

MODERN SLAVERY STATEMENT 2023 - 2024



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 2023 to 30 June 2024.

This Statement has been produced in accordance with Australia's Modern Slavery Act 2018 (the Act) 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 its subsidiary entities as disclosed on page 66 of the company's Annual Report for the 2024 financial year, a copy of which can be downloaded here:

<https://www.sky.co.nz/investor-centre/results-and-reports>

Sky provides 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 comprehensive range of sport and entertainment content to its significant customer base. Sky delivers this content through a full suite of products, including the Sky Box and Sky Pod, streaming services (Sky Sport Now and Neon), free-to-air on Sky Open as well as through commercial customers including hospitality and accommodation providers. Sky also offers broadband and advertising services.

As of 30 June 2024, Sky and its entities employed approximately 680 people in New Zealand, principally in Auckland. Sky has committed to paying all employees the living wage or more. At 30 June 2024 all permanent Sky employees were paid the living wage or more and this was also the case at 30 June 2023.

4. SKY'S SUPPLY CHAIN

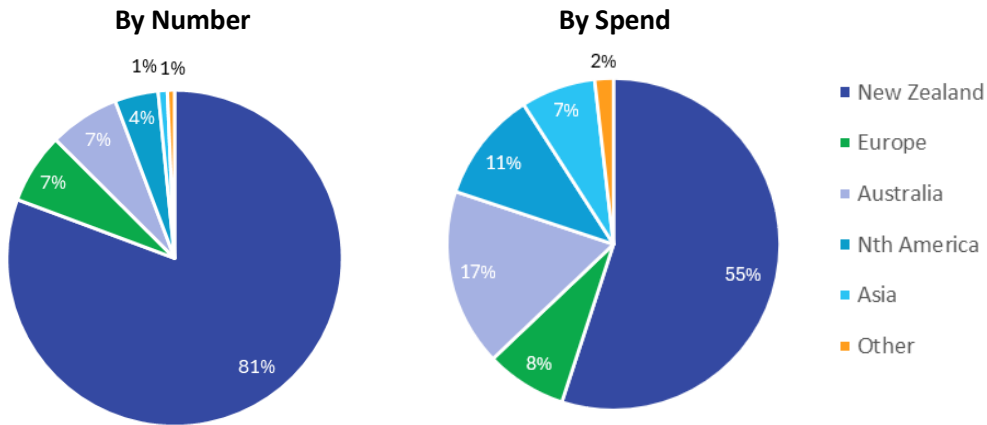
Sky's key supplier arrangements (where expenditure exceeds NZ\$50,000 p.a.) largely involve longer-term relationships encompassing the key areas of content licensing and production (sport and entertainment), technology and related support services (including software and hardware), and marketing services.

The majority of Sky's key suppliers by both number and spend are based in New Zealand and Australia (88% and 72% respectively). These include suppliers of items such as content rights, outsourced content creation and production, broadcasting, telecommunications, field installation services and professional services including marketing, legal and financial.

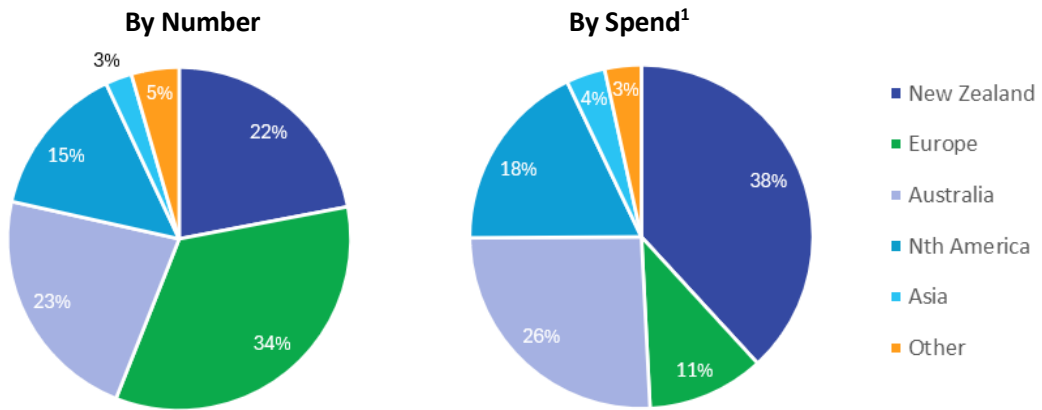
Sky typically sources technology goods and services internationally, with select suppliers of technology hardware such as the Sky Box and Sky Pod equipment used by customers, for example, being manufactured in factories within Asia.

During the 2023 financial year Sky implemented changes to its organisational structure to provide access to additional capability and capacity through additional outsourced supply arrangements. This included outsourcing certain aspects of our operations through partnerships with local and international service providers, with these partnerships now well established. We partnered with specialist international providers and this, in combination with due diligence, contractual safeguards and site visits, has provided a level of protection from modern slavery risks.

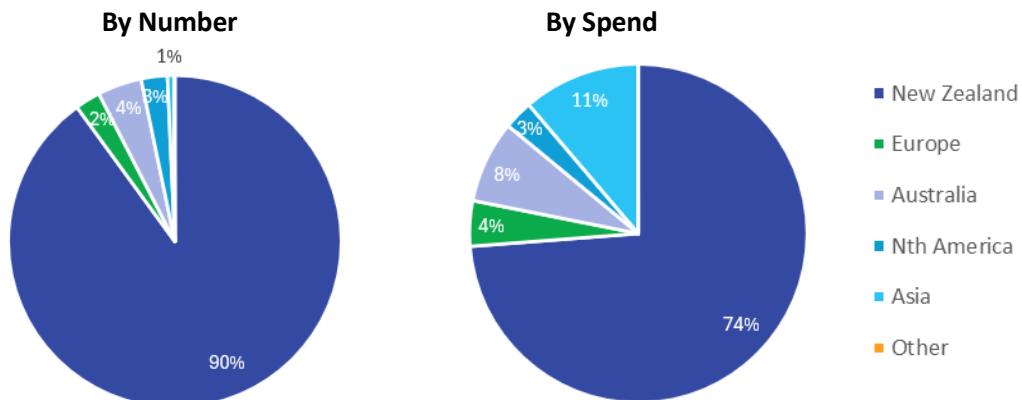
Suppliers by Location (%)



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 fifth Modern Slavery Statement. In the last twelve months we have continued to progress our efforts to identify and manage modern slavery risk within our business operations and supply chain. This has been supported by the appointment in late FY23 of a Procurement Compliance and Governance Manager.

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 remains low, as these operations (including content production, broadcast and streaming services), are primarily based in New Zealand.

That said, we are aware of potentially higher level of risk within its contractor relationships due to changes in New Zealand's immigration settings in recent years. 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. To mitigate these concerns, we have agreements in place to pay the living wage for the provision of these services.

Sky continues to scan for any evidence of such risks in local contractor arrangements and includes appropriate contractual provisions, supplier engagement and in some cases, specific data requests on modern slavery practices to lower and mitigate risk.

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 our supply chains where we are 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, we have identified that less than 1% of 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 hardware and broadcast operations.

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 provides 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. The majority of our outsourced computing and cloud-based services are provided via data centres located in New Zealand.

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, we have an expectation that those suppliers are compliant with the relevant modern slavery legislation. Nevertheless, we consider that technology is likely to be our 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

This year our efforts to strengthen supplier governance have been supported by the appointment of the Procurement Compliance and Governance Manager.

This appointment has enabled an enterprise-wide uplift in supplier governance training, documentation and the management of key 3rd party supplier relationships with a focus on mitigation of modern slavery risks.

Other specific services that may not be classified as key supplier arrangements are also considered in our modern slavery risk assessment, including property, security, cleaning, catering, contact centre resourcing and mail services. Whilst the specific services that may pose a higher risk are not classified as key supplier arrangements based on spend, they are included in Sky's risk assessment on the basis that these areas may present an increased risk due to location and/or nature of services provided.

Risk assessment

In the 2023 – 2024 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 us to continue to prioritise and appropriately manage specific supplier engagement activities according to their relative risk rating.

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

Governance, policies and practices

Sky has a number of over-arching policies and protocols in place to assist in managing modern slavery risk, including a Code of Ethics, Anti Bribery and Corruption Policy, and a Protected Disclosures Policy. In addition, Sky operates alongside the principles of the living wage accreditation program although we have not sought formal accreditation.

During FY24 Sky has evolved and expanded specific Policy and operational documents to inform and guide procurement and supplier focused practices within the business. These include:

Procurement Policy: which sets out Sky's expectations of employees engaged in entering into agreements with suppliers for the provision of goods and services on behalf of Sky. The Policy includes specific information on supplier risk assessment criteria and supplier management, with both aspects relevant to identifying and reducing modern slavery risks;

Supplier Management Framework: which sets out the process, roles and responsibilities surrounding the management of new and existing supplier relationships to ensure appropriate oversight of our supply chain risks and outcomes;

Supplier Code of Conduct: which includes Sky's expectations and contractual requirements of suppliers regarding human rights, labour standards, health and safety practices and specific modern slavery issues. These include the expectation that suppliers will identify, monitor and address modern slavery risks in their operations and supply chains, including human trafficking, slavery, servitude, forced labour, deceptive recruiting of labour and services, child labour and slavery-like practices.

In FY24 Sky introduced an annual programme of mandatory 'Better Buying' training throughout the business, for all employees. This includes specific instruction on how to identify and safeguard against modern slavery risks.

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 key suppliers with a particular focus on those areas with identified modern slavery risks. We have developed a plan of action to prioritise suppliers and identify the most effective method of engagement, building upon our framework of underpinning policies and procedures. This includes:

- Engaging closely with our main suppliers utilising the new Supplier Governance process, to ascertain their ability to identify, assess and address modern slavery risks in their own operations and supply chains.
 - In FY24 this included a planned engagement with key suppliers selected on the basis of involvement in higher risk sectors/locations. In total these suppliers accounted for 10% of total spend and 21% of non-content spend. On the basis of this engagement, Sky increased visibility and assurance over the conduct and risk profile of these suppliers and was able to assess there is not likely to be undue risk posed through these supplier relationships.
 - These suppliers will now move to a regular review cycle to follow up on areas where suppliers have indicated intentions to improve and to ensure standards are maintained.
 - In FY25 the programme will be extended to include additional suppliers, thereby providing oversight to a larger portion of Sky's supply chain.
- As stated above, Sky's Supplier Code of Conduct affirms our commitment to ethical, responsible and sustainable business conduct, particularly our expectations regarding modern slavery, and that all employees, agents and sub-contractors comply with all employment, workplace and health and safety requirements, and;
- 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.

7. ASSESSING EFFECTIVENESS

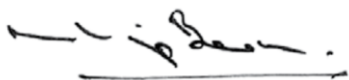
Sky is committed to ensuring the effectiveness of its actions to address modern slavery risks by regularly reviewing our processes to consider whether we are appropriately identifying and evaluating these risks, including accessing external advice where appropriate. This assessment is provided to the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

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 our assessment of the 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 20 December 2024.



Signed by Philip Bowman, Chairman of Sky Network Television Limited



Annexure 1 - Sky Group Structure

