

CORPORATE SOCIAL RESPONSIBILITY REPORT 2017



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ABOUT THIS REPORT

Welcome to the third annual Corporate Social Responsibility (CSR) report for SKYCITY Entertainment Group Limited. This report provides a summary of data and commentary in relation to the key pillars and metrics we use to measure progress toward our corporate social responsibility objectives (see pages 12–13). It also discusses our business strategy, and how we will measure success into the future in a way that goes beyond financial performance.

This report covers the financial year ending 30 June 2017, and includes where appropriate, information on our corporate social responsibility activity that occurred after the reporting period, but prior to publication of this report.

We have made a dedicated effort to provide more specific data on our material issues than in our previous reports – the last of which was published in 2016. The approach taken to materiality assessment and the content in this report has been informed by the principles and disclosures of the Global Reporting Initiative (GRI). A GRI reference index based on the

GRI Sustainability Reporting Standards 2016 is included on pages 58–61. For the first time, our CSR report has been independently assured to help us report the additional performance data accurately and in line with reporting standards. The specific metrics that were assessed as part of this 'limited assurance process' are noted with 'audited' throughout the report and the independent assurance statement can be found on pages 57.

From our headquarters based in Auckland, this report has been prepared with a scope that includes all of our trading entities and sites across New Zealand and Australia. Financial data in this report is taken from our Annual Report, which has been externally assured. Our Annual Report is available at www.skycityentertainmentgroup.com

We welcome all feedback and questions in relation to this report and our overall corporate social responsibility platform. Please feel free to contact us at csr@skycity.co.nz



BOARD CSR COMMITTEE CHAIRPERSON'S REPORT

Corporate social responsibility is critical to our business and it must continue to be embedded at all levels of the organisation and in the way that we operate.

In 2016 we were successful in establishing our first set of CSR priorities, measures and targets. Now, in our third year of reporting, these priorities and targets provide a platform for our reporting activity, enabling us to gather rich information, and to benchmark our sustainability performance – the good and the bad, the highs and the lows, the strengths and the challenges – and identify the areas where we need to focus on in the future.

This report shares data on our measures and targets for the last 12 months but it also presents meaningful, purposeful information and real stories of impact about the work we are doing across our pillars.

We are proud of the progress we have made since 2015 and the Dow Jones Sustainability Index assessment for us provides a means to challenge and benchmark ourselves – helping us to see areas where we could do more, and make improvements. We did not achieve Dow Jones Sustainability Index listing again this year, but increased our score from 63 to 67, and just 4 points short of the 71 required to achieve listing. We are pleased that for the second year running we achieved a score of 100 for “Promoting Responsible Gaming”, our most material issue, which is aligned to our peers in the Asia-Pacific region.

Our continued focus on a comprehensive approach to responsible gaming and host responsibility is an essential principle of our CSR strategy. We have made good progress in this area, an effort that has not gone unnoticed. For the first time, we received positive public feedback in 2017 from our regulator, the Department of Internal Affairs about our Host Responsibility Programme. We will remain vigilant to ensure that we continue to make improvements and as it becomes available we will increase our use of technology to achieve greater progress.

We also take pride in our Labour Practices and Human Rights pillar. We have developed a very strong platform around issues related to diversity and inclusion such as Champions for Change and our Rainbow Tick rating. In the coming year, we will continue to refine and adapt programmes in staff care and development for different parts of the Group based on evaluation of outcomes of new initiatives.

The last year has seen a step change in our work in relation to the environment, from how we look at energy and emissions reduction, to our work to reduce waste. We are pleased to be reporting on our carbon emissions for the first time. There is much more room for development in this area and opportunities for innovation and partnership.

We have seen some good examples of introducing ethical and environmental criteria

into our procurement, but we need to go further. This year, we have commenced a means to audit our key suppliers across a range of social, environmental and governance risks areas. We will continue to support our suppliers as we work together to become more transparent in these areas.

With respect to community development and investment, we have begun looking at how we can be more strategic in our giving and in our partnerships with the communities in which we work, with a view to maximising the social impact from these activities and giving. It is critical that we partner with our communities, listen and reflect on their expectations, and deliver a contribution that is genuinely valuable and can be measured for its social impact. We are engaging with our communities more than ever before, and we expect the coming year to see the development of an approach that demonstrates what SKYCITY will stand for in the communities we are a part of. We look forward to working together with key stakeholders to define this further over the next 12 months.

SUE SUCKLING

CHAIR
SKYCITY CORPORATE SOCIAL
RESPONSIBILITY BOARD COMMITTEE



SUE SUCKLING
CSR BOARD COMMITTEE CHAIR

CHIEF EXECUTIVE OFFICER'S REPORT



GRAEME STEPHENS
CHIEF EXECUTIVE OFFICER

When SKYCITY began measuring its performance against corporate social responsibility indicators, the desired outcome was to develop a strong sense of purpose and to identify where we could add real value to the communities that we operate within.

In our third year, we are making good progress and have established a strong foundation in the form of our five pillars that

have been identified as key to a holistic corporate social responsibility programme – responsible gaming, community involvement and development, labour practices and human rights, environment and fair operating practices.

Our approach is not to just follow good operating practice – we are looking at how we can become leaders in these areas – going

beyond commercial imperatives to build genuine links with our communities. Over the past 12 months we have made gains toward this.

I'm proud to lead an organisation that is recognised for its efforts to prevent gaming harm, and the promotion of host responsibility through our staff.

In late 2016, SKYCITY's four casinos in New Zealand were the highest rated across 120 pubs and clubs in a mystery shopping exercise conducted by the Department of Internal Affairs (DIA). In their report, it states "The overall results also show that SKYCITY casinos have cultivated a culture of care within their casinos. The results from SKYCITY casinos show what can be done when more dedicated resource is directed at minimising harmful gaming within a culture that puts a clear focus on a high standard of harm minimisation practice."

That culture of care and concern extends to our staff as well as our customers. This year, Rainbow Tick certification was extended to all New Zealand sites and an Australian certification programme has been identified for our Darwin and Adelaide sites.

We also took steps to show more leadership in supply chain sustainability, as we began to engage with our suppliers through our ethical sourcing code. We also made an invitation to 120 of our key suppliers to participate in piloting a sustainability risk assessment,

which we will look to extend once results are reviewed at the end of this year.

Our CSR activity is ever evolving as we are always listening to our communities. This year, we asked stakeholders to tell us their expectations about what we should stand for in the community, and sought their advice on how we can create more community value. After considering our unique assets and resources, and learning more about community need, we are considering our approach to community development and investment, by working on a more targeted and strategic approach to our work in the community sector. The key theme, Building Communities by developing People, will bring together existing programmes in this space, such as our Chef Apprenticeship Programme, our TupuToa Māori and Pasifika Internship programme, and integrate other new programmes designed at elevating our staff from traditionally under-represented groups – but we can go further.

We will achieve greater social impact and business value by better focusing our community investment, charity partnership, cause marketing and sponsorship resources toward this core theme, allowing for local diversity in developing genuine community partnership. Over time, we will work to find creative ways to engage our customers, our suppliers and our staff as well.

With over 5,600 staff and growing, our people are effectively a microcosm of our communities. We want to engage our staff even further in our CSR activity, drawing on them to be leaders and mentors, working toward a common, inspiring, shared purpose. I look forward to building on this shared vision in the coming year.



GRAEME STEPHENS
CHIEF EXECUTIVE OFFICER
SKYCITY ENTERTAINMENT GROUP

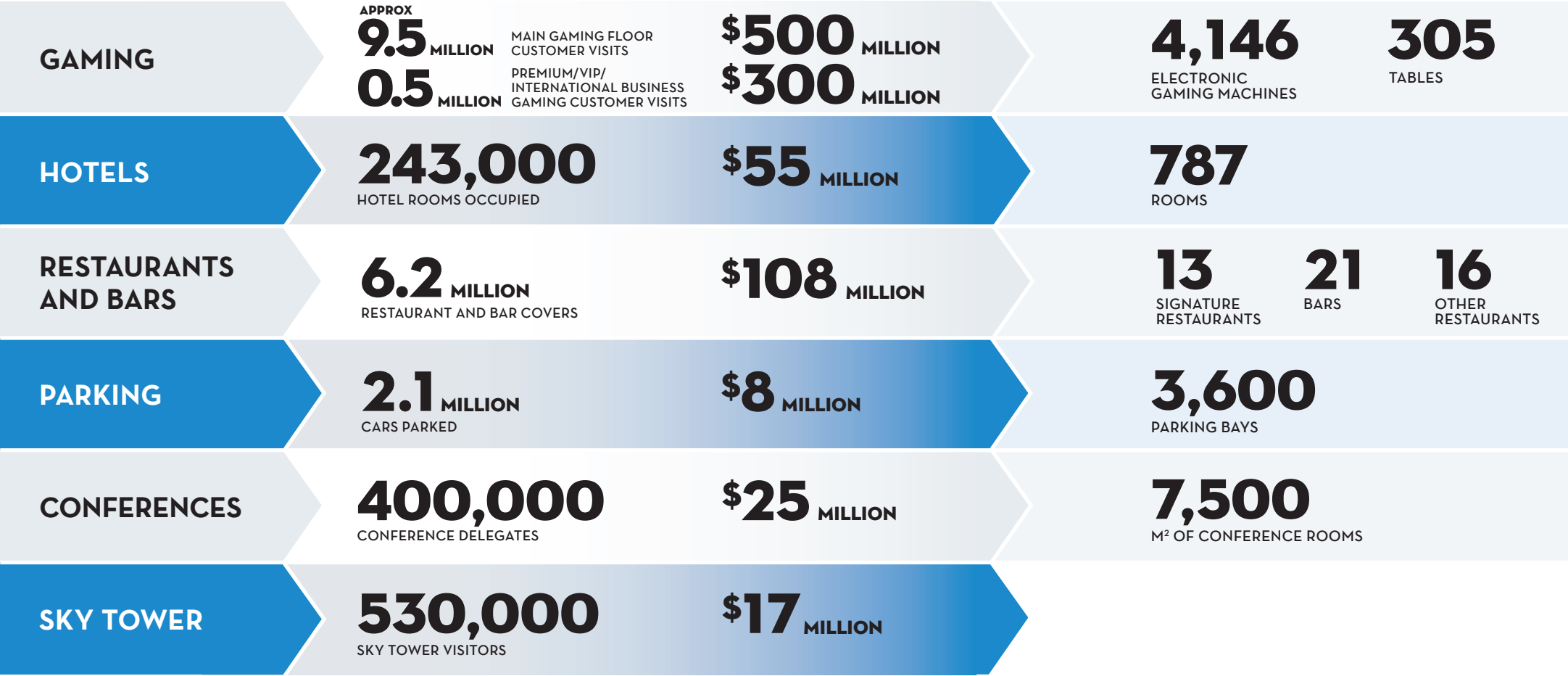
WHO ARE WE TODAY?

OUR PROPERTIES



OUR CUSTOMERS

Annual Visitation and Normalised Revenue (including gaming GST) in FY17



OUR OPERATIONS

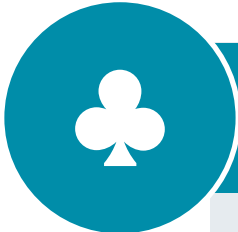
DISTRIBUTIONS

to our stakeholders in FY17



HOW ARE WE DOING?

A SNAPSHOT OF OUR CSR PILLARS



RESPONSIBLE GAMING

PERFORMING WELL

- 100% rating on Dow Jones Sustainability Index (DJSI) assessment for “Promoting Responsible Gaming”
- Full regulatory compliance, including positive trend in regulatory audits
- 86% of staff report they believe SKYCITY is a responsible host

CHALLENGES

- Alignment and consistency from site to site of harm minimisation & host responsibility approach and culture
- Deepening of stakeholder relationships and collaboration on programme and research



LABOUR PRACTICES & HUMAN RIGHTS

PERFORMING WELL

- 15.8% of internal promotion into management and specialist vacancies
- Increased % of staff development in FY17 from 0.6% to 0.7%
- Remuneration review showed no systemic gender-driven pay gaps
- 81% of staff are “proud to work for SKYCITY” up 5% from 2016 and 2015
- Lost time injury rate decreased from 12.1 to 9.9
- 41% of participants in leadership development programmes were women

CHALLENGES

- Severity of injury rate (increased in last 12 months).
- Incidents of Serious Harm (this year incident occurred resulting from falling from heights at Auckland site)
- Better representation of women at more senior levels in the organisation



COMMUNITY DEVELOPMENT & INVESTMENT

PERFORMING WELL

- \$7.4m in community contributions, including statutory Trust contributions and sponsorships (excluding problem gaming levies)
- Developed a new stakeholder engagement plan
- 80% of staff are proud of the role SKYCITY plays in the community

CHALLENGES

- Need further evaluation of social impact from our community contributions
- Increase public perception of SKYCITY as a good corporate citizen in terms of protecting the environment and our role in the community



THE ENVIRONMENT

PERFORMING WELL

- Completed our three-year baseline environmental footprint data
- Food waste composting recently introduced, reducing waste by 10% at the Auckland property
- A 7% reduction in Scope 1 & 2 carbon emissions per dollar in revenue from 2015 to 2017
- Fully compostable coffee cups and lids introduced in SKYCITY Auckland and Hamilton restaurants

CHALLENGES

- Increasing recycling rates and introducing food waste composting across the rest of SKYCITY sites
- Reducing water usage per dollar revenue
- Public perception that SKYCITY cares for the environment (currently only 14% of the public surveyed think so)



FAIR OPERATING PRACTICES

PERFORMING WELL

- Increased DJSI score for Supply Chain from 51 to 58
- Began distributing an Ethical Sourcing Code to key and new suppliers
- Trialling supply chain sustainability assessment, initially expected to cover 70%+ of spend in New Zealand across key categories

CHALLENGES

- Need to extend the distribution of the Ethical Sourcing Code across all sites, including new and existing vendors
- Confirm and extend the process of vendor sustainability assessment more broadly across the business

WHAT MATTERS MOST?

In 2015 and 2016, we consulted with staff and key external stakeholders to determine their perceptions of SKYCITY’s sustainability performance, and what they view as the key social, environmental and governance issues. The aim of this consultation was to better understand the expectations of our stakeholders in terms of these impacts and consider how performance might be measured.

We engaged with stakeholders in a variety of ways – using a combination of staff surveys; interviews with key external stakeholders such as regulators, partners, investors and the community; and through a workshop in with SKYCITY management to help us contextualise these material issues.

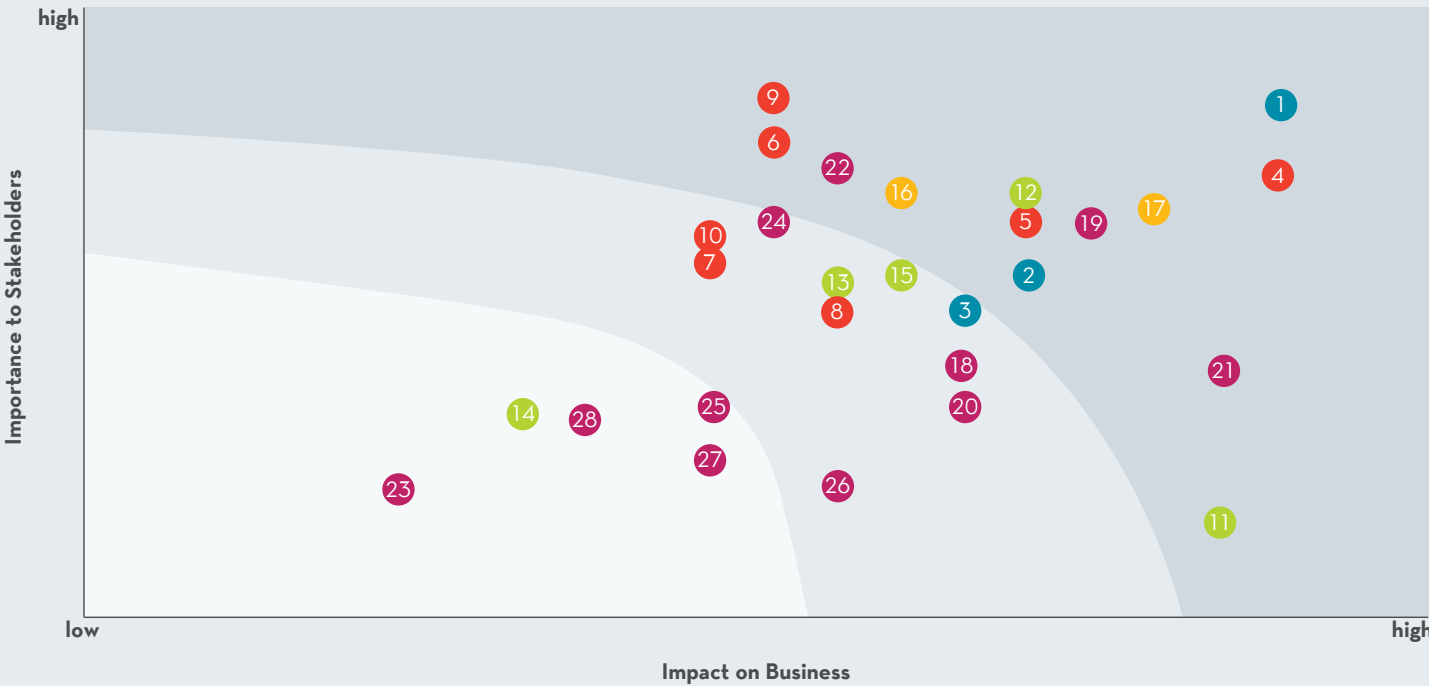
This process resulted in the development of our first materiality matrix, which highlighted a set of priority impact areas and issues for our business. These material issues have become the focus for managing our risks, and have heavily influenced our CSR Strategy and priorities, which underpin our reporting on our non-financial performance.



CRISTELLE SANCHEZ
SKYCITY CHEF APPRENTICE - THIRD YEAR - GUSTO AT THE GRAND

MATERIALITY MATRIX

The following diagram shows the results of the materiality research undertaken in 2015 and 2016. All of the material issues highlighted below are considered to be impacts arising as a result of SKYCITY’s direct business activities.



RESPONSIBLE GAMING	ENVIRONMENT	FAIR OPERATING PRACTICES
<ul style="list-style-type: none"> 1 Responsible Gaming 2 Customer Engagement 3 Market Presence 	<ul style="list-style-type: none"> 11 Transport 12 Energy 13 Waste 14 Emissions 15 Water 	<ul style="list-style-type: none"> 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 Labelling 26 Supplier Assessment 27 Indirect Economic Impacts 28 Industrial Relations
HUMAN RIGHTS & LABOUR PRACTICES	COMMUNITY INVOLVEMENT & DEVELOPMENT	
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 16 Local Communities 17 Economic Performance 	



STAKEHOLDER ENGAGEMENT AND COMMUNITY DEVELOPMENT

Our aim is to create value in our business and in the communities in which we operate. We understand that in order to do this we need to engage meaningfully with our communities, listen to their critical needs and expectations, and respond through developing meaningful community partnerships and by taking action to address key issues in our operations.

Engaging our stakeholders helps us to understand community attitudes toward SKYCITY, the community’s expectations of us, and how stakeholders believe SKYCITY should create value.

SKYCITY has many methods of engaging with stakeholders, both formal and informal. These actions range from legally required engagement with regulators and problem gaming service providers for example, to less formal feedback mechanisms such as social media, customer surveys and public perception monitoring.

This year, we spent more time engaging with our communities to achieve two objectives. The first was to invite more discussion with stakeholders about our approach to addressing and minimising risk from problem gaming. Our second objective was to look more closely at community development and investment activities, to see how we can deliver more impact in partnership with the community, which we discuss in more detail under Community Development and Investment, on pages 34–38. We achieved this through increased discussion with the problem gaming sector, research with a customer panel about their views in relation to SKYCITY as a corporate citizen, and through a series of meetings and focus groups held with the community development sector.

Based on our 2017 revisit of these issues, the core pillars of our CSR strategy and material issues and risks remain unchanged from last year, and the research reconfirmed the emphasis on Responsible Gaming in particular.

The stakeholders with whom SKYCITY engaged in 2017 were:

Customers	<ul style="list-style-type: none">Casino customersRestaurant, bar and hotel customersSky Tower customers	<ul style="list-style-type: none">Potential customersHotel customersConvention customers
Employees	<ul style="list-style-type: none">Current employeesPotential employees (candidates)Board of Directors	<ul style="list-style-type: none">Union representativesPast employees
Government	<ul style="list-style-type: none">DIAGambling CommissionLocal councilsCentral Government MinistersOpposition MPsAustralasian Gaming CouncilNZ PoliceDepartment of LabourDepartment of Employment (AU)Ministry of Health	<ul style="list-style-type: none">WorksafeACCIRD and Australian Taxation OfficeMinistry of Social DevelopmentImmigration NZCharities CommissionFair Work CommissionWorkplace Gender Equality Agency
NGOs	<ul style="list-style-type: none">AbacusWorkchoice TrustWorkbase CommunicationsAuckland Communities FoundationPotential applicants, and recipients of Trust funding (double-up with community section)	<ul style="list-style-type: none">Foundation for Youth DevelopmentSustainability Council of NZPhilanthropy New ZealandYWCASalvation ArmyLifelineProblem Gambling Foundation
Business partners	<ul style="list-style-type: none">Chef partnersLawyersOccupational physiotherapistAir New Zealand	<ul style="list-style-type: none">PwCWellNZSouthern Cross Healthcare
Industry specific	<ul style="list-style-type: none">Tourism New ZealandAuckland Chamber of CommerceBusiness NZEmployers and Manufacturers AssociationCommittee for AucklandConventions and Incentives New Zealand	<ul style="list-style-type: none">Auckland Tourism, Events and Economic DevelopmentTourism Industry AssociationHospitality AssociationHeart of the CityNgati Whatua OrakeiBrewers Association
Local communities	<ul style="list-style-type: none">Community GroupsSponsorship partners (SKYCITY Breakers, Breakers Cheer Team, Vodafone Warriors, SKYCITY Cheer Team, the Blues, My Kitchen Rules, The Block, FIFA U20 World Cup, NZ Fashion Week)	<ul style="list-style-type: none">Community partnershipsRecipients of SKYCITY Trust grantsAboriginal & Torres Strait Islanders support organisations (AU)Local Iwi
Shareholders	<ul style="list-style-type: none">Retail shareholders	<ul style="list-style-type: none">Institutional shareholdersAnalysts and commentators
Academic	<ul style="list-style-type: none">School of Psychology, University of AdelaideGambling and Addictions Research Centre, AUT	<ul style="list-style-type: none">Faculty of Health & Environmental Sciences, AUTIndustry Training Organisations

Thanks to this process of stakeholder engagement, we now have a deeper understanding of what is expected of us in several material areas, and are working to refine our CSR strategy and priorities with these expectations in mind.

KEY LEARNINGS FROM PROBLEM GAMING STAKEHOLDERS

Given that our most material topic arises from problem gaming, our aim this year has been to improve our relationship with problem gaming stakeholders. The objective is to improve information sharing and collaboration between stakeholders in order to advance SKYCITY's harm minimisation approach. This collaborative approach ensures that knowledge about problem gaming is shared between SKYCITY and the relevant stakeholders, who will work together to minimise harm.

A key initiative from SKYCITY to improve understanding about our Host Responsibility Programme has been providing tours of our facilities and literature to treatment providers. This transparent approach to information sharing has lead to improved relationships with key stakeholders.

In 2017 we have furthered our relationships with Auckland University, AUT International Students Departments and The AUT Gambling and Addictions research Centre, who wish to partner with us, to provide support to any students that come to our attention as having a gaming problem. For example, we are working on processes for providing consent to pass support service information to students and to the universities, as well as to scope new research and evaluation proposals, and share information on recent research undertaken.

Our relationships with treatment service providers such as Asian Family Services and The Salvation Army are improving, and we are working more closely with Hapai te Hauora, the organisation tasked with national workforce coordination for problem gaming treatment providers. We are meeting more regularly to share information, and invite these organisations and their treatment provider staff to visit our sites to gain a clearer understanding of how our operations work. This approach assists treatment providers in supporting their own clients, and helps SKYCITY consider new opportunities for its Host Responsibility Programme.

Several organisations that have visited our facilities have expressed that they have observed a change over the last several years, and that they wish to continue to have their staff and treatment providers tour

the casino. SKYCITY will continue to work with these stakeholders to make improvements to our host responsibility approaches, ensuring that help for customers that need it is readily accessible and visible.

KEY LEARNINGS FROM THE RECENT COMMUNITY SECTOR WORKSHOPS

As part of our community development research, SKYCITY held a series of focus groups with community representatives, including the youth development, family support, and financial capability sectors. The purpose of these focus groups was to determine what social issues the community sector considers to be most credible and aligned to SKYCITY, given our unique set of resources and assets.

Feedback from the community sector was largely centred around the idea of building functioning and resilient communities by focussing on the processes and pathways that develop people and their futures. From this, SKYCITY will take into consideration the feedback gained through the focus groups, and will partner with community organisations in developing the new community development and investment strategy.

KEY LEARNINGS FROM THE CUSTOMER PANEL SURVEY

Our recent customer panel survey found that 38 % of respondents stated that responsible gaming is the most important Corporate Social Responsibility topic for SKYCITY to address, whilst 32% believed that it is Community Development and Investment. Respondents feel that the most important part of being a responsible casino operator is actively training casino staff to watch for, report and provide help to customers that show signs of problem gaming.

When asked about causes or issues best aligned with SKYCITY in terms of contributing to the community, 48% of respondents reported that supporting harm minimisation and preventing addiction was the best fit, followed by supporting disadvantaged youth by creating pathways for employment, at 28%.

We will continue to engage in materiality research each year to deepen and update our understanding of what matters most to our stakeholders, and strengthen the lens used to measure the impact of our business activities on society, the economy and the environment. In 2018 we will also establish a Community Development Advisory Group to ensure that our Community Development and Investment strategy meets the needs of the community.

OUR CSR PLATFORM

At our core, SKYCITY is a provider of casino entertainment. Our challenge is to ensure that our business provides entertaining and profitable, yet safe and responsible, experiences and environments for our customers and staff. It is also imperative that we are ethical and transparent in our engagement with suppliers, our local communities and other key stakeholders as we grow our business.

Part of being a responsible business is understanding the impacts arising from our operations. The aim of this understanding is to enable positive impacts to be fostered and negative impacts to be at the very least mitigated and ideally abated.

In December 2016, SKYCITY adopted its first set of CSR priorities and targets which are intended to challenge the business and staff. Our CSR framework, which is aligned to our most material issues, is outlined on the following pages, gives us the ability to transparently measure our progress.

OUR PILLARS AND GOALS



RESPONSIBLE GAMING

Operate as a trusted, safe, transparent and responsible casino and entertainment provider



LABOUR PRACTICES & HUMAN RIGHTS

Be the leading employer in hospitality and casino entertainment in Australasia



COMMUNITY DEVELOPMENT & INVESTMENT

Create value to ensure our communities are better off for our involvement



THE ENVIRONMENT

Reduce our environmental footprint every year



FAIR OPERATING PRACTICES

Lead by example and promote sustainability in our supply chain

OUR PERFORMANCE

The pages that follow outline SKYCITY’s goals, priorities and targets for each of the five pillars, discuss the activities undertaken to support our CSR Strategy, and provide a summary of our achievement against our CSR measures and targets.

While we are proud of our progress, we have some areas that require more attention and time to achieve our objectives.



RESPONSIBLE GAMING

As a casino operator, the promotion of responsible gaming and safe consumption of alcohol are topics at the heart of our business. When done responsibly, gaming can be a harmless entertainment activity; however it can also have harmful effects on some individuals, their families and their communities.

SKYCITY has a robust Host Responsibility Programme in place across its sites to prevent and minimise harm from problem gaming.

A summary of our priorities, measures, and progress for this area is outlined in the table below, and are discussed in the subsequent pages.

Goal	<ul style="list-style-type: none">• 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

MEASURES & TARGETS	RESULTS
Rating of 100% in the “Promoting Responsible Gaming” category on the Dow Jones Sustainability Index assessment	Achieved (Audited)
Zero non-compliances with responsible gaming regulations’ and an improvement in feedback from regulator audits	Achieved (Unaudited)
Achieved independent evaluation of Host Responsibility Programmes and training resources at all sites by the financial year ending 30 June 2018	Partially achieved (Unaudited) In November 2016, an independent review was carried out by KPMG of the Auckland Host Responsibility Programme, with additional reviews being planned for the next 12 months, beginning with Adelaide Casino.
Maintain or improve on our 2016 financial year baseline for staff rating of SKYCITY as a ‘responsible host’	Achieved (Audited)

A discussion of how we are working towards our priorities, and progress toward achievement of our targets is outlined below.

HIGHLIGHTS

At SKYCITY, it is our responsibility to minimise risk and harm from problem gaming. All SKYCITY staff receive training in problem gaming indicators, and we employ a dedicated team of host responsibility specialists at each of our sites. In addition, at our largest and busiest Auckland site, a team of Customer Service Ambassadors are trained to interact with customers and report any concerns to our security and host responsibility specialist teams so preventative action can be taken.

While we have not yet achieved full accreditation and listing on the Dow Jones Sustainability Index for 2017, we did for the second year in a row receive a 100% rating on the Index category for “Promoting Responsible Gaming”. We achieved this rating based on our efforts to prevent gaming harm and promotion of host responsibility with our staff. As our most material issue, this rating and benchmarking against our peers in the gaming industry is essential.



Overall SKYCITY casinos have shown a considerable improvement in identifying verbal and non-verbal cues of gambling harm and long hours of play.

Success is also measured through regulatory compliance. In late 2016, the Department of Internal Affairs conducted a ‘mystery shopping’ exercise across all casinos and 120 pubs and clubs around New Zealand. SKYCITY’s four casinos in Auckland, Hamilton and Queenstown were the highest rated in the exercise. The Department reported that “the results from SKYCITY casinos show what can be done when more dedicated resource is directed at minimising harmful gaming within a culture that puts a clear focus on a high standard of harm minimisation practice” and that “the overall results also show that SKYCITY casinos have cultivated a culture of care within their casinos”.

¹ From: Department of Internal Affairs, Problem Gambling in New Zealand - A Brief Summary

DEPARTMENT OF INTERNAL AFFAIRS – GAMING MACHINE MYSTERY SHOPPER EXERCISE RESULTS JUNE 2017²

Areas of good practice - SKYCITY

- Log books and monitoring were used effectively by SKYCITY casinos to capture and share information about the shopper’s gambling harm. This allowed staff on the gambling floor to take appropriate and timely action with the shopper. SKYCITY Queenstown and Queenstown Wharf are commended for their effective use of log books and monitoring between both casinos.
- At both SKYCITY Auckland and Hamilton, staff interrupted and stopped the mystery shopper from playing for an extended period.
- SKYCITY casino systems for the identification and logging of data captured the scenarios in all but one instance.
- In May 2014, SKYCITY Auckland introduced customer service ambassadors with the sole function of floor monitoring (with a focus on un-carded patron play) and interacting with gambling patrons.³
- In January 2016, SKYCITY implemented harm minimisation messages on ATMs at the Auckland casino.
- SKYCITY Auckland also undertakes independent mystery shops which are used by management to focus training and support improvements in harm prevention and minimisation practices.
- Other SKYCITY casinos have also been strengthening their focus around harm minimisation, for example, giving staff additional access to iTrak to record patron observations and behaviours.⁴

Next steps identified by casinos - SKYCITY

- SKYCITY management has said it will maintain its focus on harm minimisation to ensure that standards don’t slip.
- SKYCITY has noted that, in Hamilton, staff need to be reminded about identifying and responding to verbal and non-verbal cues of potential harmful gaming.

Areas for improvement - SKYCITY

- The results from this exercise show there are only a very small number of issues that SKYCITY needs to focus on. We recommend:

SKYCITY refreshes staff understanding of when to interact and intervene with patrons showing signs of potential harmful gambling.

² [https://www.dia.govt.nz/diawebsite.nsf/Files/Mystery-shopper-sector-wide-report-2017/\\$file/Mystery-shopper-sector-wide-report-2017.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Mystery-shopper-sector-wide-report-2017/$file/Mystery-shopper-sector-wide-report-2017.pdf)
³ Un-carded play is casino gambling without the use of a casino loyalty card, whereas carded play requires the use of a loyalty card.
⁴ iTrak Incident Reporting & Risk Management System used by SKYCITY Casino.



JUSTIN PERRY
GAMING MACHINE AREA MANAGER

STORIES FROM THE GAMING FLOOR: JUSTIN PERRY, SKYCITY AUCKLAND, GAMING MACHINE AREA MANAGER

Justin has been working at SKYCITY for 15 years, moving through the ranks to his current role as a Gaming Machine Area Manager, with responsibility for managing gaming machine attendants and overseeing operational requirements in the casino.

Justin says a lot has changed since 2001 when he first started at SKYCITY. “There has been a big change in host responsibility and a focus on how we deal with potential problem gamers. Previously, staff would mainly only look for signs such as agitation or long periods of continuous play, but now we have a larger number of indicators and more specific ways to address it, which includes listening more carefully to what our customers are saying, and engaging with them in communication more often.”

“We have dedicated staff on the gaming floor whose job it is to interact with our customers. If they’re concerned someone may be having issues then they encourage them to take a break from their gaming and we alert our host responsibility specialists to come and talk with them. The team can encourage at risk customers to exclude themselves from the casino for a period of time, or if customers don’t want to take up that option, they can be excluded by SKYCITY.”

“The Premier Rewards system makes it much easier to keep track of how people are doing, and quickly identify any significant changes in their gaming, such as increasing gaming, heavily over a time, or if they are spending too much time at the casino, which has made it easier for us to look after our customers. Uncarded players are a challenge, as we can’t track their gaming habits as easily, so we definitely keep a close eye on them,” he says.

Justin says one of his proudest moments was last year when the Department of Internal Affairs did their national mystery shopper tests across the country. “We nailed it. A customer came in and was playing for a long period of time. When our staff talked with her, she suggested that she was chasing a jackpot, and spending too much financially to do it – we listened and knew that was a red flag indicator of a problem, and we logged it in our system. My staff spoke to her about her gaming, and when the player came back again, we got our host responsibility specialists to speak with her and encourage her to talk about her gaming. We identified her as a potential problem gamer all because of our training – we know how to keep people safe.”

Justin says his favourite part of the job is the people. “I’m around people all day, moving around and interacting and helping people – there is such great variety in this role. When something does happen, and I’ve spoken with a customer who might be feeling distressed or upset, and I’ve enabled them to get the help they need, then I go home thinking... what could have happened if I’d not had that conversation? I may have just prevented that person from developing a real problem. I feel good about helping people who might need it.”

MANAGING EXCLUSIONS

One challenge that we deal with frequently is our ability to effectively manage and prevent breaches of customer exclusion orders.

What is an ‘exclusion’?

SKYCITY customers can choose to exclude themselves from all SKYCITY premises in New Zealand, for a period of up to two years. In some cases, SKYCITY itself makes the decision to exclude a customer as a means to prevent risk of harm occurring, or as a means to stop further harm through a customer’s gaming at a SKYCITY casino. Such exclusions result in an exclusion order.

Managing breaches

Unfortunately, some customers attempt to re-enter the casino and breach their exclusion orders. With the size of our customer base and premises, it can be a challenge to identify these persons immediately. At times excluded customers do enter the casino with the intention of gaming.

We do all we can to prevent this from happening, and all casino supervisors and floor security staff are provided with up to date information on customers that have been excluded. SKYCITY keeps photographs of all excluded patrons, and we share our database across our sites so that these excluded individuals cannot enter our other premises. We rely on our casino staff, security and surveillance teams using photographs to recognise these excluded people. Unfortunately, this system is open to error, which can result in some individuals re-entering the casino, and of SKYCITY being accused of allowing excluded people to game.

In 2014, SKYCITY trialled facial recognition software in association with our surveillance equipment. While the technology is rapidly improving, it cannot yet be fully deployed to prevent these issue in a way that is not invasive to other customers. We are continuing to research options and anticipate that an effective technology solution will become available in the near future to help us address this problem. An internal committee with representatives from our Security, Surveillance, Innovation and ICT teams has been formed to revisit and

review the current facial recognition products available on the market.

CONSISTENCY OF RESPONSIBLE GAMING CULTURE AND PRACTICE

The alignment of excellent host responsibility and harm minimisation practice and culture across the SKYCITY Group is challenging, due to differences from site to site, such as size, scale and staffing structure. There are also market and customer differences that impact our approach to staff training and programme design, in addition to unique cultural distinctions to consider. Our sites across New Zealand, South Australia and the Northern Territory each have different regulatory environments in which to operate. These differences mean that while the Host Responsibility Programmes have similarities, they are often carried out quite differently. However, problem gaming as an addiction and the possibility of harm from this type of behaviour manifests itself the same regardless of jurisdiction or location. That is why SKYCITY endeavours to lead in this area, and employ best practice prevention methods across the business.

Host Responsibility Programme Review

To help address this issue, we are committed to carrying out reviews of each Host Responsibility Programme. One of our Problem Gaming targets has been to conduct independent reviews at all of sites by the end of FY18. In November 2016, an independent review was carried out by KPMG of the Auckland Host Responsibility Programme, with additional reviews being planned for the next twelve months, beginning with Adelaide Casino.

These reviews will be carried out using the model followed by KPMG, but will be conducted by our own Group Risk and Assurance team as part of our Business Self-Assurance programme, as this unit has significant understanding of the issues and risks related to preventing of gaming harm.

A copy of our Host Responsibility Programme outline and detailed individual site-related information can be found here: www.skycityentertainmentgroup.com/our-commitment/responsible-gambling

MEASURING SUCCESS THROUGH OUR STAFF

Our team’s approach to implementing the Host Responsibility Programme, staff views on SKYCITY as a responsible host, and the effectiveness of our training programme provide other measures of overall programme effectiveness.

Staff training, and its effectiveness

Based on our own internal reporting, and findings from the DIA’s recent report, it appears that the increase in training and availability of additional full-time host responsibility specialist staff has had a positive impact, specifically on the total number of customer problem gaming indicators reported. For example, with respect to the mystery shopping scenarios carried out at SKYCITY’s four New Zealand casinos, only one out of nine enacted mystery shopping scenarios did not meet any of the DIA’s expectations, and as a result SKYCITY achieved full compliance.

Staff survey

Another target relates to measuring the success of our harm minimisation actions and Host Responsibility Programmes from our employees’ perspective.

We conduct an annual staff survey, which includes questions about the degree to which staff are aware of and engaged in the Host Responsibility Programme.

As measured by the 2017 Staff Engagement Survey, in which 83% of staff participated:

- 86% believe that SKYCITY is a responsible host, compared to 80.4% in 2016 and 80.9% in 2015
- 92% believe that SKYCITY provides information about support for employee gambling-related harm, compared to 85.2% in 2016 and 87.4% in 2015.

These results show a positive trend.

LABOUR PRACTICES AND HUMAN RIGHTS

As a major employer with nearly 6,000 staff and growing, SKYCITY knows that taking care of its people is the key to creating a great place to work. We aim to create an environment where people are at the centre, and ensure that our employees are able to work safely, are motivated to work hard, progress in their careers, and have the tools and knowledge they need to look after both themselves and our customers.

At SKYCITY, we have an advanced set of priorities and programmes in place across our sites to achieve our goal of being the leading employer in hospitality and casino entertainment in Australasia.

Our priorities, performance against success measures and progress is summarised in the table below, followed by discussion on the subsequent pages.

Goal	<ul style="list-style-type: none">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-beingAchieve a self-sustaining safety culture by preventing harm and building wellness, and through worker collaboration, communication and participation in active safety committeesEnable opportunities for career progression for SKYCITY staffFoster an environment that celebrates and leverages the diversity of our workforceZero tolerance for pay inequality and continuation of unconscious bias training

MEASURES & TARGETS	STATUS	RESULTS		
Increase our reinvestment of revenue in staff development from 0.6% (for the financial year ended 30 June 2016) to 1% by the end of the financial year ending 30 June 2020	In progress	2017 (Unaudited) 0.7%	2016 (Unaudited) 0.6%	2015 (Unaudited) Not measured
Human capital return on investment, target of 2.0 or greater ²	Achieved	2017 (Audited) 2.0	2016 (Unaudited) 2.06	2015 (Unaudited) 2.0
Health and Safety:				
Year-on-year growth in: <ul style="list-style-type: none">near miss reporting	Partially achieved	2017 (Unaudited) 132	2016 (Unaudited) 128	2015 (Unaudited) 101
<ul style="list-style-type: none">employee participation and engagement in wellness initiatives	Not achieved	Data on the number of programmes / activities and participation were not collected in a consistent manner across the Group. See the discussion on progress below.		
<ul style="list-style-type: none">worker collaboration, communication and participation through active safety committees	Partially achieved	All SKYCITY sites have one or more active safety committees, meeting a minimum of nine times per year.		
And decrease in: Lost time injury frequency rate	Partially achieved	2017 (Audited) 10.7 ³	2016 (Unaudited) 12.1	2015 (Unaudited) 10.4

MEASURES & TARGETS	STATUS	RESULTS		
In the 2017 financial year, 60% of vacancies for management and specialist roles (with a base salary of \$50,000 and above) will be filled by internal applicants	Partially achieved	2017 (Audited)	2016 (Unaudited)	2015 (Unaudited)
		15.8%	23.6%	21.2%
Extend Rainbow Tick certification to all New Zealand sites and identify an equivalent Australian certification programme for our Darwin and Adelaide sites	Achieved	All New Zealand sites certified, and an Australian programme Pride in Diversity has been identified, through which certification will be sought.		
Develop an approach to working with under-represented minorities to identify opportunities for employment and career development	In progress	See progress highlights below.		
Pay inequality issues identified and corrected through use of the annual remuneration review tool and unconscious bias training	In progress	See progress highlights below.		

² Calculated using total revenue minus (total operating expenses minus total employee expenses) divided by total employee expenses

³ The LTIFR for the financial year ending 2017 reported here differs from the figure in the SKYCITY Annual Report for 2017, as we had two lost time injuries in Australia that were reported after 30 June 2017. Australian legislation allows employees up to 12 months to record their injury

INVESTMENT IN OUR PEOPLE

In our 2016 CSR report we introduced a target to increase the revenue reinvested in staff care and development over the next three years. In 2017 we identified Human Capital Return on Investment (HCROI) as a more helpful metric as it more clearly measures the link between investments in our people and business performance. We have identified that achieving \$2 of commercial return for every \$1 invested in staff care and development is a high HCROI for a highly regulated organisation such as ours, and have established our target of achieving a minimum of \$2 return. We will continue to develop these metrics so that they can be used to track, report and aid our decision-making on how best to invest in our people.

The following programmes are a sample of SKYCITY’s investments in its people. The corresponding investments in our health and safety, staff progression and diversity and inclusion activities are discussed below, are also included in the investment calculations.

Staff Wellness

SKYCITY’s wellness programme continues to be strongly supported by our staff. The “Play Well” programme aims to encourage healthier behaviours

and personal responsibility for health outcomes by providing support, information and skills training. The programme goals include improving staff health habits, increasing physical activity, reducing absenteeism and improving productivity.

One of our priorities and targets is to increase staff participation and engagement in wellness initiatives. While increasing the number of initiatives and the number of participants provides a snapshot of success, we have not yet developed a systematic way to collect this data across the Group in a meaningful way, other than looking at the most basic outputs.

With growing diversity of staff, we believe we must focus on evolving our wellness programme and activities year on year with the view to engaging a broader and more diverse array of staff in these activities.

SKYCITY regularly discontinues programmes that have not achieved interest or sustained impact, and develops and trials new offerings. In some cases, we have programmes we believe are effective, but participation has dropped for various reasons. We will work in the next year to review these programmes and seek advice from staff on how to remove barriers to participation (such as release time) and introduce better incentives.



SKYCITY Hamilton had some special visitors to site as a result of Pink Shirt Day – two local Police Officers joined in on our group photo, as way to thank us for taking a stand against bullying.

FEATURE: STAFF WELL-BEING AT SKYCITY HAMILTON

The team at SKYCITY Hamilton are very engaged in wellness at their site, and in 2017 spear-headed a wide variety of programmes and activities.

Pink Shirt Day

For us, Pink Shirt Day is a way we can be proactive in celebrating the diversity of our workplace, and really promote the right for each person to be their unique self. It’s about saying “Be proud to be yourself, and respect every other person’s right to do the same”.

It’s easy enough to say that employers don’t do enough to stop bullying, but the reality is that it can be very difficult to identify where an issue exists, particularly when the bullying behaviour is covert and the person being bullied is scared to speak up. By embracing initiatives such as Pink Shirt Day, we’re sending a clear message that we want all of our people to feel safe and valued for who they are, without fear of harassment of any kind.

On-going staff support programmes

SKYCITY has a range of services designed to assist employees who may need a helping hand.

The Connect Centre offers confidential help and advice for SKYCITY employees – for work issues and situations outside of work. They offer advice about practical and effective ways to handle difficult or sensitive issues. Where needed they can also assist employees in working with agencies outside of SKYCITY who may be able to help.

SKYCITY also provides the Employee Assistance programme (EAP), which is a supportive and confidential programme designed to assist SKYCITY employees who may have problems that affect them at work. Advice and support is available 24 hours, seven days a week, from trained professional counsellors who can help staff with their problems.

SKYCITY can also provide emergency financial assistance for employees suffering financial hardship. This help can include budgeting advice, and last resort financial help through a SMILE LOAN to staff that qualify for support.

White Ribbon Programme

As part of our commitment to the White Ribbon programme, we have worked in partnership with the New Zealand Women's Refuge to develop a focused policy and manager training programme to support those affected by domestic violence. We acknowledge its existence in our society and are better equipped to support our team members and colleagues, and to promote safe, healthy relationships within families.

This initiative will see us not only provide support to our employees who are affected by family violence but also ensure we are minimising the impacts on their employment. As part of the policy, all permanent SKYCITY employees are entitled to Special Leave should they require it to attend legal proceedings, medical appointments or access support services.

Healthcare

SKYCITY understands that healthcare can be expensive and sometimes difficult to access for members of the workforce, and therefore we offer permanent, full-time employees health insurance, via our healthcare provider Southern Cross Healthcare.

SKYCITY fully subsidises the Regular Care plan, which provides shared cover for surgical treatment, recovery, support, imaging and diagnostic tests and day-to-day treatment. Employees are also able to add their family members to the insurance plan at an additional cost.

As part of our wellness programme, all SKYCITY employees across the group are also invited to get their flu vaccinations at work for free. This service is offered annually to employees on-site at the beginning of the flu season to ensure all staff have easy access to the vaccinations.

Health and Safety at work

Our employees are the heart and soul of our operations, and ensuring their health and well-being is central to our performance as a business and as an employer of choice.

We strive for continuous improvement in managing the health, safety and well-being of our staff, contractors and guests. Our priorities and targets are focused on a shift in culture, by emphasising pro-active behaviours such as staff involvement in safety committees and wellness programmes, and increased staff reporting on near-misses.

All of our New Zealand properties are Accident Compensation Corporation (ACC) Partnership Programme certified at a tertiary level and our Adelaide site is a registered self-insured employer. Each property within the SKYCITY Group must demonstrate compliance with our Health and Safety group policy and standards for safety. We conduct internal audits annually and external audits as required for registration and certification. Findings from these audits are monitored and tracked for continuous improvement.

Our Lost Time Injury Frequency Rate (LTIFR) is measured by calculating the number of injuries resulting in at least one full work day lost per million hours worked. In the past financial year, the LTIFR was 10.7 resulting from 80 injuries across our business – a significant reduction against the previous year (for the financial year ended 30 June 2016) where the LTIFR was 12.1 resulting from 98 injuries.

While our Lost Time Injury Frequency Rate has decreased, our injury severity has increased, as measured through days lost due to injury. In the last financial year, we had several serious harm injuries,

including a fall from heights, requiring extensive recovery periods for the injured staff. These are serious incidents and as a result we have conducted extensive reviews, and are actively looking for and addressing any similar risks across all of our sites.

During the past financial year, we have worked to shift the emphasis of our health and safety (H&S) activities and reporting to the lead indicators that will drive proactive and safety focused thinking and behaviour.

We meet our general compliance requirements and have active safety committees that meet regularly for each of our sites representing 100% coverage for our sites, including multiple committees for larger sites. Each of our committees meet a minimum of nine times each year and achieve required quorums. However, achieving a truly self-sustaining safety culture goes beyond the existence of committees and attendance. Success for SKYCITY in this area will be increasing the participation and collaboration of our Safety Representatives in activities such as strategic safety planning, on-site assessments, injury management support, investigations, and procedure development.

We are proud to report that during the past financial year, our Darwin property received the Australian Hotels Association Best Workplace Health and Safety Venue Award and our Adelaide property is again a finalist in the Restaurant and Catering South Australia Safety Awards.

However, we have a particular challenge in our biggest property in Auckland, where there are numerous committees, spread across broad parts of the business, and communication can be difficult. In the next year, we will look more closely at how well we are engaging staff and communicate our progress with these objectives.

STAFF CAREER PROGRESSION

SKYCITY places a high emphasis on the progress of our people, and have developed a variety of programmes and partnerships to support career development and progression. The following are a few examples of our activities in this area.

Aspirational Leadership Programme - Adelaide Casino

In 2015, Adelaide commenced the development of emerging leaders by introducing, an Aspirational Leadership Programme. Aspirational Leadership is

designed for employees in entry-level roles who aspire to be in a leadership position within the next 3–5 years. It is a two-year programme focussed on the key behaviours and technical skills/knowledge required to be a great leader.

The purpose of the programme is to increase the participant's personal brand awareness and act as a catalyst to build their network both in and outside of Adelaide Casino.

The first year focuses on leadership behaviours and how to increase their competency and leadership skills.

The second year focuses on technical leadership skills and it covers topics such as understanding collective agreements, forecasting and monitoring of budgets, health and safety management, gambling regulations, as well as goal setting and staff and project management.

Completion of the programme guarantees participants the opportunity to interview for any supervisory or manager positions that arise, and provides interview coaching in preparation.

The programme has resulted in six internal promotions of participants already, and very high retention rates for the staff involved in Aspirational Leadership. The programme will be continued and there is potential that it will be rolled out to other SKYCITY sites in the future.

Developing under-represented groups – New Partnerships

During the past financial year, we have continued our focus on delivering targeted programmes that support employees from under-represented groups to thrive at SKYCITY by entering into three new strategic partnerships:

- The TupuToa Māori and Pasifika Corporate Pathways programme provides tertiary students with work experience opportunities within SKYCITY in areas aligned to their studies;
- A four-year scholarship to the First Foundation, which includes financial support for an academically talented student entering tertiary study from a low income family and low decile school;
- Partnering with Indigenous Growth Limited to assist in developing and delivering a bespoke leadership programme for Māori at SKYCITY, which will be offered during 2018 to employees who identify as Māori and are either an emerging or established leader.

- In Australia, we are progressing with the development of an Indigenous Employment Programme for our Adelaide Casino and SKYCITY Darwin sites, which will commence in the coming year.

We look forward to reporting on the results of these initiatives next year.

ATEED Youth Employer of the Year

This year, SKYCITY Auckland was recognised as ATEED Youth Employer of the Year for achievements in building and delivering youth related education, development and employment. We have maintained our commitment as a Mayor's Youth Employment Pledge Partner and continue our work experience programmes with secondary and tertiary schools to provide a pathway for young people into a full-time job. We will also seek to expand on and develop new community partnerships in this area as a key focus of our community development and investment work.

DIVERSITY AND INCLUSION AT SKYCITY

SKYCITY is proud to have a diverse workforce and believes this diversity of thought offers an opportunity to enhance the company's competitive advantage and provide long term sustainable business success. The company is committed to providing an inclusive workplace that enhances and promotes workplace diversity across the business. Our Diversity and Inclusion policy is available on our website (<https://www.skycityentertainmentgroup.com/media/1334/diversity-policy-corporate-website-august-2016.pdf>)

The company recognises that to deliver outstanding service and breakthrough solutions to its diverse

customer community, it too must be diverse. SKYCITY values and respects the contributions, ideas and experiences of people from all backgrounds.

We promote this diversity through our recruitment and hiring practices, through our partnerships and programmes to promote career progression of under-represented groups, and through our work to promote gender diversity and equal pay. We also demonstrate our commitment by actively championing the human rights and fair treatment of our staff through our programmes and practices.

Programme – Rainbow Tick and Pride in Diversity

Being a Rainbow Tick employer acknowledges SKYCITY as a safe, supportive and welcoming workplace by the Lesbian, Gay, Bi-sexual, Trans or Intersex (LGBTI) community. We are proud to have maintained a Rainbow Tick for the third year at our Auckland property and to have achieved this accreditation at our Hamilton and Queenstown properties for the first time.

In Australia, SKYCITY joined Pride in Diversity this year, and is working toward accreditation on the Australian Workplace Equality Index (AWEI), which is a definitive national benchmark on LGBTI workplace inclusion. It is the largest national employee survey designed to gauge the overall impact of inclusion initiatives on organisational culture as well as identifying and non-identifying employees. The Index drives best practice in Australia and sets a comparative benchmark for Australian employers across all sectors.



CLAIRE WALKER
GROUP GENERAL MANAGER HUMAN RESOURCES

CLAIRE WALKER - ON EQUAL PAY AND CHAMPIONS FOR CHANGE

One of SKYCITY's key objectives is to review gender pay equity deliver an organisation wide programme that removes any risk of bias or inequity.

Claire Walker, Group General Manager Human Resources explains "At SKYCITY, we started a number of years ago to lift the bonnet on pay issues, and understand where we were at risk. Unconscious bias is something many organisations have been considering in recent years and one of the initiatives we have driven is to remove the risk of such bias affecting salary review outcomes."

"Interestingly our last pay review round resulted in women achieving a greater average salary increase than their male colleagues. By giving managers a tool that shines a light on how they are spending their salary increase budget across male and female team members, we have substantially reduced the risk of unconscious bias and ensured a more conscious approach to pay."

In this regard, SKYCITY continues to monitor the results of the company's annual remuneration review in terms of outcomes based on gender.

"Inequalities in pay outcomes are often driven by a limited leadership pipeline of female talent", says Claire. Leadership roles tend to pay more and if we are not presenting suitably qualified and experienced female candidates for these roles, inevitably outcomes are not equal. At SKYCITY we both map and monitor our talent population, and have a number of development programmes for emerging and established leaders. We are working hard for a balanced talent pipeline to ensure that high potential, high performing talent offers an equal number of great female candidates for internal promotion.

As part of this commitment, SKYCITY has joined a voluntary diversity reporting framework being led by the Champions for Change, a group convened by Global Women of New Zealand, chief executive officers and chairs from across the public and private sector that are committed to raising the value of diversity and inclusiveness throughout the wider business community.

Chief Executive Officer, Graeme Stephens, is SKYCITY's Champion for Change and, together with the chief executive officers and chairs of nine other large New Zealand companies, has agreed to contribute SKYCITY's data to the newly developed diversity and ethnicity reporting tool over the next two years.

Global Women co-Chair, Dame Jenny Shipley, describes the Champions for Change as "holding themselves accountable to an agreed set of consistent reporting standards and in doing so benchmarking their efforts and progress amongst their peer group as they strive towards achieving truly diverse and inclusive leadership in their organisations".

Claire says, "Tackling the issues of pay equality requires some challenging and forthright conversations with the business, and solutions can be multi-faceted and complex. But the year ahead is shaping up to be the year where it will no longer be acceptable to ignore the issues."



COMMUNITY DEVELOPMENT & INVESTMENT

SKYCITY is working to meaningfully engage with our communities, with the objective to be an important partner in urban and community development. Community development and investment goes beyond identifying and engaging stakeholders with regard to the impacts of SKYCITY’s activities. We intentionally and by design, wish to contribute to issues that matter most for the communities in which we operate, and provide community investment in a strategic and targeted way through partnership.

A summary of our priorities, success measures and progress are outlined in the table below, and are discussed in detail in the subsequent pages.

Goal	<ul style="list-style-type: none">• 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 on other key stakeholders)• Quantify economic value creation from new developments, including return on investment, job creation, economic development and tourism• Develop and implement a new group wide community engagement strategy• Develop a deeper connection with iwi and predominant ethnicities in the communities in which we operate• Leverage our business and assets to support community development goals• Continue investing in communities through the SKYCITY Community Trusts in New Zealand and through meaningful key charity partnerships

MEASURES & TARGETS	STATUS	RESULTS												
Improve community perception of SKYCITY as a valuable cornerstone enterprise – measured through bi-annual UMR polling in New Zealand, which tracks perception insights research and community engagement feedback across our communities	Partially achieved	<p>Highest rated attributes:</p> <ul style="list-style-type: none">• ‘Attracts a lot of international tourists’: 52%• ‘Provides a lot of jobs’: 48% <p>Lowest rated attributes:</p> <ul style="list-style-type: none">• ‘Handles problem gaming responsibly: 16%• ‘Cares about the environment’: 14%												
Improve level of staff awareness of and pride in our being a responsible part of the community. This target is measured through our annual Staff Engagement Survey, in which for 2017, 83% of total Group staff participated	Achieved	<p>I am proud of the role SKYCITY plays in the community (% agreed)</p> <table><tr><td>2017 (Audited)</td><td>2016 (Unaudited)</td><td>2015 (Unaudited)</td></tr><tr><td>80%</td><td>71%</td><td>71%</td></tr></table> <p>SKYCITY has a sense of responsibility towards the community and environment (% agreed)</p> <table><tr><td>2017 (Audited)</td><td>2016 (Unaudited)</td><td>2015 (Unaudited)</td></tr><tr><td>81%</td><td>73%</td><td>72%</td></tr></table>	2017 (Audited)	2016 (Unaudited)	2015 (Unaudited)	80%	71%	71%	2017 (Audited)	2016 (Unaudited)	2015 (Unaudited)	81%	73%	72%
2017 (Audited)	2016 (Unaudited)	2015 (Unaudited)												
80%	71%	71%												
2017 (Audited)	2016 (Unaudited)	2015 (Unaudited)												
81%	73%	72%												

In the following pages we discuss how we are working toward our priorities, and give highlights of our progress through case examples of our activities.

MEASURING AND EVALUATING OUR SOCIAL AND ECONOMIC IMPACT

SKYCITY is a major cornerstone of the community. We understand that our scope for influence and change is huge, and SKYCITY invests in and works to develop our communities in a variety of ways.

We make significant contributions through our labour practices, and through our charitable giving. We also invest in major projects that help to bring benefits to our communities, such as the recent refurbishment of SKYCITY Hamilton, the construction of the New Zealand International Convention Centre, and the recently announced Adelaide Expansion Project for example. These projects, often in partnership with central or local government agencies, support the economies in our communities by driving tourism, convention visitation and employing locally.

Under the terms of its license to operate, SKYCITY's New Zealand casinos are required to contribute to their aligned community trusts in Auckland, Hamilton and Queenstown as part of their respective casino licence agreements. In addition to this giving, all of our New Zealand sites and our SKYCITY Darwin and Adelaide Casino have a set of charity partners, and support both commercial sport and non-commercial charity sponsorships. In 2017 SKYCITY community trusts distributed a total of \$4.2 million to their respective communities.

In 2017, SKYCITY also invested an additional \$3.2 million in the community through charitable giving and commercial and charity sponsorships. This giving is a combination of short-term or one-off donations or sponsorships and on-going charitable partnerships.

It is easy for organisations to talk about inputs and outputs, such as how much money or 'in-kind' contributions are given to charity, the number of charities receiving support, or how many hours staff spend on volunteering for community projects. It is altogether a more challenging exercise to determine the outcomes and impact of those activities.

SKYCITY wants to ensure that there is genuine and measurable social impact from its Trusts and other charitable giving.

A starting point for us in 2017 has been to begin more accurately measuring our inputs and outputs across the business. Our aim for this exercise is to look at our community investments and partnerships in a more holistic and strategic way, to ensure that they are aligned to our unique business assets, and are ultimately delivering both social and business value. The result of this work has been to refresh our community development approach with the view to developing a signature theme and key partnership approach aligned to our unique business assets including our people.

To help us, we receive reporting on outcomes from the Community Trusts grant-making in particular. In 2017, we also began considering how we might undertake deeper evaluation and measurement of impact from these contributions, as well as working with stakeholders to determine how we might be more strategic in our approach to community investment and impact measurement in the future. We discuss this further in the next section.

A summary of our charitable donations, philanthropic contributions and sponsorships is outlined below.

TYPE OF CONTRIBUTION	\$ CONTRIBUTION
Charitable donations	\$473,174
Sponsorship and Commercial initiatives	\$2,760,003
Subtotal: Voluntary contributions	\$3,233,177
Regulated Community Trusts	\$4,244,512
Total Contributions	\$7,477,689

COMMUNITY ENGAGEMENT STRATEGY AND COMMUNITY DEVELOPMENT

As discussed on page 16, SKYCITY has in 2017 developed a new community engagement strategy, initially focused primarily on the New Zealand business, but drawing on research with key staff and community stakeholders, as well as customers across its sites and communities.

The key theme of this work has been to rethink our approach to community development and investment, by creating a more targeted and strategic approach to our work in the community sector. The key theme, Building Communities by Developing People, will direct how we use our resources to authentically and respectfully support community led development. Our aim is to create value in the communities in which we operate in a meaningful and measurable way.

Our new development programme will capitalise on our position as a cornerstone organisation in the communities in which we operate. SKYCITY is a microcosm of the wider community, and we aim to build resilience by providing development opportunities for both our internal and external communities

CONTINUE INVESTMENT IN COMMUNITIES THROUGH TRUSTS & CHARITY PARTNERS

Over the past financial year, the three SKYCITY Community Trusts distributed a total of \$4,200,643 in the Auckland, Waikato and Queenstown Lakes regions. SKYCITY also made considerable contributions to its local communities through a large variety of sponsorships and charitable partnerships. The following are some highlights and stories of impact arising from this giving.

TRUST CASE EXAMPLE: COMET AUCKLAND - COMMUNITY-LED FINANCIAL CAPABILITY

This year saw the completion of a three-year grant from SKYCITY Auckland Community Trust totalling \$570,400 to COMET Auckland, the umbrella organisation for a unique project working with Te Awa Ora Trust in Randwick Park and Te Waipuna Puawai in Tāmaki. The purpose of the grant was to explore what could be achieved with a community-led approach to financial well-being. This initiative has seen more than 500 individuals and families get financial help, has reduced household debt and spending and has also resulted in increased household incomes and home ownership rates. These outcomes were achieved in collaboration with multiple organisations in each community, and in some cases projects are being extended to other communities.

This multi-year grant was successful in allowing the right people and organisations the time to come together, achieving more than what may have been possible with a single one-off grant.

Some highlights from the two communities' projects:

- Tāmaki's Vape2Save course has led to 77% of Vape2Save participants ceasing smoking tobacco. This resulted in big cuts in spending on tobacco - \$57,000-\$90,000 per month collectively for the 206 participants. The programme has since expanded to West and South Auckland.
- Te Awa Ora Trust has 80 families on track to shed close to a million dollars in bad debt.
- Randwick Park's UTurn Waste programme repairs and reuses items picked up from Auckland Council's inorganic collection warehouse. Repaired lawnmowers are being used by locals for contracts to cut lawns and by young people to fundraise. Randwick Park is



These eight children are all brothers and sisters who lived in a three-bedroom house with their parents in Randwick Park. They now own their own new five bedroom home with the help received through Te Awa Ora Trust's My Money My House programme.

⁵ * SKYCITY has taken guidance from the London Benchmarking Group (LBG) methodology when categorising our charitable giving, with some variation. For the purposes of this exercise, we have considered our "Community Investments" to be the giving from our legally required New Zealand Trusts. We have not included giving from donations made by staff or by the public participating in fundraising events in our reporting on the giving shown above.

looking at income from UTurn Waste for its programmes, and is working with Auckland Council to become a Community Resource Recovery Hub by 2020.

- In Tāmaki, a Unitec Retail Management and Marketing Course has led to all 20 participants being employed and starting two social enterprises.
- Randwick Park's My Money My House programme has helped 80 families who were renting purchase their own homes in the Waimahia Inlet.

Janice Thompson and Denise Tims of Te Awa Ora Trust have said in relation to the programme, "Your support enabled us to grow creativity, innovation and be responsive to the needs, dreams and hopes of our community. This reflects the Māori proverb 'Nau te rourou Naku te rourou ka ora ai te manuhiri,' which speaks of cooperating and sharing our resources with each other so that our communities will thrive. You have been woven into their lives and into the story of Randwick Park forever. So from them and from us – thank you".

CHARITY PARTNERSHIP: VARIETY BASH – ADELAIDE CASINO

Adelaide Casino continues to support Variety – the Children's Charity as its key charity partner. The partnership involves a staff-giving programme, but goes further, with the Adelaide Casino supporting a number of other fundraising activities. In August 2017, SKYCITY supported three staff to

participate in the "Variety Bash". The Bash is an action-packed event that features a driving tour in old cars, through bush tracks across South Adelaide, as an intrepid journey to raise money for the charity. This year, three SKYCITY Adelaide staff jumped at the chance to participate in the Bash as a means to fundraise, with Product & Technical Manager Paul Hurcombe, Senior Gaming Ops Shift Manager Brett Stevens, and Casino Outlets Manager Mike Thomas donning Flintstones costumes during their eight-day journey.

Brett Stevens had this to say about the Bash, "I can speak for Paul and Mike as well as myself, that it took about a nanosecond to decide we wanted in. At that stage, we didn't know exactly what we had signed up for, but collectively knew it was for a worthy cause. Personally and from a retrospective side, what I enjoyed most was the feeling of contributing to something greater, and meeting with people who definitely make a difference to our society. These people came from all aspects of society, from truck drivers to industry leaders, all of whom came together for one week of the year to let it all hang out for a good cause. The Bash certainly put perspective on things we take for granted, and the thought we may have helped in some small way definitely made us realise there is still a long way to go."

Along with participating in the Bash, staff at Adelaide Casino got in behind the charity and the team through staff fundraising and activities such as raffles and other fun activities.



Paul Hurcombe (Product & Technical Manager), Brett Stevens (Senior Gaming Ops Shift Manager) and Mike Thomas (Casino Outlets Manager) at the Variety Bash South Australia 2017.

THE ENVIRONMENT

The world we live in is shared, and every business has a critical role to play in taking responsibility for its impacts on the environment. SKYCITY is dedicated to growing in a sustainable manner with a commitment to environmental sustainability as a foundation for successful economic, social and cultural development. Working within the limits of the natural environment will allow current and future generations to benefit from its resources to ensure continual economic and social prosperity, which we believe results in business continuity and positive impacts on staff and stakeholder well-being.

In the last two years, SKYCITY has substantially increased its efforts to reduce the negative environmental impacts of our business and to increase resource efficiency. These efforts range from appointing dedicated staff to accelerate our work in this area, to establishing our first set of priorities, data, key measures and targets.

A summary of progress against our environmental priorities and success measures are outlined in the table below, and are discussed in detail in the subsequent pages.

Goal	<ul style="list-style-type: none"> 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 and hotel items)

MEASURES & TARGETS	STATUS	RESULTS						
Measure and establish baseline data for the 2015 year, and emissions, energy, waste and water data for the 2015–2017 periods by the end of the financial year 2018	Achieved	For full details on our environmental footprint measures and baseline data, please see SKYCITY in Numbers						
Improve level of staff awareness of and pride in our being a responsible part of the community	Achieved	SKYCITY has a sense of responsibility toward the community and environment (% agreed)						
Target: 80% or higher rating*		<table> <tr> <td>2017 (Audited)</td><td>2016 (Unaudited)</td><td>2015 (Unaudited)</td></tr> <tr> <td>81%</td><td>73%</td><td>72%</td></tr> </table>	2017 (Audited)	2016 (Unaudited)	2015 (Unaudited)	81%	73%	72%
2017 (Audited)	2016 (Unaudited)	2015 (Unaudited)						
81%	73%	72%						
*This target is measured through our annual Staff Engagement Survey, in which for 2017, 83% of total Group staff participated								
CARBON (Unaudited)								
Measure carbon footprint (Scope 1 and 2) for the SKYCITY Group by the end of the financial year ending 30 June 2018	Partially achieved	All Scope 2 and most Scope 1 measured (See pages 53–54) with the intention of measurement of scope 1 emissions being measured by end of financial year 2018						
Measure carbon footprint (Scope 3) by the end of the financial year ending 30 June 2020	In progress	On track for completion by target date of end of financial year 2020						

* Targets may be adjusted in financial year end 2018 now that a baseline has been established by SKYCITY.

MEASURES & TARGETS	STATUS	RESULTS
CARBON (Unaudited)		
10% per dollar revenue reduction in Scope 1 and 2 emissions by the end of the financial year ending 30 June 2018 (from the 2015 financial year baseline)	In progress	Achieved a 7% reduction in emissions per dollar revenue between FY15 and FY17, tracking towards 70% by end of financial year 2018
30% per dollar revenue reduction in 2015 baseline total emissions by the end of the financial year ending 30 June 2025	In progress	On track for completion by target date of end of financial year 2025
ENERGY (Audited)		
3% energy reduction per year per dollar revenue (from the 2015 financial year baseline)	Achieved	<p>Electricity: FY16 to FY17 – achieved 3% reduction per dollar revenue (3% reduction FY15 to FY16)</p> <p>Gas: FY16 to FY17 achieved 6% reduction per dollar revenue (9% reduction FY15 to FY16)</p>
WASTE (Audited)		
40% reduction of waste to landfill by the end of the financial year ending 30 June 2025 (from the 2015 financial year baseline)	In progress	<p>Waste sent to landfill:</p> <ul style="list-style-type: none"> FY15 to FY16 achieved 1% reduction per dollar revenue FY16 to FY17 achieved 7% reduction per dollar revenue
Zero waste by the end of the financial year ending 30 June 2030	In progress	We are working towards a 40% reduction in waste by 2025, and a further 7% reduction per year thereafter to reach zero waste by 2030
WATER (Unaudited)		
3% water use reduction per year per dollar revenue.	Not achieved	<ul style="list-style-type: none"> FY 15 to 16 9% increase per dollar revenue FY16 to FY17 decrease by 2% per dollar revenue <p>Water usage data was recieved and collated in mid-2017. Now that we have full picture of our water usage we will address this as an informed priority in 2018</p>

MEASURING TO MANAGE

In 2016, SKYCITY committed to dedicating resources to support our efforts to reduce our environmental footprint.

To effectively manage our impact on the environment requires good baseline data across our sites on carbon emissions, energy, waste and water usage. While we have some data gaps, we have for the first time produced a three-year baseline and initial trend, from which we can measure our efforts and set targets for reduction across our sites.

The sections below provide a summary of our group environmental footprint data and a selection of information across our priority areas.

GREENHOUSE GAS EMISSIONS BY SCOPE

SKYCITY acknowledges that business activity can contribute to Climate Change, and as a result we are committed to reducing our greenhouse gas emissions. At this stage we have focused on measuring the impact from our utilities such as gas, electricity and waste given, and will incorporate other sources of emissions into our measurements in the future.

The table below presents a Group summary of the intensity of our greenhouse gas emissions across all of our sites, based on geographic emissions factors for New Zealand and Australia. Detailed data on a site by site basis, including data accuracy and calculation considerations, is outlined in SKYCITY in Numbers on pages 53–54.

CO2ET (GWP) GHG EMISSIONS PER DOLLAR REVENUE	% CHANGE FROM PRIOR YEAR PER DOLLAR REVENUE	FY17	FY16	FY15
Scope 1				
Gas	6% decrease	0.004993054	0.005330102	0.005869598
Scope 2				
Electricity	2% decrease	0.025120285	0.025591981	0.02637891
Scope 3				
Waste to landfill	7% decrease	3.52014E-06	3.77306E-06	3.82451E-06

ENERGY AND WATER

In 2017 our focus has been on compiling a complete set of baseline data, and we are now in a position to focus our reduction efforts on water as well as energy. SKYCITY continues to seek savings through good design of infrastructure, through technology upgrades and improvements, and conscious efforts to reduce from all SKYCITY employees. While this has become to some degree ‘business as usual’, we are also considering how we can take a stronger lead in this area in the future.

Each of our sites are playing their part and have undertaken a variety initiatives to reduce water and energy usage.

Auckland

Throughout 2017 SKYCITY Auckland has consistently identified opportunities to minimise energy and water usage.

During the March 2017 Auckland water crisis, SKYCITY Restricted flow to Hotels for water savings, achieving a 10% reduction.

There have been a large number of energy efficiency projects including upgrades of cooling towers, upgrading chillers and introducing smart LED lighting in the Convention Centre.

SKYCITY has also put in place a new electricity supply contract with Meridian, which generates a renewable source of energy supply from hydroelectric power.

We will continue to seek savings and ways to introduce the most energy and water efficient technology in our new construction projects such as the New Zealand International Convention Centre.

Adelaide

An energy audit is currently being undertaken across the facility. Adelaide is replacing existing light fittings and luminaries with energy efficient LED units. They are also currently trialling motion sensor LED tubes in corridor light fittings.

A new Building Management System platform has been recently installed from which Adelaide can continue setting up time scheduling for air conditioning operation enabling the units to be switched off when an area is not in use. HVAC filtering options are also being reviewed with the view to improving operating cost efficiencies and extending equipment service life.

A partial or full upgrade to thermal plant should be approved in the next FY. Five of our six chiller systems are past their service life. The new chiller systems available allow infinite control opposed to set staging control which would create savings on running costs of up to 30–40% with the benefits being evidenced most during spring and autumn.

Darwin

Darwin is looking to incorporate energy and water savings into the major infrastructural improvements currently being undertaken. These include upgrades to their Chilled Water Plants, Generators and Building Management Systems

The replacement of the Chilled Water Plant will have a major impact on power and water usage. The current system uses 92 million litres of water per annum, and in peak demand requires 1,200 Amps to run all current chillers. Once replaced, SKYCITY Darwin expects to see a large reduction in power consumption (approximately 20% decrease) and a savings of 90 million litres of water per year.

Darwin has also implemented other key maintenance improvements, such as resolving an overflow issue in the Lagoon Pool and installing a back flow prevention system which will result in improvements in efficiency and water pressure.

Hamilton

SKYCITY Hamilton has been working with Energy Solution Providers to identify energy savings opportunities and to introduce smart energy metering at the property.

This work has led to replacement of SKYCITY Hamilton’s car park and festive bulb lighting with an LED system, and the team will continue to upgrade further lighting across the property to LED over the next year.

Other energy reduction projects planned include a new set of high efficiency chiller compressors and an improved building management system, which will further help to identify potential for energy savings over time.

Queenstown

As our smallest site with fewer opportunities for large gains in water or energy efficiencies, SKYCITY Queenstown puts a strong emphasis on waste minimisation initiatives. These include introducing a chemical-free based cleaning contract, and through recycling of coffee grinds from their restaurant, Wild Thyme. They have also increased their recycling efforts, including recycling gaming machines components whenever possible.



The SKYCITY Hamilton team that upgraded the car park lighting to high efficiency LED

WASTE MINIMISATION

While recycling a wide variety of materials has been common practice for years, after undertaking a waste audit in mid 2015 which revealed a significant amount of food waste being sent to landfill, we sought to make a step change to progress our goals.

In April and May 2017, we introduced a new set of recycling services at our Auckland site, including a new food waste separation and composting system. Food waste from our 21 kitchens and restaurants in Auckland are now being diverted to EnviroNZ, where it is turned into compost for the horticulture industry. We plan to expand this system to other sites in the SKYCITY Group where composting options exist.

In the three months since project implementation SKYCITY Auckland has diverted over 100 tonnes of food waste from landfill to compost. We have increased our recycling efforts and drastically decreased levels of contamination in our recycling streams.

We are also looking to introduce this same system at our Hamilton site in late 2017 as we are in the process of calling for proposals for waste minimisation services. We also recently established a worm farm system for composting of food waste from the Wild Thyme restaurant at our SKYCITY Queenstown site. We will seek options for our Australian sites in the coming year, where suitable composting facilities exist.



Peter Gordon and Executive Chef Neil Brazier from The Sugar Club with Environment Manager Courtney Simpson, showing their support for our new food waste composting system

We also continue to donate food, through Kiwi Harvest, to a number of charities. Working within the restrictions of the Food Act, Kiwi Harvest collect good food before it goes to waste and redistribute it to those in need.

We have also made donations of reusable items whenever possible, such as goods and furniture from our hotel and site operations. For example, in the last year, we have donated many items, including dining tables and chairs given to the Auckland City Mission to help needy families. Our hotel and housekeeping staff have also donated items such as a surplus commercial washer and dryer to be used at the Auckland City Mission's Rehabilitation Centre. Recently our teams from Hotels and Security worked together to dig out over 30 surplus roll-away and single beds to donate to the Point Chevalier Woman's Refuge, Woman's Rehabilitation Centre, James Liston Hostel and Avondale Woman's Refuge.

Our staff love being able to do something for those in need – and take the initiative to find alternatives to landfill disposal of items that could help their local communities.

Along with these initiatives, another priority is to integrate environmental criteria into our purchasing decisions. One example is our introduction of fully compostable coffee cups and lids into our key Auckland restaurants and cafés, with other examples included in the next section under Fair Operating Practices.



Dorothy Puklowski, Juanita Matekuare and Diane Porea pulling out beds to donate to charity

FAIR OPERATING PRACTICES

This pillar of our CSR platform concerns the way SKYCITY leverages its relationships with other organisations to promote positive outcomes in areas of impact such as anti-corruption, responsible political advocacy, fair competition and promoting social and environmental responsibility in our supply chain. Positive outcomes can be achieved by providing leadership and promoting the adoption of social responsibility more broadly through the organisation’s sphere of influence.

As a major purchaser of goods and services (we spent over \$250 million with a vast array of suppliers of goods and services in the financial year ending June 2017) SKYCITY has a significant opportunity to use its purchasing power to drive sustainability. Our approach is to focus on the areas in which we can have the biggest impact in terms of minimising its carbon footprint and with respect to key vendors at high ongoing expenditure levels. These areas include food, beverage, property and marketing portfolios in particular.

A summary of progress against our initial set of priorities and success measures is outlined in the table below, and are discussed further in the subsequent pages.

Goal	<ul style="list-style-type: none">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 CodeFurther embed sustainability considerations into purchasing and procurementFurther development of a sustainability assessment process, rating and vendor audit and improvement approach

MEASURES & TARGETS	STATUS	RESULTS
Increased Dow Jones Sustainability Index (DJSI) rating for Supply Chain Management year on year	Achieved (Audited)	DJSI score: 2017 2016 2015 58% 51% 31%
All new vendors have signed on and are meeting the requirements of SKYCITY’s Ethical Sourcing Code	Not Achieved (Unaudited)	Upon review, this target is not appropriate as suppliers obligations under the ethical sourcing code cannot be measured. We have however shared the code with all new suppliers who have acknowledged their responsibilities and our mutual commitment to supply chain sustainability
100% of vendors have signed and comply with the Ethical Sourcing Code by the end of the financial year ending 30 June 2019	In progress (Unaudited)	As above, all new suppliers have sited the code, and we are distributing it to all existing suppliers to draw to their attention our commitment to sustainability. However, this target is in review and is likely to be replaced with one which is more measurable in 2018
Vendor sustainability questionnaire and assessment process agreed across all SKYCITY sites, and vendors covering 70% of total spend to have completed the sustainability questionnaire and assessment, by the end of the financial year ending 30 June 2019	In progress (Unaudited)	A pilot sustainability assessment was launched in mid 2017. We invited 120 key suppliers to participate representing approximately 70% of total spend for New Zealand sites, and anticipate rolling out across all sites within the next 12 months

Below we discuss how we are working toward these priorities, discuss our challenges and progress, and provide case examples of some of our activities. We also provide a set of revised targets for the next two financial years.

ENGAGING OUR SUPPLIERS

SKYCITY has approximately 1,300 key on-going suppliers across the Group, with a significant number of these being in the food and beverage sector.

At present, SKYCITY Entertainment Group’s supply chain and procurement management function looks after some, but not all key areas of supply. This portfolio includes food and beverage, property management, and marketing-related expenditure and corporate purchasing.

Our priorities are working to more closely monitor our supply chain expenditure and managing sustainability and risk.

SKYCITY is in the process of moving to a new supply chain platform, as well as introducing a new Procurement Policy. These changes in systems and policy will provide better oversight of procurement, improved risk management, increased opportunity for efficiency in procurement, and better data integration and tracking of supplier data.

Our Ethical Sourcing Code outlines our alignment with the ten principles of the United Nations Global Compact. SKYCITY’s intention, in adopting its Ethical Sourcing Code in 2016, was to improve our indirect impact on society and the environment by carefully selecting and working with our suppliers to ensure sustainable procurement. Through distribution of The Code, we hope to encourage our suppliers to improve their practices and to assist them in doing so, hence improving the quality of life of the people we touch indirectly and contributing to the protection of the environment.

In 2017, we continued to advance our leadership in supply chain sustainability, and we began to engage with our suppliers in two key ways, outlined below.

Ethical sourcing

Growing global concerns about poor working conditions and environmental degradation down the supply chain has seen companies implement specific social and environmental criteria for selecting the production facilities from which they source.

In 2017 we began distributing our SKYCITY Ethical Sourcing Code across our sites, and to a small number of key suppliers and new vendors.

The Ethical Sourcing Code is not a compliance measure in itself, but asks that vendors provide voluntary acknowledgement of our commitment to the principles of the Code.

Through this Code, SKYCITY requests its suppliers and sub-contractors to commit to its core values and practices, which are aligned to the ten principles of the United Nations Global Compact.

While we recently began distributing the Code to some existing suppliers and new vendors, our plan is to distribute and request acknowledgement of the Ethical Sourcing Code more broadly across the organisation in the financial year ending 2018. We will achieve this by building in a process for our vendors to acknowledge the Code in our on-boarding process for new vendors, and into our new supply chain management system.

The scope and geographic spread of our supply chain, and also the wide variety of suppliers we engage with creates challenges for embedding the Code and ensuring they are doing more than acknowledging its commitments. Our suppliers are very diverse, ranging from small localised family businesses to global multinationals. In some cases our suppliers are very small operators and they have few resources to provide detailed information about their policies and sustainability and governance approaches. In other cases, we have had long-standing agreements with suppliers, but have never engaged them before on sustainability issues. As we manage these issues more closely, we will have the opportunity to deepen our engagement with our suppliers in the Code. A key way that we will do that into the future is to undertake supplier sustainability assessment or ‘audits’, which is discussed in more detail below.

Sustainability assessment

Once our suppliers acknowledge the commitments of the Ethical Sourcing Code, the next step is to audit suppliers against the Code and its principles. In June 2017, we commenced a pilot of an outsourced supply chain sustainability assessment initiative, with a company named EcoVadis. EcoVadis is a CSR monitoring platform that combines sustainability expertise and online tools to support the assessment of our suppliers through tailored sustainability questionnaires and expert analysis. The analysis assigns ratings and scorecards to help both SKYCITY and the supplier identify sustainability risk areas, as well as areas of strength. It will also provide suppliers with benchmarking and tools to support them to become more sustainable.

We have initially trialled this programme with our key tier one supply partners, to test the effectiveness of this method of engaging them in sustainability and CSR issues.

At the time of writing this report, we have invited over 130 of our key strategic suppliers to participate in the sustainability assessment. We will consider the results of the pilot at the end of 2017. Over time, we anticipate that the assessment will be required for all SKYCITY suppliers, and that the performance results will be integrated into our sourcing process.

On the basis of this new approach, our targets for the financial year ending 2018 will change to reflect this new direction as follows:

FY18 TARGETS AND MEASURES	STATUS
Increased Dow Jones Sustainability Index (DJSI) rating for Supply Chain Management year on year	This measure and target will remain the same for the year ending 2018
BY the end of the financial year ending 30 June 2018, all new vendors and existing vendors across the Group have received a copy of, and acknowledge their voluntary commitment to support the principles of SKYCITY's Ethical Sourcing Code	This target is a refinement of our target for the current reporting period
By the end of the financial year ending 30 June 2018, the vendor sustainability assessment and auditing process will be agreed across all SKYCITY sites	This target is a refinement of our target for the current reporting period
By the end of the financial year ending 30 June 2018, vendors covering 70% of New Zealand spend in key categories (F&B, Property, Marketing) will have undertaken the chosen sustainability assessment and audit process	This target is a refinement of our target for the current reporting period
By the end of the financial year ending 30 June 2019, vendors covering 70% of Group spend in key categories (F&B, Property, and Marketing) will have undertaken the chosen sustainability assessment and audit process	This target is a refinement of our target for the current reporting period

EMBEDDING SUSTAINABILITY INTO PURCHASING AND PROCUREMENT

SKYCITY actively seeks out ways to incorporate sustainability criteria into its supply chain.



The Puriri range made from recycled Anchor Lightproof milk bottles was rolled out to our SKYCITY Grand Hotel and SKYCITY Hotel in late 2017.

Moo2shampoo

SKYCITY has partnered with Fonterra on an innovative product stewardship scheme. The Anchor Lightproof milk bottles which are used at Sky Café are recycled, and turned into the amenity bottles used by guests at our SKYCITY Grand Hotel and SKYCITY Hotel in Auckland. The entire recycling process takes place in Auckland, and the project is estimated to save 1,000kg of virgin plastic per year.

Compostable Coffee Cups

Several outlets at SKYCITY Auckland have recently transitioned to compostable coffee cups and lids Compared to Traditional takeaway cups. This initiative saves the equivalent of 482 litres of burned gasoline, in addition to financial savings for SKYCITY of \$11,000 per year.



Supply Chain and Logistics Manager, Robin Barkley tries out our fully compostable takeaway coffee cups.

MEMBERSHIP OF POLITICAL & ADVOCACY ASSOCIATIONS

Another important consideration with respect to Fair Operating Practices is disclosing our political affiliations and memberships that could be construed as having political influence, such as political advocacy and lobbying organisations.

In the financial year ending 2017, SKYCITY was a member of the following key membership, advocacy and networking organisations, with total contributions being just over NZD\$141,000 equivalent:

Adelaide

- SA Progressive Business
- Future SA

Darwin

- Australian Hotels Association
- NT Chamber of Commerce

New Zealand

- Sustainable Business Council/BusinessNZ
- Committee for Auckland
- Tourism Industry Aotearoa
- Employers and Manufacturers Association (Northern)/BusinessNZ

Notably SKYCITY has adopted a Group-wide policy that disallows contributions to political parties or political campaigns; however we do from time to time give gifts of hospitality to political parties or elected members. All such gifts are registered as part of the Register of Pecuniary and Other Specified Interests of Members of Parliament.

DATA & REPORTING ASSUMPTIONS

REPORTING PERIOD

This report has been prepared based on SKYCITY’s financial reporting year, from 1 July 2016 to 30 June 2017, unless otherwise stated. In some cases, we include examples of action taken to address our goals that have happened after 30 June 2017, but prior to publication of this report.

ORGANISATIONAL BOUNDARY

The performance data, metrics and targets are reported at a SKYCITY Entertainment Group level, unless otherwise stated.

GEOGRAPHIC SCOPE

Our CSR activities and performance data, metrics and targets are reported across SKYCITY Entertainment Group’s geographies, which consists of New Zealand and Australia. In some cases, where data does not exist on a specific metric or target, this has been stated in the relevant section.

PRIOR YEAR STATEMENTS

Where possible, we have stated prior year and up to three years of annual data on our metrics and targets where the data has been collected.

BASELINE FOR ENVIRONMENTAL TARGETS

In this report, we provide our first three-year set of baseline data for the FY15, FY16 and FY17 financial years. Targets related to our environmental goal, including our carbon footprint, were set prior to the

compilation of our three year baseline data. We anticipate that these initial targets will change as we begin to unpack the data further, and work with each of our operational units to develop appropriate environmental targets for each site.

ESTIMATIONS AND DATA ACCURACY

In this report we disclose a number of quantitative metrics for the first time. Where complete information was not available, we have noted in the relevant sections our estimates or assumptions. We are continuing to improve our data availability and quality to further support our future efforts in measuring and reporting our progress under the CSR pillars.

REPORTING OF GHG EMISSIONS

All greenhouse gas emissions figures are reporting as part of our Environmental performance are in tonnes of carbon dioxide equivalents (tCO2e) and including the main GHG’s covered in the Kyoto Protocol- carbon dioxide, methane, and nitrous oxide, perfluorocarbons, and hydrofluorocarbons as relevant. Our calculations are based on New Zealand and Australian carbon emissions factors as relevant, such as the 2016 guidance for voluntary greenhouse gas reporting, NZ Ministry for the environment

GENERAL AND OTHER

The term ‘Group’ refers to all sites, encompassing the full scope of SKYCITY Entertainment Group.

SKYCITY IN NUMBERS

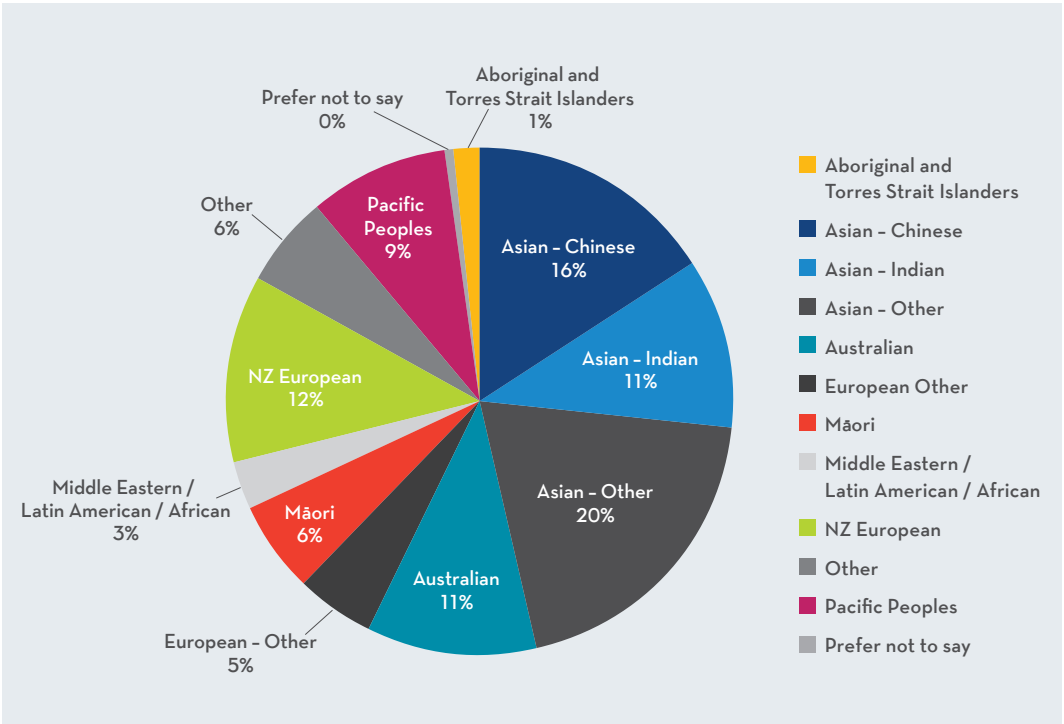
This section contains more detailed progress data specifically for the Labour Practices and Human Rights, and Environment pillars of our CSR Strategy.

OUR STAFF IN NUMBERS

This section provides information about SKYCITY’s workforce, as drawn from our workforce and people management systems. Data provided is a snapshot based on status as of 30 June 2017.

SKYCITY has a very diverse staff, with over 80 ethnicities represented. The following pie graph is based on self-reported ethnicity data through our annual employee engagement survey, which represents 68.5% of our total workforce. We are working on ways to ensure more of our staff can record their ethnicity with us to be able to report a more representative breakdown.

STAFF ETHNICITY - 30 JUNE 2017



The following is a summary of staff and workforce data for SKYCITY Entertainment Group.

Worked Full-Time Equivalent (FTE)* by site (%)

SITE	NUMBER OF EMPLOYEES	%
Adelaide	743	13%
Auckland	2,175	38%
Darwin	493	9%
Hamilton	258	5%
Queenstown	73	1%
Total	3,742	66%

**The FTE calculation is based on actual hours worked by staff, not contracted hours. This definition provides a more accurate assessment of full-time equivalent staff.*

Total headcount for Group (%)

SITE	NUMBER OF STAFF	%
Adelaide	1,116	20%
Auckland	3,472	61%
Darwin	645	11%
Hamilton	357	6%
Queenstown	92	2%
Group Total	5,682	100%

Workforce profile, employment contract type by gender (%)

CONTRACT TYPE	FEMALE	GENDER DIVERSE	MALE	GROUP TOTAL
Permanent	91%	100%	90%	91%
Temporary	9%	0%	10%	9%

Employment contract type for Group (%)

CONTRACT TYPE	NUMBER OF EMPLOYEES	%
Permanent	5166	91%
Temporary	516	9%

Workforce profile, employment contract type by site (%)

CONTRACT TYPE	ADELAIDE CASINO	SKYCITY AUCKLAND	SKYCITY DARWIN	SKYCITY HAMILTON	SKYCITY QUEENSTOWN
Permanent	69%	97%	91%	100%	99%
Temporary	31%	3%	9%	0%	1%

Workforce profile, employment type by gender (%)

CONTRACT TYPE	FEMALE	GENDER DIVERSE	MALE	GROUP TOTAL
Full-Time	49%	100%	61%	55%
Part-Time	25%	0%	17%	21%
Casual	26%	0%	22%	24%

Employees in Collective Agreements, by site (%)

CONTRACT TYPE	ADELAIDE CASINO	SKYCITY AUCKLAND	SKYCITY DARWIN	SKYCITY HAMILTON	SKYCITY QUEENSTOWN	GROUP TOTAL*
Yes	80%	25%	80%	6%	0%	41%
No	20%	75%	20%	94%	100%	59%

**Group total percentages are weighted proportionately based on-site Worked FTE*

Employee Absenteeism (%), as a percentage of scheduled days

CONTRACT TYPE	ADELAIDE CASINO	SKYCITY AUCKLAND	SKYCITY DARWIN	SKYCITY HAMILTON	SKYCITY QUEENSTOWN	GROUP TOTAL*
Absenteeism	3.17%	3.66%	2.80%	2.23%	1.82%	3.32%

**Group total percentages are weighted proportionately based on-site Worked FTE*

Internal hires (%) for management and specialist roles over \$50k salary for the group

	2017	2016	2015
% internal hires	21.2%	23.6%	15.4%

ENERGY

Electricity

ELECTRICITY KWH PER DOLLAR REVENUE	SKYCITY AUCKLAND	SKYCITY HAMILTON	SKYCITY QUEENSTOWN	ADELAIDE CASINO	SKYCITY DARWIN	TOTAL
FY15 (Unaudited)	0.083	0.111	0.043	0.074	0.121	0.088
FY16 (Unaudited)	0.078	0.108	0.032	0.077	0.125	0.086
FY17 (Audited)	0.074	0.095	0.034	0.080	0.131	0.084
% Change FY15 to FY17	11% decrease	14% decrease	21% decrease	7% increase	8% increase	5% decrease

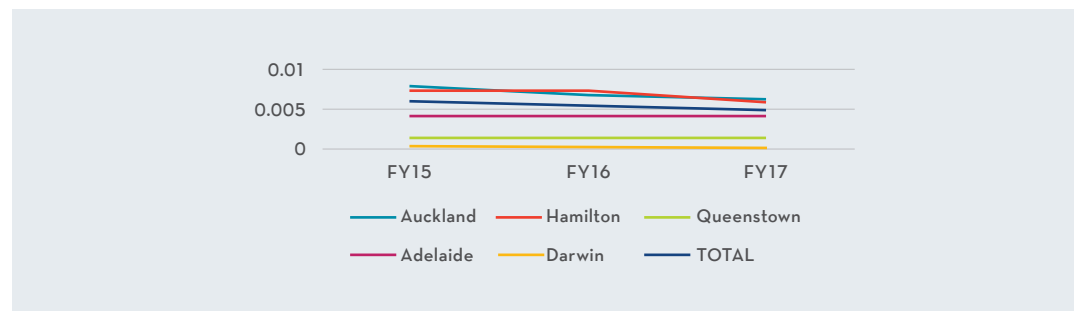
Gas

GAS KWH PER DOLLAR REVENUE	SKYCITY AUCKLAND	SKYCITY HAMILTON	SKYCITY QUEENSTOWN	ADELAIDE CASINO	SKYCITY DARWIN	TOTAL
FY15 (Unaudited)	0.0405	0.0376	0.0070	0.0222	0.0005	0.0303
FY16 (Unaudited)	0.0352	0.0380	0.0068	0.0213	0.0005	0.0275
FY17 (Audited)	0.0322	0.0307	0.0067	0.0225	0.0003	0.0258
% Change FY15 to FY17	21% decrease	18% decrease	4% decrease	1% increase	39% decrease	15% decrease

EMISSIONS

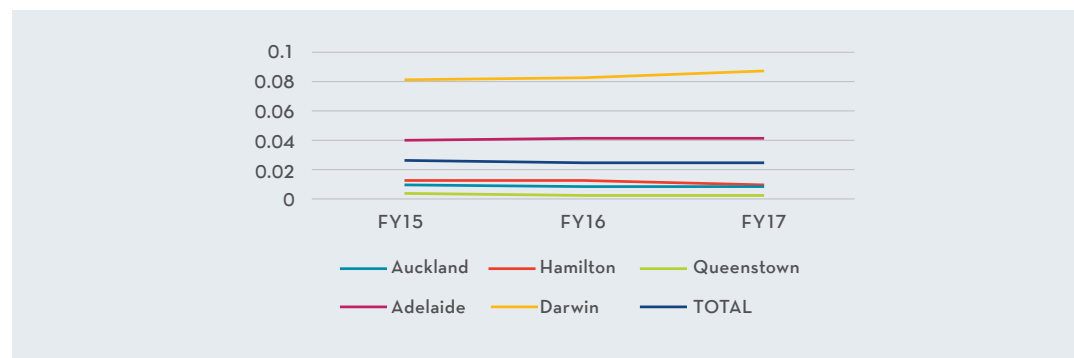
Scope 1 Emissions from gas [tCO2e (GWP)/\$]

SCOPE 1 EMISSIONS FOR GAS [CO2E(GWP)/\$]	SKYCITY AUCKLAND	SKYCITY HAMILTON	SKYCITY QUEENSTOWN	ADELAIDE CASINO	SKYCITY DARWIN	TOTAL
FY15	0.007874915	0.007306253	0.00135118	0.004113688	0.000191458	0.005869598
FY16	0.006837182	0.007376977	0.00131382	0.003955444	0.00020011	0.005330102
FY17	0.006251973	0.005960607	0.001297882	0.0041676	0.000111828	0.004993054
% Change FY15 to FY17	21% decrease	18% decrease	4% decrease	1% increase	42% decrease	15% decrease



Scope 2 Emissions from electricity [tCO2e (GWP)/\$]

SCOPE 2 EMISSIONS FOR ELECTRICITY [CO2E(GWP)/\$]	SKYCITY AUCKLAND	SKYCITY HAMILTON	SKYCITY QUEENSTOWN	ADELAIDE CASINO	SKYCITY DARWIN	TOTAL
FY15	0.009933654	0.013252049	0.005119257	0.039274593	0.080298459	0.02637891
FY16	0.009336208	0.012873169	0.003810504	0.040831874	0.083037978	0.025591981
FY17	0.00885382	0.011388529	0.004050239	0.042125956	0.087012649	0.025120285
% Change FY15 to FY17	11% decrease	14% decrease	21% decrease	7% increase	8% decrease	5% decrease



ELECTRICITY AND GAS DATA ASSUMPTION AND EXTRAPOLATION

Our methods and assumptions for emissions calculations are stated on page 51.

Auckland

Electricity

- Data completely collected, no assumptions.

Gas

- Data completely collected, no assumptions.

Hamilton

Electricity

- Data completely collected, no assumptions.

Gas

- For September 2016 very low and for December 2016 negative. Reason for this is presumably over- or undercharging by supplier.
- Values were corrected based on the assumption that total gas paid for is correct.
- Values for the respective month and a month before and after were calculated as: Sum for the three months was allocated based on the split between the same months the year before.

Queenstown

Electricity

- Data completely collected, no assumptions.

Gas

- Due to issues with data availability, gas consumption data was adjusted based on the consumption pattern for our similar Hamilton site.

Adelaide

Electricity

- Data completely collected, no assumptions.

Gas

- One value (October 2015) was missing so it was estimated, guided by the values of the month before and after.

Darwin

Electricity

- Data completely collected, no assumptions.

Gas

- Collection of gas data starts in January 2015. Earlier values were estimated by using the same values as for the same month in the year after.
- Currently, gas consumption data is calculated based on purchases of LPG bottles. No LPG purchases were recorded for April and May 2017 – it is assumed that gas consumption for those

months was captured in prior purchases. No data was available prior to December 2015 – those months' purchases were estimated based on the following year's monthly data.

Total

- Electricity values all seem reasonable
- Gas values for Queenstown appear to be quite low (based on the low average consumption per month this makes sense, but high uncertainty due to patchy data)
- Gas values for Darwin also appear to be quite low
- Assumptions regarding LPG bottles need to be refined.

WATER

WATER KIL PER DOLLAR REVENUE	SKYCITY AUCKLAND	SKYCITY HAMILTON	SKYCITY QUEENSTOWN	ADELAIDE CASINO	SKYCITY DARWIN	TOTAL
FY15	0.000513	0.000503	Data not available	0.000312	0.001382	0.000601
FY16	0.000519	0.000451	Data not available	0.000338	0.001778	0.000652
FY17	0.000531	0.000375	Data not available	0.000354	0.001690	0.000638
% Change FY15 to FY17	3% increase	25% decrease	Data not available	14% increase	22% increase	6% increase

WATER DATA ASSUMPTION AND EXTRAPOLATION

Wastewater only collected for Auckland so it is excluded.

Auckland

- Data prior to June 2015 was unavailable. Prior months' consumption was estimated based on the following year's monthly data.

Hamilton

- Due to issues with data availability, monthly and annual data was estimated based on average daily consumption shown in the available data.

Queenstown

- Excluded as no data was available.

Adelaide

- The available data was expressed as total annual consumption. Per month consumption was calculated based on average monthly consumption.

Darwin

- Data completely collected, no assumptions.

WASTE

WASTE TO LANDFILL (TONNES PER MILLION DOLLARS OF REVENUE)	SKYCITY AUCKLAND	SKYCITY HAMILTON	SKYCITY QUEENSTOWN	ADELAIDE CASINO	SKYCITY DARWIN	TOTAL
FY15 (Unaudited)	3.88	1.89	Data not available	Data not available	4.30	3.82
FY16 (Unaudited)	3.76	2.83	Data not available	Data not available	4.22	3.77
FY17 (Audited)	3.50	2.69	Data not available	Data excluded	4.17	3.55
% Change FY15 to FY17	10% decrease	42% increase	Data not available	Data excluded	3% decrease	7% decrease

WASTE DATA ASSUMPTION AND EXTRAPOLATION

Auckland

- Data completely collected, however, a change in supplier since March, 2017 shows prior data may have been estimated conservatively.

Hamilton

- Hamilton data shows increased waste from December 2015 to September 2016 and from December 2016 to February 2017 due to on-site refurbishments.

Queenstown

- Excluded as no data was available.

Adelaide

- Excluded as there was no data available until April 2016.

Darwin

- Data completely collected, no assumptions

Total

- Totals calculated without including Adelaide and Queenstown as there was insufficient data for both sites.



Independent Limited Assurance Statement to the Management and Directors of SKYCITY Entertainment Group Limited

Our Conclusion:

Ernst & Young ('EY', 'we') were engaged by SKYCITY Entertainment Group Limited ("SKYCITY") to undertake limited assurance as defined by the International Standards on Assurance engagements (New Zealand), over disclosures associated with selected performance data included in SKYCITY's Annual Corporate Social Responsibility ("CSR") Report for the year ended 30 June 2017. Based on our review, nothing came to our attention that caused us to believe that the agreed performance data detailed in the table below has not been prepared and presented fairly, in all material respects, in accordance with the criteria defined below.

What our review covered

We reviewed the performance data for twelve of SKYCITY's CSR report disclosures the year ending 30 June 2017 only. Each of the performance data metrics covered by our assurance procedures is detailed in the table below.

Performance data	Report page
Department of Internal Affairs mystery shopper results on Host Responsibility Programme	23-24
Dow Jones Sustainability Index 100% rating in 'promoting responsible gaming'	6, 12, 22
Human capital return on investment	28
Lost-time injury frequency rate	27, 30-31
Rate of internal promotions to specialist/ manager roles	28, 31-32
Workforce ethnicity and gender breakdown	51
Electricity intensity (kWh per \$Rev)	41-43, 53-54
Waste intensity (Tonnes per \$Rev)	41, 44, 56
Community investment dollars	36
Percentage of "agree" responses to the SKYCITY staff engagement survey statement: "SKYCITY has a sense of responsibility towards the community and environment"	35, 40
Percentage of "agree" responses to the SKYCITY staff engagement survey statement: "I am proud of the role SKYCITY plays in the community"	35
Percentage of "agree" responses to the SKYCITY staff engagement survey statement: "SKYCITY is a responsible host"	22, 25

Criteria applied by SKYCITY

The criteria for our assurance engagement was SKYCITY's approach to reporting the CSR performance data and associated disclosures, as detailed in the glossary of the SKYCITY Entertainment Group CSR Report 2017 available at: www.skycityentertainmentgroup.com/our-commitment/corporate-responsibility

Key responsibilities

EY's responsibility and independence

Our responsibility was to express a conclusion on selected SKYCITY's CSR performance data metrics based on our review. We were also responsible for maintaining our independence and confirm that we have met the requirements of the *External Reporting Board of New Zealand*, and have the required competencies and experience to conduct this assurance engagement.

SKYCITY's responsibility

SKYCITY's management ("management") was responsible for selecting the Criteria, and preparing and fairly presenting the CSR performance metrics in accordance with that Criteria. This responsibility includes establishing and maintaining internal controls, adequate records and making estimates that are reasonable in the circumstances.

Our approach to conducting the review

We conducted this review in accordance with the International Standard on Assurance Engagements ISAE (NZ) 3000: *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and the terms of reference for this engagement as agreed with SKYCITY on 2 June 2017.

Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the CSR Performance data and related information, and applying analytical and other review procedures. Our procedures included, but were not limited to:

- ▶ Conducting interviews with personnel to understand the business and reporting process
- ▶ Conducting interviews with key personnel to understand the process for collecting, collating, and reporting the Selected Performance Data during the reporting period
- ▶ Undertaking analytical review procedures to support the reasonableness of the data
- ▶ Identifying and testing assumptions supporting the calculations
- ▶ Testing, on a sample basis, underlying source information to check the accuracy of the data
- ▶ Performing recalculations of performance metrics to confirm quantities stated were replicable
- ▶ Reviewing the appropriateness of presentation of disclosures

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Limited Assurance

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of SKYCITY or for any purpose other than that for which it was prepared. You may not disclose this assurance report externally without our prior written consent.

Ernst & Young Limited



Graeme Bennett
EY Assurance Partner
Auckland
15 December 2017

SKYCITY 2017

GRI CONTENT INDEX

GENERAL STANDARD DISCLOSURES

SECTION	ASPECT / GRI DISCLOSURE	DESCRIPTION	PUBLICATION	PAGE(S)	LIMITATIONS	EXTERNAL ASSURANCE
Organisational profile	102-1	Name of organisation	CSR Report 2017: About this report	4		
	102-2	Activities, brands, products and services	Annual Report 2017: Our Business	12-13		
	102-3	Location of headquarters	Annual Report 2017: Directory	94		
	102-4	Location of operations	Annual Report 2017: Our Properties	14		
	102-5	Ownership and Legal Form	Annual Report 2017: Legal Form	43		
			Annual Report 2017: Legal Form	84-85		
	102-6	Markets Served	Annual Report 2017: Our Properties	14		
	102-7	Scale of organisation				
		i. Total number of employees	CSR Report 2017: Our staff in numbers	10-11		
		ii. Total number of operations	CSR Report 2017: Our value chain	10-11		
		iii. Net sales	Annual Report 2017: Income Statement	38		
		iv. Total capitalisation	Annual Report 2017: Balance sheet	40		
		v. Quantity of products and services provided	Annual Report 2017: Our Business	12		
		Additional information	See Annual Report 2017			
	102-8	Information on employees and other workers	CSR Report 2017: Labour Practices and Human Rights	27-28	Note 1	

SECTION	ASPECT / GRI DISCLOSURE	DESCRIPTION	PUBLICATION	PAGE(S)	LIMITATIONS	EXTERNAL ASSURANCE
Organisational profile	102-9	Supply Chain	CSR Report 2017: Fair Operating Practices	46-49		
	102-10	Significant changes to the organisation and its supply chain	No changes			
	102-11	Precautionary Principle or approach	Ethical Supplier Code			
	102-12	External initiatives	CSR Report 2017: Labour Practices and Human Rights	31		
	102-13	Membership of association	CSR Report 2017: Fair Operating Practices	49		
Strategy	102-14	Statement from senior decision-maker	CSR Report 2017	6-9		
Ethics and Integrity	102-16	Values, principles, standards and norms of behaviour	SKYCITY Code of Business Practice ⁷			
Governance	102-18	Governance structure	Annual Report 2017: Corporate Governance	71-83		
Stakeholder engagement	102-40	List of stakeholder groups	CSR Report 2017: Stakeholder Engagement	17		
	102-41	Collective bargaining agreements	CSR Report 2017: Our Staff in Numbers	52		
	102-42	Identifying and selecting stakeholders	CSR Report 2017: Stakeholder Engagement	16		
	102-43	Approach to stakeholder engagement	CSR Report 2017: Stakeholder Engagement	16-17		
	102-44	Key topics and concerns raised	CSR Report 2017: <ul style="list-style-type: none"> - Materiality - Key learning's 	14-15 18-19		
Reporting practice	102-45	Entities included in the consolidated financial statements	Annual Report 2017: Subsidiaries	66		
	102-46	Defining report content and topic Boundaries	CSR Report 2017: What matters most	14-15		
	102-47	List of material topics	CSR Report 2017: Material issues	14-15		
	102-48	Restatements of information	CSR Report 2017: About This Report	4		
	102-49	Changes in reporting	CSR Report 2017: About This Report	4		
	102-50	Reporting period	CSR Report 2017: About This Report	4		
	102-51	Date of most recent report	CSR Report 2017: About This Report	4		

⁷ <https://www.skycityentertainmentgroup.com/media/1555/code-of-business-practice-as-at-dec-2016.pdf>

SECTION	ASPECT / GRI DISCLOSURE	DESCRIPTION	PUBLICATION	PAGE(S)	LIMITATIONS	EXTERNAL ASSURANCE
Reporting practice	102-52	Reporting cycle	CSR Report 2017: About This Report	4		
	102-53	Contact point for questions regarding the report	CSR Report 2017: About This Report	4		
	102-54	Claims of reporting in accordance with the GRI standards	CSR Report 2017: About This Report	4		

Limitations:

Note 1 – The reporting on GRI 102-8 on employees and other workers does not include ‘activities performed by workers who are not employees’ and ‘significant variations in numbers reported’.

SPECIFIC STANDARD DISCLOSURES

SECTION	ASPECT / GRI DISCLOSURE	DESCRIPTION	PUBLICATION	PAGE(S)	LIMITATIONS	EXTERNAL ASSURANCE
The Environment	GRI 103	Energy Management Approach	CSR Report 2017: The Environment	41-43		
	GRI 302-3	Energy Intensity	CSR Report 2017: The Environment	52		
	GRI 103	Water Management Approach	CSR Report 2017: The Environment	41-43		
	GRI 103	Emissions Management Approach	CSR Report 2017: The Environment	40-42		
	GRI 305-4	GHG Emissions Intensity	CSR Report 2017: The Environment	42, 53-54		
Fair Operating Practices	GRI 103	Supplier Assessment Management Approach	CSR Report 2017: Fair Operating Practices	46-48		
Labour Practices and Human Rights	GRI 103	Health & Safety Management Approach	CSR Report 2017: Labour Practices and Human Rights	22-25		
	GRI 403-2	Types and Rates of Injury	CSR Report 2017: Labour Practices and Human Rights	27		
	GRI 103	Training & Education Management Approach	CSR Report 2017: Labour Practices and Human Rights	27-31		
	GRI 404-2	Employee Programmes	CSR Report 2017: Labour Practices and Human Rights	27-31		
	GRI 103	Diversity and Equal Opportunity Management Approach	CSR Report 2017: Labour Practices and Human Rights	32		

SECTION	ASPECT / GRI DISCLOSURE	DESCRIPTION	PUBLICATION	PAGE(S)	LIMITATIONS	EXTERNAL ASSURANCE
Labour Practices and Human Rights	GRI 405-1	Governance and Employee Diversity	CSR Report 2017: Labour Practices and Human Rights	50-53	Note 1	
Responsible Gaming	GRI 103	Customer Health and Safety Management Approach	CSR Report 2017: Responsible Gaming	22-25		
	GRI 416-1	Assessment of Health & Safety of Products and Services	CSR Report 2017: Responsible Gaming	25		
	GRI 416-2	Non-compliance Incidents Related to Health & Safety of Products and Services	CSR Report 2017: Responsible Gaming	22		
	GRI 103	Socio-Economic Compliance Management Approach	CSR Report 2017: Responsible Gaming	22-25		
	GRI 419-1	Non-compliance with Socio-Economic Laws and Regulations	CSR Report 2017: Responsible Gaming	22	Note 2	

Limitations:

Note 1 – The reporting of GRI 405-1 on Governance and Employee Diversity does not include age.

Note 2 – The reporting of GRI 419-1 on Non-compliance with Socio-Economic Laws and Regulations does not include Economic Laws and Regulations.

SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD

In 2015, countries of the United Nations adopted the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs), which is a set of goals to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda. Each goal has specific targets to be achieved over the next 15 years.

For the goals to be reached, everyone needs to do their part. Business and industry play an important role in helping to achieve the Sustainable Development Goals, and corporate sustainability reporting can be a powerful tool to measure the contribution of business towards the 17 SDGs.

As a starting point for further discussion, we provide a high level outline below of the actions we are taking to support the SDGs and where information about these actions can be found.

SKYCITY is committed to achieving the Sustainable Development Goals. This section provides examples of how we are contributing towards the SDGs.



SUSTAINABLE DEVELOPMENT GOAL	SKYCITY ACTIONS
	<ul style="list-style-type: none"> Preventing gambling harm: Annual Report 2017, page 24 Provision of funding to support financial capability and resilience: CSR Report 2017, page 30 Fair and equal pay practices: Annual Report 2017, page 28
	<ul style="list-style-type: none"> Donate food to those in need: CSR Report 2017, page 44
	<ul style="list-style-type: none"> Health, safety and gambling harm prevention programmes: Annual Report 2017, page 30 Health insurance for staff: CSR Report 2017, page 30 Staff health, wellness and nutrition programmes: Annual Report 2017, page 24 Free staff flu vaccinations: CSR report 2017, page 30 Rainbow tick: Annual Report 2017, page 31 White Ribbon Programme: Annual Report 2017, page 30
	<ul style="list-style-type: none"> Provision of funding to support financial capability and resilience: CSR Report 2017, page 33 ATEED Youth Employer of the year: Annual Report 2017, page 31
	<ul style="list-style-type: none"> Champions for Change and equal pay: Annual Report 2017, page 30
	<ul style="list-style-type: none"> Reducing our waste usage and reducing pollution outputs: CSR Report 2017, page 40
	<ul style="list-style-type: none"> Reducing our energy footprint: CSR Report 2017, page 40 Preference for renewable energy: CSR Report 2017, page 41-43
	<ul style="list-style-type: none"> Equal pay policies: Annual Report 2017, page 30 ATEED Youth Employer of the year: Annual Report 2017, page 31
	<ul style="list-style-type: none"> Incorporating best practice technology: Annual Report 2017, page 33 Innovation centre: Online

SUSTAINABLE DEVELOPMENT GOAL	SKYCITY ACTIONS
	<ul style="list-style-type: none">Diversity and Inclusion: Annual Report 2017, page 30Pay equality measures: Annual Report 2017, page 30
	<ul style="list-style-type: none">NZICC build in accordance with LEED: New Construction: NZICC Licensing AgreementBuilding Communities by Developing People: CSR Report 2017, page 36
	<ul style="list-style-type: none">Reuse of food waste for composting: CSR Report 2017, page 43Reducing our inputs: CSR Report 2017, page 40-44Closing the loop: CSR Report 2017, page 47Ethical procurement: Ethical Sourcing code (online)
	<ul style="list-style-type: none">Reducing emissions: CSR Report 2017, page 40Reducing Waste to landfill: CSR Report 2017, page 44Encouraging supply chain transparency: CSR Report 2017, page 46-47
	<ul style="list-style-type: none">NZICC build to incorporate water conservation design: NZICC Licensing Agreement
	<ul style="list-style-type: none">Sustainable local sourcing: CSR Report 2017, page 46-47Reducing environmental footprint: CSR Report 2017, page 40-43
	<ul style="list-style-type: none">Transparent governance: Annual Report 2017: Corporate Governance – page 71No political donations policy: CSR Report 2017, page 49Supporting diversity through staff: Annual Report 2017, page 30Public support for charity partners: Sky Tower lighting (Online)
	<ul style="list-style-type: none">Working with community trusts: CSR Report 2017, page 35Charitable partnerships: CSR Report 2017, page 17

GLOSSARY

TERM	DEFINITION
Absenteeism	The number of absentee days lost as a percentage of total days scheduled to be worked. This metric captures employees absent from work due to incapacity of any kind. Includes all forms of sick leave (paid and unpaid) and no show. Excludes annual leave and other permitted leave such as study, parental and compassionate leave.
Activities	Activities refer to the types of donations, investments, and community and commercial contributions and initiatives undertaken by a company as part of a company's corporate citizenship or responsibility programme.
Carbon dioxide equivalents	The standardised unit of measurement used to express greenhouse gas emissions. Each GHG has a different global warming potential. Therefore, a conversion to carbon dioxide equivalent (tCO2e) is used to allow for comparison and consistent measurement.
Carbon footprint	The measure of the impact that SKYCITY activities have on the environment, measured in carbon dioxide equivalent
Champions for Change	A group comprised of CEO's and chairs from across the public and private sectors who are committed to raising the value of diversity and inclusiveness throughout the wider business community.
Charitable donation	Charitable donations refers to one-off or occasional support to good causes in response to the needs and appeals of charitable and community orgs, requests from employees, or reaction to emergency appeals etc.
Collective Agreements	The written contract between SKYCITY and the Unions that outlines the terms and conditions of employment in a bargaining unit.
Community Investment	Community investments refers to long-term strategic involvement in, and partnership with, community organisations to address a limited range of social issues chosen by the company to protect its long-term corporate.
Community perception	Measured yearly through external survey research, this metric is designed to track public perception of SKYCITY as a valuable cornerstone enterprise. Metrics of particular interest in relation to CSR are 'puts a lot back into the community'; 'Handles problem gaming responsibly'; and 'a company you can be proud of'.
Community Trusts	Refers to the three SKYCITY Auckland, Hamilton or Queenstown Community Trusts, established by a Deed of Trust for each, and as required under the Venue License for each SKYCITY casino. The casino license requires SKYCITY to pay a minimum of 2.5% per annum of net profit after tax from the on-site businesses of each casino venue and adjunct businesses including the Sky Tower, hotel, convention centres and other outlets.
CSR	Corporate Social Responsibility, The commitment by SKYCITY to be a responsible corporate citizen through delivering sustainable social, environmental and economic value.
DIA	The Department of Internal Affairs (DIA) is the independent governing body that regulates the gambling industry, and is responsible for ensuring that the rules and regulations of the Gambling Act are followed.
DJSI	Dow Jones Sustainability Index, a globally recognised independent third party rating for corporate social responsibility, which is assessed by RobecoSam each year.
EcoVadis	Outsourced supplier of vendor sustainability assessment, rating and benchmarking. A pilot of this assessment was commenced in 2017 and full results will be published in the 2018 CSR report.
Electricity Intensity	Measured as kilowatts (kw) per hour per dollar revenue.
Ethical Sourcing Code	Refers to SKYCITY's Ethical Sourcing Code which can be found at https://www.skycityentertainmentgroup.com/media/1364/ethical_sourcing_code_internal_use_final_1_.pdf

TERM	DEFINITION
Exclusion	A means of excluding customers from SKYCITY to prevent risk of harm from gaming. Can be voluntary, or at the discretion of SKYCITY.
FTE	Full-time equivalent (FTE), a way of reporting employee numbers, converts the total number of employees (headcount) into its full-time equivalent
GHG	Greenhouse Gases (GHG) released into the atmosphere and amplify the greenhouse effect. These gases include carbon dioxide, methane, nitrous oxides and hydrofluorocarbons
GRI referenced	This CSR report is prepared in reference to the guidelines and principles set out by the Global Reporting Initiative. It is expected that this report will guide our reporting so that future reports can be in accordance with the GRI Standard.
Host Responsibility	The name given to the activities, programme and training undertaken with staff to prevent and minimise harm from gaming and consumption of alcohol.
Human Capital Return on Investment	The financial return on investing in human capital. Calculated as net revenue (excluding total employee expenses) divided by total employee expenses.'
Impact	Impact refers to the changes resulting from a business activity, programme or intervention, which can be either positive or negative, intended or unintended, direct or indirect. These changes are sometimes referred to as 'outcomes' and can be short, medium or long-term.
Internal Promotion	Rate of internal promotions to specialist/ manager roles – calculated by # of internal hires as a percentage of total hires to vacant roles with \$50k and over annual gross pay during the period.
LBG	London Benchmarking GroupThe LBG creates a structure for measuring and assessing the value of its community investments and philanthropic contributions. More information on LBG can be found at: www.lbg-online.net
Materiality	The social, environmental and governance themes and issues considered most important by SKYCITY and its stakeholders.
Rainbow Tick	Accreditation programme that acknowledges SKYCTY as a safe, supportive and welcoming workplace by the Lesbian, Gay, Bi-sexual, Trans or Intersex (LGBTI) community.
Scope 1 emissions	<ul style="list-style-type: none">• Direct emissions from sources owned or controlled by SKYCITY. These include:• Combustion of fuel in generators, boilers or furnaces owned or controlled by SKYCITY• Hydrofluorocarbon (HFC) emissions from company owned or controlled air-conditioning or refrigeration equipment• Business travel and employee commuting in vehicles owned or controlled by SKYCITY, such as company cars.
Scope 2 emissions	Indirect emissions from the off-site generation of electricity used by SKYCITY.
Scope 3 emissions	All other indirect emissions that occur outside the boundary of SKYCITY, but which occur as a result of the activities of the SKYCITY. These include: <ul style="list-style-type: none">• Business travel in non-company owned vehicles such as commercial planes and rental cars• Third-party production and manufacture of materials used by SKYCITY, such as playing cards, food and computer equipment• Employee commuting in vehicles not owned by the company such as personal cars and public transport.
SDG	Sustainable Development Goal: 17 goals established at the United Nations to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda
Sponsorship and Commercial	Refers to business-related activities in the community, usually undertaken by commercial departments to directly support the success of the company and promote its corporate and brand identities and other policies, in partnership with charities and community-based organisations. Only the contribution to charity or community organizations should be considered, not the total cost of the marketing campaign or similar.
Staff perception	Staff rating of SKYCITY as a responsible citizen.
Waste Intensity	Measured in tonnes (t).
White Ribbon Programme	The development of focused policy and manager training programmes to support employees who have been affected by domestic violence. Programme has been developed in conjunction with the New Zealand Women's Refuge.
WORK CHOICE	A voluntary support programme designed to assist employees transition from work to retirement.

