

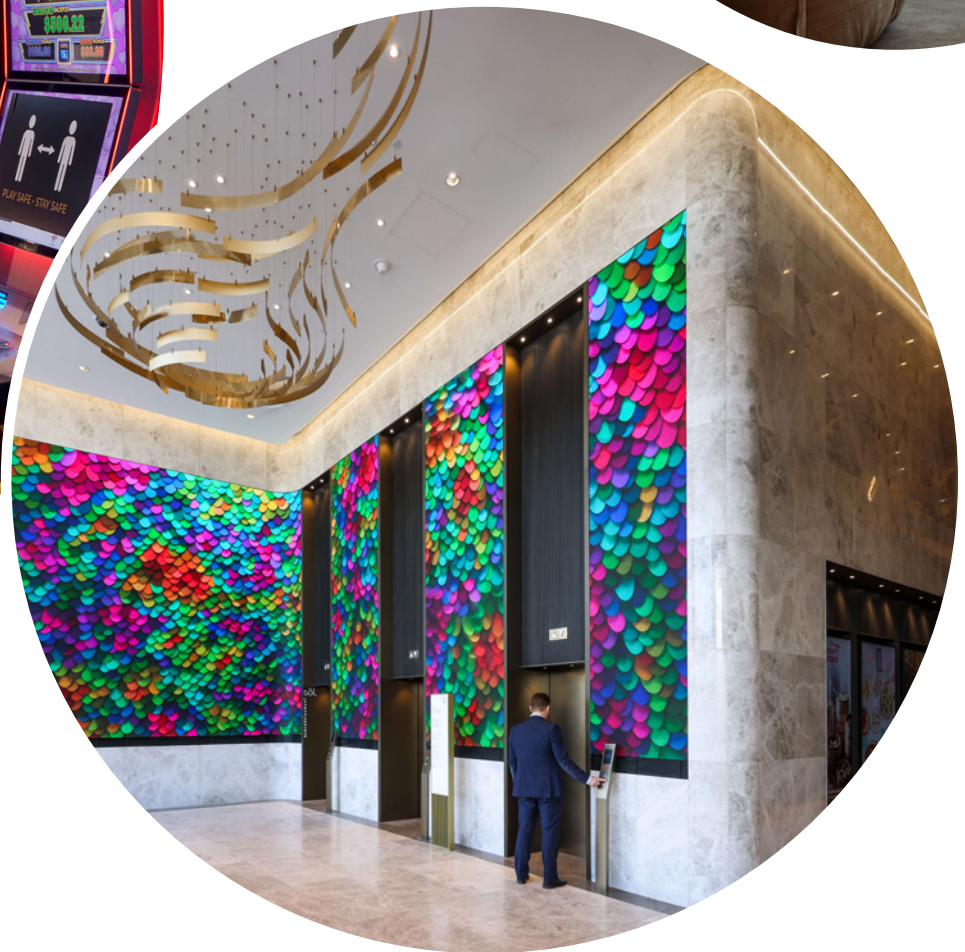


A NEW ERA OF LUXURY IN ADELAIDE

The A\$330 million SkyCity Adelaide expansion development opened to the public in December 2020.


Eos by SkyCity is Adelaide's most luxurious hotel, with rooms ranging from 50sqm - 230sqm and opulently appointed to meet the growing demand for quality hotel rooms from both domestic and international visitors.







Hamilton

Property	SkyCity Hamilton, New Zealand	
General Manager	 <p>Michelle Baillie</p>	
Opened	2002 Increased ownership from 70% to 100% in 2005	
Casino Venue Licence	Runs until 2027*	
Facilities	<ul style="list-style-type: none"> • Casino • Food and beverage • Entertainment 	<ul style="list-style-type: none"> • Conventions • Car parking • Tenpin bowling
Licensed Gaming Product	<ul style="list-style-type: none"> • 339 electronic gaming machines** • 23 table games** 	
Workforce	~300 staff	
FY21 Revenue	\$65.0 million (reported) \$73.5 million (normalised)	

*The casino venue licence can be renewed for a further period of 15 years pursuant to sections 134-138 of the New Zealand Gambling Act 2003.
 **This allowance may be alternatively utilised to enable automated table game terminals.

Situated within Hamilton’s historic Chief Post Office, a building designed to maximise its superb riverside location on the banks of the Waikato River, SkyCity Hamilton features a casino, bars and restaurants, a conference centre and Hamilton’s only tenpin bowling alley – Bowl and Social.

Over the last financial year, SkyCity has continued to invest in its core casino and hospitality businesses with a range of improvements across the SkyCity Hamilton property, including a new Baccarat Lounge and a refurbished function space, The Garden Room. A key focus has been on product and layout optimisation within the casino to maintain SkyCity Hamilton’s market leader position and manage high demand for electronic gaming machines (which remain capacity constrained at peak times).

SkyCity Hamilton is a key member and supporter of the local community and is committed to being the Waikato region’s premier entertainment destination. We were therefore thrilled to have been named the winner of the Best Social Responsibility category at the Hamilton Central Business Association’s 2020 CBD Celebration Awards, recognising SkyCity Hamilton’s commitment to community, customers, diversity and sustainability, and the runner-up in the Community Contribution category at the 2020 Waikato Business Awards.

FY21 PERFORMANCE

SkyCity Hamilton delivered a strong revenue and earnings result for a full year period, underpinned by strong local gaming activity and cost control, despite 51 days operating under Alert Level 2 restrictions over the period.

Consistent with prior periods, Hamilton delivered strong electronic gaming machine activity, despite capacity constraints, benefitting from improved product mix and new gaming areas, particularly for VIP customers.

The property has shown resilience to the impacts of COVID-19 over the last financial year due to having a predominantly domestic (and gaming) focused business and supportive external factors, including population growth, an increasingly diverse local economy (less reliance on the primary sector) and improved connectivity to the Auckland region. The Waikato region has also benefitted from strong domestic tourism activity in New Zealand as international borders remain closed.

A focus on cost control and operating efficiencies delivered significant margin improvement compared to the prior comparable period.

Queenstown

Property	SkyCity Queenstown and SkyCity Wharf, New Zealand
General Manager	 <p>Jono Browne</p>
Opened/Acquired	<p>Opened Queenstown in 2000 and increased ownership from 60% to 100% in 2012</p> <p>Acquired Wharf in 2013</p>
Casino Venue Licence	<p>Runs until 2025* for Queenstown</p> <p>Runs until 2024* for Wharf</p>
Facilities	<ul style="list-style-type: none"> • Casino • Food and beverage • Entertainment • Conventions
Licensed Gaming Product	<ul style="list-style-type: none"> • 86 electronic gaming machines (Queenstown)** • 12 table games (Queenstown)** • 74 electronic gaming machines (Wharf)** • 6 table games (Wharf)**
Workforce	~50 staff
FY21 Revenue	<p>\$10.9 million (reported)</p> <p>\$12.3 million (normalised)</p>

*The casino venue licence can be renewed for a further period of 15 years pursuant to sections 134-138 of the New Zealand Gambling Act 2003.
 **This allowance may be alternatively utilised to enable automated table game terminals.

SkyCity’s two Queenstown casinos, SkyCity Queenstown and SkyCity Wharf, are located in central Queenstown surrounded by the majestic Southern Alps.

Whilst the larger SkyCity Queenstown property reopened on 14 May 2020 after the first COVID-19 lockdown in New Zealand, the smaller SkyCity Wharf property has remained closed since initially closing on 23 March 2020 as ongoing border restrictions continue to have a detrimental effect on the local Queenstown economy in particular, which is largely dependent on tourism.

FY21 PERFORMANCE

SkyCity Queenstown delivered a strong earnings result for a full year period, underpinned by strong electronic gaming machine activity, positive

domestic tourism into the region, particularly during peak holiday periods, and effective cost control.

This strong performance was despite 51 days operating under Alert Level 2 restrictions over the period and ongoing international border closures. The Wharf Casino remained closed over the period and is expected to remain so for the foreseeable future.

Good cost execution over the period delivered a significant increase in operating margins – an onerous lease benefit of \$986,076 was realised during 1H21 when the decision was made to keep the Wharf Casino closed. Future options for our two Queenstown properties continue to be evaluated, with the current focus on optimising SkyCity Queenstown and leveraging strong domestic tourism trends.



International Business

General Manager



Stewart Neish

Facilities

Premium gaming facilities at SkyCity Auckland, SkyCity Adelaide and SkyCity Queenstown

FY21 Revenue

\$17.8 million (reported)
\$22.1 million (normalised)

SkyCity's International Business division caters for high-net worth international players who visit casinos as part of their leisure activities.

The flagship SkyCity Auckland property features several premium gaming spaces, including 1,800 sqm of luxury high-end gaming space above the SkyCity Hotel featuring four luxurious gaming salons for exclusive use and four private accommodation suites. Each salon has its own private dining facilities, bar and massage chairs, as well as its own lounge area and outdoor balcony. Gaming dealers are available on request for customers, who enjoy the full range of gaming options offered at SkyCity Auckland in their own private salon.

Additional VIP luxury gaming facilities were opened in December 2020 as part of the A\$330 million SkyCity Adelaide expansion.

In April 2021, SkyCity announced, following completion of a strategic review into its International Business division, that it would

permanently cease dealing with junket operators and continue to operate its International Business division under a revised operating model where SkyCity will deal directly with International Business patrons after appropriate know your customer and customer due diligence requirements are satisfied.

FY21 PERFORMANCE

Our International Business division continues to be significantly impacted by COVID-19 and ongoing international border closures resulting in negligible international tourism activity over the period.

Cost control and modest interstate tables activity in Adelaide post expansion reduced expected losses, with 2H21 performance slightly EBITDA positive.

Our International Business team has continued to focus on proactive customer engagement to prepare the business for when borders reopen and customers can return to our properties.

Online

Managing Director



Steve Salmon

Facilities

Online casino

FY21 Revenue

\$13.1 million (reported)
\$13.1 million (normalised)

Launched in August 2019, SkyCity Online Casino provides New Zealanders with an offshore online casino platform, featuring over 1,600 online games.

SkyCity Online Casino is operated out of Malta by international iGaming company Gaming Innovation Group Inc (**GiG**) on behalf of SkyCity Malta Limited, an independently operated subsidiary of the SkyCity Entertainment Group, and led by a Managing Director based in Europe.

GiG provides a full-suite online casino solution, including a technical platform, gaming content, managed services and front-end development.

SkyCity remains supportive of future regulation of online gaming in New Zealand with an emphasis on strong host responsibility and delivering community benefits in New Zealand and we continue to prepare for a regulated industry to deliver on the omnichannel opportunity for the Group. Growth in online gambling continues to be a significant global industry theme with numerous international jurisdictions regulating online gambling (or intending to do so) to address the transition from physical to online entertainment, which has been exacerbated by the impact of COVID-19.

Following a public consultation which commenced during 2019, the Department of Internal Affairs (the New Zealand gambling regulator) continues to develop a policy framework for potential regulation. Regulation of the New Zealand online gaming market would enable SkyCity to pursue the omnichannel opportunity and address a fast-growing category which is highly

complementary to our land-based activities whilst offering customers a varied gaming experience (both physical and digital).

FY21 PERFORMANCE

SkyCity continued to optimise its online casino venture with GiG over the period, despite operational constraints. SkyCity Online Casino's performance over the year has exceeded expectations with significant growth in revenue and EBITDA and in excess of 45,000 active customers currently.

With gross gaming revenue of \$27.9 million (and net revenue attributable to SkyCity of \$13.1 million) and reported EBITDA of \$9.1 million for the period, SkyCity Online Casino is now making a meaningful contribution to the Group. EBITDA margin for the period was in line with expectations due to operating leverage and effective management of customer acquisition costs.





Our Values

Our people-centric values represent what it means to succeed at SkyCity – they identify what is expected from us when we come to work and define the important role we all play in creating magic at SkyCity.



OWN IT
Make your mark.

We all have a unique set of skills with which we do our part for SkyCity.

Own your role, embrace it with passion and energy, act with integrity, be genuine with your interactions and be accountable for your work.

Be proud of your successes.

Take responsibility for your mistakes and learn from them to keep improving.



SHARE IT
Make a difference.

We're all a part of the SkyCity team.

Be a passionate member of your team and work towards your shared goals.

Help others along the way, treat your colleagues and customers fairly and with respect.

Be honest and connect with others to build strong relationships.

Be inclusive and embrace diversity.



LIVE IT
Make magic.

Be enthusiastic and take pride in working for SkyCity.

Always strive to deliver exceptional customer experiences.

Seek out ways to go the extra mile and leave a lasting impression.

Help us to continually improve and create the best version of SkyCity.

Refreshing Our Brand

In June 2021, SkyCity Auckland launched a new brand campaign, Feel It, across outdoor, online video and print media channels. Designed to remind Aucklanders and visitors from the rest of New Zealand that SkyCity offers a range of memorable experiences, the campaign celebrates the feelings SkyCity creates for its visitors across its extensive range of offerings. The campaign features many of SkyCity's most iconic attractions, as well as several less well known experiences.

Feel It unifies the many and varied parts of SkyCity under the many and varied feelings they create, be that a delicious meal, a relaxing massage or yoga class, a walk around the outside of the Sky Tower, or a jump off it, a stay in one of our hotels, or a night at the roulette table – all of these activities create memorable feelings that are celebrated in this campaign.



FEEL IT





Risk Profile and Management

SkyCity operates in a dynamic and challenging environment with risks and opportunities both locally and internationally. The SkyCity Board is ultimately responsible for the governance of the Group's risk management, which includes formulating the Group's risk appetite and setting and monitoring risk tolerance.

SkyCity maintains a risk management framework for the identification, assessment, monitoring and management of risk to the company's business. As part of this framework, SkyCity maintains an independent, centrally managed Group Risk function which evaluates and reports on risks and controls across the Group. The Group Risk team collates, assesses and monitors the risks the Group faces by way of a Top Risk Profile, which is updated regularly. The Top Risk Profile is a current view of the most significant emerging or potential risks facing the Group, as well as a summary of how those risks are being mitigated or prepared for, and is a critical input to strategic planning, insurance renewal, investment and resource prioritisation, assurance planning, and ongoing business improvements. Management reports to the SkyCity Board and the Board's Audit and Risk Committee on the effectiveness of the company's management of its material business risks at least annually.

SkyCity operates a combined assurance model which is led by the Group Risk team and includes a combination of business self-assurance (production and maintenance of business unit risk registers), internal audit activity, and the selected outsourcing of a number of independent reviews. The overall effectiveness of the combined assurance model is monitored and assessed by, and all significant assurance findings are communicated to, the Audit and Risk Committee.

The SkyCity Board and management recognise that a positive culture is fundamental to an effective risk management framework and instils and promotes a culture which values the principles of honesty, fairness, cooperation, diversity and inclusion, and accountability – as reflected in the SkyCity Group's Code of Conduct (available in the Governance section of the company's website at www.skycityentertainmentgroup.com).

The Group Risk team monitors the company's culture for indications on how well the risk culture is performing and/or areas for improvement by way of:

- leadership risk culture surveys conducted annually across the SkyCity Group;
- mini risk culture surveys conducted as part of each assurance and risk review;
- bi-annual reviews of various metrics to help provide a proxy view of risk culture;
- bi-annual presentation of a risk culture dashboard to the Audit and Risk Committee; and
- regular discussions with management on risk culture.

Our Material Risks

SkyCity's ability to create and preserve value for its shareholders requires the successful execution of its business strategy, while maintaining a sound culture and practices to maintain compliance with responsible gaming frameworks. Risks influencing its ability to do this, including SkyCity's material exposure to economic, environmental and social sustainability risks, if any, and how it manages or intends to manage those risks, are outlined in the table overleaf.



Material Exposure

Risk Management

Highly Regulated Industry

SkyCity operates in the casino industry, which is highly regulated. The regulatory framework in which the business operates is not only complex but also subject to change from time to time, which may impact the environment in which SkyCity operates and increase the costs and complexities of operating its business. In addition, there is an increased regulatory focus by different regulators of the casino industry, as well as ongoing pressure to keep improving SkyCity's standards.

Potential examples of such changes include unfavourable changes to gaming and/or smoking legislation and regulations, licence conditions and gaming taxes and levies. Such changes may be introduced for a variety of reasons, including in response to the behaviour of others operating in the industry or increased government and regulatory conservatism in relation to the casino industry in New Zealand and Australia.

For example, over the past financial year there has been an increased focus on additional consumer protection requirements and regulatory oversight of land-based casino operators in New Zealand and Australia (including in respect of anti-money laundering and host responsibility obligations) and on SkyCity's 'social licence' to operate – see page 58 of this annual report for more details.

The regulatory risk is mitigated by close monitoring of the evolving regulatory landscape, including maintaining frequent and transparent engagement with the governments and regulators in each jurisdiction in which SkyCity operates and with industry stakeholders to ensure that expectations are met and high standards of compliance are maintained.

Targeted initiatives are undertaken as and when required based on the likelihood of the risk occurring and the impact it would have on SkyCity's business.

SkyCity also supports a robust compliance culture and framework to ensure compliance with licence conditions and applicable legislation and regulations.

Pandemic Preparedness and Business Continuity

As with any large, distributed business, SkyCity must be prepared for a wide range of events that have the potential to cause significant disruption and/or temporary closure of one or more of its sites.

The COVID-19 pandemic and related actions taken in response by the New Zealand, Australian and other Governments (including national lockdowns and border controls/travel restrictions) and the effects of the pandemic on global and domestic economies have had, and are likely to continue to have, a material adverse effect on SkyCity, its financial performance and outlook, liquidity and/or share price.

To mitigate this risk, SkyCity maintains a comprehensive business continuity framework, which supports preparedness and response to a wide range of critical events, including natural disasters, fire, emergency incidents and pandemics.

The business continuity framework is subject to ongoing monitoring to ensure management readiness and capability (including undertaking simulated crisis response drills on a regular basis to test management readiness and capability) and improvement to enhance resilience.

Due to the strength of the business continuity framework, the SkyCity Board and management have worked well in responding to and managing the ongoing impacts of the global COVID-19 pandemic to date.

Material Exposure

Risk Management

Liquidity and Solvency Risk

SkyCity's ability to achieve its business objectives is dependent on it being able to effectively manage its liquidity and solvency throughout a period of no and/or significantly diminished revenue and earnings.

There is significant complexity related to managing those matters, including as a consequence of a number of matters being outside of SkyCity's control. Such unexpected matters could result in SkyCity's financial position and future performance being adversely impacted.

SkyCity's ability to demonstrate fiscal resilience during these times is critical to maintaining long term investor and regulatory confidence.

SkyCity manages liquidity risk by continuously monitoring forecast and actual cash flows and maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties and maturities.

SkyCity also maintains close and transparent relationships with its lenders (including banks and United States private placement noteholders).

In June 2020, SkyCity announced a comprehensive funding plan to strengthen its balance sheet and secure additional liquidity in response to the uncertainty around the impacts of COVID-19. The funding plan was successfully implemented in June and July 2020 and ensured that SkyCity had an appropriate level of equity capital for the medium to long term and sufficient liquidity to fund its committed investment in its two major projects in Auckland and Adelaide.

In May 2021, as part of its ongoing capital management strategy, SkyCity issued \$175 million of six-year, unsecured, unsubordinated, fixed rate bonds – the proceeds of which were used to reduce the SkyCity Group's drawings on its bank facilities.

Given the cautious economic outlook and that significant risk and uncertainty still exists around COVID-19, SkyCity continues to adopt a conservative approach to capital management.

Loss of Casino Licence

SkyCity's Auckland property contributes a significant portion of SkyCity's EBITDA. This concentration of earnings means that the performance of SkyCity is heavily dependent upon the Auckland property. A significant disruption to SkyCity's Auckland operations, which may arise through the suspension, cancellation or expiry of the Auckland casino licence, would have a significant negative impact on SkyCity.

The suspension, cancellation or expiry of any of SkyCity's other casino licences would also have a negative impact on SkyCity.

SkyCity has mitigated this risk by securing an extension of the Auckland casino licence to 30 June 2048.

The SkyCity Adelaide casino licence currently runs until 30 June 2085 and extensions to the Hamilton and Queenstown casino licences are intended to be sought in accordance with the renewal provisions of the Gambling Act 2003 (New Zealand) in due course.

In addition, SkyCity mitigates the risk by maintaining a robust compliance culture and framework to ensure compliance with licence conditions and gaming legislation and regulations, and maintaining engagement with the governments and regulators, in each jurisdiction in which SkyCity operates.

SkyCity has an excellent history of compliance over 20 years and is committed to working cooperatively with its regulators on matters of concern.



Material Exposure

Risk Management

Economic and Business Volatility

The general economic conditions in the markets that SkyCity operates in, in addition to volatility in certain parts of the business, can significantly influence the financial performance of the company.

To mitigate these risks, SkyCity continually monitors its external environment, including the geo-political and global economic landscape, and has a robust liquidity management framework.

SkyCity also continually reviews the optimal mix for its business activities to ensure it has a balanced portfolio reflecting its risk appetite.

Customer and Innovation Risk

SkyCity recognises that it is important to consider evolving customer demographics and preferences in both its gaming and non-gaming operations, including new offerings, technologies and innovation.

To ensure SkyCity remains relevant to its customers, key strategic projects are currently being progressed, with a focus on emerging industry trends and opportunities for leveraging new technology and demographic changes.

Master planning also continues to be progressed for each of the SkyCity sites to explore opportunities for food and beverage, new gaming spaces and entertainment offerings.

Technology Risk

Technology represents a critical platform to SkyCity's business – not only for facilitating/enabling its operations, but also mitigating cyber-threats and ensuring compliance with regulatory and licence requirements.

SkyCity's operations are dependent on a number of key systems. There is a risk that the security of critical systems may be compromised and/or information is accessed without authorisation, deleted or corrupted, which could impact SkyCity's ability to operate critical systems and result in costs to resolve or repair, potential downtime of operations, potential breaches of privacy and/or reputational impacts.

To mitigate technology risk, SkyCity has invested in a significant programme over recent years to improve technology systems, infrastructure, capability and data management, and to improve cyber-resilience. SkyCity continues to invest in these areas as required (particularly around ensuring improved levels of ICT disaster recovery preparedness) and to keep abreast of the latest cybersecurity issues and security patches. Additionally, there is a strong, ongoing focus on technology project governance, risk management and assurance.

A management-led Privacy and Cybersecurity Steering Committee has been established to govern the development of SkyCity's privacy and cybersecurity strategy and programme, prioritise mitigation initiatives against the cybersecurity risk matrix, prioritise the operational initiatives to lift SkyCity's security posture, and review and respond to major cyber and privacy incidents and oversee the proposed measures to prevent recurrence.

Penetration testing is undertaken regularly to test system resilience and identify any security vulnerabilities that could be exploited. Simulated phishing emails are also regularly sent within the organisation to raise security awareness amongst employees.

Material Exposure**Risk Management****Development and Project Risk
(including Return from Major Projects)**

SkyCity has a significant project still underway (the New Zealand International Convention Centre and Horizon Hotel development in Auckland). Potential project risks include project delays, supply chain constraints and project cost overruns.

The COVID-19 pandemic has significant implications for return on capital invested in major projects. For example, the ongoing closure of Australian interstate and international borders over the short to medium future is expected to impact visitation and occupancy for the recently opened SkyCity Adelaide expansion project.

SkyCity seeks to mitigate these risks by continually monitoring progress by contractors against contractual obligations, and maintaining robust project management.

SkyCity has established strong governance and oversight frameworks for both current and future major growth projects. SkyCity also ensures robust governance over capital allocation and shareholder returns.

Health and Safety Risk

SkyCity has Health and Safety Risk Registers in place that identify risks in two key categories – high consequence/low frequency (being critical risks) and low consequence/high frequency risks.

Due to the hospitality and retail focus of SkyCity's business, a high percentage of the company's health and safety risk falls into the low consequence/high frequency category, which includes risks such as slips and trips and cuts from manual task related injuries.

To mitigate critical risks (which include working at heights, confined spaces, electrical, moving plant, fire and explosion), SkyCity has in place extensive safe systems of work to effectively control the potential for an incident. Ongoing safety assurance activities seek to test these controls and, where appropriate, strengthen critical risk controls ensuring SkyCity keeps its people and visitors safe.

SkyCity has harm prevention programmes in place which are aimed at reducing minor injuries and promoting wellness amongst its employees and contractors.

SkyCity's New Zealand properties are tertiary accredited under the Accident Compensation Corporation (ACC) Accredited Employers Programme and its Adelaide site is a registered self-insured employer. The company undertakes assurance activities to maintain certifications and continually improve its health and safety performance.

SkyCity is committed to delivering robust health and safety standards to manage the ongoing risks associated with COVID-19 and has developed and implemented a COVID-19 Health Management Framework for its business operations.

Both New Zealand and Australia have achieved relative success in ensuring a low level of infection and mortality compared to many other countries around the world. However, the ongoing health and safety risks of COVID-19 have significantly altered the commercial landscape for SkyCity's land-based properties in both jurisdictions.

Given the nature of SkyCity's operations, SkyCity does not have a material exposure to environmental risks in its usual day-to-day operations. SkyCity nonetheless recognises the criticality of climate related risks to its operations. Further details on these risks and SkyCity's approach to climate change risk management and reporting are outlined on page 122 of this annual report.



Tackling Financial Crime

SkyCity is committed to ensuring that it provides entertaining and profitable, yet safe and responsible, experiences and environments.

The New Zealand Anti-Money Laundering and Countering Financing of Terrorism Act 2009 and the Australian Anti Money Laundering and Counter Terrorism Financing Act 2006 (Cth) place obligations on certain organisations, including financial institutions and casinos, to detect and deter money laundering and terrorism financing and requires them to take appropriate measures to guard against money laundering and terrorism financing. Money laundering is how criminals disguise the illegal origins of their money. Financers of terrorism use similar techniques to money launderers to avoid detection by authorities and to protect the identity of those providing and receiving the funds.

At SkyCity, we place great importance on our anti-money laundering (**AML**) and countering financing of terrorism (**CFT**) obligations throughout every part of the organisation.

As a casino operator and reporting entity for the purposes of the AML/CFT legislation in New Zealand and Australia, SkyCity has the following measures in place across its land-based casinos:

- an assessment of the money laundering and financing of terrorism risks that SkyCity could face in the course of running its business;
- AML/CFT Programmes in New Zealand and Australia that include procedures to detect, deter, manage and mitigate money laundering and the financing of terrorism;
- an AML Compliance Officer appointed in each of New Zealand and Australia to administer and maintain the AML/CFT Programmes;
- customer due diligence processes, including customer identification and verification of identity;

- suspicious activity reporting, threshold transaction reporting and auditing of systems and processes. For example, SkyCity reports any suspicious activity that may be related to illegal activity, and cash transactions over \$10,000, to the New Zealand Police and the Australian Transaction Reports and Analysis Centre (**AUSTRAC**) (as applicable); and
- regular internal and external audits and reviews of AML/CFT compliance.

The Audit and Risk Committee is a dedicated Board committee that has responsibility for ensuring compliance with AML/CFT requirements in New Zealand and Australia and discusses, as a standing agenda item at each scheduled Audit and Risk Committee meeting, matters relating to the Group's AML/CFT obligations.

Within the business, a specialist AML team oversees the Group's ongoing compliance with AML/CFT requirements and a management-led AML Senior Management Group provides enhanced governance to AML/CFT related matters across the Group and supports the effective implementation of SkyCity's AML/CFT obligations across the Group. SkyCity senior managers and employees engaged in AML/CFT related duties also receive training on AML/CFT matters.

SkyCity's online gaming site, SkyCity Online Casino, is operated from Malta in partnership with international iGaming company Gaming Innovation Group Inc (**GiG**). GiG has in place an AML/CFT Policy that includes procedures to detect, deter, manage and mitigate money laundering and the financing of terrorism, customer due diligence processes (including customer identification and verification of identity), and suspicious activity reporting, auditing and annual reporting systems and processes. A Money Laundering Reporting Officer administers and maintains the AML/CFT Policy.

We continue to explore available technology solutions and seek expert advice where required to deliver best practice AML/CFT standards at SkyCity.





Increased Focus on the Casino Industry

Over the last financial year, there has been an increased focus on casino operators in Australia as a consequence of the New South Wales Independent Liquor and Gaming Authority's inquiry into the operation of Crown Casino in Sydney, the Royal Commission established by the Western Australian Government to inquire into and report on the affairs of the Crown Casino Perth and related matters and the Royal Commission established by the Victorian Government to inquire into the suitability of Crown Melbourne Limited to hold a casino licence.

These inquiries have led to increased focus and scrutiny on SkyCity and other casino operators and could lead to more stringent regulations for casino operators in Australia and New Zealand in relation to money laundering and other financial crimes. As a result, there are heightened expectations on SkyCity around its obligations under AML/CFT legislation and regulations, monitoring cash and third-party transactions, and undertaking enhanced due diligence checks on higher risk customers. Banks in both New Zealand and Australia are also signalling to casinos that they have a significantly reduced risk appetite for accepting cash deposits from higher risk customers.

In April 2021, SkyCity announced, following completion of a strategic review of its International Business division, that it would permanently cease dealing with all junket operators, effective immediately, and continue to operate its International Business division under a revised operating model where SkyCity will deal directly with International Business patrons after appropriate know your customer and customer due diligence requirements are satisfied.

AUSTRAC Enforcement Investigation

In June 2021, SkyCity was informed by AUSTRAC's Regulatory Operations Team that it had identified potential serious non-compliance by SkyCity Adelaide Pty Limited with the Australian Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1) and it had, consequently, referred the matter to AUSTRAC's Enforcement Team which had initiated a formal enforcement investigation into the compliance of SkyCity Adelaide. The potential non-compliance includes concerns

relating to ongoing customer due diligence, adopting and maintaining an AML/CTF Programme and compliance with Part A of an AML/CTF Programme. These concerns were identified in the course of a compliance assessment which AUSTRAC commenced in September 2019 focusing on SkyCity Adelaide's management of customers identified as high risk and politically exposed persons over the periods from 1 July 2015 - 30 June 2016 and 1 July 2018 - 30 June 2019.

AUSTRAC has made clear that it has not made a decision regarding the appropriate regulatory response that it may apply to SkyCity Adelaide, including whether or not enforcement action will be taken.

The SkyCity Board and management team take the concerns raised by AUSTRAC very seriously and took immediate steps to investigate and appropriately address AUSTRAC's concerns, including:

- establishing a Steering Committee (led by the Chair of the SkyCity Board) to oversee SkyCity Adelaide's engagement with AUSTRAC throughout the investigation process and its response to addressing the concerns raised by AUSTRAC; and
- engaging an independent expert to conduct a comprehensive review of SkyCity Adelaide's AML/CTF Programme and broader AML function in light of the concerns raised by AUSTRAC to assist SkyCity where appropriate to enhance and improve the AML/CTF Programme and AML function. SkyCity has also devoted substantial further resources to reviewing these matters with a view to identifying and implementing appropriate improvements to SkyCity's AML function. These reviews have not been limited in their scope to matters specifically raised by AUSTRAC - they have also been directed to identifying areas where SkyCity Adelaide's AML/CTF Programme and AML function could be enhanced or uplifted more generally.

SkyCity will continue to fully co-operate with AUSTRAC in relation to its inquiries and with its investigation into SkyCity Adelaide.





Our Board



ROB CAMPBELL
Chair

Member of the Audit and Risk Committee
Member of the People and Culture Committee
Member of the Sustainability Committee
Chair of the Governance and Nominations Committee

Appointed a director of SkyCity in June 2017
and Chair of the SkyCity Board in January 2018

Rob is currently the Chair of Tourism Holdings Limited, New Zealand Rural Land Company Limited, Ara Ake Limited and WEL Networks Limited and a director of Ultrafast Fibre Limited. Rob has over 30 years' experience in capital markets and is a director of, or advisor to, a range of investment fund and private equity groups in New Zealand, Australia, Hong Kong and the United States of America. He was made a Companion of the New Zealand Order of Merit (CNZM) in the New Year Honours 2020 list for his services to governance and business.

Rob holds a Bachelor of Arts with First Class Honours in Economic History and Political Science and a Master of Philosophy in Economics.



SUE SUCKLING
Director

Chair of the Sustainability Committee
Member of the Governance and Nominations Committee

Appointed a director of SkyCity in May 2011

Sue Suckling is an independent director and consultant with over 25 years in commercial corporate governance. She is recognised for her leadership in the technology innovation space and her deep governance experience.

Sue is currently the Chair of the Insurance & Financial Services Ombudsman Scheme Commission, Jacobsen Holdings Limited, 5th Element Limited, Eat My Lunch Limited, Rubix Limited, Jade Software Corporation Limited and Taska Prosthetics Limited. Previous governance roles include chairing NIWA, the New Zealand Qualifications Authority and AgriQuality Limited, and as a director of Restaurant Brands Limited, Westpac Investments Limited and the New Zealand Dairy Board. She holds an OBE for her contribution to New Zealand business.

Sue is a Chartered Fellow of the New Zealand Institute of Directors and a Companion of the Royal Society of New Zealand.



JENNIFER OWEN
Director

Chair of the Audit and Risk Committee
Member of the People and Culture Committee
Member of the Governance and Nominations Committee

Appointed a director of SkyCity in December 2016

Jennifer Owen has more than 30 years' experience in the areas of accountancy, audit, finance, treasury and equities research. She has specific specialist knowledge of the New Zealand and Australian gaming and entertainment sectors through her previous roles as Director of Equities Research at Citigroup Global Markets, with a specialist focus on the Australasian gaming sector, and as Equities Research Analyst at Macquarie Group focusing on the tourism/leisure sector, and a wide network within the gaming industry and a strong understanding of industry and investor issues.

Jennifer is currently a Principal of Owen Gaming Research, an independent research firm specialising in the gaming and wagering markets, and a director of Aspire Child Care (Mascot) Pty Limited.

Jennifer holds a Bachelor of Business from the Queensland Institute of Technology and a Master of Business Administration from the University of Queensland, is a graduate of the Australian Institute of Company Directors' Diploma course and is a member of Chartered Accountants Australia and New Zealand.



MURRAY JORDAN
Director

Chair of the People and Culture Committee
Member of the Audit and Risk Committee
Member of the Sustainability Committee
Member of the Governance and Nominations Committee

Appointed a director of SkyCity in December 2016

Murray Jordan is currently a director of Metlifecare Limited, Chorus Limited, Metcash Limited, Stevenson Group Limited, Asia Pacific Village Group Limited, Southern Cross Benefits Limited, Southern Cross Hospitals Limited and the Southern Cross Medical Care Society. He is also a trustee of Southern Cross Health Trust, Starship Foundation, Foodstuffs' Members Protection Trust and The Foodstuffs Co-operative Perpetuation Trust.

Prior to embarking on a governance career in 2015, he held various senior management roles at Foodstuffs Limited from 2004 to 2015, including Managing Director of Foodstuffs North Island and Managing Director and General Manager Retail, Sales and Performance of Foodstuffs Auckland Limited. In 2013, he led the merger of the Auckland and Wellington businesses of Foodstuffs to create what is now known as Foodstuffs North Island and established and oversaw the integration programme.

His early career was in the property sector, including as General Manager of Telecom NZ's property business and General Manager of AMP Capital Investors NZ Limited's property portfolio. Murray has a Master's degree in Property Administration from the University of Auckland.

Murray will retire from the SkyCity Board effective from 30 September 2021.



SILVANA SCHENONE
Director

Member of the People and Culture Committee
Member of the Sustainability Committee
Member of the Governance and Nominations Committee

Appointed a director of SkyCity in June 2021

Silvana Schenone is a corporate partner at MinterEllisonRuddWatts in Auckland where she leads the firm's Corporate division. She has extensive expertise in mergers and acquisitions, private equity investments, takeovers, scheme of arrangements, capital raisings and corporate governance matters.

Silvana is recognised internationally for her commercial acumen and negotiation skills, and is a thought leader on corporate governance issues. Prior to joining MinterEllisonRuddWatts in 2007, Silvana was a corporate lawyer at Sullivan & Cromwell LLP in New York and prior to that at Cariola Diez Pérez-Cotapos in Chile.

Committed to championing greater diversity, Silvana is a founding member of OnBeingBold. She is also a Board member of the New Zealand Takeovers Panel and holds a Master of Laws from Harvard University.



JULIAN COOK
Director

Member of the Audit and Risk Committee
Member of the People and Culture Committee
Member of the Governance and Nominations Committee

Appointed a director of SkyCity in June 2021

Julian Cook was Chief Executive Officer of Summerset Group Holdings Limited from 2014 to March 2021 and, prior to becoming Chief Executive Officer, Summerset's Chief Financial Officer where he oversaw the company's transition to become a publicly listed company on the New Zealand and Australian stock exchanges.

Prior to joining Summerset in 2010, Julian was an Associate Director at Macquarie Group where he gained significant experience in the energy, industrial services, tourism and aged care sectors over a 12-year career.

Julian is currently a director of WEL Networks Limited and holds a Master of Finance from Victoria University and a Master of Science from the University of Waikato.

**CHAD BARTON****Director****Member of the Audit and Risk Committee****Member of the People and Culture Committee****Member of the Governance and Nominations Committee****Appointed a director of SkyCity in June 2021**

Chad Barton has extensive experience across finance, capital markets, mergers, acquisitions and property development. He is currently the Interim Chief Financial Officer of Nux Limited, an ASX-listed global software company, and was the Chief Financial Officer of ASX-listed companies The Star Entertainment Group Limited from 2014 to 2019 and Salmat Limited from 2009 to 2014. Prior to this, he was Chief Financial Officer of the Australia and New Zealand business of Electronic Data Systems from 2006 to 2009.

Chad, as founding Chairperson, established Women in Gaming & Hospitality Australasia to achieve gender equity and support the development and success of women in the gaming industry.

Chad is currently a director of NeuRA (Neuroscience Research Australia) Foundation and a member of the Australian Institute of Company Directors and Chartered Accountants ANZ and holds a Bachelor of Business from the University of Technology in Sydney.



Our Senior Leadership Team





FROM LEFT TO RIGHT:
Nirupa George, Claire Walker, Callum Mallett, Matt Ballesty,
Michael Ahearne, Julie Amey, Jo Wong, Simon Jamieson and Glen McLatchie
Absent: David Christian



MICHAEL AHEARNE
Chief Executive Officer

Michael was appointed Chief Executive Officer in November 2020. He joined SkyCity in December 2017 as Group Chief Operating Officer and was responsible for driving value across SkyCity's properties in New Zealand and Australia. Michael also led SkyCity's online gaming strategy, including overseeing the establishment of SkyCity Online Casino in 2019.

Michael's extensive global experience in the gaming industry spans over 20 years across multiple sectors, including land-based and online casinos, as well as retail and online sports betting. Prior to joining SkyCity, Michael held a number of senior commercial, operational and product leadership roles at Paddy Power Betfair, one of the world leaders in sports betting and gaming. Michael was formerly the Chief Operating Officer for Aristocrat in the Australia and New Zealand regions and has held several senior management positions at The Star Casino in Sydney.

Michael is a qualified accountant and holds a Master of Business Administration from the University of Technology, Sydney.

JULIE AMEY
Chief Financial Officer

Julie joined SkyCity as Chief Financial Officer in May 2021 and is responsible for the financial management of SkyCity, including reporting, treasury, risk management and corporate development. She also oversees SkyCity's Information and Communications Technology function and helps to drive the strategic direction of the SkyCity Group.

Julie joined SkyCity from Shell Australia where she held the role of Vice President Finance Integrated Gas. She has also held a number of senior finance roles with the Shell Group around the world since 2001, including as Vice President Finance Qatar Shell, Chief Financial Officer for Shell & Turcas A.S. Turkey and Business Finance Manager and Financial Controller for Upstream Middle East in the United Arab Emirates. Prior to joining Shell, she held finance roles at Fletcher Challenge Energy, BBC Worldwide Publishing and Deloitte & Touche.

Julie is a chartered accountant and holds a Bachelor of Management Studies from the University of Waikato.

CALLUM MALLET
Chief Operating Officer New Zealand

Callum was appointed Chief Operating Officer New Zealand in February 2021 and has operating responsibility for SkyCity's New Zealand businesses, including the day-to-day operations of SkyCity Auckland.

Callum has significant gaming and hospitality experience having held a number of senior roles at SkyCity since joining in 2009, including as General Manager of SkyCity Darwin, General Manager SkyCity Auckland Hotels, Convention Centre and Sky Tower, and Executive General Manager of Hospitality for SkyCity Auckland.

Prior to joining SkyCity, Callum held numerous senior leadership roles across the hospitality, retail and financial investment sectors. He holds a Bachelor of Commerce from Victoria University of Wellington, and has completed studies with Cornell University, The London Business School and the University of Nevada.

DAVID CHRISTIAN
Chief Operating Officer Australia

David was appointed Chief Operating Officer Australia in February 2021 and is responsible for SkyCity's Adelaide business and overseeing the Australian interstate gaming business.



David has more than 30 years' experience in hospitality, hotel and casino management, including working in several Australian States and Singapore. He has held a number of senior roles during his career with SkyCity since joining in 2005, including General Manager SkyCity Adelaide (where he was responsible for overseeing the construction and opening of the A\$330 million Adelaide expansion development), General Manager SkyCity Darwin, General Manager SkyCity Auckland and General Manager SkyCity Hamilton.

David holds a Master of Business Administration from Deakin University, Victoria, and a Diploma of Hospitality Management from Drysdale House, Tasmania.

CLAIRE WALKER**Chief People and Culture Officer**

Claire was appointed in August 2016, bringing more than 20 years' experience in human resource management gained across a number of different sectors, and holds the position of Chief People and Culture Officer. She is responsible for leading the development and implementation of best practice people and culture strategy across the SkyCity Group and has executive responsibility for sustainability at SkyCity.

Prior to joining SkyCity in 2016, Claire was Chief People Officer at Sanford Limited where she established the human resources function and led the sustainability and integrated reporting activities for the organisation and, prior to that, Claire led the human resources and employee relations function for the SkyCity Auckland business. Claire has also held senior human resource roles with Carter Holt Harvey and Downer after several years working in the education sector.

Claire holds a governance role on the advisory board of the Sustainable Business Council in New Zealand.

JO WONG**General Counsel and Company Secretary**

Jo joined SkyCity as Senior Legal Counsel in January 2009 and was appointed as General Counsel and Company Secretary in September 2016. She is responsible for SkyCity's legal, company secretarial, regulatory affairs and anti-money laundering functions and is designated as SkyCity's Chief Privacy Officer.

Jo has over 20 years' experience in both private practice and in-house legal roles. Before joining SkyCity in 2009, she held General Counsel and Group Corporate Counsel roles in the New Zealand financial services industry and was a Senior Solicitor at Russell McVeagh, one of the leading law firms in New Zealand.

Jo was a finalist in the In-House Lawyer of the Year category in the 2019 and 2020 New Zealand Law Awards and was recognised in New Zealand Lawyer's 2019 and 2020 In-House Leaders lists as one of the leading lawyers across New Zealand. Jo is a graduate of the 2017 Global Women Breakthrough Leaders Programme, is a member of New Zealand Asian Leaders and holds a Bachelor of Laws and a Bachelor of Arts from Victoria University of Wellington.

SIMON JAMIESON**General Manager NZICC**

Since joining SkyCity in September 2007, Simon has held a number of roles, including General Manager SkyCity Adelaide, General Manager Hotels SkyCity Auckland and Acting General Manager SkyCity Auckland.

As General Manager NZICC, Simon oversees the development of SkyCity's New Zealand International Convention Centre and Horizon Hotel project in Auckland. He is also responsible for SkyCity's development projects in New Zealand and health and safety.

With more than 35 years' experience in large-scale hospitality businesses, Simon brings a wealth of commercial, property, project and tourism experience to the SkyCity business.

GLEN MCLATCHIE**Chief Information Officer**

Glen joined SkyCity in 2016 as Chief Information Officer and is responsible for lifting the digital capability of the organisation to be able to respond to future innovation initiatives and growth strategies.

Prior to joining SkyCity, Glen was General Manager ICT with Meridian Energy where he transformed and modernised their aging technology footprint and digital capability. He has over 25 years of technology experience from across several industries globally, having worked in and out of the UK, France, USA, Australia, Malaysia, India, China and the Middle East.

Glen is a member of the Institute of Directors in New Zealand, a board member of Auckland charity Big Brothers Big Sisters and an advisory board member of Cyber Research NZ. Glen holds a Master of Information Systems from Swinburne University, Australia, and a Bachelor of Business Studies from Massey University, New Zealand.



MATT BALLESTY
Chief Casino Officer

Matt was appointed Chief Casino Officer in February 2021 and is responsible for managing the casino operations at SkyCity's largest property in Auckland and providing strategic direction on all gaming products across the SkyCity Group.

Matt has over 25 years' experience in the gaming and hospitality sector having held senior executive positions in Australia, New Zealand, Macau and Canada. Matt joined SkyCity originally in 2005, leading the Auckland gaming machines business and returned in 2013 as General Manager Group Gaming Strategy after gaining international gaming and hospitality experience in Macau.

NIRUPA GEORGE
Chief Corporate Affairs Officer

Nirupa joined SkyCity as Chief Corporate Affairs Officer in June 2021 and is responsible for leading SkyCity's corporate affairs activities, including government, community and industry stakeholder relations and SkyCity's public policy and advocacy.

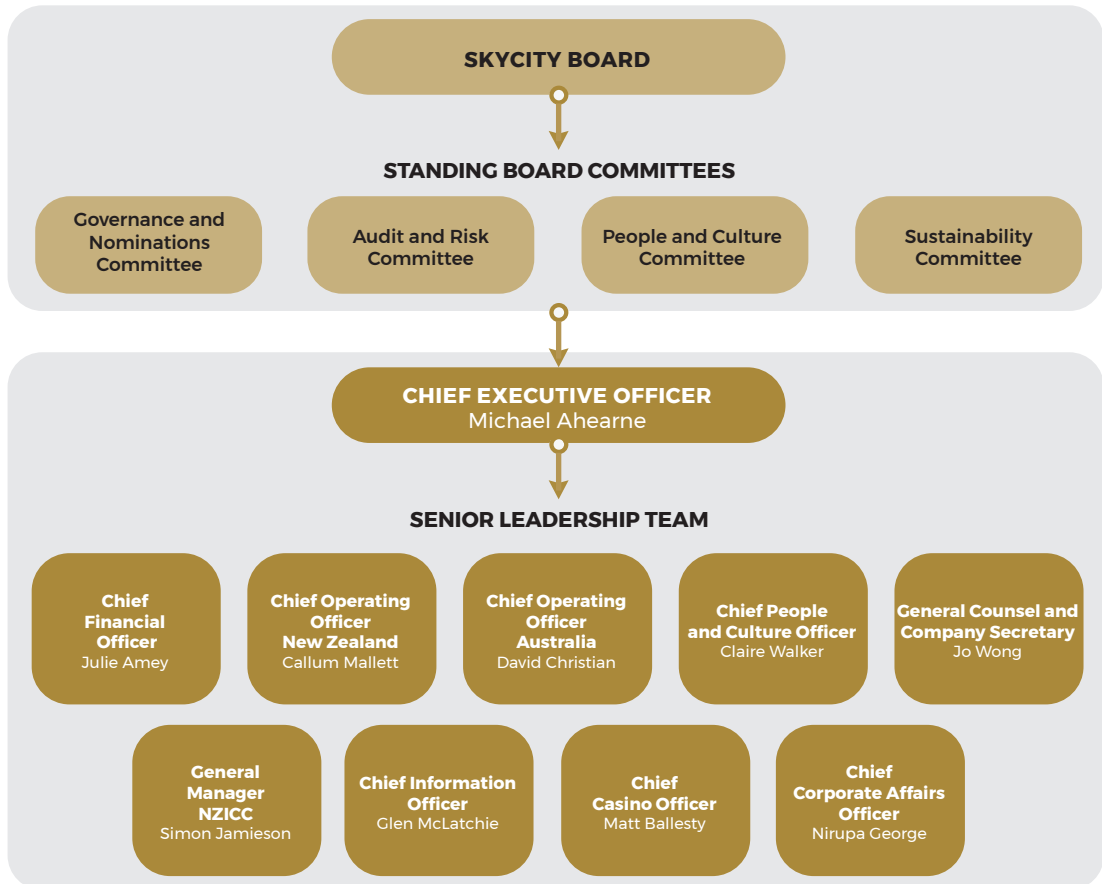
Before joining SkyCity, Nirupa was Chief of Staff to the Mayor of Auckland responsible for running his office and executing the Mayor's political priorities. Prior to this, she ran Mayor Phil Goff's successful mayoral campaign in 2016 and worked in Parliament as a Political and Media Advisor. Early in her career, Nirupa was a Senior Solicitor specialising in refugee and humanitarian law.

Nirupa is currently a board member of Amnesty International Aotearoa New Zealand and holds a Bachelor of Laws and a Bachelor of Health Science from the University of Auckland.

BOARD AND SENIOR LEADERSHIP TEAM STRUCTURE

SkyCity is committed to maintaining the highest standards of corporate behaviour and responsibility and has adopted governance policies and procedures reflecting this. Our corporate governance framework ensures Board accountability to shareholders and provides for an appropriate delegation of responsibilities to the Chief Executive Officer and Senior Leadership Team.

The SkyCity Board has responsibility for the affairs and activities of the company, which in practice is achieved through delegation to the Chief Executive Officer and Senior Leadership Team who are charged with the day-to-day leadership and management of the company. Further information on SkyCity's corporate governance framework is set out on pages 128 - 137 of this annual report. SkyCity's constitution and relevant charters and policies are available in the Governance section of the company's website at www.skycityentertainmentgroup.com.





SkyCity Hamilton is located on the banks of the Waikato River.



In July 2021, the Sky Tower was once again awarded the Qualmark Gold Award. A Gold Award recognises the best sustainable tourism businesses in New Zealand and identifies businesses leading the way in making the New Zealand tourism industry a world-class sustainable visitor destination.



**QUAL
MARK**
GOLD

— LIGHT —
FOOTPRINT

— SAFE —
& SOUND

— WARM —
WELCOME



Sustainability

At SkyCity, we recognise that sustainability is critical to all levels of our business and operations.

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. This is particularly true when there is potential for harm to either people or the environment.

As a casino operator, we must continually focus on our social licence to operate. SkyCity is committed to maintaining the highest levels of sustainability objectives and practices, with priority given to minimising the impacts associated with problem gambling as an area of primary focus.

Our sustainability initiatives are focused on doing good for our customers, our employees, our communities, our suppliers, our environment and our shareholders. Our objective is to ensure that our strategic decisions strengthen the communities we operate in and provide environments and opportunities for our customers, suppliers and staff to enjoy, to be entertained and to be safe.

Setting Our Sustainability Framework and Strategy

In 2016, after engaging with both internal and external stakeholders on which sustainability issues were most relevant to SkyCity's business, SkyCity adopted its first set of sustainability goals, priority actions and targets and developed a materiality matrix to identify a set of priority impact areas and issues for the business. These were subsequently refined in 2018 to incorporate global trends and local market conditions in our approach to, and assessment of, risks and opportunities, culminating in a refreshed set of sustainability pillars.

In early 2020, we commenced a review of our materiality matrix to prioritise the issues most important to our business and stakeholders and to ensure the issues were appropriately weighted in our sustainability strategy. As part of this review, internal and external stakeholders were asked to prioritise issues material to SkyCity's business from a long list of potentially material issues via a desktop review. SkyCity's sustainability strategy was subsequently refreshed to reflect the priorities identified in that review and to incorporate financial performance alongside social and environmental performance.

“ Part of being a responsible business is understanding the impacts arising from our operations ”



Our Material Issues

(as prioritised by our internal and external stakeholders)



Despite the challenges presented by the COVID-19 global pandemic, SkyCity's current sustainability strategy and strategic pillar goals, plans and priorities (as validated by the feedback from our stakeholders as part of the materiality review in 2020) remain relevant today. We continue to focus on embedding our sustainability pillars into all levels of the organisation and in the way SkyCity operates.

The material issues identified have influenced our focus on managing SkyCity's risks and have informed our sustainability strategy and priorities, which underpin our reporting on our non-financial performance.

Governance

The Sustainability Committee is a dedicated Board committee that assists the SkyCity Board to contribute to SkyCity's vision and strategic plan by ensuring that the company's sustainability strategy is best practice and supports the highest level of sustainability objectives, with priority given to minimising the impacts associated with problem gambling as an area of primary focus.

The responsibilities of the Sustainability Committee include reviewing and recommending to the Board the sustainability strategy, principles, policies and practices of the company to ensure alignment with the company's strategic objectives and performance, and reviewing and reporting to the Board on the company's impacts associated with SkyCity's sustainability pillars. The guiding principles that underpin SkyCity's sustainability activities and the role, responsibilities, composition, structure and membership of the Sustainability Committee are set out in the Sustainability Committee Charter (available in the Governance section of the company's website

at www.skycityentertainmentgroup.com), which is reviewed and approved by the Board on an annual basis.

The Board and Sustainability Committee maintain operational supervision of SkyCity's sustainability activities through clearly defined policy and effective management. Claire Walker, SkyCity's Chief People and Culture Officer, has executive responsibility for SkyCity's sustainability activities with key operational personnel within the business having day-to-day responsibility for the activities.

Our Pillars

The following pages outline our priorities, objectives and activities for each of the sustainability pillars – 'Our Customers', 'Our People', 'Our Communities', 'Our Suppliers' and 'Our Environment', outline the activities undertaken to support our sustainability strategy, and provide a summary of our achievement against our priorities for the financial year ended 30 June 2021. Commentary on the 'Our Shareholders' pillar is provided in an overarching way throughout the entirety of our financial and non-financial disclosures.

The areas identified as priority issues are those considered highly material for SkyCity's business and for our stakeholders. Our objectives and activities set out what we intend to do both in our business and our communities. They are intended to challenge the business and staff and provide a dedicated framework for measuring progress over the coming years. We are committed to measuring performance on each goal, through specific key performance indicators, which will ensure the business strives to keep pace with internal and external expectations.

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) has confirmed that SkyCity Entertainment Group has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series.

Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

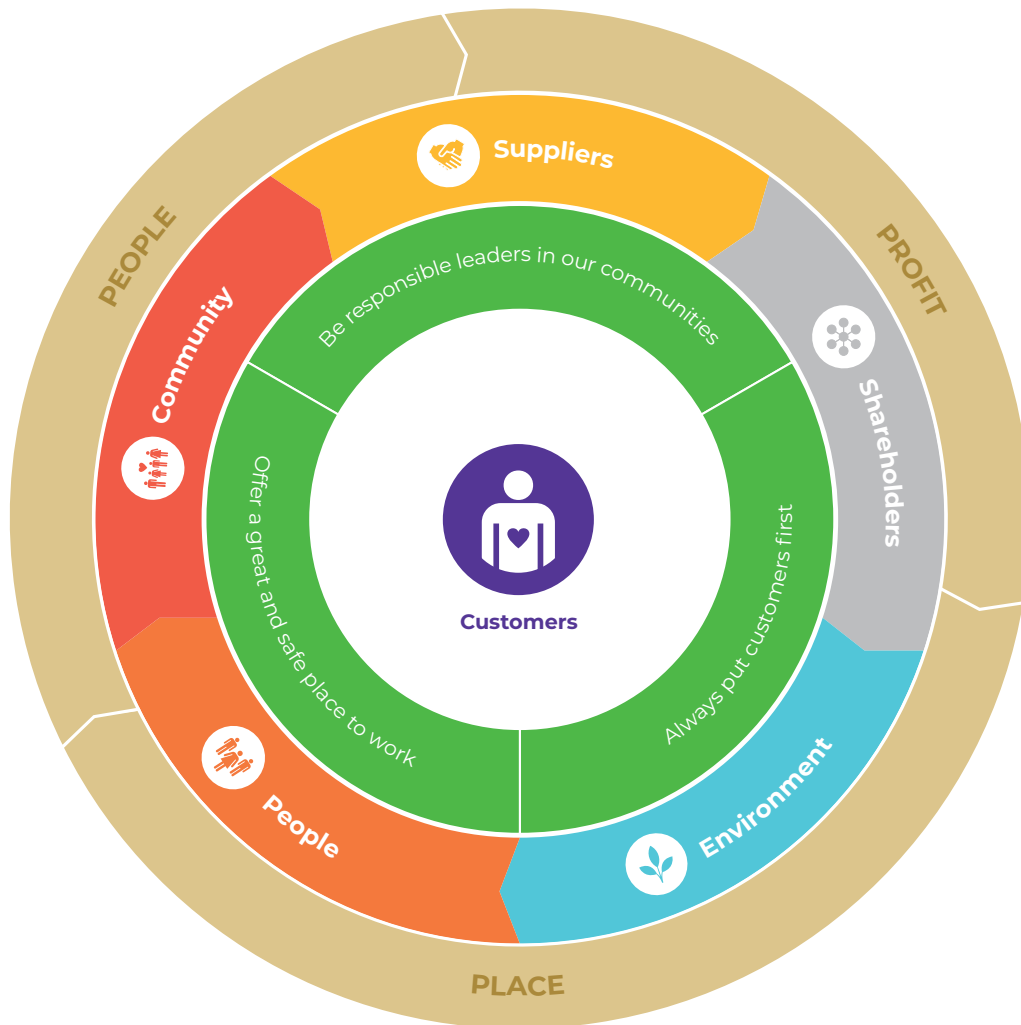


FTSE
Russell



Our Sustainability Vision

To be a sustainable business, we must be a responsible business actively protecting and promoting the people we serve and the places we share, whilst creating value for our shareholders.



PEOPLE

Inspire our people

Create a great place to work where people are empowered to grow and achieve

Great, safe place to work

PLACE

Protect our environments

Respect and protect our physical environments for future generations

Sustainable success

PROFIT

Create sustainable value

Ensure business continuity through operational efficiency, sustainable investment and customer focus

Reliable return on investment



CUSTOMERS | Always put customers first | Be responsible leaders in our community

Ensure safe and enjoyable experiences for our customers, employees and communities

Our Priorities	Our Plan	Material Issues
Leading host responsibility	<ul style="list-style-type: none"> • Maintain industry-leading harm minimisation practices • Host Responsibility Programme performance and problem gambling indicators • Industry benchmarking of SkyCity's Host Responsibility Programmes • Leverage technology to enhance the identification of actual or potential problem gamblers and act on that information 	<ul style="list-style-type: none"> • Responsible hosting • Customer experience • Cybersecurity and data privacy • Regulatory risk
Customer experience and engagement	<ul style="list-style-type: none"> • Employee Host Responsibility training completion rates • Accelerate customer experience and engagement through improved data, digital and loyalty capability 	
Community awareness of harm minimisation practices	<ul style="list-style-type: none"> • Increase in community knowledge and understanding of SkyCity's harm minimisation practices • Customer data security and privacy practices 	



SUPPLIERS | Be responsible leaders in our communities

Source ethically and locally

Our Priorities	Our Plan	Material Issues
Low carbon supply chain	<ul style="list-style-type: none"> • Encourage suppliers to set science-based targets and strive to achieve zero carbon by 2050 	<ul style="list-style-type: none"> • Ethical sourcing
Buy local and seasonal	<ul style="list-style-type: none"> • Serve meals from a sustainable supply chain to employees and customers • Source animal products responsibly (eg. free range eggs) • Track and report on local vs international procurement spend • Support supplier diversity (indigenous economy) and working conditions 	
Connect to the circular economy	<ul style="list-style-type: none"> • Remove single-use plastics from our supply chain 	
Progress initiatives to eliminate modern slavery	<ul style="list-style-type: none"> • Develop and maintain a modern slavery statement for the purposes of the Modern Slavery Act 2019 (Cth) 	
Ethical supply chain	<ul style="list-style-type: none"> • Progressively work towards an end-to-end understanding of our supply chain, ensuring that all suppliers meet the standards of our Ethical Sourcing Code 	



ENVIRONMENT | Be responsible leaders in our communities

Offer a great and safe place to work

Active commitment to reducing our environmental footprint

Our Priorities	Our Plan	Material Issues
Climate change/ emissions reduction	<ul style="list-style-type: none"> • Measure, report and offset SkyCity's carbon emissions 	<ul style="list-style-type: none"> • Climate change
Reducing waste	<ul style="list-style-type: none"> • Reduction of waste and diversion from landfill 	
Employee activation	<ul style="list-style-type: none"> • Employee-led Green Fund 	
Reduction in water use	<ul style="list-style-type: none"> • Implement initiatives to reduce water use 	



COMMUNITY | Be responsible leaders in our communities

Serve a social purpose by investing in our local economies and communities

Our Priorities	Our Plan	Material Issues
Economic contribution	<ul style="list-style-type: none"> Measure and evaluate SkyCity's economic contribution to the communities in which we operate, through local procurement spend 	<ul style="list-style-type: none"> Community investment Community and Iwi engagement
Building communities by developing people	<ul style="list-style-type: none"> In collaboration with the SkyCity Community Trusts, make a positive impact on youth development, employment and career paths 	
Investing in our communities through the SkyCity Community Trusts in New Zealand	<ul style="list-style-type: none"> Community based partnerships that achieve sustainable social change Report on community outcomes through narrative and case studies accompanied by quantitative results 	
Developing deeper connections with Iwi and indigenous peoples	<ul style="list-style-type: none"> Build SkyCity's confidence and capability to engage authentically with Māori and indigenous peoples 	



PEOPLE | Offer a great and safe place to work

A great place to work where our people are empowered to grow and achieve

Our Priorities	Our Plan	Material Issues
Employee engagement	<ul style="list-style-type: none"> Employee engagement pulse checks 	<ul style="list-style-type: none"> Employee engagement Meaningful career and development pathways Diversity, inclusion and belonging Health, safety and wellbeing
Meaningful career and development pathways	<ul style="list-style-type: none"> Internal promotions and development opportunities 	
Diversity, inclusion and belonging	<ul style="list-style-type: none"> Leverage the competitive advantage SkyCity's diverse workforce provides Ethnicity and gender reporting, including gender equality of pay, and representation 	
Health, safety and wellbeing	<ul style="list-style-type: none"> Health, safety and wellbeing scorecards 	



SHAREHOLDERS | Improve our operating performance | Optimise our existing portfolio | Grow and diversify our business | Always put customers first

Create value and maintain our social licence to operate

Our Priorities	Our Plan	Material Issues
Business continuity	<ul style="list-style-type: none"> Strengthen and maintain good relationships with all stakeholders, including shareholders and debt providers 	<ul style="list-style-type: none"> Business continuity Return on investment Operational efficiency Sustainable portfolio Regulatory risk
Improve operating performance	<ul style="list-style-type: none"> Grow gaming visitation and spend and develop complementary activities that drive gaming 	
Optimise existing portfolio	<ul style="list-style-type: none"> Achieve operating efficiencies which protect and grow margins 	
Grow and diversify our business	<ul style="list-style-type: none"> Develop digital businesses and leverage investment in technology Capital allocation balances short term returns and long term sustainability Ownership of assets balances strategic control and return on capital Monitor and evaluate regional merger and acquisition opportunities in our industry 	



Be responsible hosts

Ensure safe and enjoyable experiences for our customers, employees and communities.

Our Customers

At our core, SkyCity is a provider of casino entertainment. The promotion of responsible gaming and safe consumption of alcohol are therefore topics at the heart of our business.

We take our responsibilities to minimise risk and harm from problem gambling very seriously.

Priority Issues

- Leading host responsibility
- Customer experience and engagement
- Community awareness of harm minimisation practices

Key Stakeholders

- Customers (existing and potential)
- Department of Internal Affairs
- Gambling Commission
- Office of Liquor and Gambling Commissioner
- Consumer and Business Services
- Government Ministers, agencies and officials, including the Ministry of Health
- Treatment service providers and public health providers, including Asian Family Services, Problem Gambling Foundation, Salvation Army, Raukura Hauora o Tainui and Hāpai Te Hauora in New Zealand and Relationships Australia, Overseas Chinese Association, PEACE Multicultural Services and OARS SA in South Australia
- Australasian Gaming Council
- Police
- Local councils

FY21 Performance Highlights

- Successfully trialled and implemented 'Phase 2' of facial recognition technology at the SkyCity Auckland and SkyCity Hamilton casinos to enable SkyCity to better identify customers who remain within the casino for extended periods of time
- Restructured our host responsibility function and resourcing in New Zealand to enhance the quality and effectiveness of our host responsibility practices, including an increase in host responsibility staffing numbers at the SkyCity Auckland, SkyCity Hamilton and SkyCity Queenstown casinos
- Redesigned and launched a new staff host responsibility training programme in New Zealand, including online modules

FY21 Key Challenges

- Maintaining best practice host responsibility has been more challenging in a COVID-19 operating environment
- Alignment of host responsibility and harm minimisation practice and culture across the SkyCity casinos remains challenging due to differences from site to site
- With changing behaviours and multiple delivery channels, it is important for SkyCity to regularly review the most effective way to educate and inform customers about our host responsibility practices

FY22 Focus Areas

- Continue to embed a culture of customer care within SkyCity
- Maximise the use of existing host responsibility technologies across all SkyCity properties and investigate new technologies entering the market
- Review internal host responsibility processes to ensure SkyCity is providing the highest standard of customer care across all areas of the business



Leading and Best Practice Host Responsibility

When done responsibly, gambling can be a fun and enjoyable entertainment activity. However, it can also have harmful effects on some individuals, their families and their communities. Our challenge is therefore to ensure that our business provides entertaining and profitable, yet safe and responsible, experiences and environments.

This section largely focuses on SkyCity's approach to host responsibility across its land-based casinos. Due to limitations in the New Zealand Gambling Act 2003, SkyCity launched its online gaming site, SkyCity Online Casino, offshore in August 2019 via its Maltese subsidiary, SkyCity Malta Limited, in partnership with international iGaming company Gaming Innovation Group Inc (GiG). GiG provides a full-suite online casino solution, which includes a technical platform, gaming content, managed services, front-end development and best-in-class host responsibility procedures. SkyCity Malta Limited has tailored the host responsibility tools available from its offshore platform to align wherever possible with SkyCity's land-based practices and, in some cases, has developed new processes specifically applicable to the New Zealand market such as the casino age restriction and contact information for support services. Further details of SkyCity Online Casino's host responsibility practices are available at www.skycityentertainmentgroup.com/our-commitment/responsible-gambling for all customers and staff.

Commitment to Host Responsibility

At SkyCity, we place great importance on host responsibility throughout every part of the organisation.

The Sustainability Committee is a dedicated Board committee that assists the SkyCity Board to contribute to SkyCity's vision and strategic plan by ensuring that the company's sustainability strategy is best practice and supports the highest level of sustainability objectives, with priority given to minimising the impacts associated with

problem gambling as an area of primary focus. The Sustainability Committee is responsible for overseeing and monitoring the company's host responsibility and responsible gambling programme and initiatives and monitoring licensing and regulatory compliance in respect of such matters. At each scheduled Sustainability Committee meeting, progress against host responsibility and responsible gambling measures and targets is reported and discussed as a standing agenda item.

Within the business, a management-led Host Responsibility Governance Group meets monthly to discuss and review host responsibility matters that have arisen or may arise in the future across the SkyCity Group. The principle objectives of the Governance Group are to:

- provide collective guidance to SkyCity management on host responsibility matters of interest;
- enable senior management to discuss any relevant topics and to receive advice, support and ongoing learnings in a confidential environment;
- expose senior management personnel to host responsibility topics that may have bearing or impact on SkyCity's regulatory environs, customers, their site/jurisdiction of operation or its employees; and
- develop initiatives that will collectively benefit SkyCity customers and shareholders by way of discussion, provision or endorsement of responsible gambling and/or harm prevention components.

A robust Host Responsibility Programme is in place at each of our physical sites, and within SkyCity Online Casino, to prevent and minimise harm from problem gambling.

All SkyCity Board members and staff receive training in problem gambling awareness. A dedicated team of experienced host responsibility specialists are employed at each of SkyCity's land-based casinos and, through our partnership with GiG, an experienced harm minimisation team is in place for SkyCity Online Casino.



An outline of SkyCity's commitment to host responsibility and detailed individual site-related information, including the Host Responsibility Programme for each site and SkyCity Online Casino, is available at www.skycityentertainmentgroup.com/our-commitment/responsible-gambling.

Maintaining Leading and Best Practice Host Responsibility

We are immensely proud of the culture of care we have developed within our casinos and continue to focus on ways to ensure that this culture of care is maintained and that we have the highest standard of host responsibility best practice.

Over the past financial year, we implemented additional host responsibility technology measures to improve our ability to detect continuous presence and play within our casinos, including:

- the implementation of 'Phase 2' of facial recognition technology at the SkyCity Hamilton casino in November 2020, and at the SkyCity Auckland casino in March 2021, to enable SkyCity to better identify customers who remain within the casino for extended periods - see further details below; and
- the introduction of 'Live View' system technology at the SkyCity Queenstown casino to assist in identifying uncarded continuous play on electronic gaming machines. This technology was earlier introduced at the larger SkyCity Auckland and SkyCity Hamilton casinos during the financial year ended 30 June 2020.

Over the past financial year, we also:

- restructured our host responsibility function and resourcing in New Zealand to enhance the quality and effectiveness of our host responsibility practices, including an increase in host responsibility staffing numbers at the SkyCity Auckland, SkyCity Hamilton and SkyCity Queenstown casinos; and
- redesigned and launched a new staff host responsibility training programme in New Zealand, including new online modules.

In a dynamic casino environment, maintaining effectiveness, relevancy and consistency in harm minimisation best practice is an ongoing challenge. In response to that challenge, SkyCity continues to

explore available technology solutions, seek expert advice, consult stakeholder groups and source a range of research material.

Independent Assurance

An independent audit is carried out every two years at each land-based casino to monitor compliance with SkyCity's relevant Host Responsibility Programme.

SkyCity also has an internal independent assurance programme in place to monitor and improve compliance with SkyCity's land-based harm minimisation framework and undertakes internal mystery shopping training exercises across its land-based casinos to test the robustness of its host responsibility practices.

Each SkyCity Host Responsibility Programme is also subject to audit by the relevant gambling regulator.

Embracing Technology

Facial Recognition

After trialling different available technology solutions from late 2018, SkyCity successfully implemented a full facial recognition technology solution across all its land-based casinos in November 2019 using cameras positioned at all entry points to the gambling areas. This technology assists SkyCity to recognise customers who have been excluded from re-entering its casinos by notifying SkyCity personnel when an individual matching an image from SkyCity's database of excluded patrons re-enters a SkyCity gambling area. Prior to the introduction of facial recognition technology in November 2019, staff recall was the primary mechanism for identifying excluded persons returning to the casino in breach of their exclusion orders.

The new technology is proving to be useful in assisting SkyCity to identify excluded customers from re-entering SkyCity's casinos, with a marked increase in the number of excluded persons identified returning to a SkyCity casino in breach of their exclusion orders during the financial years ended 30 June 2020 and June 2021 in comparison to preceding periods.

In the second half of 2020, we commenced a trial of 'Phase 2' of facial recognition technology at the SkyCity Hamilton casino in conjunction with 26

additional cameras installed within the casino to assist SkyCity in identifying customers who remain within the casino for extended periods. The trial proved successful and the initiative was rolled out at the SkyCity Hamilton casino in November 2020 and at the larger SkyCity Auckland casino (in conjunction with 107 additional cameras installed within the casino) in March 2021. This initiative is intended to be rolled out at the SkyCity Adelaide casino by the end of the financial year ending 30 June 2022.

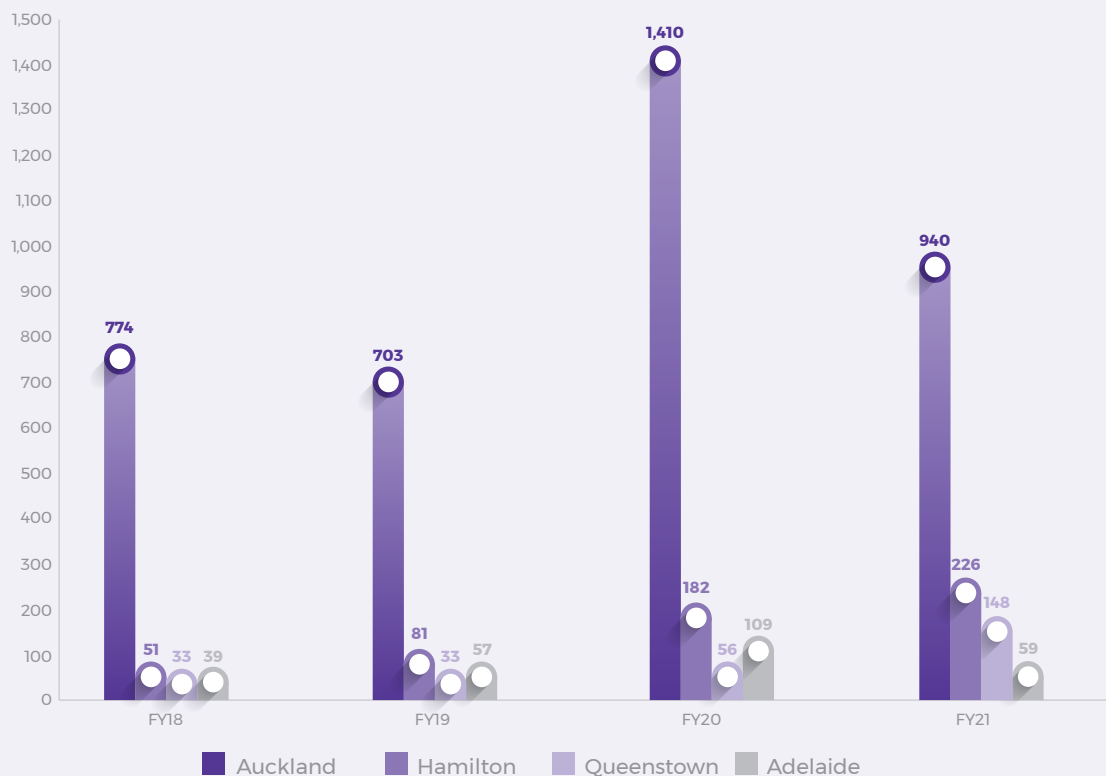
The introduction of facial recognition technology and other technological solutions significantly bolsters and assists SkyCity's ongoing efforts to detect and prevent excluded customers from re-entering its casinos and to detect continuous presence and play - however, despite our best efforts and host responsibility measures and initiatives, there is no guarantee that facial recognition technology will be effective in each and every case and some individuals may nonetheless find ways to elude staff.

Predicative Algorithm

Since 2014, SkyCity has operated a predictive algorithm risk model created by Focal Research at SkyCity's largest and busiest casino in Auckland, which analyses loyalty data as a tool to identify players who may be at risk from gambling harm. The algorithm was upgraded in May 2019 and again in June 2020 with the addition of Focal Research's 'ALeRT BETTOR Protection System' software to enhance and improve SkyCity's ability to identify potential at-risk gamblers. The ALeRT BETTOR Protection System software uses routinely stored customer data to create complex models for identifying and managing high-risk play (the algorithm) that otherwise may not be outwardly visible to operators or customers.

In June 2020, the algorithm (including the ALeRT BETTOR Protection System software) was rolled out and implemented at the SkyCity Hamilton casino.

Number of Excluded Persons Identified Returning to a SkyCity Property in Breach of an Exclusion Order



The reduction in the number of exclusion-related breaches from FY20 to FY21 is likely due to changes in excluded patron behaviour following the introduction of facial recognition technology in 2020.



Consistency of Responsible Gaming Culture and Practice

The alignment of excellent host responsibility and harm minimisation practice and culture across the SkyCity Group remains 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. Furthermore, our sites across New Zealand and in South Australia have different regulatory environments in which they operate in.

These differences mean that while SkyCity's Host Responsibility Programmes have similarities, they are often carried out quite differently. However, problem gambling is an addiction and the possibility of harm from this type of behaviour manifests itself in the same way regardless of jurisdiction or location. That is why SkyCity endeavours to lead in this area and employ best practice prevention methods across the business.

A key strategic focus across the SkyCity Group for minimising gambling harm is prevention. Robust prevention initiatives can be developed and implemented across the Group with few or no regulatory or local procedural constraints. By adopting a prevention approach, we can increase our ability to identify and respond early to new or emerging concerns that may lead to problem gambling related issues for our customers.

We are committed to carrying out regular reviews of each of our Host Responsibility Programmes to ensure alignment of our practices across our sites.

Customer Experience and Engagement

SkyCity promotes a range of tools in order to facilitate responsible gambling – however, exclusion is an equally important host responsibility offering for those who may be vulnerable to problem gambling.

Our casinos offer extensive information to customers about exclusion options and referral details for problem gambling support services, including gambling helplines and face-to-face counselling organisations.

In New Zealand, customers can choose to exclude themselves from all SkyCity casinos 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 gambling at SkyCity's casinos.

In Adelaide, all exclusions are referred to Consumer Business Services (the South Australian Government's regulator) who has overall management of exclusions.

With the size of our customer base and premises, it can be a challenge to identify individuals immediately and, despite our best efforts and measures, some individuals may nonetheless find ways to elude staff and re-enter a SkyCity casino.

Community Knowledge

Given that a material issue to our internal and external stakeholders is responsible gambling, we aim to foster good relationships with problem gambling stakeholders.

As part of this approach, we provide tours of our facilities and literature to treatment providers to assist them in understanding our gaming environments and Host Responsibility Programmes. We also partner with local experts and support agencies to ensure we have up-to-date resources in place for harm minimisation and prevention.

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 gambling is shared between SkyCity and the relevant stakeholders, who work together to minimise harm.

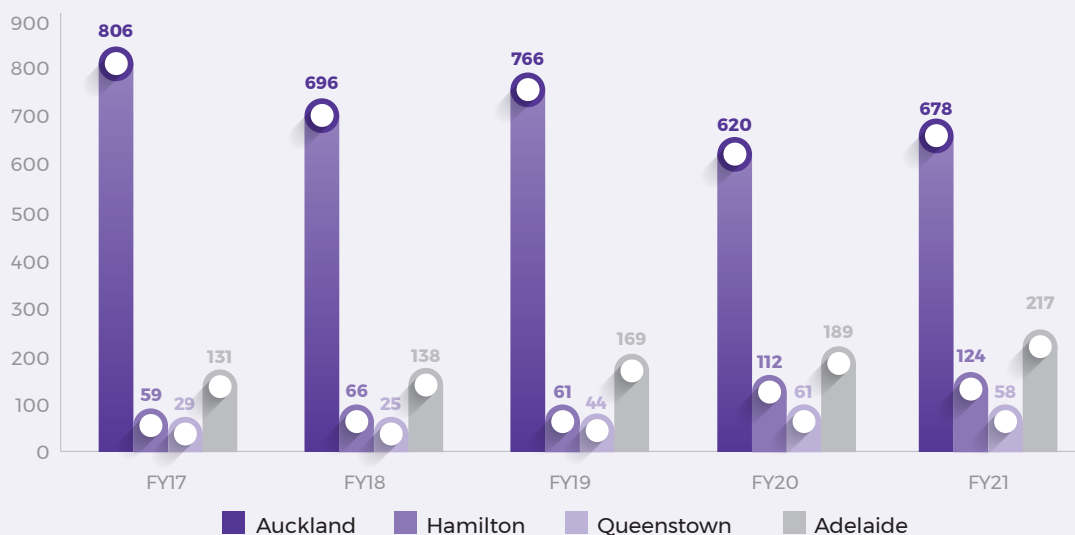
During the past financial year, we continued to engage with community stakeholders, both at their request and through more formal bi-monthly Host Responsibility Community Liaison Group meetings in Auckland attended by treatment service providers, public health providers and Government agencies.

In December 2020, SkyCity participated in Gambling Harm Awareness Week in New Zealand, partnering with treatment service providers and stakeholders to promote support and harm minimisation initiatives with customers within our SkyCity Auckland and SkyCity Hamilton casinos.

We also invite treatment service providers to attend our internal host responsibility training programmes wherever possible.

Exclusions at SkyCity Properties

The following graph summarises the number of exclusions issued by each of the SkyCity properties over the 2017-2021 financial years:





“Host responsibility shows that SkyCity cares about its customers. Facial recognition is an additional tool that helps us to recognise customers who may need a helping hand.

I get to meet new people, but also check in and ensure that they are enjoying their time with us in a really safe way. I get to know more about our customers, many of whom visit us from out of Auckland. If there are any issues, I can assist them straight away”.

**Pam Lanumata
Table Games**

Pam has been with SkyCity for 22 years and is a key member of our Table Games team at SkyCity Auckland. She joined SkyCity as a young mother and, during her career with us, has progressed from being a table games dealer to a ‘dual rate’ dealer where she can step up into a Supervisor role during a shift depending on customer demand and business needs.

Pam is a natural leader and has an innate passion for SkyCity’s customers. She has completed training on facial recognition technology, a key part of SkyCity’s host responsibility framework.

Pam has made lifelong friends at SkyCity and, prior to the COVID-19 pandemic, often travelled to SkyCity Queenstown to serve as a dealer for our International Business customers. Working at SkyCity has enabled her to raise her family and has provided many opportunities to learn and develop new skills.

