



Sky Network Television Limited

Modern Slavery Statement Under The Modern Slavery Act (2018) (Cth)

1. Introduction

This Statement is Sky Network Television Limited's (**Sky**) first Modern Slavery Statement (**Statement**) and covers the period of 1 July 2019 to 30 June 2020.

This Statement applies to Sky and all its subsidiary entities, Sky DMX Music Limited, Sky Network Services Limited, Believe It or Not Limited, Sky Ventures Limited, Lightbox New Zealand Limited, Sky Investment Holdings Limited, RugbyPass Limited, RugbyPass UK Limited, RugbyPass Asia Pte. Ltd, Sports Analytics Ltd, Screen Enterprises Limited, Media Finance Limited and Non Trading PS Limited (the **Group**).

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 operations.

2. Sky's Structure

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

Sky's Annual Report for FY20 can be downloaded here: <https://www.sky.co.nz/documents/117005/348248/2020+Annual+Report.pdf/9de15f54-48da-001d-568e-3ec17b32c419?t=1602031122917>

Sky and its related entities provide sport and entertainment media and related services in New Zealand, and globally via subsidiaries located in the United Kingdom and Ireland. An overview of Sky's group structure is appended to this Statement.

3. Sky's operations

Sky is a digital multi-media business which provides pay television and free to air television services via satellite, media streaming services and broadband internet services. Sky delivers a range of content to its customers, including movies, television series, music, sports, documentaries and news.

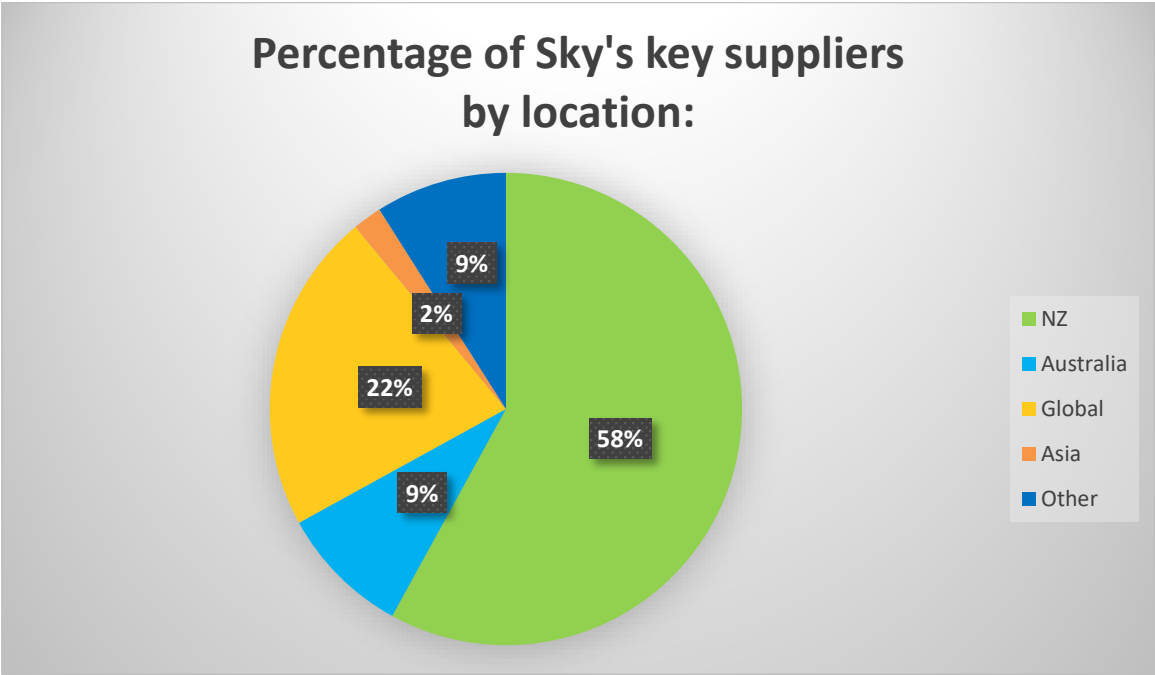
Sky and the entities it owns and controls employ approximately 900 people based in offices across New Zealand, Ireland and the United Kingdom. An overview of Sky's group structure is illustrated in the structure diagram appended to this statement.

4. Sky's supply chain

Sky's supplier arrangements largely involve longer-term relationships, with key supplier relationships encompassing technology procurement and related support services (including software and hardware), content licensing and production (sport and entertainment), and marketing services. While not material from a financial spend

perspective, other services have also been considered in Sky's modern slavery risk assessment, including property, security, cleaning, catering and mail services.

A large portion of Sky's direct key supplier spend is in New Zealand and Australia. Much of Sky's outsourced content creation, broadcasting, telecommunications, field installation services and marketing services are provided by New Zealand and/or Australia based entities. Sky typically sources technology goods and services internationally. Selected suppliers of Sky's technology have operations in countries in Asia. Sky's satellite set-top boxes, for example, are manufactured in factories around Asia.



5. Risks of modern slavery practices in Sky's operations and supply chains

Sky takes a risk-based approach to identifying and managing modern slavery risk in its supply chain, business operations and client relationships. For this first Modern Slavery Statement, Sky undertook a desk-top analysis of modern slavery risks in its operations and supply chains, which involved focussing on key at-risk industries such as the electronics sector, including purchase of telecommunications equipment.

Sky's potential exposure to modern slavery practices (through causing, contributing to, or being directly linked to modern slavery) in its operations and subsidiaries is most likely to be present where suppliers or contractors are operating in at-risk jurisdictions known for having a higher risk of modern slavery practices.

Modern slavery risks in operations

Sky's initial assessment is that there is a low risk of modern slavery practices amongst Sky's employees and independent contractors engaged in Sky's core operations (content production, broadcast and streaming services). These operations are largely New Zealand based.

Potentially higher risk areas include procurement of cleaning, security services, and broadband infrastructure delivery.

Cleaning and security services have been identified as potentially higher risk for labour exploitation. This is largely due to the nature of these industries which may utilise a relatively higher proportion of migrant labour, with higher staff turnover.

As Sky expands into broadband supply to customers throughout New Zealand, Sky is alert to the potential that this may be an area with increased risk of labour exploitation, due to the higher reliance in this sector on low-skilled, migrant labour and prevalence of short-term employment contracts.¹

Modern slavery risks in supply chains

As a purchaser of goods and services in the technology sector, Sky may inadvertently be at risk of exposure to modern slavery practices in its supply chains where it is purchasing goods and services via agents and intermediaries operating in at-risk jurisdictions, where Sky has little oversight of the ultimate manufacturer's management of the risk of modern slavery. For example, heightened risks of modern slavery practices may be present in uniform and clothing supply, given the risks associated with the garment industry globally.

Similarly, it is well-recognised that suppliers in the electronics manufacturing sector are at a higher risk of utilising forced labour practices, because of that sector's reliance on low-paid migrant workers.²

Exposure to modern slavery risks in Sky's direct supply chains include technology companies providing Sky with hardware, software and data centres. Sky purchases technology, software and other services from global suppliers. This includes New Zealand and Australian-based agents that resell international technology providers' solutions (software, hardware and related services). For example, one of Sky's key technology suppliers is headquartered in Korea, with subsidiaries in the United States, Netherlands, Singapore, India, Japan, the United Arab of Emirates, Brazil and Mexico. Similarly, 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.

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 would expect that those suppliers are in compliance 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.

¹ Martin Jenkins, "Independent Review of Chorus' Next Generation Network Connection Contracting Model" (2019), <https://aus01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.martinjenkins.co.nz%2Fassets%2Fuploads%2FClient%2FFinal.Independent.Review.of.Chorus.Contracting.Model-April.2019.pdf&data=04%7C01%7C%7Cd0bf18921ac5492c5d0708d9197b0ce1%7Cbceb2d94263140bc8543a5c27edba5c6%7C1%7C0%7C637568840085863246%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Iik1haWwiLCJXVCi6Mn0%3D%7C1000&sdata=%2FRy8NI2IYYoVGVNX3%2F%2B4q4%2BZkkpkUzkM94XHHF1i0ZU%3D&reserved=0>

² RESPECT, "Know the Chain" (2018) <https://respect.international/wp-content/uploads/2019/03/Eradicating-Forced-Labor-in-Electronics.pdf>

6. Actions taken to assess and address risks and priority areas for further action

Risk assessment

Sky has undertaken an initial risk assessment to identify the most likely sources of modern slavery risk in its operations, subsidiaries and supply chains. This included an assessment of the top 50 key suppliers (by spend) across the Sky Group. The review assessed a number of risk factors, such as industry sector, jurisdiction and the type of entity providing the service to Sky. For the purposes of its next reporting period, Sky intends to prioritise supplier engagement activities according to their relative risk ranking.

Following this assessment, Sky has identified key areas of action to be progressed over the next 12-18 months to strengthen measures to reduce the risk of modern slavery practices across the Group's operations and supply chain. These include requesting additional information from direct suppliers about their activities, considering outreach and minimum requirements for new and existing suppliers, and identifying further relevant detail around the extent of sub-contracting by suppliers of key goods and services.

Governance and Policies

Sky's People and Performance Committee, which reports to 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. Sky maintains a Code of Ethics and a People & Performance Committee Charter. Sky has a Whistleblowing Policy which encourages employees to report any serious wrongdoings, which would include risks of modern slavery practices. Sky is also committed to becoming an accredited living wage employer. Sky reviews its governance policies annually to ensure that they remain in line with governance best practice, which includes addressing modern slavery risks where appropriate.

Supplier outreach

Sky is committed to engagement with its key suppliers and those most exposed to modern slavery risks. Sky is developing a plan of action to prioritise suppliers and the most effective method of engagement, which may include:

- introducing a Supplier Code of Conduct and/or enhancing Sky's supplier onboarding processes to outline behaviours expected from our suppliers, including supply chain transparency;
- ensuring Sky's Procurement Policy and processes for engaging new suppliers, supplier due diligence, establishing supply arrangements, and executing supply contracts address modern slavery risk management appropriately; and
- assessing Sky contracting arrangements and, where appropriate, considering strengthening Sky's supplier contract terms to address modern slavery risks.

Training

Sky recognises that educating our employees is essential to ensuring that potential human rights and modern slavery risks are identified and appropriately managed. Sky is committed

to creating awareness of modern slavery risks by providing tailored training where appropriate.

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. This assessment will be conducted by the business and provided to the Board annually.

8. Process of consultation with entities Sky owns and controls

Sky has completed 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 Board of Sky Network Television Limited approved this statement on behalf of the Company and the wider Sky Group on 1 June 2021.

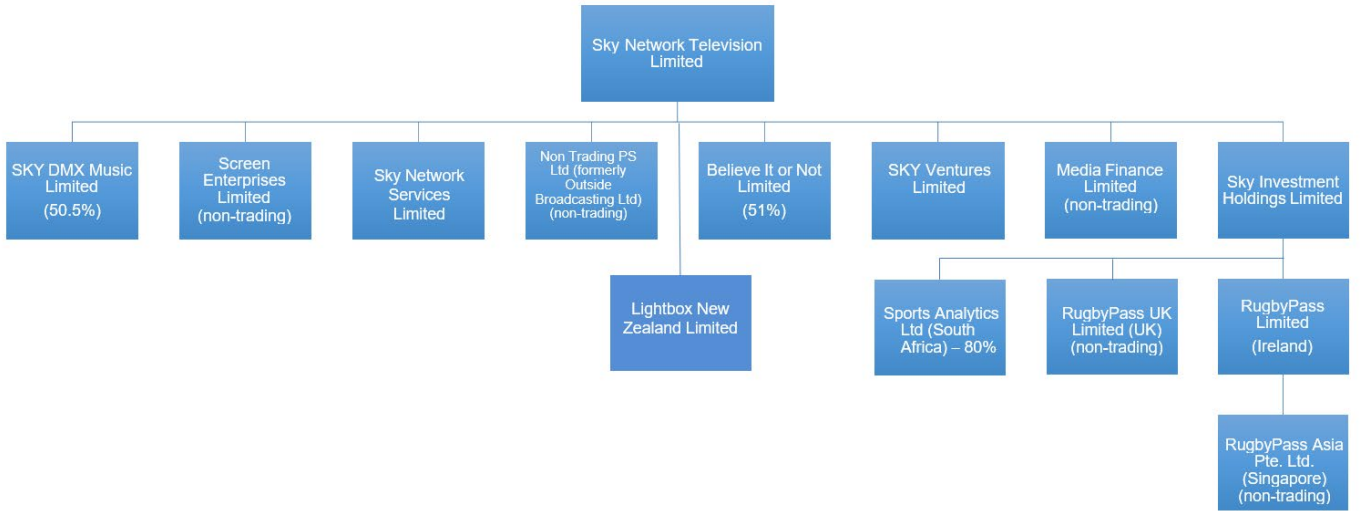


Geraldine McBride

Director



Appendix - Sky Group Structure



June 2021