



# MODERN SLAVERY STATEMENT

## Foreword

This is the third Modern Slavery Statement (**MSS**) made by PointsBet Holdings Limited (**PointsBet Holdings**) pursuant to the *Modern Slavery Act 2018* (Cth) (the **Act**). As per its previous Modern Slavery Statements, it contemplates the activities of PointsBet Holdings and the consolidated entity comprising PointsBet Holdings and its subsidiaries (**PointsBet**).

PointsBet is heavily regulated and operates only in wagering and/or iGaming markets that are subject to licensing requirements and oversight by dedicated gambling regulators. As such, PointsBet is cognisant that it must maintain the highest levels of integrity and ethical standards in all its business practices, including by complying with the Act and other similar obligations related to modern slavery. This MSS reaffirms PointsBet's commitment to identifying and mitigating the potential risks of modern slavery related to its business operations, and assesses the progress made since submission of PointsBet's first and second MSS in FY 2021 and FY 2022 respectively.

Globally, the wagering and iGaming sector continues to evolve as new regulated markets come online and look to adopt best practices from other jurisdictions; over the past 12 months this has led to a tightening of regulatory regimes and reinforced consumer protection frameworks, placing even greater emphasis on PointsBet's commitment to legal and regulatory compliance as part of its social license to operate. PointsBet is currently operating against a backdrop of merger and acquisition (**M&A**) activity with the sale of its USA business operations announced in mid-2022 (the **USA Exit**). This has given PointsBet pause to scrutinise the areas of its business operations that will remain post completion of the USA Exit. In the proceeding 12 months from the date of this MSS, PointsBet expects that the USA Exit will materially alter and simplify the risk profile in its supply chain and business operations.

## Criterion 1: Identify the reporting entity

PointsBet Holdings is the reporting entity. Its full entity details are:

*PointsBet Holdings Limited*

*ABN 68 621 179 351*

*155 Cremorne Street*

*Melbourne, Victoria 3121*

*Australia.*

PointsBet Holdings is a reporting entity under the Act, having met the consolidated revenue threshold in the relevant period (the **Reporting Period**).



PointsBet Holdings makes this MSS in accordance with section 13 of the Act as a single reporting entity, on behalf of its associated entities which, for accounting purposes, it owns or controls.

This MSS addresses all 7 mandatory criteria for reporting as set out in section 16 of the Act. In preparing this MSS, PointsBet has used the Commonwealth Guidance for Reporting Entities and the Modern Slavery Act Supplementary Guidance to help inform and direct its approach.

## **Criterion 2: Describe the reporting entity's structure, operations and supply chain**

### **2.1. Structure**

PointsBet Holdings is incorporated in Australia and is listed on the Australian Securities Exchange. PointsBet Holdings has a registered office in Melbourne, Victoria. PointsBet Holdings wholly owns and controls 20 subsidiary entities, which undertake the operational and management activities of PointsBet. This represents a reduction of 15 subsidiary entities since submission of PointsBet's second MSS; this is the result of the USA Exit and organisational restructuring. Each of these entities is incorporated in either Australia, the United States, Canada, Ireland, or India.

PointsBet has approximately 630 employees worldwide, all of whom are over 18 years of age.

### **2.2. Operations**

PointsBet is an online gambling operator that has developed a scalable cloud-based wagering and iGaming platform through which it offers its clients innovative sports and racing wagering products, as well as online casino products (United States & Canada only). PointsBet operates as a licensed operator in fully regulated gambling jurisdictions only.

PointsBet has operations in Australia, the United States, Canada, Ireland, and India and employs its own staff directly where possible, which reduces the number of suppliers in its supply chain. This enables PointsBet to easily train staff in its processes and policies. These policies are designed to educate those involved in business operations on the requirements in each jurisdiction in which PointsBet operates, relating to (without limitation) anti-bribery and corruption, whistleblowing, and modern slavery.

In addition, PointsBet employees are subject to visa checks, police checks and the checking of right to work status, where applicable.

### **2.3. Supply chain**

To advance its operations, PointsBet generally procures the following goods and services (in descending order of total spend percentage as calculated at FY23 year-end):

# **POINTS**BET

## **EVERY POINT MATTERS**

Cost of sales	36.2%
Marketing expenses	31.2%
Employee benefits expenses	22.5%
Information technology costs	4.8%
Administration expenses	4.1%
Consulting expenses	0.6%
Occupancy expenses	0.3%
Travel and accommodation expenses	0.3%

	Category	Description
<b>Direct Suppliers</b>		
	Information Technology	<p>PointsBet is predominantly a technology company. It procures a range of technology services and solutions to support its core wagering and iGaming services.</p> <p>Many of these suppliers are large companies and/or large global brands who also have reporting obligations under the Act or similar legislation.</p>
	Software platforms	
	Payment platforms	
	ID verification	
	Social media services	
	Content production services	
	Merchandising (predominantly for internal purposes/staff)	
<b>Indirect Suppliers</b>		
	Catering services	<p>PointsBet uses a number of indirect suppliers to support its core business, for example office suppliers, professional services, and utilities.</p> <p>Many of these suppliers are large companies and/or large global brands who also have reporting obligations under the Act or similar legislation.</p>
	Cleaning services	
	Courier services	
	Security services	
	Office supplies	
	Taxi services	
	Travel and accommodation expenses	
	Real estate and property management	
	Professional services	

# **POINTS**BET

## **EVERY POINT MATTERS**

PointsBet's business continues to be highly technical and focused on the provision of online services rather than tangible products. As demonstrated above, most of PointsBet's procurement spend continues to be in highly skilled sectors such as marketing and information technology.

The vast majority of PointsBet's suppliers continue to be located in Australia, the United States, Canada, and Ireland, all of which were deemed as low risk for modern slavery according to the Global Slavery Index 2018.

However:

- PointsBet does procure some outsourced customer service and technology resource services directly from overseas suppliers in the Philippines. PointsBet has written contracts in place with these service providers which cover relevant obligations as they relate to data protection, privacy, and fair and equitable treatment of contractors; and
- PointsBet has business operations in India. Such business operations primarily relate to the employment of highly skilled staff in product, IT, and technology related roles. PointsBet only works with suppliers in that jurisdiction that maintain the highest possible standards of integrity.

PointsBet's approach to procurement and contractual relations with third-parties has always been to work with reputable and ethical industry leading organisations that are equally committed to preventing modern slavery in all areas of business. To limit PointsBet's exposure to modern slavery risks in its supply chain, PointsBet seeks (where possible) to source goods and services from local suppliers within the same jurisdiction as the contracting subsidiary of PointsBet Holdings or otherwise in low-risk modern slavery jurisdictions.

PointsBet continues its focus on corporate social responsibility (**CSR**) and annually reports about its progress on CSR related issues. The latest CSR report can be found at <https://investors.pointsbet.com.au/>.

PointsBet reaffirms its commitment to the development of a comprehensive supply chain map that illustrates the goods and/or services it procures, the geographic location of products and services, and which highlights the risks of modern slavery in connection with those locations. Development of this supply chain map is expected to continue in the medium-term after the USA Exit. Given PointsBet's limited supply chain (refer to Criterion 3 below), this progress is considered reasonable in the circumstances.

### **Criterion 3: Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls**

Due to the nature of its operations, PointsBet has a limited supply chain. As for each prior MSS, Information Technology continues to be assessed as a higher-risk category for PointsBet. This is due to the highly dispersed and global nature of related supply chains and because it is a larger category of expenditure for PointsBet.

That said, PointsBet makes considerable effort to source Information Technology needs through low-risk modern slavery jurisdictions such as Australia, the USA and Canada, and so PointsBet considers that the risks of modern slavery practices entering its supply chain through this category of spend is low.



PointsBet is attentive to the possibility that extended supply networks in higher risk jurisdictions or categories could be susceptible to modern slavery. PointsBet monitors this and will reassess the modern slavery risks in all its business operations and supply chain following the USA Exit. This will materially simplify PointsBet's business operations and, it is expected, will result in a decrease of overall modern slavery risk. Following the reassessment, PointsBet will put in place any additional actions, policies, and procedures which may be required to be implemented.

#### **Criterion 4: Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes**

PointsBet has reviewed, updated, and maintained corporate governance policies to help it prevent the occurrence of modern slavery in its business operations and supply chain. This is vital to ensuring that PointsBet's reputation and ethical practices are maintained.

The PointsBet code of conduct (the **Code of Conduct**) sets the standard of behaviour expected from all employees and applies to all business activities conducted on behalf of PointsBet with suppliers, contractors, customers, shareholders, and employees in Australia and overseas. The Code of Conduct outlines that it is each employee's responsibility to always act ethically and responsibly and encourages employees to report any fraudulent, unethical, or irresponsible behaviour. PointsBet makes all employees aware of their obligations in respect of the Code of Conduct and provides regular training to ensure that all employees remain aware of their obligations and the importance of being vigilant or reporting unethical behaviour or practices. As per its earlier commitment, PointsBet conducted a review of the Code of conduct in 2023 aimed at ensuring its ongoing relevance and fitness for purpose. Accordingly, PointsBet is confident that the Code of Conduct is up to date, and effective in helping to combat modern slavery issues. As matter of good practice, PointsBet will conduct a further review of the Code of Conduct in 2024, having regard to the changing nature of its business operations following the USA Exit.

The PointsBet Whistleblower Policy provides a framework for employees and suppliers of goods or services to anonymously report instances of suspected or actual misconduct without fear of intimidation, disadvantage, or reprisal. PointsBet will thoroughly investigate all reports of misconduct and commit to taking the appropriate action as required in each circumstance.

Both the Code of Conduct and the Whistleblower Policy are supported by the Anti-Bribery and Anti-Corruption Policy, and all staff are required to undertake training in relation to the same.

PointsBet will communicate the content of this MSS, and ensure all employees understand the risks of modern slavery in its operations and supply chain and the importance of reporting identified risks.

#### **Criterion 5: Describe how the reporting entity assesses the effectiveness of these actions**

##### **5.1 Management of risks and mitigation strategy**

PointsBet conducts due diligence and risk assessments when engaging new material suppliers or renewing existing ones. Where applicable, this includes review of their cyber security and data protection systems and strategies, processes, or evidence of compliance with relevant laws and



regulations. This is an effective and proactive way that PointsBet attempts to mitigate the risk of modern slavery in its supply chain, and it is reinforced by always seeking contractual inclusions that obligate material suppliers to comply all applicable laws and regulations such as those which relate to modern slavery.

Throughout the 2023 calendar year, PointsBet conducted an internal review of all third-party supplier contracts as part of its M&A activity. One outcome of this review was the development of a comprehensive register of all material contracts and suppliers to its business operations and in its supply chain. The register includes allocation of specific PointsBet 'owners' of the relationship with each contract or supplier to ensure accountability. Some contracts and supplier relationships were terminated as part of this work aimed at mapping and simplifying PointsBet's business operations post the USA Exit. As a result:

- PointsBet considers the risk of modern slavery in its business operations and supply chain will be decreased after the USA Exit; and
- PointsBet is now well placed to conduct deeper analysis of particular risks associated with each contract and supplier and then take appropriate action.

It is anticipated that PointsBet will implement a number of new controls in 2024 to mitigate the ongoing risks associated with modern slavery issues, including by developing a new supplier questionnaire and incorporating that into its material contract and supplier procurement process. This questionnaire will include specific questions aimed at understanding modern slavery risks.

If PointsBet identifies a modern slavery risk in its engagement of a supplier, PointsBet will investigate the matter and collaborate with the supplier to determine whether the risk can be mitigated. If the presence of modern slavery is confirmed in a supplier's operations or a risk is not able to be mitigated, PointsBet will seek to terminate its contractual and other commercial relationship with that supplier as soon as is possible. Pleasingly, during the time since the release of its first MSS, the presence of slavery has not been identified in the operations of any of PointsBet's suppliers.

From an employer perspective, PointsBet has a range of processes and controls in place to prevent modern slavery entering its workplace. This includes conducting background and verification checks on all key employees and contractors. PointsBet employees also undergo a comprehensive induction program, including training, and have access to PointsBet's wide range of guidance and policies so that they understand the importance of recognizing and addressing unethical behaviour.

## **5.2 Progress against commitments since reporting commenced for MSS**

In the previous MSS, PointsBet committed to progressing the following strategies:

### Changes / Evolving Risks

PointsBet committed to monitoring changes in its business operations and supply chains to ensure new or evolving risks are identified and addressed appropriately and proportionately.

In 2023 PointsBet conducted an in-depth internal review of all material contracts and suppliers resulting in the development of a new comprehensive supplier register. This leaves PointsBet well placed to deeper analyse the modern slavery risks (if any) associated with each supplier and continue to progress this commitment in 2024.



### Regular Reviews

PointsBet committed to regularly reviewing policies and procedures to ensure they remain effective in combatting all forms of modern slavery.

This objective progressed well in 2023 including through review of key policies and procedures as part of PointsBet's gambling specific regulatory obligations and its Internal Audit schedule including assessment of PointsBet's business operations in key spend categories which are susceptible to modern slavery risks.

### Supplier Code of Conduct

PointsBet committed to developing a Supplier Code of Conduct & seeking to include clauses in supplier contracts to ensure compliance with applicable laws, including the Act.

PointsBet remains committed to this objective and expects to bring it to completion after the USA Exit. Given that most of PointsBet's contracting is for technology related products and services (including SaaS) from large global companies or brands, PointsBet's capacity to implement its own standard contractual clauses in material contracts has been impaired. To combat this, PointsBet tries to facilitate collaborative relationships with material suppliers and seek inclusion of broad obligations in all contracts that can be used to mitigate modern slavery risks. Addressing these issues and developing a new Supplier Code of Conduct will continue to be a focus in 2024.

### Increase Auditing of External Parties

PointsBet committed to an increase in auditing of third-party suppliers. Due to its intensive M&A activity during 2023 this commitment did not progress with the originally anticipated speed, however the comprehensive register of material contracts and suppliers developed in 2023 positions PointsBet well to achieve faster progress towards this commitment. PointsBet reaffirms its focus on this commitment for 2024.

Given that most of its third-party suppliers are large, reputable multinational companies with their own policies and codes in place, PointsBet is comfortable that the progress towards meeting this commitment is appropriate having regard to the level of risk.

## **Criterion 6: Describe the process of consultation with any entities the reporting entity owns or controls**

PointsBet Holdings is making a single statement for the purpose of the Act on behalf of all the entities it owns or controls within the PointsBet group. It is required to consult with these entities in making this MSS. Accordingly, this MSS was prepared with visibility of the business operations and supply chain for all of PointsBet.

PointsBet will review the Act and best practice guidance issued by the Australian Border Force, to assess its consultation process and make any improvements that may be required.



### **Criterion 7: Provide any other relevant information**

PointsBet is aware of the increased use of new and emerging technologies such as artificial intelligence by other industries to detect the presence of modern slavery risks in their business operations and supply chains. In 2024, PointsBet will monitor these technologies and (if appropriate) take steps to actively consider how they can be implemented to assist PointsBet with its own work in relation to identifying and mitigating modern slavery risks.

This Modern Slavery Statement was approved by the Board of PointsBet Holdings Limited on 22 December 2023.

A handwritten signature in black ink that reads "Brett Paton".

Signed by Brett Paton

**Chairman of the Board**

**PointsBet Holdings Limited**