

## **Modern Slavery Act Statement – SkyCity Entertainment Group Limited**

**Reporting Period - 1 July 2021 to 30 June 2022**

### **Introduction**

The Modern Slavery Act 2018 (**Act**) came into force in Australia on 1 January 2019 and requires reporting entities to disclose the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.

The Act applies to SkyCity Entertainment Group Limited (**SkyCity**), being an entity based, or operating, in Australia having an annual consolidated revenue of more than A\$100 million.

### **SkyCity's Position**

SkyCity is fully supportive of the Act and its intention to eliminate modern slavery in all its forms, including trafficking in persons, slavery, servitude, forced marriage and forced labour.

SkyCity has zero tolerance towards modern slavery. SkyCity is committed to implementing and enforcing effective policies, systems and controls to seek to ensure that modern slavery is not taking place anywhere in its operations or supply chains.

### **SkyCity's Structure, Operations and Supply Chains**

#### **Structure**

SkyCity is a tourism, leisure and entertainment company which operates in New Zealand and Australia. SkyCity is incorporated in New Zealand and is listed on both the New Zealand and Australian stock exchanges.

SkyCity wholly owns and controls 33 subsidiary entities which undertake the various operational and management activities of SkyCity. The majority of these entities are incorporated in Australia and New Zealand, however there are two subsidiaries incorporated in Hong Kong, two in Malta and one in the United Kingdom.

All references to 'SkyCity' in this statement include reference to SkyCity's entire group of subsidiaries, unless otherwise specified.

#### **Operations**

SkyCity's primary operation is its integrated entertainment complexes in three locations across New Zealand (Auckland, Hamilton and Queenstown) and one in Australia (Adelaide).

SkyCity, largely via its Australian and New Zealand subsidiaries:

- employs approximately 4,000 staff on-site across its New Zealand and Australian operations;
- owns and operates:
  - five casino gaming facilities;
  - three hotels;
  - over thirty restaurants and bars;
  - conference/convention facilities; and
  - a variety of tourism and entertainment attractions,all of which enable SkyCity to provide its tourism, leisure and entertainment services to domestic and international customers;
- undertakes promotional and marketing activities in relation to the provision of its services;
- undertakes a variety of capital development projects (for example, contracting the construction of the New Zealand International Convention Centre and Horizon Hotel);
- leases out parts of its premises to a variety of commercial tenants;
- purchases and disposes of land and property from time to time; and
- contributes a portion of its revenue to four community trusts and sponsors a variety of organisations.

SkyCity's subsidiaries based outside of Australia and New Zealand facilitate the operation of SkyCity's online gaming platform (the Maltese and United Kingdom companies) and aspects of SkyCity's International Business unit (two Hong Kong companies).

### **Supply Chains**

SkyCity undertakes diverse procurement activity in order to advance its operations. The main types of goods and services that SkyCity procures directly include (in order of percentage of total spend):

- food, beverage and retail (30%);
- utilities, rates and rent (14%);
- professional fees and insurance (14%);
- marketing (12%);
- ICT related hardware, software and services (12%);
- repairs and maintenance (7%);
- other expenses such as credit card expenses, sales costs and cash related costs (5%);
- operating consumables such as kitchen consumables, cleaning supplies and some gaming supplies (3%); and
- travel and entertainment (1%).

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 (i.e., the goods and services acquired by SkyCity's Australian subsidiaries for SkyCity's Australian operations are usually procured from Australian based suppliers).

SkyCity's subsidiaries do however procure goods and services directly from overseas based suppliers from time to time. For example, SkyCity's New Zealand subsidiaries purchase gaming related products from Australian based suppliers and SkyCity's Australian and New Zealand subsidiaries purchase playing card and gaming chip products from a company with operations in Singapore and Japan.

SkyCity's arrangements with its direct suppliers vary in structure from short-term/ad hoc to longstanding and stable relationships.

SkyCity is aware that its direct suppliers source their products and services from a variety of different vendors across a range of locations. SkyCity's understanding is that most of this indirect/extended supply of products and services is sourced from the Australasia and Asia regions, although there are some known exceptions (for example, the gaming chips purchased for the Adelaide Casino Expansion were manufactured in France).

SkyCity aims to progressively 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 SkyCity is engaging with a third party provider to assist it in achieving those aims.

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

SkyCity operates primarily in New Zealand and Australia with limited supply chains and, as such, SkyCity believes that its exposure to the risks of modern slavery is low. However, SkyCity still recognises that there is scope for modern slavery to occur in its operations and supply chains and this statement sets out the steps SkyCity has taken to minimise these risks.

SkyCity's risk assessment will be kept under review and, if circumstances change, it will institute additional actions accordingly.

### **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.

## Management of Risks in SkyCity's Supply Chain

### 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 significant measures to mitigate the risks of modern slavery.

### *Sustainable Supply Chain Assessment*

SkyCity's existing significant and ongoing suppliers in New Zealand and Adelaide all undertook (or had previously undertaken) a Sustainable Supply Chain Assessment (**Assessment**) during the reporting period.

An 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 employment, sustainability and health and safety. 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 2022, 79 New Zealand and Adelaide based suppliers representing over NZ\$32 million (25%) 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, 60% (NZ\$39 million) is captured under the Assessment process - a decrease from 81% in the 2021 financial year for the New Zealand properties. Some Adelaide suppliers are still being onboarded in the Assessment process.

### *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 engaged a specialist third party provider to deliver training on modern slavery risks to 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.

SkyCity has also created in its Learning and Development Platform a specific training and awareness module on modern slavery risks, which is available to all staff. SkyCity encourages staff from its procurement, hotels, ICT, property maintenance, capital construction and human resource teams in particular to complete that training and awareness module.

### *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.

## **Management of Risks in SkyCity's Operations**

### Due Diligence Processes:

#### *Policies*

SkyCity has a comprehensive suite of employee responsibility policies which are relevant to its attempts to ensure that there is no modern slavery in any part of its workforce. SkyCity's relevant policies include:

- Appropriate Workplace Behaviour
- Code of Conduct
- Conflict of Interest
- Disciplinary and Dismissal
- Diversity and Inclusion
- Employee Assistance Programme
- Equal Employment Opportunity

- Recruitment and Selection

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.

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.

These policies and procedures are maintained and implemented by SkyCity's team of human resource professionals, supported by a team of internal auditors.

#### Remediation Processes:

SkyCity has zero tolerance towards modern slavery practices in its operations and would aim to use the disciplinary and dismissal procedures contained in its employee responsibility policies set out above to identify and remediate any identified modern slavery risks in its operations.

#### *Grievance Mechanisms*

As mentioned previously, the availability of SkyCity's Whistleblowing Policies and anonymous hotline will encourage and enable SkyCity's staff to speak up about unethical or illegal practices in SkyCity's operations, such as modern slavery practices. These mechanisms will grant employees protections from retaliatory conduct from SkyCity and may provide qualifying employees protections at law in relation to their disclosures.

SkyCity will conduct an unbiased and impartial investigation of any reported modern slavery practices in SkyCity's operations and take appropriate remedial/preventative action.

#### **Measuring the Effectiveness of SkyCity's Management of Modern Slavery Risks**

SkyCity does not have key performance indicators specific to modern slavery at this time given its modern slavery risk is generally low. However, this approach will be kept under review.



SkyCity will assess any instances of non-compliance with this statement on a case-by-case basis.

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

- employee risk culture survey scores (including via a risk culture dashboard);
- employee engagement scores; and
- issues raised through its safe2tell hotline and Whistleblowing Policies.

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).

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.

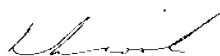
This statement has been produced by executive teams (the People & Culture, Risk & Compliance and Legal teams) who perform a group function and/or have group oversight, with final approval from the Board who represent the entire group.

### **Conclusion**

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 Modern Slavery Act Statement is approved by the Board of Directors for SkyCity Entertainment Group on 23 December 2022



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Signed by Julian Cook  
**Chairman of the Board**  
**SkyCity Entertainment Group**