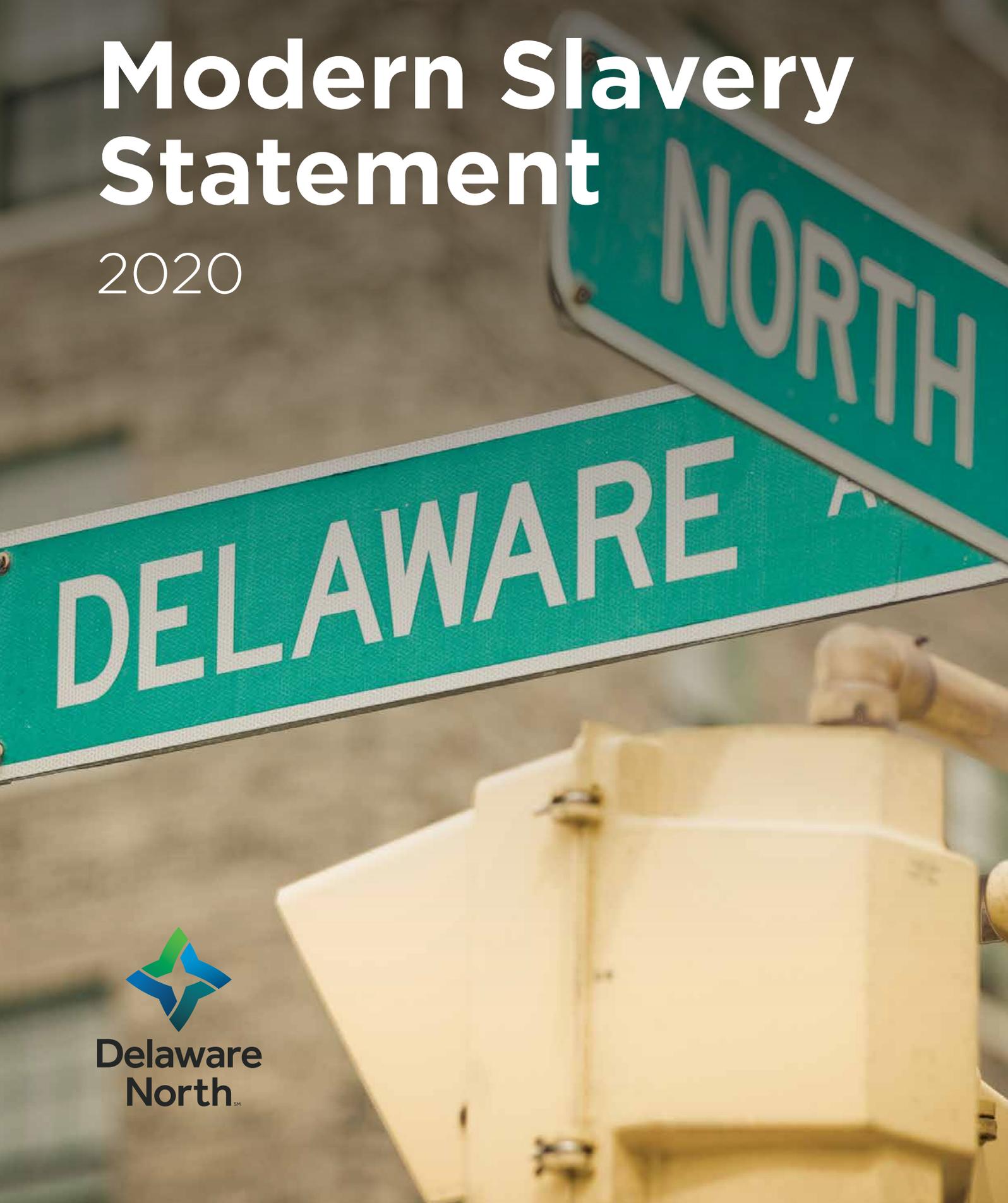


Delaware North Companies Australia Pty Ltd

Modern Slavery Statement

2020



Delaware
NorthSM

1. Introduction:

Delaware North Companies Australia Pty Ltd

Delaware North Companies Australia Pty Ltd (**'Delaware North'**), ABN 92 003 435 345, was established in 1987. Delaware North is a foreign-owned private company, deriving revenue from the provision of catering and hospitality services in Australia and New Zealand. The company employs approximately 9,430 people and is administered from its head office in Docklands, Victoria.

Delaware North Companies Australia is a wholly owned subsidiary of the US-based food service and hospitality company, Delaware North Companies, Inc.

Delaware North manages and provides food and beverage concessions, premium dining, entertainment, lodging, and retail at many large venues and iconic destinations. These include sports stadiums, entertainment complexes, national and state parks, airports and casinos.

Delaware North's success is grounded in our vision and value statements, which guide our every action.

Our Vision:

- To delight guests by creating the world's best experiences today while reimagining tomorrow.

Our Values:

- Lean Forward: We are innovative creators who continually reimagine what's next.
- Come Together: We work collaboratively with each other and believe in the power of partnership.
- Stand Up: We lead by example, own our decisions and take initiative.
- Do Right: We value integrity and always do the right thing, especially when no one is looking.
- Think Guest: The guest experience is at the heart of everything we do.

The Modern Slavery Act No.153, 2018

In 2018, the Australian Government passed the Modern Slavery Act 2018 (Cth) (**'the Act'**), that requires large corporations in Australia with an annual consolidated revenue of more than \$100 million to annually report on the risks of modern slavery in their operations and supply chains, and actions taken to address those risks.

For the purposes of the Act, this is a Joint Statement as provided for in Section 14 of the Act, submitted by Delaware North, on behalf of each of the Reporting Entities identified below for the period ended 31 December 2020:

1. Delaware North Companies Australia Pty Ltd ABN 92 003 435 345.
2. Delaware North Venue Services Pty Ltd ABN 67 006 682 113.
3. Delaware North Darwin Casino Pty Ltd ABN 54 009 624 417.

Delaware North Venue Services Pty Ltd and Delaware North Darwin Casino Pty Ltd both had annual consolidated revenue exceeding \$100 million in 2019. However, due to the effects of COVID-19, both entities dropped below an annual consolidated revenue of \$100 million in 2020. We expect their respective consolidated revenue to exceed \$100 million in 2021.

Delaware North recognises that modern slavery happens at the most extreme end of the working spectrum, and that it involves the gravest abuses of human rights and serious crimes, having severe and often lifelong consequences for its victims. The term modern slavery is used to describe situations where there is coercion, threats or deception.

The Act defines modern slavery as including 8 types of serious exploitation:

1. Trafficking in persons;
2. Slavery;
3. Servitude;
4. Forced marriage;
5. Forced labour;
6. Debt bondage;
7. Deceptive recruiting for labour or services; and
8. The worst forms of child labour. The worst forms of child labour means situations where children are subjected to slavery or similar practices, or engaged in hazardous work.

Delaware North commits to ending all forms of modern slavery, both in Australia and overseas, by ensuring our own supply chains and operations do not contribute to modern slavery practices, and to take appropriate action to respond to the humanitarian impacts of modern slavery. Delaware North is further committed to consistently reviewing and strengthening our processes and systems to minimise the risk of human rights infringements anywhere in our operations and supply chain.

2. Structure, Operations & Supply Chains

For ease of reference we provide the Company Structure of Delaware North Companies Inc. as per attached *Appendix A*. As reported in Section 1 of this Statement, there are 3 Reporting Entities within the Australian Group. The other entities do not have annual consolidated revenue exceeding \$100 million.

Delaware North primarily comprises catering and hospitality services at a casino (in Darwin), resorts, sports stadiums, airports and remote services sites.

Our operations and supply chain at Delaware North are centrally controlled. Supply chain sources from a variety of locations, however the majority of our spend is sourced from local suppliers. There is full transparency over our supply chain whilst our operations are covered by pay awards. Within our procurement framework we vet and assess our suppliers' processes. Further, we perform site visits and undertake workplace analysis where required, which has resulted in the termination of contracts where necessary.

Approximately 80% of our suppliers provide food and beverages, and we further engage with labour hire companies to provide resources for our various sites. The indirect supply chain by our suppliers for food provisions originate from farms and plantations on which raw materials are grown, the factories which process these raw materials, and the transportation services involved in the supply chain.

We realise that there is a risk for modern slavery practices to have the potential to exist within our supply chain. Taking into consideration variables such as geographic location, product/service type, industry and possible workforce demographics, we consider that this risk may be inherently higher among food, beverage, related catering and hospitality products/services.

We provide further details of our business below:

Sportservice

Delaware North is a major player in several sectors of sports, including as one of the leading foodservice and retail management companies at stadiums, arenas and ballparks across the globe. Delaware North Sportservice, its flagship operating company, helped pioneer the sports concessions industry more than 100 years ago.

Among the more than 60 sports and entertainment venues worldwide at which it operates premium dining, restaurants and food and beverage concessions, are Melbourne & Olympic Parks (home of the Australian Open), Marvel Stadium in Melbourne and the Sydney Cricket Ground in Sydney.

Travel Hospitality Services

Delaware North is one of the world's leading airport food service and retail companies, operating at more than 30 airports and travel centres in the United States, United Kingdom and Australia. It manages more than 300 restaurants and retail stores, serving more than 350 million travellers each year. Major locations in Australia include a range of food and beverage outlets at Melbourne Airport, Adelaide Airport and Perth Airport, as well as in other smaller regional cities and travel destinations.

Parks & Resorts

Delaware North's portfolio of distinct luxury resorts in special places in Australia and the United States provides guests with world-class hospitality, the best local cuisine as well as other amenities to complement the natural beauty of their locations. The company draws upon its deep culinary expertise and considerable experience in the area of resort management to deliver incredible guest experiences.

In Australia, we own and operate the world famous Lizard Island Resort located on the Great Barrier Reef in Queensland.

Gaming & Entertainment

Delaware North is one of the most innovative gaming operators in the US and Australia, creating regional casino destinations with video gaming machines, table games, poker rooms, racing simulcast centres, restaurants, lounges, nightclubs, sports bars, event centres, retail shops and hotels.

Our locations have won numerous awards because we offer the best available gaming and leverage our global hospitality expertise and dedication to guest service.

In Australia, Delaware North owns and operates Mindil Beach Casino Resort in Darwin.

Restaurants and Catering

Delaware North is one of the world's leading restaurant and catering companies. Its culinary and hospitality staff provide extraordinary dining experiences for guests at unique locations, worldwide, every day. In Australia, iconic locations such as the Phillip Island Nature Parks in Victoria engage Delaware North to complement the amazing natural habitat through the delivery of local culinary offerings to millions of visitors every year.

Remote Services

Delaware North operates a range of remote services sites supporting the feeding and lodging of workforces operating across a broad array of industries, including mining.

Within these operations, which can include supporting the accommodation and food & beverage needs of over 1,000 workers at a single point in time, Delaware North, operating as Northern Rise Village Services, provide services including culinary delivery to support workforces, through to full accommodation management solutions encapsulating room turnover and facilities management and maintenance.

3. Risks of Modern Slavery Practices in Operations and Supply Chains

Delaware North is committed to the highest standards of ethics and business integrity in our operations and supply chain. We aim to ensure our staff and suppliers are treated fairly and with respect and dignity. This is also consistent with our vision and values.

There is a low risk of modern slavery in our operations in terms of human capital as we operate in an industry that is covered by pay awards, providing for minimum pay rates and conditions of employment, including leave and entitlements. However, we appreciate the risks of potential modern slavery within the operations and supply chain of our suppliers abroad, including; when the overseas supplier is based in a geographic region with known modern slavery concerns; the products/goods and/or industry involved are linked to modern slavery; and the amount involved in the transactions are material. We are not however aware of any of our suppliers abroad having engaged in conduct or suspected conduct which may amount to modern slavery.

Delaware North's primary risk of modern slavery is in our supply chain derived from our use of external suppliers for the supply of fresh products. In particular, we are not able to determine with certainty the origin for the provision of seafood. All major suppliers are required to complete our Delaware North Supply of Goods and Service Agreement, being a formalised documented process which ensures supplier engagement, uniformity to consistent standards, which subjects suppliers to on-going monitoring, review and improvement, ensuring our suppliers act in a manner in accordance with the Agreement.

Suppliers are carefully vetted to ensure they align with our legal and contractual obligations. Similarly, our high ethical standards are at the core of how we engage with our suppliers and is a reflection of how we work as an organisation at Delaware North.

The Supply of Goods and Service Agreement further makes provision for the conducting of quality control audits by Delaware North at a Supplier's premises and across their delivery vehicles, conducted at regular intervals.

We have considered the Modern Slavery List of Industries and List of High Risk Countries, as provided for in The Global Slavery Index 2018, in determining our risks of modern slavery in our operations and supply chain. We have further considered information and resources made available through organisations that include: the Transparency International Corruption Perceptions Index; Global Contact Network; Global Estimates of Modern Slavery 2017; 'Hidden in Plain Sight', Report of the 2017 Parliamentary Inquiry into establishing a Modern Slavery Act in Australia; and the Commonwealth Modern Slavery Act 2018, Guidance for Reporting Entities.

The majority of our top 50 vendors, in regards to spend, are based within Australia. Initial review of our supply chain indicates that the majority of our vendors are medium- to low-risk of modern slavery.

4. Actions Taken by Delaware North to Assess and Address Modern Slavery Risks Including Due Diligence and Remediation Processes

In 2021, Delaware North, in consultation with a third party consulting firm, conducted a modern slavery risk assessment of our operations and supply chain. In doing so, we created a modern slavery framework for development which assisted us in the preparation of our first modern slavery statement. Our Director, Procurement drove the Modern Slavery process.

The assessment comprised two parts:

- Identifying existing risk management policies and procedures within Delaware North and determining whether this can be broadened to include the risks of Modern Slavery, through ethical sourcing, quality standards or other compliance reporting.
- Conducting a risk assessment over our current suppliers in terms of our payment data, for the period January 2020 to May 2021.

In conducting a risk assessment of existing risk management policies and procedures, we reviewed all relevant policies including: Code of Conduct, Supply of Goods and Service Agreement, Recruitment and Selection Policy and Whistleblower Policy, and updated where necessary to make reference to and include the requirements of the Act.

We further developed a Modern Slavery Policy which:

- Exhibits our commitment to the right of all individuals to live and work freely, and states our opposition to all forms of modern slavery.
- Seeks to inform and educate our staff and suppliers in relation to risks associated with modern slavery.
- Demonstrates our commitment to implementing and maintaining effective systems and controls, which will ensure we play a constructive role in helping to reduce the risk of modern slavery occurring within our business and supply chain.

4. Actions taken by Delaware North to Assess and Address Modern Slavery Risks Including Due Diligence and Remediation Processes

In performing the risk assessment of our suppliers, we conducted a desk top review of our top 50 suppliers in terms of spend comprising 68% of our total spend with external suppliers. Delaware North considered risks that may potentially cause, contribute to or be directly participating in modern slavery practices, consistent with the Act and the Commonwealth Modern Slavery Act 2018 - Guidance for Reporting Entities. These risk areas included: Financial; Industry; Country (geographic location); Sub-Contractors; and evidence as to whether the supplier has submitted a modern slavery statement.

The results of our review identified that the 46 of our 50 suppliers scored an overall modern slavery risk rating of low risk, whilst the remaining 4 of the 50 suppliers scored an overall risk rating of medium risk to modern slavery. This is based on what was determined using publically available records and information we had previously obtained from our suppliers and recorded within our systems.

We created a modern slavery questionnaire that we are in the process of sending to selected current suppliers and that will be required to be completed by all new suppliers. This includes a risk rating for 10 pertinent modern slavery questions, and for the submission of supporting documents where applicable. We believe this is a crucial step in identifying and (where applicable) eradicating human trafficking and modern slavery, where there is any suggestion or the slightest suspicion that this may be occurring.

We have further planned our modern slavery training requirements and drafted basic training for internal purposes as a kick-off to more focused training in our next reporting period.

5. Assessing the Effectiveness of Actions Taken By Delaware North

We have described above our activities performed during the immediate assessment of modern slavery risk within our operations and supply chain. This includes policy review, drafting of new policies, the completion of a modern slavery questionnaire by our suppliers and a risk assessment for our high-spend suppliers.

In completing the above, Delaware North has mapped out key parts of operations and supply chains to improve our understanding of potential modern slavery risks.

All medium and low risk (and where identified going forward, all high risk suppliers) of modern slavery, and new suppliers will be vetted for modern slavery risks through the completion of a questionnaire that incorporates modern slavery requirements and the provision of supporting documents where applicable.

To further improve the management of current risks, we will expand upon our supplier on-boarding process where new suppliers are set up in our system. In addition to the standard documentation required when internal employees request a supplier set up, being food safety certifications, insurance certificates etc., we will also include a brief Modern Slavery Questionnaire and Compliance Checklist which must be completed by suppliers to accompany the request for set up. All of these set up requests are reviewed by central Procurement prior to approval.

Delaware North aims to use the information obtained from this process to build transparent and collaborative relationships with suppliers. This will further ensure that our expectations of reporting of modern slavery risks within the respective suppliers supply chain has

been clearly communicated to us, and that we are satisfied that modern slavery risks have been and are being effectively managed.

We will review our policies that now incorporate and make provisions for modern slavery compliance and ensure that Delaware North staff and suppliers, where applicable, certify that they have read and understand these policies, on an annual basis. We will regularly review and improve our modern slavery internal controls and procedures in order to monitor their effectiveness, and respond to areas that are not. This will include updating policies and procedures where deemed necessary.

Whilst we are not aware of any modern slavery having occurred within our operations and supply chain, nor that of our suppliers (that can reasonably be determined at this stage), we appreciate our visibility is still in its infancy and needs to be developed. As such, the ability to assess the effectiveness of our response is similarly in its early stages. We expect that the development of stronger modern slavery assessment processes will occur as our initiatives are further integrated within our operations and supply chain, and more information becomes available for the actions we have taken and implemented to date.

6. Describe the Process of Consultation with Any Entities the Reporting Entity Owns or Controls

Our supply chain and human resources are centrally controlled, however where required we have consulted with the other entities owned or controlled by Delaware North. This has occurred when commencing with our current Modern Slavery actions and during the implementation of actions taken during this reporting period by Delaware North, to assess and address modern slavery risks, including due diligence and remediation processes.

This included a consulting session with other stakeholders prior to finalising this statement and submission to the Board. The stakeholders comprised a cross section of employees from Delaware North, with representation from supply at the Darwin Casino and Northern Rise Village Services, our Executive Chef for the business and our Food & Beverage Manager for Adelaide Airport.

There has been agreement with the steps and actions to be taken on the way forward, as provided for in Section 7 of our Statement below, and the need for regular roundtables to discuss and agree our modern slavery processes.

Our Modern Slavery process is being driven by our Director, Procurement, and supported by other business streams including: Finance; Human Resources; Legal Services; Internal Audit; Operations; Information Technology; and Compliance. For ease of reference our Modern Slavery Organogram is attached at *Appendix B*.

7. Other Relevant Information

- The Way Forward

Delaware North will work proactively to reduce modern slavery within our supply chain and operations and we expect all suppliers we engage with to do the same. In order to build on the modern slavery framework we have established to date we will be focusing on the following areas and the extent to which these are achievable:

- Introduce modern slavery training to our staff in the next calendar year. This may entail the distribution of booklets, online courses, in-person meetings with management and/or other written resources. We have compiled a draft modern slavery introduction training pack, which has been discussed and agreed with our internal stakeholders.
- More intensive training to management employees, particularly those in supply chain management, to understand in more detail what modern slavery and human trafficking entails and how to mitigate the risk of these in their respective supply chains.
- Require as far as reasonably practicable, a requirement for current suppliers, and all new suppliers to complete a Modern Slavery Questionnaire and Declaration.
- Consideration will be given to providing additional modern slavery literature to our vendors. This may be dependent on the results achieved in the completion of our required Modern Slavery Questionnaire.
- Performing social accountability audits on our suppliers, within reason, by conducting random onsite inspections to evaluate their practices with respect to the treatment of their workers and identifying and determining any potential risks, including modern slavery and human trafficking.
- Developing internal accountability standards and procedures further, to hold our employees and contractors accountable for non-compliance with our standards on modern slavery and human trafficking, including:
 - Promptly address any potential risks of modern slavery.
 - Establishing consequences for non-compliance.
 - Establishing a process to remediate such breaches.
 - Encourage all suppliers to meet minimum standards, and promote best practice and continuous improvement.
 - Monitor suppliers for compliance with the minimum standards through a supplier risk assessment process. Provide the Company with rights of termination if a supplier is unable or unwilling to work towards full compliance with the minimum standards.
- Monitor and review the effectiveness of our Modern Slavery Policy and our procedures, taking into account the suitability, adequacy and effectiveness in reducing the risks of modern slavery.

The Board of Delaware North Companies Australia Pty Ltd has approved this statement on

29 June 2021 (Date)

 (Signature)

Signed by:

Gary Brown (Name)

Managing Director AUS & NZ (Position)

