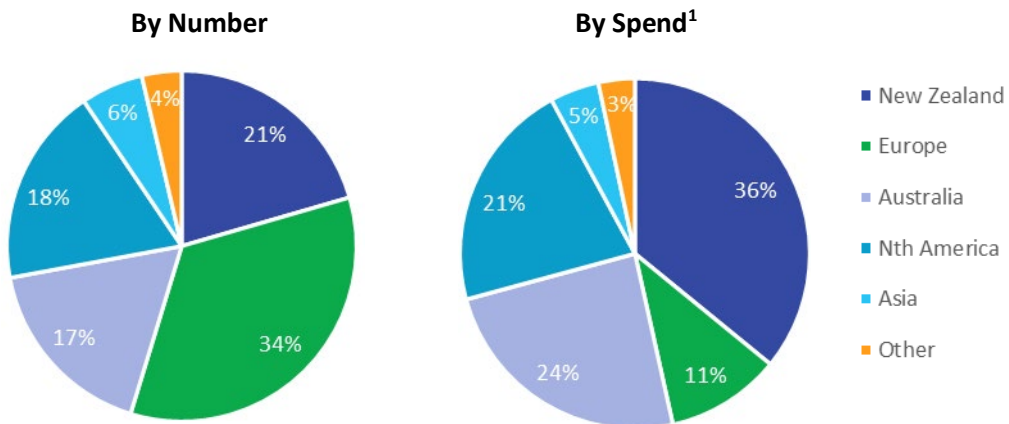
The majority of Sky's key supplier spend is in New Zealand and Australia. This includes items such as outsourced content creation and production, broadcasting, telecommunications, field installation and professional services including marketing, legal and financial.

Sky typically sources technology goods and services internationally with select suppliers of Sky's technology hardware, such as the Sky Box and Sky Pod equipment used by customers, for example, being manufactured in factories within Asia.

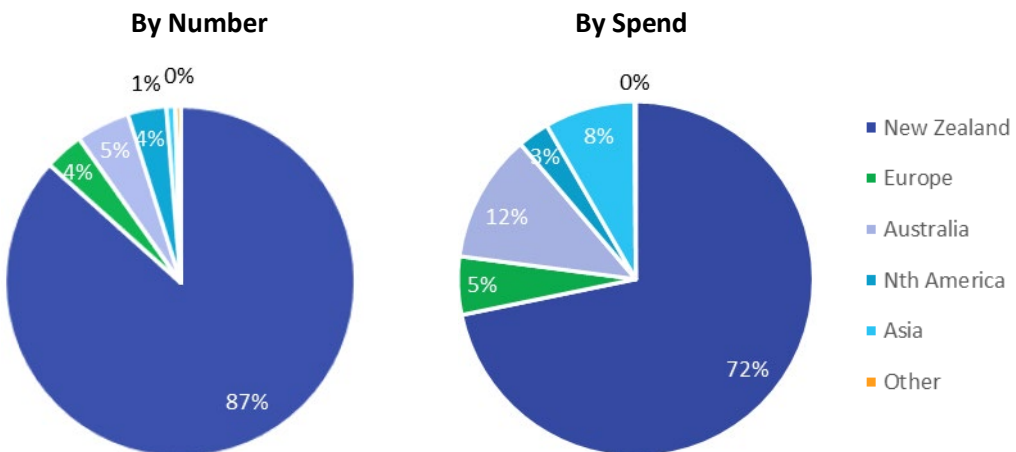
Suppliers by Location (%)



Content Suppliers by Location (%)



Non-content Suppliers by Location (%)



¹ Content supplier location may not reflect the currency used for payment

5. RISKS OF MODERN SLAVERY PRACTICES IN SKY'S OPERATIONS AND SUPPLY CHAINS

This is Sky's fourth Modern Slavery Statement. In the last twelve months, Sky has made some progress towards identifying and managing modern slavery risk in its business operations and supply chain.

Modern slavery risks in operations

Sky's assessment of the risk of modern slavery practices impacting employees and independent contractors engaged in its core operations (content production, broadcast and streaming services), which are primarily based in New Zealand and Australian, remains low.

That said, Sky is aware of potentially higher level of risk due to changes in immigration settings. Cleaning and security services have been identified as higher risk sectors due to the potential for labour exploitation. This is largely due to the nature of these industries which may utilise a relatively higher proportion of lower skilled, migrant labour with higher staff turnover.

Sky continues to scan for any evidence of such risks in its local supplier and contractor arrangements and is providing appropriate contractual provisions to lower and mitigate risk.

During the 2023 financial year Sky implemented changes to its organisational structure to provide access to additional capability and capacity. This included outsourcing certain aspects of its operations in technology services, broadcast operations and customer care through partnerships with international service providers. Whilst these outsourced partners are based in higher risk locations, the use of widely recognised specialist providers in combination with due diligence, contractual safeguards and site visits provides a level of protection from heightened modern slavery risk.

This year Sky has further invested in Supplier Governance by employing a Procurement Compliance and Governance Manager. This role will assist in an enterprise-wide uplift in supplier governance training, documentation and the management of key 3rd party supplier relationships with a focus on the mitigation of Modern Slavery risks.

Modern slavery risks in supply chains

As a purchaser of goods and services, Sky may inadvertently be at risk of exposure to modern slavery practices in its supply chains where it is purchasing goods and services through third party agents and intermediaries. This risk is increased in at-risk jurisdictions where Sky has little oversight of the ultimate supplier or manufacturer's management of the risk of modern slavery.

It is generally recognised that suppliers in the electronics manufacturing sector are potentially at a higher risk of using forced labour practices due to the sector's reliance on lower paid and migrant workers. Sky recognises that modern slavery risks are likely to be highest for offshore electronics suppliers in at-risk jurisdictions known for having a higher risk of modern slavery practices, particularly in Asia. As shown in the diagram above, Sky has identified that less than 1% of its suppliers (by number) are based in Asia, which includes suppliers of Sky's consumer electronics devices including digital decoding equipment (Sky Boxes and Sky Pods), remote control devices and broadband routers.

Specifically, exposure to modern slavery risks in Sky's direct supply chains include technology companies providing Sky with hardware, software, broadcast operations and data centre services.

Sky purchases technology, software and other services from global suppliers, including directly from offshore organisations and through New Zealand and Australian-based agents that resell international technology providers' solutions (software, hardware and related services).

Use of recognised, global suppliers provide some protection from the risk of exposure to modern slavery practices in higher risk sectors and jurisdictions. For example, one of Sky's key technology hardware suppliers is headquartered in South Korea but has a global footprint with extensive international operations and subsidiary networks. Similarly, the majority of Sky's outsourced computing and cloud-based services are provided via data centres located around the world, including in jurisdictions known to be at higher risk of modern slavery practices, such as India and China but operated by established international corporations.

As several of Sky's technology suppliers are required to report under either the Australian Modern

Slavery Act and/or the United Kingdom Modern Slavery Act, Sky has an expectation that those suppliers are compliant with the relevant modern slavery legislation. Nevertheless, Sky considers that technology is likely to be its most at-risk supplier category, and one where Sky, at present, has less direct oversight of the presence of modern slavery practices, given the extent of intermediary/agent relationships.

6. ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS AND PRIORITISE AREAS FOR FURTHER ACTION

Risk assessment

In the 2022 – 2023 reporting period, Sky continued to undertake risk assessments to understand potential sources of modern slavery risk in its operations and supply chains. This included specific assessments for significant new suppliers and a broad assessment of key suppliers where expenditure was over \$50,000 per annum. This broader review allowed Sky to continue to prioritise and appropriately manage specific supplier engagement activities according to their relative risk rating.

Where considered appropriate, Sky has requested additional information from current direct suppliers who were identified in the previous year's assessments about their activities to further understand their operations and the potential for any Modern Slavery risk.

Governance and Policies

Sky's People and Performance Committee, which is a committee of the Sky Board, has overall responsibility for assessing the effectiveness of Sky's actions to address modern slavery risks.

Sky has existing policies and protocols in place to assist Sky in managing modern slavery risk, including a Code of Ethics, a People & Performance Committee Charter, and a Protected Disclosures Policy. In addition, Sky operates alongside the principles of the living wage accreditation program and is considering accreditation. Sky has also recently implemented a new Human Resources Management System that includes access to ASX compliant Modern Slavery awareness training modules that will be available to all staff from 2024.

Sky has a Supplier Code of Conduct in place, which includes expectations regarding modern slavery risk management from suppliers.

Governance policies are reviewed regularly to ensure they remain in line with governance best practice, including addressing modern slavery risks where appropriate.

Supplier outreach

Sky is committed to continued engagement with its key suppliers with a particular focus on those areas with identified modern slavery risks. Sky has developed a plan of action to prioritise suppliers and identify the most effective method of engagement, building upon a framework of underpinning policies and procedures that include:

- A Supplier Code of Conduct that reaffirms Sky's commitment to ethical, responsible and sustainable business conduct, particularly Sky's expectations regarding modern slavery, and that all employees, agents and sub-contractors comply with all employment, workplace and health and safety requirements;
- A Procurement Policy which sets out Sky's expectations of suppliers to identify, assess and address modern slavery risks appropriately;
- Continued assessment of Sky's contracting arrangements and incorporating, where appropriate, contractual clauses in new and renegotiated supplier contracts placing obligations on suppliers to manage and notify Sky regarding modern slavery risks; and
- Engaging closely with our main suppliers utilizing the new Supplier Governance process, to ascertain their ability to identify, assess and address modern slavery risks in their own operations and supply chains.

7. ASSESSING EFFECTIVENESS

Sky is committed to ensuring the effectiveness of its actions to address modern slavery risks by regularly reviewing its processes to consider whether it is appropriately identifying and evaluating these risks, including accessing external advice where appropriate. This assessment is provided to the Board annually.

8. PROCESS OF CONSULTATION WITH ENTITIES SKY OWNS AND CONTROLS

Sky has completed a review and consultation across the Sky Group to provide appropriate input to its assessment of its risk of exposure to modern slavery practices.

9. APPROVAL

The principal governing body for the reporting entity, namely the Board of Directors of Sky Network Television Limited, approved this statement on behalf of the reporting entity on 7 December 2023.

A handwritten signature in blue ink, appearing to read 'Philip Bowman', with a horizontal line underneath it.

Signed by **Philip Bowman**, Chairman of Sky Network Television Limited

Annexure 1 - Sky Group Structure

