

IT ALL STARTS HERE

CORPORATE SOCIAL RESPONSIBILITY REPORT
2016





contents

About This Report	4
CSR Committee Chairperson's Report	5
Chief Executive Officer's Report	6
Who We Are	8
Economic Performance FY16	9
Corporate Social Responsibility - Why Is It Important To Us?	11
Materiality - What matters most?	12
Corporate Social Responsibility Goals	14
Corporate Social Responsibility 2017 Priorities and Targets	15
Top Material Issues:	
Host Responsibility	18
Job Creation and Employment	20
Future Focus Areas:	
Environment	23
Fair Operating Practices	23
Stakeholder Engagement	24
2016 Activity Across the SKYCITY Group	26
Challenges and Focus for Next 12 Months	31

About this report

This is the second annual sustainability report for SKYCITY. Our report presents data and commentary on sustainability topics that we believe are important, based on the stakeholder engagement and materiality processes we undertook. The report covers the 2016 calendar year and its scope includes all of our trading entities. There are no re-statements or significant changes in the scope and aspect boundaries of material topics from our 2015 report. Financial data presented in this report is taken from our annual financial report which has been externally assured. Non-financial data and content for this report has not been externally assured. We welcome your feedback on this report: csr@skycity.co.nz.



Board CSR Committee Chairperson's report

SKYCITY's business sustainability is inextricably linked to our social licence to operate in each of our communities. In order to do business the company has to maintain that license – along with meeting many other business challenges. Maintaining and going beyond just “social licence to operate” needs to be what the organisation aspires to. Every decision we make around the Board table can have an effect on our communities. Our challenge, as a Board, is to ensure our strategic decisions strengthen the communities we operate in.

The Board has challenged SKYCITY management to think strategically about providing environments and opportunities for our customers, suppliers and staff to enjoy, to be entertained, to be safe and to make a positive difference to the communities we serve. All contribute to SKYCITY's social licence to operate, attained when we understand and are understood by the communities in which do business, and with whom we do business, whom we affect.

Through a further materiality assessment, the past 12 months has seen SKYCITY validate how we see ourselves and how others see us. It has led us to enhance the approach we have taken to CSR and create clear overarching Corporate Social Responsibility goals for each of our five pillars of focus. These goals are intended to challenge and drive us. Staying true to these goals is important. SKYCITY's Board and Management are committed to measuring performance on each goal, through specific key performance indicators. They will ensure the business strives to keep pace with internal and external expectations.

We have had a closer look at what issues really matter to our stakeholders and it is without surprise that again the most material issue to all stakeholders, internal and external, is responsible gaming. It is front and centre for the Board as well. How we respond to our stakeholders on all our material issues is critical to achieving our goals.

In the coming 12 months we look forward to reporting against our goals, priorities and targets; identifying where we are as a business and how we can further improve strategically

and practically. We are committed to continual refinement and improvement.

SUE SUCKLING
CHAIRPERSON, SKYCITY CORPORATE SOCIAL
RESPONSIBILITY BOARD COMMITTEE



SUE SUCKLING
CHAIRPERSON, CSR COMMITTEE

Chief Executive Officer's report

Over the last 12 months, we continued the development of our Corporate Social Responsibility (CSR) programme that is built on a clear understanding of what sustainability issues are of high relevance for our internal and external stakeholders, which will contribute significantly to the success of SKYCITY.

A deliberate and considered approach has been taken to ensure solid foundations for our CSR programme from which we will continue to further develop and consistently improve. We have further refined our strategy and

priorities following review and listening to our staff, our regulators, our investors, and fellow business and community leaders.

In reviewing our material issues, the top three areas clearly identify and reinforce the importance of probity to all stakeholders whether they are customers, staff, shareholders or regulators. This engagement and the results have also further validated our focus on our five CSR Pillars and continue to drive us to improve.



JOHN MORTENSEN
INTERIM CHIEF EXECUTIVE OFFICER

We take heart that in highly material areas such as host responsibility, job creation and community; we have a reputation for being industry leading, but clearly we have work to do in the areas of environment and fair operating practices. We have already made meaningful strides in these areas and look forward to reporting on progress in the next 12 months.

We have heard the call for greater transparency, and this report is our way of beginning to improve that for our stakeholders. We are deeply aware that our social impact is important to the community and our customers, particularly the potential impacts relating to gaming. The expectation we have of ourselves is to ensure that the social benefits of our business outweigh the potential social harm, and we challenge ourselves to continue to perform in this area. Part of knowing whether this is being achieved is to understand the extent of both our social impact and social harm.

The primary task for our 2016 CSR report was to develop CSR goals and measures for the next 12 months and beyond. In 2017, we expect to report on progress against these goals and measures.

SKYCITY uses Dow Jones Sustainability Index (DJSI) as an international benchmark for its CSR performance. Unfortunately we did not achieve the goal of making the DJSI in 2016.

While we were disappointed not to achieve this goal, there are many highlights worth noting in regard to our commitment to CSR:

- We have improved year on year (we scored 66 in 2016 compared to 55 the previous year) and the benchmark for inclusion for Asia Pacific was 76 (last year 70).
- In some categories we achieved well above the industry average (Anti-crime Policy, Materiality, Corporate Citizenship & Philanthropy, Promoting Responsible Gambling and Stakeholder engagement). All of these areas impact our material issues, so this is a very positive result.

- We scored 100% for Promoting Responsible Gaming, where the industry average is 71. Again, this is a very pleasing outcome given this is SKYCITY's most material issue.

There is a lot of great work happening across the business which we anticipate will impact this index favourably next year. The enhanced goal setting and measures that are being set as part of the CSR programme will also enable us to take a significant step forward.

We are committed to basing our CSR programme on best practice. Time spent in assessing our starting point and setting a clear plan for the next 12 months will now enable us to accelerate our progress in improving highlighted material issues.



JOHN MORTENSEN
INTERIM CHIEF EXECUTIVE OFFICER



Who we are

SKYCITY Entertainment Group Limited is a trans-tasman tourism, leisure and entertainment company, and is listed in both New Zealand and Australia.

As one of only three publicly-listed casino operators in Australasia, we operate integrated entertainment complexes in New Zealand (Auckland, Hamilton and Queenstown) and Australia (Adelaide and Darwin). In addition to our contemporary casino gaming facilities at each of our complexes, we also offer world-class restaurants, bars and conference facilities, which appeal to domestic and international visitors alike. Additionally, we also offer award-winning hotel accommodation in Auckland and Darwin.

SKYCITY currently has more than 20,000 independent shareholders. The majority of SKYCITY's current shareholder base, by value, is represented by institutional investors (both domestic and offshore), with the balance predominantly held by New Zealand retail. Approximately 60% of SKYCITY stock is held by the top 20 shareholders, with SKYCITY's largest single shareholder holding around 6%.



SKYCITY paid a variety of tax, levies, and fees totalling more than NZ\$260 million in FY16:

Taxes (GST, FBT (net of GST), PAYE/PAYG, State Payroll Tax, Work Cover Levy, ACC Levy)	\$153,000,000
Gaming Tax and Duties	\$48,000,000
Problem Gaming Levies (net of GST)	\$10,000,000
Community Trust Levy	\$4,000,000
Income Tax before NRWT, FITC and other tax credits	\$51,000,000

2016	GROUP	INTERNATIONAL BUSINESS	AUCKLAND	HAMILTON	QUEENSTOWN WHARF	ADELAIDE	DARWIN
Restaurants/Bars/Cafés	52+	-	20+	7	3	9	9
Hotel Rooms	785	-	635	-	-	-	150
Gaming Machines	4,506	-	2,117 ⁽¹⁾	339	160	1,500	630
Table Games	427	-	150	23	18	200	36
Employees (approximate)	5,900	-	3,400	400	100	800	1,200
Revenue (million) (including gaming GST)	1084.1 ⁽²⁾	166.9 ⁽²⁾	557.5 ⁽³⁾	53.9 ⁽³⁾	13.2 ⁽³⁾	151.8 ⁽³⁾	116.2 ⁽³⁾
EDITDA (million)	330.1 ⁽²⁾	33.5 ⁽²⁾	251.2 ⁽³⁾	22.9 ⁽³⁾	3.1 ⁽³⁾	25.6 ⁽³⁾	33.9 ⁽³⁾

⁽¹⁾ Includes 240 Automatic Table Games

⁽²⁾ Normalised

⁽³⁾ Excludes International Business

Economic performance FY16

Overall, the full-year results for FY16 were very satisfying with strong and sustained momentum across the core businesses.

Following on from the momentum achieved during last financial year. Strong financial results were achieved across most parts of the business and good progress was made on our major growth projects in Auckland and Adelaide. Similarly, we have continued to actively support our communities during the period and further invest in our Corporate Social Responsibility activities, reflecting our commitment to being a good corporate citizen, whilst operating a sustainable and successful business model.

This section provides an overview of SKYCITY's financial performance. For more in-depth information, please refer to the SKYCITY Corporate website for Annual and Interim Reports, Annual General Meeting presentations and information provided to investors and analysts.



NORMALISED NPAT

UP **13.9%**
to \$152.7 million



NORMALISED EBITDA

UP **8.2%**
to \$330.1 million



NORMALISED REVENUE

UP **7.6%**
to \$1,084.1 million



TOTAL DIVIDEND

21.0
CENTS PER SHARE
up 5.0%



NORMALISED EARNINGS

25.5
CENTS PER SHARE
up 11.4%

GROUP

- Record normalised group revenue and earnings for a full-year period.
- Key drivers of the result were growth in earnings at Auckland and International Business (IB), operating leverage and reduced net interest expense.
- 2H16 result below expectations, primarily influenced by quieter trading in May and June.

NEW ZEALAND (REVENUE (EXCL IB) ▲ 7.0%; EBITDA (EXCL IB) ▲ 10.9%)

- Continued strong growth at SKYCITY Auckland, with the property benefiting from recent investment, supportive external factors and the new gaming concessions.
- Further strong growth at SKYCITY Hamilton and the combined Queenstown operations.

AUSTRALIA (REVENUE (EXCL IB) ▼ 3.0%; EBITDA (EXCL IB) ▲ 1.2%)

- Improved earnings performance by Adelaide Casino, following restructuring in 1H16.
- Ongoing challenge to grow local gaming revenue at Adelaide Casino.
- Disappointing result at SKYCITY Darwin, adversely impacted by challenging trading conditions.

IB (NORMALISED REVENUE ▲ 32.7%; NORMALISED EBITDA ▲ 26.6%)

- Record group-wide IB activity with turnover up 32.7% to \$12.4 billion and a win rate for the period of 1.49%.
- Similar growth in normalised EBITDA reflecting stable operating margins, underpinned by increased operating efficiencies but offset by marginally higher commissions and higher bad debt provisions.

MAJOR GROWTH PROJECTS

- Significant progress on the NZICC and Hobson Street Hotel projects following signing of construction contracts with Fletcher Construction in November 2015.
- Good progress on the Adelaide expansion with design approval received and an early works agreement signed in May 2016.

FUNDING

- Funding plan well advanced for major growth projects following successful raising of \$263 million of new equity in May/June 2016.
- New equity provides SKYCITY with sufficient headroom to fund major growth projects, maintain its BBB- credit rating and existing dividend policy, and to continue to invest prudently in the business.

DIVIDEND (DPS 21.0CPS ▲ 5.0%)

- Full-year dividend up 1.0cps to 21.0cps, in line with policy of distributing at least 80% of normalised NPAT to shareholders per annum.
- Final dividend of 10.5cps, 50% imputed, with Dividend Reinvestment Plan applying.
- SKYCITY remains committed to its existing dividend policy for the foreseeable future.

Corporate social responsibility

- why is it important to us?

For SKYCITY, our driving ethos is to achieve a positive impact in our community, while maximising the creation of shared value for our employees, shareholders and stakeholders.

Our commitment to CSR has seen a relatively rapid development of our programme over the past four years and to take action on issues we face in the communities we operate in. It sets an agenda for how we can positively influence social and environmental sustainability expectations, while strengthening our own resilience.

SKYCITY's ability to have a positive impact and develop meaningful relationships is inherently linked to our business performance. Increasing understanding of SKYCITY's business and its social, environmental and economic performance through its CSR programme assists in building stakeholder confidence, support and advocacy.

Positive relationships with stakeholders contributes to the company's social licence to operate, an intangible platform of stakeholder consent, attained when an organisation understands and is understood by the communities in which it operates.

SKYCITY's licence to operate encompasses:

- being a recognised, established and respected corporate citizen

- being a responsible host with internationally recognised harm minimisation programmes
- being an active supporter and contributor in our communities.

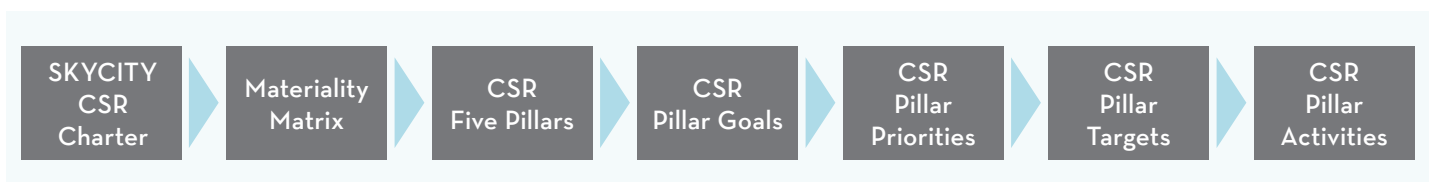
HOW WE DELIVER

The Board of Directors of SKYCITY Entertainment Group Limited has a dedicated CSR sub-committee. The objectives, composition, authorities and responsibilities of the Committee are set out in Corporate Social Responsibility Charter.

The Charter is the foundation from which our CSR programme has developed over the past two years.

The Committee review and report to the board on the Company's impacts associated with five core interdependent components (CSR pillars), adapted from traditional CSR frameworks (marketplace, community, environment, workplace and governance), reflecting the unique environment SKYCITY operates in.

These five pillars underpin how SKYCITY approaches material issues, goals and targets and how and why we deploy CSR activity.



Materiality

- what matters most?

Last year SKYCITY developed a materiality matrix to accurately identify sustainability issues of high relevance for internal and external stakeholders. The views of our staff and our external stakeholders across the SKYCITY Group are equally as important to us in determining what our material issues are. In re-evaluating our materiality matrix, we undertook a multi-stage approach.

STAGE 1 - INTERNAL STAKEHOLDER SURVEY OF 192 STAFF (INCREASED NUMBER FROM LAST YEAR)

This survey included SKYCITY staff from Auckland, Hamilton, Queenstown, Adelaide and Darwin. Each participant completed an anonymous online survey where they ranked sustainability aspects in their relevance to SKYCITY. We asked apprentices through to senior managers and different business units from Gaming to Corporate through to Security and Hotels.

Key materiality issues for internal stakeholders are:

- Responsible Gaming
- Non-discrimination
- Anti-corruption
- Occupational Health and Safety
- Staff training

STAGE 2 - INDEPENDENT INTERVIEWS OF KEY EXTERNAL STAKEHOLDERS

External stakeholder interviews in both New Zealand and Australia were conducted to gain further insight into SKYCITY's CSR performance and current priorities or trends that could affect SKYCITY.

The interviews also provided insight regarding the expectations placed on SKYCITY is related to performance measures and communication to stakeholders.

A total of 13 phone interviews were conducted. All interviewees were nominated and contacted initially by SKYCITY. In-depth interviews were then conducted through external consultants and anonymised for feedback to SKYCITY.

The interviews focused on four key stakeholder groups: regulators, partners, investors and civil society across both Australia and New Zealand.

There were no substantial changes between the New Zealand stakeholder interviews in 2015 and 2016. There were also no key differences between responses from interviewees in New Zealand and Australia, except for some locally relevant topics.

Generally, it was evident that SKYCITY communication to stakeholders has improved, but still needs further work. The need for aspirational goals, clear targets and measurement of KPIs was consistently raised by interviewees.

As expected, all stakeholders clearly focused on social topics and responsible gaming. Environmental topics and sustainable procurement were mentioned specifically when talking about future trends that will impact SKYCITY. Key feedback from stakeholders included:

- *"SKYCITY is seen as a responsible business overall"*
- *"Shift in perception from pure focus on gaming to entertainment provider"*

- *"Good relationship with the regulator"*
- *"Good that SKYCITY published a CSR Report"*
- *"Increased balance/honesty and transparency needed in report"*
- *"Specific CSR goals/targets also need to be developed"*
- *"More CSR storytelling wanted through report"*
- *"Harm minimisation and prevention is very important. Implementation could be better"*
- *"More transparency around problem gambling reporting and discussion"*

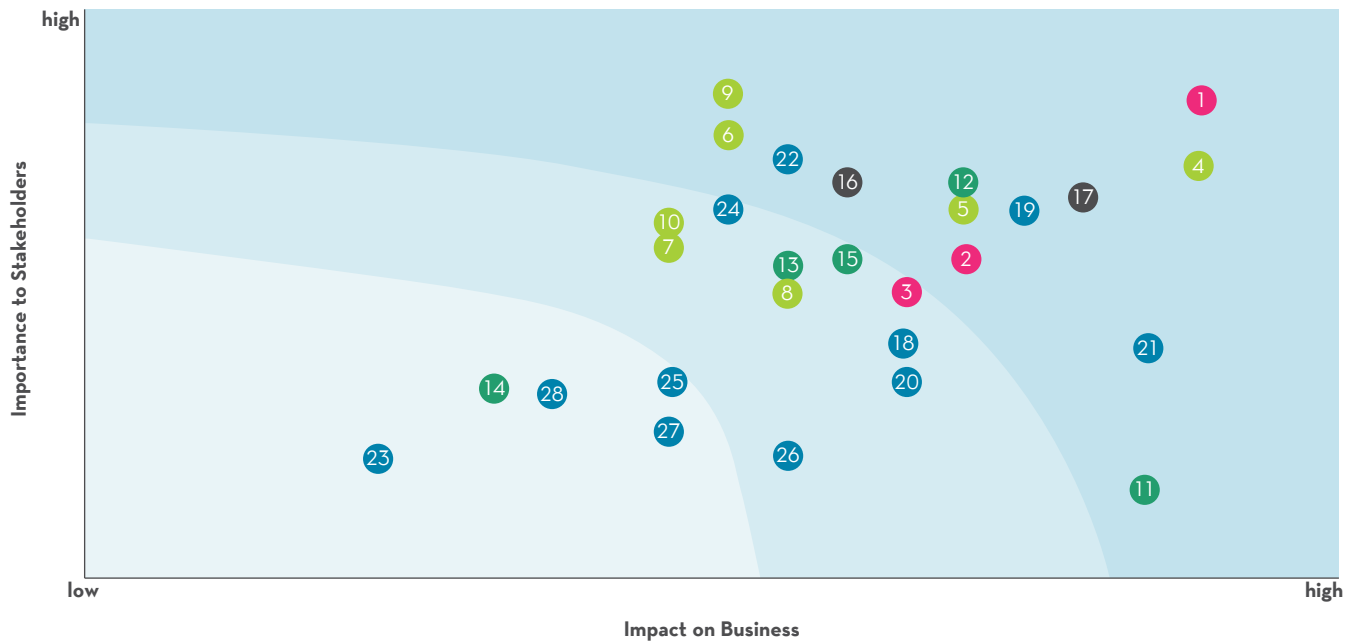
STAGE 3

The results of the internal stakeholder survey and external stakeholder interviews provide an insight to the importance of material issues to SKYCITY's stakeholders.

This business impact was determined in a workshop with key senior managers from our six venues where the material issues raised by our stakeholders were revisited. The potential impact on the business was assessed by ranking each issue against four criteria. The results for each category were then summed up for a total score. The criteria were: Ability to Operate, Reputation, Value Creation and Growth.

MATERIALITY MATRIX

Combining the results of the stakeholder research and business impact then led to the development of the materiality matrix.



RESPONSIBLE GAMING

- 1 Responsible Gaming
- 2 Customer Engagement
- 3 Market Presence

HUMAN RIGHTS AND LABOUR PRACTICES

- 4 Employment/ Job Creation
- 5 Staff Engagement
- 6 Occupational Health and Safety
- 7 Fair Remuneration
- 8 Diversity and Equal Opportunity
- 9 Non-discrimination
- 10 Training and Education

ENVIRONMENT

- 11 Transport
- 12 Energy
- 13 Waste
- 14 Emissions
- 15 Water

COMMUNITY INVOLVEMENT AND DEVELOPMENT

- 16 Local Communities
- 17 Economic Performance

FAIR OPERATING PRACTICES

- 18 Procurement Practices
- 19 Compliance
- 20 Security Practices including terrorism
- 21 Public Policy
- 22 Illegal Activities
- 23 Grievance Mechanisms
- 24 Customer Privacy
- 25 Product and Service Labeling
- 26 Supplier Assessment
- 27 Indirect Economic Impacts
- 28 Industrial Relations

Corporate social responsibility goals

Recasting the materiality matrix focused us on setting goals in the areas that matter most to our stakeholders.

Showing progress will require us to demonstrate our measurable impact across all five CSR pillars. In line with best practice we are striving to:

1. Set goals aligned with material issues
2. Measure progress towards these goals
3. Ensure goals, measures and progress are transparently communicated in our CSR/Sustainability report.

SKYCITY'S CORPORATE SOCIAL RESPONSIBILITY GOALS

The communities in which SKYCITY operates are better off because of our involvement. We are a cornerstone enterprise at the heart of our communities. We strive:

To be recognised in every community in which we operate as a trusted, transparent, safe and responsible casino and entertainment provider. (Responsible Gaming)

To every year, reduce our environmental footprint, with emphasis on our largest impacts of waste and energy. (Environment)

To be a key enabler of social well-being and recognised widely as creating value for the communities in which we operate. (Community Involvement & Development)

To provide leadership in promoting the wider adoption of social responsibility through our supply chain. (Fair Operating Practices)

To be recognised as the leading employer in hospitality and casino entertainment in Australasia. (Labour Practices/Human Rights).



Corporate social responsibility priorities and targets

Having finalised our goals, organisation-wide workshops and consultation identified our priorities and targets.

These priorities and targets stretch and challenge the business and staff, drive motivation and create cohesion across the SKYCITY Group.



RESPONSIBLE GAMING

Goal	Operate as a trusted, safe, transparent and responsible casino and entertainment provider.
Priorities	<ul style="list-style-type: none"> • Gain external accreditation through listing on the Dow Jones Sustainability Index. • Continue to deliver a comprehensive and world-leading Host Responsibility Programme in all of our sites. • Improve the effectiveness of our Host Responsibility Programme and training, by undertaking independent reviews of both the programme and training approach across all sites.
Targets	<ul style="list-style-type: none"> • 100% rating in “Promoting Responsible Gaming” on the Dow Jones Sustainability Index assessment. • 100% regulatory compliance in host responsibility, and positive trend / improvement in regulator audits. • Achieved independent evaluation of host responsibility programmes and training resources at all sites by the end of FY18. • Maintaining or improving on FY16 baseline for staff rating of SKYCITY as a ‘responsible host’.



ENVIRONMENT

Goal	Reduce our environmental footprint every year.
Priorities	<ul style="list-style-type: none"> Begin measuring and reporting on our environmental footprint eg carbon, energy, water and waste. Seek energy savings through design of infrastructure and technology improvements. Introduce improved recycling, including food waste composting. Embed environmentally-friendly purchasing options into supply chain. Continue donation of reusable goods eg excess food, hotel items.
Targets	<ul style="list-style-type: none"> Measure and establish baseline data for FY15-FY17, for emissions, energy, waste and water by end of FY18. <p>CARBON:</p> <ul style="list-style-type: none"> Measure carbon footprint Scope 1 and 2 for the Group by FY18. Measure carbon footprint Scope 3 by FY20. 10% reduction in Scope 1 and 2 emissions by FY18 (from FY15 baseline). 30% reduction in total emissions by FY25. <p>ENERGY:</p> <ul style="list-style-type: none"> 3% energy reduction per year per dollar revenue (FY15 baseline). <p>WASTE:</p> <ul style="list-style-type: none"> 40% reduction of waste to landfill by FY25 (FY15 baseline). 7% reduction per year, per dollar revenue. Zero waste by FY30. <p>WATER:</p> <ul style="list-style-type: none"> 3% water use reduction per year per dollar revenue. Improving staff perception of SKYCITY as being responsible with respect to the environment.

Targets for Environment pillar are subject to change once baseline is established.



COMMUNITY DEVELOPMENT AND INVOLVEMENT

Goal	Create value in the communities in which we operate.
Priorities	<ul style="list-style-type: none"> Measure and evaluate SKYCITY's social impact eg inputs, outputs, impact on our communities, and impact other key stakeholders. Quantify economic value creation from new developments, including ROI, job creation, economic development and tourism. Develop and implement a new community engagement strategy. Leverage our business and assets to support community economic development goals. Continue investing in communities through the SKYCITY Community Trusts, and through meaningful key charity partnerships.
Targets	<ul style="list-style-type: none"> Improve community perception of SKYCITY as a valuable cornerstone enterprise – measured through regular perception insights research and community engagement feedback across our communities. Improve level of staff awareness of and pride in our being a responsible part of the community.

⁽¹⁾ Scope 1 are broadly defined as emissions from sources that are owned or controlled by the organisation, eg From the combustion of fuels such as a natural gas, petrol, diesel, etc

Scope 2 are broadly defined as emissions from the consumption of purchased electricity, steam, or other sources of energy (eg chilled water) generated upstream from the organisation

⁽²⁾ Scope 3 are broadly defined as emissions that are a consequence of the operations of an organisation, but are not directly owned or controlled by the organisation, eg employee commuting, business travel, third-party distribution and logistics, production of purchased goods, etc.



FAIR OPERATING PRACTICES

Goal	Lead by example in promoting corporate responsibility and sustainability in our supply chain.
Priorities	<ul style="list-style-type: none"> Engage our supply chain through the distribution of SKYCITY's Ethical Sourcing Code. Further embed sustainability considerations into purchasing and procurement. Further development of a sustainability assessment process, rating and vendor audit and improvement approach.
Targets	<ul style="list-style-type: none"> Increased Dow Jones Sustainability Index rating for Supply Chain Management year on year. From FY17, all new on boarding vendors have signed on and are meeting the requirements of the Ethical Sourcing Code. 100% of vendors have signed and comply with the Ethical Sourcing Code by 2019. Vendor sustainability questionnaire and assessment process agreed across all SKYCITY sites by end of FY17. Vendors covering 70% of total spend to have completed the sustainability questionnaire and assessment by the end of FY17.



LABOUR PRACTICES AND HUMAN RIGHTS

Goal	Be the leading employer in hospitality and casino entertainment in Australasia.
Priorities	<ul style="list-style-type: none"> Focused investment in staff care and development, including health, safety and well-being. Achieve a self-sustaining safety culture by preventing harm and building wellness. Enable opportunities for career progression for SKYCITY staff. Foster an environment that celebrates and leverages the diversity of our workforce. Zero tolerance for pay inequity and continuation of unconscious bias training.
Targets	<ul style="list-style-type: none"> Increase our reinvestment of revenue in staff development from 0.6% in FY16 to 1% by FY20. Year on year growth in: <ul style="list-style-type: none"> Near miss reporting Employee participation and engagement in wellness initiatives Worker collaboration, communication and participation through active safety committees. By FY17, 60% of management and specialist roles (roles with a base salary of \$50k and above) will be filled by internal applicants. Extend Rainbow Tick certification to all New Zealand sites, and identify an equivalent Australian certification programme for Darwin and Adelaide sites. Develop an approach to working with underrepresented minorities to identify opportunities for employment and career development. All pay inequity issues identified and corrected, through use of the annual remuneration review tool and unconscious bias training. In FY17, begin monitoring SKYCITY's wage rates against statutory minimums; By FY20, no employee will be paid less than 10% above the statutory minimum wage.

Top material issues

The materiality survey highlighted two key areas of focus for SKYCITY: Host Responsibility and Employment/Job Creation. These are discussed in some detail below.

HOST RESPONSIBILITY

1 RESPONSIBLE GAMING PILLAR



As validated by the materiality feedback, the provision of host responsibility is a key tenet to SKYCITY's CSR programme. How we conduct our businesses in this area defines our relationship to customers, staff and to the communities we operate in.

SKYCITY is committed to promoting responsible gaming and consumption of alcohol on our sites. We benchmark against not just the CSR strategies of our competitors, but also other organisations around the world renowned for best practice. We voluntarily exceed what is required of us on a number of fronts.

Our Host Responsibility Programmes are the most comprehensive across Australasia and are recognised as amongst the best of any casino in the world. Through our world-class programmes, we provide safe places for our customers to play, eat, drink and stay. We invest many millions a year on host responsibility and all staff receive host responsibility training.

Staff training review

Training is fundamental to the provision of effective and meaningful host responsibility. In 2016, SKYCITY undertook an independent review of its host responsibility staff training at SKYCITY Auckland.

- SKYCITY Auckland contracted ABACUS Counselling Training & Supervision Ltd in October 2016 to review all levels of the SKYCITY Host Responsibility programme.
- The review covered content, delivery, balance of factual information required to be delivered alongside adult learning styles and engagement, the range of learning styles catered for, the relevance and quality of external providers who deliver on the course and any other notable features of the training programme.
- In summary, the report found that "The structure, content and delivery of the host responsibility programme were considered to be very good. However,

while it is very good in its current form, the recommendations comprise some suggestions for improvement in line with evidenced best practice and the experience of Abacus and are provided for consideration".

Recommendations include:

- Minor changes to clarify content, such as better specifying that problem gambling indicators (PGIs) are not equally weighted.
- Consider the addition of a range of interactive exercises to be included in the training sessions.
- Review and incorporate educational practices that fit with the learning styles of Māori, Pacific, and Asian learners.
- Include more opportunities to practice and role play interactions with customers about their gambling as a means for skill development.
- Review the motivational interviewing (MI) resource that is included, to improve participant understanding and to incorporate new techniques in motivational interviewing.

The Host Responsibility team are currently working to implement these recommendations and to feed back the results across the Group

About gaming exclusion

A key component of host responsibility and managing problem gambling behaviour across



all our sites in New Zealand and Australia is our exclusion programme.

Consistent with best practice, at SKYCITY, exclusions are available in two ways:

- Self-identified exclusion (self-exclusion); and
- Third party exclusion.

SKYCITY provides the facility for self-exclusion of customers from the gaming areas of all SKYCITY sites for a variety of periods and until they meet all re-entry conditions imposed by SKYCITY and/or by jurisdictional regulations.

A customer may request and undertake self-exclusion for a range of reasons, for example, where the customer has self-identified as a problem gambler or where the customer chooses to prevent or limit opportunities for harm to occur.

The self-exclusion process may also be initiated by problem gambling treatment providers or other venues under a multi-venue exclusion arrangement.

A SKYCITY imposed exclusion is an action SKYCITY takes if someone (a third party), is concerned about a customer's gambling, but they are not, for whatever reason, willing to self-exclude. The third party might be a family member, a friend, an employer, a GP or even a SKYCITY staff member.

SKYCITY exclusion may be undertaken where a problem gambler does not take up the offer of self-exclusion, and SKYCITY considers that it continues to have reasonable cause to believe that the customer is a problem gambler. If SKYCITY has reasonable grounds to suspect, as a result of ongoing gambling or

other behaviour, that the customer is a problem gambler, it must take all reasonable steps to assist the customer, including issuing a SKYCITY exclusion in appropriate cases.

These decisions are made on the basis of assessment(s), provision of information, advice and assistance, monitoring of a "gambler of interest" file, and refusal of a self-exclusion offer or other host responsibility efforts to assist the customer to gamble without harm.

A casino exclusion may be imposed after a serious one-off incident where an offer of self-exclusion has been refused.

Exclusion orders are mandated under the Gambling Act in New Zealand and responsible gambling Codes of Practice in South Australia and the Northern Territory.

The number of excluded customers can vary considerably from year-to-year. Variables influencing exclusion numbers can be arbitrary, without material correlation to factors such as problem gambling observations or interactions, but they can highlight immediate issues or causation from current activities.

Exclusion orders are one part of a broader set of initiatives implemented through SKYCITY's Host Responsibility Programmes, designed to ensure that gambling environments are safe, harm arising from gambling is prevented or minimised and that SKYCITY facilitates responsible gambling environments for customers.

EMPLOYMENT/JOB CREATION

2 HUMAN RIGHTS AND LABOUR PRACTICES PILLAR



Significant progress has been made across this pillar predominantly in New Zealand. The focus and challenge is to extend these programmes to the Group.

a) Supporting and developing staff

It is important to our business that we are seen by our staff to be a great employer, to be an employer of choice and to do our part in using employment as a force for social change.

Our people are the key to our success. Empowered employees will deliver outstanding service for our customers and ultimately venues that inspire, excite and impress.

Improving key talent retention and building leadership capability is being achieved through our Emerging Leaders Programme, Strategic Talent Management Programme and our INSPIRE Leadership Development Programme.

Focus on SKYCITY Group	The SKYCITY Board and Management are very focused on ensuring there is a group-wide approach to initiatives and resourcing. However, because of its scale, SKYCITY Auckland is regularly used to pilot, trial and refine initiatives before they are deployed group-wide.
INSPIRE - Leadership Development Programme	INSPIRE Leadership is the unique framework that defines and promotes what high quality leadership looks like at SKYCITY. Since mid 2012, nearly 400 senior leaders of SKYCITY have participated in the Inspire Leadership programme. This includes participants from Auckland, Hamilton, Queenstown, Adelaide and Darwin.
Emerging Leaders Programme	The Emerging Leaders Programme is SKYCITY's newest Learning and Development initiative designed to accelerate the development of our best front-line talent across the organisation. In-depth consultation with business leaders and front-line managers informed the programme content. A thorough nomination and selection process was undertaken to select high performing talent from a variety of departments. The programme is a blend of online content, facilitated workshops, leadership coaching and on-job application. Over a series of critical leadership topics, participants experience a six month developmental pathway that supports them through one of the most important transition points in their career. The Emerging Leaders Programme is key step in SKYCITY's pathway for talent and these leaders will make an important contribution to SKYCITY and beyond.
Strategic Talent Management Programme	Designed to build diverse talent channels and an adaptable, agile talent pipeline for the SKYCITY, providing a sustainable and competitive business advantage through our people. We aim to understand, retain and develop our high potential and high performing talent through the provision of visible career pathways, relevant and impactful development programmes whilst reducing costs associated with external recruitment activity at a leadership level. Talent management is intended to be a deliberate and systematic approach to retain individuals who are of particular value to the organisation, either in view of their potential for future leadership roles or their ability to fulfil business critical roles. We have developed a programme and have piloted this across our Auckland business. With a successful programme of work now underway, we will now be rolling this out to all sites to ensure a more consistent view and approach to how we manage Talent.

b) A focus on Youth

SKYCITY has long held the belief that the youth of today are our talent of tomorrow. As a people centred business, we have been strategic about the need to focus on the future. Our commitment to youth was formalised externally by being the second employer to sign the Auckland Youth Employer Pledge.

SKYCITY's commitment to youth employment has seen us initiate and develop The Journey Pre-Employment Programme, which won the Innovative Youth Employer Award at the Auckland ATEED Young at Heart Awards.

Youth Employment Pledge	<p>The Youth Employer Pledge is a key initiative in Auckland's Youth Employment Plan, which exists to get more young talent into work and career pathways. Leading Auckland businesses have made the pledge to show their commitment to employing our young talent – it's good for business and good for the community.</p> <p>Auckland businesses are preparing for growth and many are already experiencing skills shortages. Our ageing workforce also means competition to attract young workers is increasing. SKYCITY was the second Auckland business that agreed to sign up to the pledge.</p>
The Journey Pre-Employment Programme	<p>SKYCITY Auckland has made a pledge to attract unemployed youth and start them on a satisfying career path. Our business, which includes two hotels and more than 20 bars and restaurants, has 3,500 employees, of which 25 per cent are youth. Over 18 months more than 215 young people, mainly from south and west Auckland, have joined SKYCITY's pre-employment programme The Journey.</p> <p>We are focusing The Journey on being the start of a sustainable career. We are saying 'here's a possible career for you and here's how you can start'.</p> <p>Currently the jobs open to those on the programme are roles in SKYCITY's restaurants, and we will be broadening the roles to housekeeping, porter roles and kitchen stewarding.</p>
Learning on the Job	<p>SKYCITY has formed partnerships with Ministry for Social Development, Youth Horizons West and Best Pacific Institute of Technology in South Auckland. Every two months, candidates are sent to the SKYCITY assessment centre, where they learn about training and job opportunities, undertake group exercises and have one-on-one interviews.</p> <p>Nearly half of the candidates on the training programmes have been offered jobs, and during their first three months at work they are supported by an experienced mentor and receive further training from their team.</p> <p>SKYCITY is also expanding its employment drive by attending JobFest, and piloting a new youth employment web portal, which connects youth with local job opportunities.</p>
Apprentice Chef Programme	<p>Budding chefs at SKYCITY Auckland can now receive an internationally renowned qualification, with the company being the first accredited business in Australasia to offer City & Guilds credentials.</p> <p>The largest single site employer of apprentice chefs in New Zealand, SKYCITY Auckland offers its apprentice chance to earn a City & Guilds Food Preparation and Culinary Arts qualification. City & Guilds is an international training provider, operating in over 80 countries.</p> <p>Over the past 16 years, 74 apprentice chefs have been trained by SKYCITY and received qualifications through Service IQ. The 26 chefs currently completing their apprenticeship will continue their qualification through Service IQ, while those starting the programme in 2016 will start the City & Guilds qualification.</p> <p>The apprentice chef programme is part of SKYCITY's youth employment programme, proving talented young people with the opportunity to gain qualifications and develop careers in the hospitality industry.</p> <p>SKYCITY is the country's single biggest hospitality employer, and has more than 20 restaurants, the largest production kitchen in New Zealand and a vast out catering and conventions facility. Apprentice chefs are rotated through different kitchens, learning from experienced chefs in a diverse range of cuisines and kitchen environments.</p>

c) Building Resilient Communities

Employment is a critical part of communities thriving and SKYCITY has been pleased to develop, shape and trial initiatives that seek to provide sustainable employment for vulnerable parts of our community, reducing societal issues such as youth unemployment and welfare dependence.

Welfare to Work	<p>SKYCITY has been leading work around the New Zealand Sustainable Business Council's Welfare to Work programme, which aims to increase the number of young, solo parents in work.</p> <p>Employing young, solo parents makes sense for SKYCITY throughout its business.</p> <p>The company and staff are beginning to understand more about young people not in employment, education or training (NEETS).</p>
-----------------	--

d) Leadership in Diversity

SKYCITY is actively looking to build a workforce and leadership diversity (gender, ethnicity, age, sexual orientation) which reflects our customers and can provide innovation and divergent thinking.

Increasing diversity is a fact in most New Zealand workplaces – inclusiveness is a behaviour. SKYCITY seeks to foster an inclusive culture (where differences are celebrated) and where we can fully leverage the benefits of our naturally diverse culture. SKYCITY has made significant progress building a foundation on its journey of diversity and inclusion. Our diversity policy demonstrates the level of commitment and understanding of the importance of diversity and inclusion. We have several other policies supporting this diversity and inclusion.

SKYCITY intends to be considered the leading employer in hospitality and tourism through our diversity and inclusive work practices. There are five main streams to our diversity and inclusion strategy:

Ethnic	To deliver a development programme that assists Māori staff reach their management potential.
Training/ Celebration	Monitor the participation of under represented groups in our leadership training and talent programmes.
Age	Development of a retirement transition programme that supports our aging workforce, including network groups and information events
Gender	<p>Continue to review gender pay equality and deliver an organisation wide programme that removes any risk of bias or inequality.</p> <p>Continue to strive to ensure strong female candidates are identified in the recruitment process for all Board and Senior Executive roles.</p>
LGBTI	Obtain a Rainbow Tick certification for our Hamilton and Queenstown sites, retain certification in Auckland and seek appropriate options in Australia to reiterate our commitment to our lesbian, gay, bi-sexual, intersex and trans-sexual staff.

Examples of current activity include:

TupuToa Māori & Pacific Corporate Pathways Programme	SKYCITY is now a supporter of the TupuToa Māori & Pacific Corporate Pathways Programme. This programme is aimed at providing sustained support for Māori and Pasifika tertiary students and early career graduates to fulfil their career aspirations, and become business and community leaders in New Zealand and internationally. Launching in September 2016, the programme is a national internship and early career development programme, based on a proven international model that will also assist corporate partners to identify, develop and retain high potential Māori and Pasifika graduates and develop a powerful national network of Māori and Pasifika business people throughout New Zealand. SKYCITY has committed to taking five interns across November to February 2017.
Pathways to Employment	SKYCITY Hamilton is an active supporter of Pathways to Employment organisations, including Red Cross and TrainMe. Over the last 12 months, these partnerships have resulted in the successful placement of five people, including three former refugees from Columbia, Myanmar and The Democratic Republic of the Congo, into permanent roles at SKYCITY. Our ongoing commitment is to ensure that we communicate suitable vacancies and give fair consideration to any candidates that are put forward. Once placed, the agency continues to work with the candidate and SKYCITY to ensure a smooth transition into their role.

Future focus areas

The materiality survey, a review conducted by Sustainability Business Council and our submission to the Dow Jones Sustainability Index highlighted there was room to improve in the Environment and Fair Operating Practices. We are committed to showing continual improvement in these areas.



1 ENVIRONMENT

Environment matters are interconnected locally, regionally and globally and addressing them requires a comprehensive, systemic and collective approach. SKYCITY sees environmental education and capacity building as fundamental to promoting the development of a more sustainably conscious organisation sustainable and helping us to implement initiatives which are equally good for business as they are for our communities.

Feedback from the materiality survey, review conducted by the Sustainability Business Council and the development of our Environment pillar goals has produced a clear understanding of what is needed to achieve progress in this area of the business across the Group, specifically “to every year, reduce our environmental footprint, with emphasis on our largest impacts of waste and water”.

Emphasising the importance and level of priority we have assigned to improvement in this area, SKYCITY appointed a dedicated Environment Manager in 2016.

The immediate environmental priorities for SKYCITY are to start measuring and reducing our carbon footprint, our water, waste and energy usage.

2 FAIR OPERATING PRACTICES

SKYCITY sources products from a variety of producers and distributors both locally and internationally.

We are committed to continual improvement and leadership in promoting wider social responsibility through the supply chain. SKYCITY supports and is committed to the United Nations Global Compact ten principles. These principles are outlined in our procurement policy.

Toward this goal we have developed and begun sharing our Ethical Sourcing Code with our supply chain and to begin to embed sustainable considerations in vendor decision making. The intention is to improve our indirect impact on society and the environment and to encourage our suppliers to improve their practices and to assist them in doing so.

The Fair Operating Practices goal, targets and priorities developed in 2016 produce a clear set of benchmarks for SKYCITY to report progress against.



Stakeholder engagement



SKYCITY has a broad set of stakeholders including: customers, staff, shareholders, media, health providers, academics, politicians and regulators, to name a few.

Communicating well with these stakeholders is critical to build productive and mutually beneficial relationships. We engage in a variety of ways:

- Business and industry membership forums (eg Sustainable Business Council)
- Regular meetings with regulators and government departments on a wide range of domestic policy settings (eg gambling policy, host responsibility policy, health and safety policy, etc)
- Regulator reviews and audits
- Briefing and hosting politicians and media stakeholders
- Community liaison meetings with providers and regulators
- Investor analyst road show presentations
- Annual General Meetings, annual and interim reporting and other shareholder correspondence
- Content via the SKYCITY Entertainment Group corporate website
- Staff interactions at SKYCITY properties
- Brand and advertising campaigns
- Marketing to customers
- Customer feedback and experience measures
- Host Responsibility interactions with customers
- Customer surveys



- Community Trust funding process and allocation
- Unions, discussions and interactions.

We communicate regularly with our staff through:

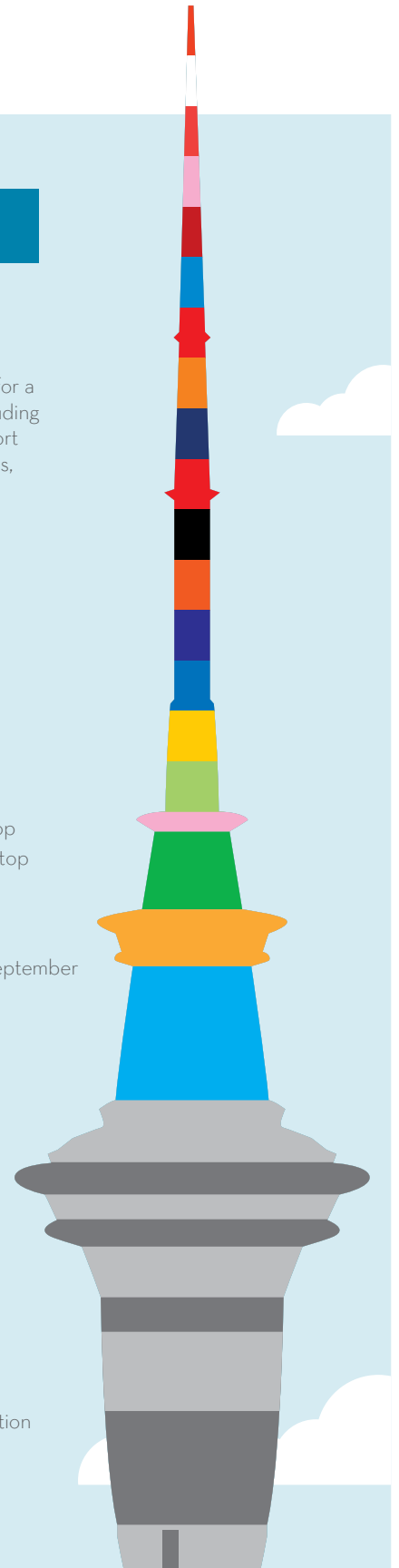
- State of Play presentations (management briefings to all staff on key milestones and issues for business)
- Quest for the Best presentations (staff achievement and recognition awards)
- Employee engagement surveys
- Internal communication – email, website
- Employee training opportunities
- Employee advocates available to staff.

CONNECTED TO COMMUNITIES

SKYCITY lights the Sky Tower to show support for a number of organisations and special events, including charities and community initiatives that we support financially or to mark national holidays, milestones, other celebrations or significant events.

A number of tragic world events occurred in 2015/2016, including attacks in Brussels, Turkey, Orlando and France. The Sky Tower was lit in solidarity with those communities.

- **Leukaemia & Blood Cancer New Zealand Firefighter Sky Tower Stair Challenge** Red
- **White Ribbon Appeal** White with pulsating top
- **Heart Kids New Zealand** Red with pulsating top
- **New Zealand Breast Cancer Foundation** Pink during Pink October
- **Cure Kids** Red top for Red Nose Day
- **Prostate Cancer Foundation** Blue for Blue September
- **Auckland RSA Poppy Day Anzac Day** Poppy projection with red
- **World Vision 40-Hour Famine** Orange
- **Earth Hour** Lights off
- **30th Anniversary of Homosexual Law Reform Bill** Rainbow colours
- **All Blacks** Black with white stripes
- **Matariki** Red, orange and yellow
- **Pride Festival** Black with rising rainbow
- **American Independence Day** Red, white and blue
- **Chinese New Year** Gold and red
- **Christmas** Green and red
- **Mother's Day** Pink
- **St Patrick's Day** Green
- **Federal Street Festival** Federal Street projection with burnt orange
- **SKYCITY Breakers finals weekend** Blue



2016 activity to support CSR pillars across the SKYCITY Group

Since SKYCITY opened its first casino in 1996, it has strived not only to provide sustainable total shareholder returns but also to be a responsible corporate citizen and an effective community leader, wherever it operates. We are proud of the significant contributions each of our properties has made in their communities across New Zealand and Australia.

Our community investment includes donations, fundraising, sponsorships, in-kind support and Community Trust grants for a wide range of community groups and activities, as well as contributions through rates, taxes and spending on salaries and wages, goods and services. Below are some examples of this activity.

TEXTILE REUSE PROGRAMME



SKYCITY Auckland, along with Air New Zealand, Fonterra, New Zealand Post and The Warehouse, worked with these partners to find new ways to reuse employee uniforms and reduce textile waste. This partnership will look at what to do with old uniforms that have been replaced. The Formary, which is expert in textile fibre recovery and re-engineering, is working with the collaboration and leading the project.

SKYCITY Auckland has 50,000 uniforms in circulation at any one time, and this collaboration provides the opportunity to establish an environmentally and commercially sustainable business solution for the 70 uniforms per week that are longer able to be used.

Recently, the main gaming floor uniform was decommissioned resulting in a solution needed for 500 jackets, 3,225 shirts, 1,677 vests, 2,027 trousers and 130 skirts. In the past this waste would have gone to landfill.



SKYCITY STAFF CSR CHAMPIONS COMMITTEE



A CSR Champions Committee has been established internally to ensure that SKYCITY's CSR Programme has employee input and feedback as a key stakeholder, and that the CSR Programme is widely understood across all sites in New Zealand and Australia. The Committee was established from volunteer employees that registered their interest and participants have been active in identifying initiatives to be considered.

SUPPORTING GAY SKI WEEK IN QUEENSTOWN



SKYCITY Queenstown has supported Gay Ski Week QT for 14 years, since day one. The two key elements of the sponsorship are a \$5,000 cash contribution and free venue hire for the karaoke night. This year SKYCITY Queenstown also hosted a Gay Speed Dating evening in celebration of Gay Ski week. This eight day long event is a great opportunity for SKYCITY Queenstown to get involved with the local, domestic and even the international rainbow communities.



SKYCITY MAKES IT A LITTLE EASIER (SMILE) FUND



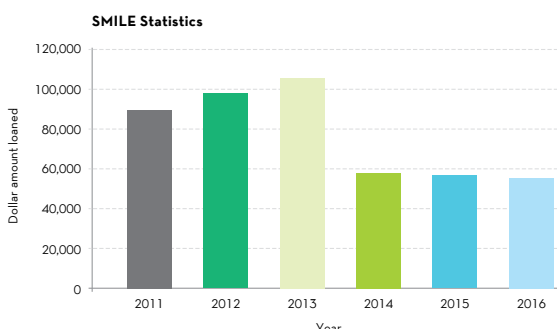
The SKYCITY SMILE fund started 20 years ago and was originally funded by the commission off vending machines. The fund provides staff with financial help due to unexpected hardships or crisis in their lives.

Staff who are full or part time and have been working at SKYCITY for six months or more are eligible to borrow up to \$1,000 interest free. Repayment is through weekly payroll deductions.

The loan application must be supported with documents outlining the debt and it is reviewed and discussed with a member of the Connect team. It is then approved by a General Manager and signed off by a committee member. Funds are given by cheque directly to the company or person to whom the debt is owed.

As a condition of the smile loan, the applicant may be required to attend a free budgeting session provided by an independent financial consultant before the loan is approved. This is to ensure that the staff member has had the opportunity to properly manage their finances and also that they are not put into more debt by paying back the loan.

Some of the debts include rent arrears, overdue bills, school fees and uniforms, funeral expenses, bond and rent for new accommodation, dental treatment, and car repairs to name but a few.



HOST RESPONSIBILITY CONFERENCE PRESENTATIONS



SKYCITY attended and presented to the 11th European Association for the Study of Gambling Conference. The bi-annual EASG Conference theme was “Development of the invisible and unknown: Research, Responsibilities and Regulation”.

Representatives from the gambling industry, treatment services, regulators and research groups attended the conference.

SKYCITY presented a discussion at the conference outlining how an industry-led Host Responsibility Programme operated in a public health environment.

SKYCITY also chaired a plenary session and presented at the 26th National Association of Gambling Studies Conference in Australia. SKYCITY presented a discussion on “Technology in Treatment and Training – A snap-shot presentation of how a casino operator applies resources and prescriptive indicators to prevent and minimise gambling related harm”.

HE KOROWAI TRUST



SKYCITY Auckland and He Korowai Trust Kaitaia have collaborated to fit-out the former Kaitaia Hotel, now known as He Whare Manaaki Tangata (the House that cares for all people). This facility has been purchased by He Korowai Trust Kaitaia to establish an emergency accommodation facility for those in desperate need. Furniture removed from two hotel floors being refurbished at SKYCITY Grand Hotel have been donated to this facility to provide five-star equipment to provide a space that is clean, welcoming and in support of those people that have found themselves in a dire situation.

SKYCITY Auckland has donated 12 single beds, 4 queen beds, 28 king beds, 36 free standing lamps, 36 office tables, 35 luggage racks, 36 couches, 35 TV's and units, 24 sets of curtains, 41 large chairs, 21 sets of drawers, 48 bedside tables and lamps, 3 ottomans, 3 dining tables and 10 dining chairs. 80 metres of carpet has also been donated for the reception and lounge areas. This furniture has been used to fit out the 35 rooms in He Whare Manaaki Tangata.

FOOD RESCUE



SKYCITY Hamilton led the way in embedding a food rescue process with Kaivolution that sees the redistribution of surplus food from our kitchens to charitable organisations in the surrounding area. Over the last year, 1,400kg food has been donated to many worth causes that feed people in desperate need.

SKYCITY Auckland has been working for nearly a year to develop a process for achieving the same result, complicated by the number of restaurants, kitchens and our convention centre business. We are really excited to work with the great team at KiwiHarvest as they provide a sustainable way for us to support a much wider variety of community groups.

This partnership, along with that with Kaivolution, sees food being taken to feed those in need around Auckland and the Waikato rather than being wasted. We're also committed as a business to minimising our waste, so this is great step forward in that.

The SKYCITY Auckland Community Trust has also supported KiwiHarvest with a grant to purchase a second van so that they can meet the demand of their suppliers.

We look forward to refining the food rescue process and then widening the reach across our venues over the next 12 months.

STAFF INVOLVEMENT AT SKYCITY ADELAIDE



Over the last 12 months, staff at SKYCITY Adelaide have raised \$22,621.30 for Variety. On presentation of the cheque, Variety CEO Mark McGill passed on his most sincere thanks to all staff, saying that every donation drastically changes the lives of children in need.

Some of the fundraising over the past 12 months have included PITSTOP theme day raffles, Entertainment Book sales, wardrobe sales, the very popular Dunk a Manager at Family Fun Day and an HR Christmas initiative where lucky staff could have their photo taken with a very special "Santa".

Fundraising efforts are growing every year with over \$80,000 donated to Variety since 2012. This support is highly valued by Variety, with funds used to help Australian children who are sick, disadvantaged or have special needs live, laugh and learn. The inspiring work done by Variety helps children in need overcome whatever obstacles they face so they can live life to the fullest.



SKYCITY COMMUNITY TRUSTS – WHY DO WE FUND WHAT WE DO?



Since inception, SKYCITY has contributed \$46.6m through its Community Trusts to more than 4,000 charities, making a difference in the communities in which we operate.

Over the last seven years, the Community Trusts have focused on ensuring this funding is allocated in the best way possible, and is targeted in a meaningful way.

Research has been undertaken to understand what the needs within our communities are and how relevant Family Financial Security (FFS) is to these needs. Family Financial Security is an umbrella concept which relates to anything standing in the way of a family's financial well-being. This could range from the loss of income due to a disability or accident; professional immigrants who have been unable to secure work; lack of literacy or numeracy skills; learning difficulties; lack of job training or skills; inability to work due to social stigmas.

The financial security of families is critical to alleviating poverty and the loss of financial security in families is also related to some of the social issues associated with problem gambling. For these reasons, it was felt that this criterion was a good fit for the SKYCITY Community Trusts.

There are particular groups at risk of weakened FFS and its consequences:

- Children and young people, single parents and/or those living in a low-income household
- Those living in areas of high deprivation where there is often a concentration of gambling, financial lending, alcohol and takeaway outlets
- More likely to identify as Māori and Pasifika
- Have few or no qualifications, low literacy levels and/or be a beneficiaries.

Efforts to improve FFS focus on what may be seen as to be more directly associated initiatives such as:

- Improving financial literacy and numeracy (including debt reduction and building foundational money management skills)
- Improving work-related skills and training and access to work; and
- Improving social and physical environment in higher risk areas.

From these findings, a robust set of criteria was developed with four priority pillars and this funding priority has been utilised since 2014, as detailed below:

IMPROVING FAMILY FINANCIAL SECURITY IN AUCKLAND AND NORTHLAND



CSR Challenges

and focus for the next 12 months

Areas where we need to make demonstrable progress in the next 12 months include:

- Measuring and reporting against our CSR Goals, Priorities and Targets
- Independent assurance of our CSR programme. The use of external, independent reviews of sustainability management processes and final disclosures is intended to increase the robustness, accuracy and trustworthiness of disclosed information
- Sustained focus on demonstrating systemic prioritised 'community impact' versus one-off activities. This includes the development of key relationships and collaborations with third parties
- Significant progress made and reported for Environment and Fair Operating Practices pillars
- Simple and informative dashboard reporting on pillar data. Sustainability metrics are being collated via licensed software. This will allow the Board, Management and stakeholders to easily analyse longitudinal trends
- Developing capacity and reporting consistency across the SKYCITY Group.



