

IT ALL STARTS HERE



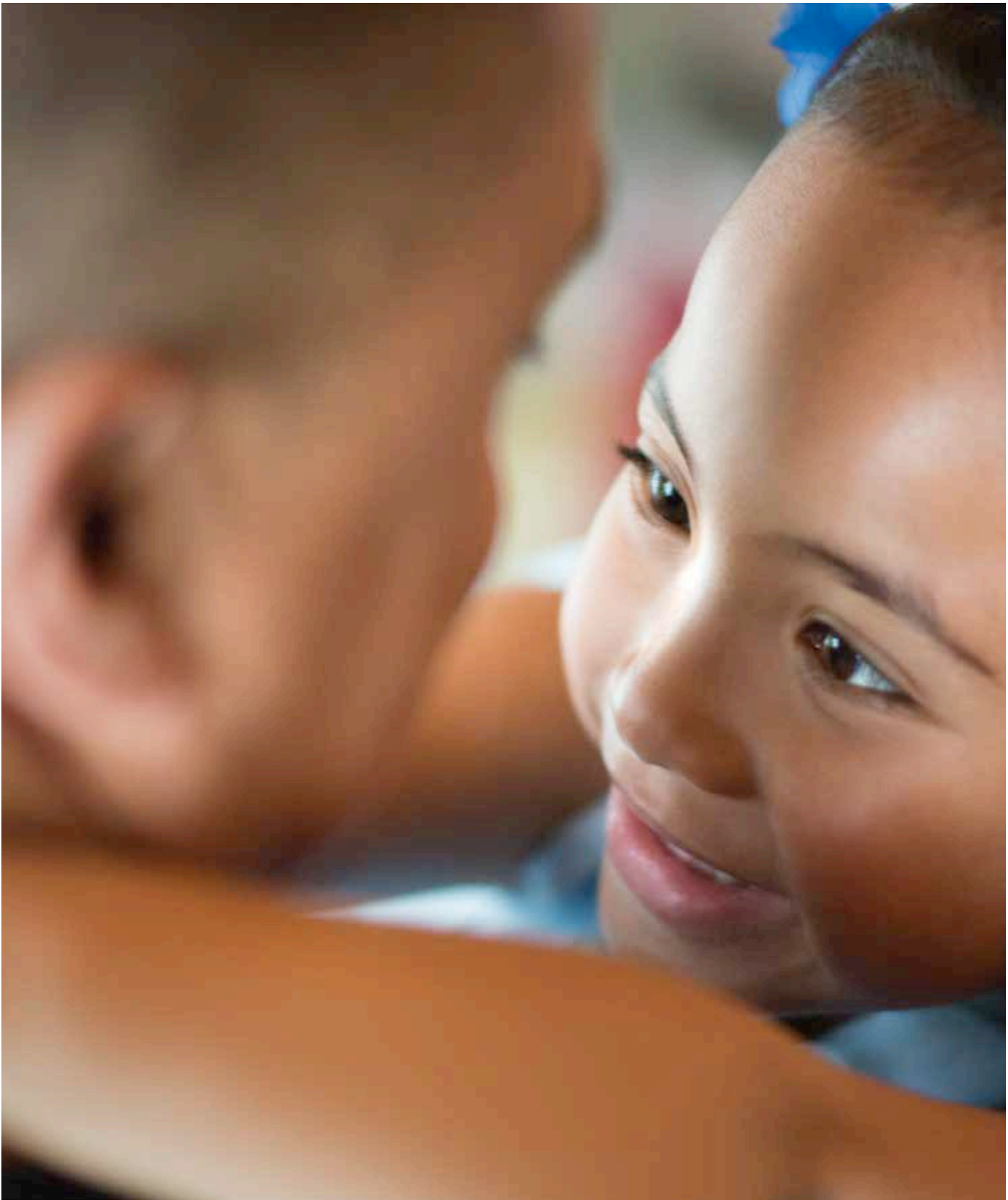


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IT ALL STARTS HERE.



WHO WE ARE

SKYCITY Entertainment Group Limited is a leading entertainment and gaming business with a great brand and an iconic status as a New Zealand and Australian listed company.

We operate monopoly casinos in New Zealand (Auckland, Hamilton and Queenstown) and Australia (Adelaide and Darwin), alongside a variety of industry-leading restaurants and bars, luxury hotels, convention centres and Sky Tower.

Entertainment is SKYCITY's core business – we aim to provide the best possible gaming and entertainment experiences for our customers, whilst ensuring we are a responsible corporate citizen and an effective community leader, and ensuring that we deliver healthy long-term returns to our shareholders.

NEW ZEALAND



1 AUCKLAND

RESTAURANTS / BARS / CAFÉS	20+
HOTEL ROOMS	635
GAMING MACHINES	1,647
TABLE GAMES	110
EMPLOYEES	3,400 *
NORMALISED REVENUE	\$602.6M
NORMALISED EBITDA	\$247.8M

2 HAMILTON

RESTAURANTS / BARS / CAFÉS	7
GAMING MACHINES	339
TABLE GAMES	23
EMPLOYEES	400 *
NORMALISED REVENUE	\$50.6M
NORMALISED EBITDA	\$19.9M

3 QUEENSTOWN (TWO SITES)

RESTAURANTS / BARS	3
GAMING MACHINES	156
TABLE GAMES	18
EMPLOYEES	100 *
NORMALISED REVENUE	\$18.3M
NORMALISED EBITDA	\$2.9M

* Average during the 2015 financial year (FY15).
All figures for FY15 are correct as at 30 June 2015.

AUSTRALIA



4 DARWIN

RESTAURANTS / BARS / CAFÉS	13
HOTEL ROOMS	120
RESORT ROOMS	30
GAMING MACHINES	730
TABLE GAMES	30
EMPLOYEES	800 *
NORMALISED REVENUE	A\$137.1M
NORMALISED EBITDA	A\$38.9M

5 ADELAIDE

RESTAURANTS / BARS / CAFÉS	9
GAMING MACHINES	990
TABLE GAMES	90
EMPLOYEES	1,200 *
NORMALISED REVENUE	A\$174.1M
NORMALISED EBITDA	A\$27.3M

INTRODUCTION



AT THE HEART OF SKYCITY'S BUSINESS LIES A COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY (CSR). WE ARE COMMITTED TO SHOWING LEADERSHIP IN THIS AREA.

At the heart of SKYCITY's business lies a commitment to Corporate Social Responsibility (CSR). We are committed to showing leadership in this area. This CSR Report highlights some of our key achievements in this area and what the next steps are for us in this space.

As an entertainment provider, SKYCITY is committed to striking the right balance between excitement, reward and responsibility. Such a balance is crucial to our reputation within the cities we operate and to the diverse relationships we foster – with customers, communities, our people, our suppliers, the organisations we sponsor, the charities we support, and government – central and local.

We continue to work closely with regulators to ensure the measures we have in place are effective, and we continue to be innovative in this area – regularly adapting and enhancing our programme. If we are to continue to achieve the standards that we expect of ourselves, and that others expect of us, we must also be prepared to invest in the very best practices and technology available internationally. We already invest many millions a year into our host responsibility programme to ensure our venues are as safe as possible. SKYCITY goes well beyond what is mandated, to ensure we deliver on the priorities set out in our CSR charter.

SKYCITY is committed to continually adapting our business to not only respond to changes in our entertainment sector, but also to cater to the changing

needs of our customers. This is reinforced across our operations – in the diversity of the people we employ, in the talents and leadership skills we seek to develop, in the safe and healthy workplaces that we encourage and in the opportunities we provide to our staff to help them thrive.

We are also proud to give back in numerous ways to the communities in which we operate, be it through supporting local organisations, sponsoring numerous sporting teams, supporting charities and providing financial support for local events – SKYCITY is proud to play its part.

SKYCITY as a business is built on people – our customers, suppliers, key stakeholders and of course our staff – all 6,500 of them. We are committed to being a good employer providing our staff with excellent opportunities and sustainable careers.

This report lays out our progress to date and lays the foundation for us to build on in years to come.

Thank you for taking the time to find out more about what SKYCITY is doing.



JOHN MORTENSEN
INTERIM CHIEF EXECUTIVE OFFICER

HIGHLIGHTS

CSR Committee established, chaired by independent director, Sue Suckling (previously chaired by Peter Cullinane who stepped down from the Board in November 2015).

World-leading responsible gaming strategy.

New Zealand's most comprehensive Host Responsibility programme. Only gaming operator offering voluntary pre-commitment in New Zealand. Only gaming operator with Customer Service Ambassadors.

SKYCITY Community Trusts allocated more than \$3 million to 290 community groups in New Zealand from 1 July 2014–30 June 2015.

Extensive sports and community sponsorship programmes.

Proven commitment to diversity in our workforce – through our actions, our memberships and affiliations, and a workforce of more than 85 different ethnicities.

41 percent of participants in our leadership development programmes were women.

Strong commitment to urban renewal – as seen in the Federal Street Shared Space project and the investments we are making in the New Zealand International Convention Centre and the Adelaide Riverbank Precinct.

A significant employer, providing 6,500 jobs across New Zealand and Australia.

29 percent reduction in lost time per case through injury across the Group.

Adelaide Casino won Employer of the Year award at the South Australia Training Awards.

CSR measurements included in SKYCITY's procurement practices.

Important contributors to society through our contributions in tax, gaming duty, GST, PAYE, ACC levies and other statutory charges. In Auckland we are the largest ratepayer in the CBD.

74 GRADUATES

OF SKYCITY AUCKLAND'S COOKERY APPRENTICESHIP
- AN NZQA ACCREDITED PROGRAMME

95% ENERGY-SAVING IN LIGHTING

THROUGH INSTALLATION OF LED LIGHTS
AT SKYCITY AUCKLAND

MORE THAN \$40 MILLION DONATED

BY SKYCITY COMMUNITY TRUSTS SINCE 1996

24/7 INTERACTION WITH CUSTOMERS

ON MAIN GAMING FLOOR IN AUCKLAND WITH NEW
DEDICATED CUSTOMER SERVICE AMBASSADORS

OUR COMMITMENT STARTS AT BOARD LEVEL



THIS IS A MEASURED JOURNEY. WE WILL CONTINUE TO REFINE, IMPROVE AND REPORT ON OUR PROGRESS.

To help us define our responsibilities and the effectiveness of our activities, we maintain operational supervision of our CSR activities through management, as well as governance-level oversight through our CSR committee. This committee oversees our CSR activity and is responsible for developing and maintaining our CSR policies.

The CSR committee focuses on the five areas of responsibility that we have identified as priorities: responsible gaming; the environment; fair operating practices; labour practices and human rights; and community involvement and development. It's important to us that our stakeholders are aware of these commitments and the actions we take: as a responsible corporate citizen; through our contributions to the cities and the economies that we are part of; as an employer and through our Community Trusts. This report provides an update on where we have got to over the last financial year.

Of course it's uncommon for a company to reach the point where it can say CSR goals have been fully achieved. This is a measured journey. We will continue to refine, improve and to report on our progress.

OUR SEVEN PRINCIPLES OF CORPORATE SOCIAL RESPONSIBILITY

RESPECT FOR RULE OF LAW

SKYCITY will accept that respect for the rule of the law is mandatory

RESPECT FOR INTERNATIONAL NORMS OF BEHAVIOUR

SKYCITY will respect international norms of behavior, while adhering to the principle of respect for the rule of the law

ACCOUNTABILITY

SKYCITY is accountable for its impacts on society, the economy and the environment

RESPECT FOR HUMAN RIGHTS

SKYCITY will respect human rights and recognise both their importance and their universality

RESPECT FOR STAKEHOLDER INTERESTS

SKYCITY will respect, consider and respond to the interests of its stakeholders

ETHICAL BEHAVIOUR

SKYCITY will behave ethically

TRANSPARENCY

SKYCITY will be transparent in its decisions and activities that impact on society, the economy and the environment

ACROSS OUR **FIVE AREAS** OF ACTION

RESPONSIBLE GAMBLING



WE VOLUNTARILY EXCEED WHAT IS REQUIRED OF US ON A NUMBER OF FRONTS. WE HAVE MADE EXCELLENT PROGRESS IN DEMONSTRATING JUST HOW SERIOUSLY WE TAKE OUR RESPONSIBILITIES.

We want our customers and guests to have fun and to be safe. We look for opportunities, in turn, to give back through our sponsorships, community grants and partnerships.

SKYCITY is committed to promoting responsible gaming and consumption of alcohol on our sites. We benchmark against not just the CSR strategies of our competitors, but also other corporates around the world we admire. We voluntarily exceed what is required of us on a number of fronts. We have made excellent progress in demonstrating just how seriously we take our responsibilities.

Our Host Responsibility Programmes are the most comprehensive in New Zealand and are recognised as amongst the best of any casino in the world*. Through our world-class programmes, we provide safe places for our customers to play, eat, drink and stay. We invest many millions a year on host responsibility and all staff receive host responsibility training. Our Casinos are highly supervised gaming venues, with hundreds of CCTV cameras and very experienced security and surveillance staff, which is how we continue to provide some of the safest places to gamble.

We offer voluntary pre-commitment on our gaming machines, enabling our customers to set their own limits on what they spend in terms of time and/or money. We are the only gaming operator in New Zealand doing this.

Our Customer Service Ambassadors are situated on the main gaming floor in Auckland 24 hours a day seven days a week, interacting with people, and helping with any

problems that may arise. This world-leading initiative recognises the difficulties of identifying machine players who play without loyalty cards, across a complex where 30,000 people come and go on a daily basis. Our VIP Services Hosts offer the same service in our VIP areas. At our table games, our customers are watched carefully by our dealers and supervisors for any potential problem gambling signs.

SKYCITY is also proactive in communicating with our customers around acceptable behaviour on our premises, including mitigating any incidences of unattended children on our property – a matter that has had some public interest. We have a number of measures in place including dedicated security patrols of the carpark 24 hours a day 7 days a week, significant signage and an audio message in several languages warning customers not to leave children unattended. As a result of this proactive communication we have seen a significant decrease in the number of reported unattended children incidents.

We remain committed to continually reviewing and improving our programme to maintain our world-leading position. Under the terms of our gaming licences in New Zealand, we report to the Gambling Commission every 12 months. During the year, we also have regular discussions with our regulators – the Gambling Commission and the Department of Internal Affairs – on how we might continue to evolve our Host Responsibility Programme to remain at the forefront of international best practice and the changing expectations of New Zealanders and Australians.

*Associate Professor Dr Paul Delfabbro, University of Adelaide. Submission to New Zealand Gambling Commission 2013.

COMMUNITY INVOLVEMENT & DEVELOPMENT



WE ARE PROACTIVE
IN OUR BID TO
SUPPORT OUR LOCAL
COMMUNITIES, WITH
A PARTICULAR FOCUS
ON HELPING FAMILIES
TO BE FINANCIALLY
SECURE

We continue to be an active member of the community and, through the work of our Community Trusts in Auckland, Hamilton and Queenstown, to proactively assist New Zealanders to be more financially secure. A total of \$3,011,441 was allocated to 290 community groups this year. In 2015 this brings the total community contributions that SKYCITY Community Trusts have made to \$42.7 million across 3,985 organisations since the Community Trusts came into being.

COMMUNITY TRUST FUNDING

We are proactive in our bid to support our local communities, with a particular focus on helping families to be financially secure, focusing our attention on financial literacy and employment-related issues. This year through our Community Trusts we continued to prioritise our funding to donate to programmes and organisations that support families by: giving advice on financial literacy including how to manage money better; providing youth leadership programmes and programmes that provide access to training and opportunities such as apprenticeships.

SKYCITY Auckland Community Trust moved to focus 100 percent of its funding this way. SKYCITY Hamilton Community Trust has adopted the same focus. Close to 95 percent of our total funding is now contributing to this vision.

At the same time, we have looked for ways to encourage greater collaboration between community groups so that they can work together to achieve greater social impacts. In Auckland, one third of the grants made this year were to collaborative organisations and/or initiatives.

We also initiated a Collaboration Incubator programme, funded by SKYCITY Auckland Community Trust and delivered by the New Zealand Leadership Institute and

Auckland Communities Foundation as a mechanism for informing, supporting and resourcing collaboration in the not-for-profit sector. The programme will focus on developing the sector's understanding of, and capacity for, collaborative leadership. It will encourage collective thinking, visioning and action. There are 40 places on the programme and it is hoped that there will be collaborative and tangible project ideas that in turn can be funded collaboratively by SKYCITY Auckland Community Trust and other funding bodies.

AUCKLAND

SKYCITY Auckland Community Trust distributed \$2,443,725 million across 112 community organisations in 2015. Altogether, this takes the total amount donated by SKYCITY Auckland Community Trust to \$35.3 million to 2,086 community groups since 1996. Recipients this year included:

Middlemore Foundation for Health Innovation

The Middlemore Foundation received \$140,000 as part of a two-year programme towards providing a Registered Nurse and School Whanau Worker for a pilot programme, to be based in Papakura, that aims to improve the health and educational outcomes of children by eradicating rheumatic fever, improving educational achievement through digital enablement and unleashing the potential of families to be self-determining and interdependent. The initiative revolves around school-based clinics and e-learning programmes at eight identified schools.

COMET Auckland

COMET Auckland in collaboration with Te Waipuna Puawai (Tamaki) and Te Awa Ora Trust (Randwick Park, Manurewa) have received funding of \$570,400 over three years to build on the pilot project funded by the Trust last year. This initiative is a community-

led approach to creating better futures for local whanau through greater financial well-being using community-specific strategies to build financial awareness and well-being.

Financial Education and Research (Fin-Ed) Centre

The Financial Education and Research Centre (Fin-Ed) Centre at Massey University contributes to the knowledge and practice of teaching personal financial education, nationally and internationally. \$64,500 has been allocated this year to conduct primary research with Maori women to help gain insight into the spending habits of young Maori women.

HAMILTON

SKYCITY Hamilton Community Trust distributed \$426,288 across 48 organisations in 2015. Altogether, this takes the total amount donated by SKYCITY Hamilton Community Trust to \$6.4 million to 1,480 groups since its inception. Recipients this year included:

Adult Literacy Trust

We provided \$14,000 of funding to the Adult Literacy Trust, which provides free reading/writing tuition for isolated, low literacy adults. Their programmes have an impact not only on the participant but also their friends, children and wider family. The Trust works with rural and isolated adults who due to a number of factors did not gain literacy skills when younger and now cannot access other adult literacy services. The focus is on distance learning using skype, email and phone. Our funding will assist with salaries and costs associated with distance learning.

KidsCan Charitable Trust

KidsCan is dedicated to meeting the needs of Kiwi kids who live in poverty. Funding of \$15,000 has been awarded for their Health for Kids programme, helping provide kids with food, footwear, clothing and healthcare.



Society of St Vincent de Paul received \$6,000 in funding from SKYCITY Hamilton Community Trust.

Waikato Community Hospice Trust

Hospice Waikato care for terminal patients and their families, providing specialised care and comfort. We donated \$14,000 to install a wireless Nurse Call system for the Inpatient unit to better meet the needs of very unwell patients.

Society of St Vincent de Paul

Society of St Vincent de Paul promotes human dignity and justice through personal contact with those in need. Their services include a lunch run to 20 schools where lunch is provided Monday to Friday in ten schools, and a further ten schools receive bread and fillings. Food parcels are organised every Friday along with hot meals for the homeless. Funding of \$6,000 will provide bread for school lunches, Milo for the evening Fulfill van, and help meet other vehicle and food expenses.

QUEENSTOWN

SKYCITY Queenstown Casino Community Trust distributed \$128,664 across 45 organisations in 2015. Recipients this year included:

Wakatipu Search & Rescue

Wakatipu Search & Rescue is a totally volunteer organisation that aims to provide search and rescue expertise to the people of the Wakatipu. We donated \$7,425 to contribute to updated software to support planning search efforts.

Queenstown Lakes Family Centre

The SKYCITY Queenstown Casino Community Trust donated \$3,500 to The Queenstown Lakes Family Centre (QLFC), which is in its second year of its Pilot programme Pregnancy in Youth, a Health Promotion and Specialised Screening



SKYCITY IS A MAJOR SPONSOR OF SPORTS TEAMS, LOCAL EVENTS AND CHARITIES IN ALL THE COMMUNITIES IN WHICH WE OPERATE.

Programme designed to complement current maternal health services by supporting mental wellbeing. It is delivering evidence-based assessment, prevention and early intervention services for children and their families. Funding will provide ongoing support of the programme.

Hospice Southland Charitable Trust

Hospice Southland provides specialist palliative care to those with life-limiting illness in Southland and the Wakitipu Basin, free of charge. We have donated \$5,000 towards the costs related to the purchase of a vehicle for their newly created Queenstown-based Palliative Care Nurse specialist. The nurse will provide support for people facing terminal illness and their families. The vehicle will be used for home, rest home, hospital and other community visits.

COMMUNITY PARTNERSHIPS

SKYCITY is a major sponsor of sports teams, local events and charities in all the communities in which we operate.

SKYCITY is proud to work alongside five main charity partners: Leukaemia and Blood Cancer New Zealand, Prostate Cancer Foundation of New Zealand, Kidz First Children's Hospital, Variety – the Children's Charity and the Auckland Returned and Services Association.

We also help raise awareness for a number of other charities and initiatives, supporting many additional organisations who approach us for our help each year.

Our sponsorships reflect SKYCITY's foundations as a business based on entertainment.

Through our commercial programmes we look to generate greater yields, encourage customer visitation and attract new customers. We measure the effectiveness of these

programmes for their ongoing return on investment.

The support we provide our corporate charity partners, including the Auckland RSA 'Poppy Partnership' and our Asian partnerships, is intended to foster brand engagement, profile and goodwill in the community, and pride and commitment amongst our own people.

The partnerships are also linked in that our commercial sporting partnerships which provide a unique platform in which we can support our community and charity partners. SKYCITY brings key players together to lend their club and player profile to endorse causes and connect with the community on an entirely different level.

SKYCITY'S SPORTING PARTNERSHIPS AND SPONSORSHIPS INCLUDE:

- SKYCITY Mystics
A new sponsorship for 2015 – SKYCITY's first sponsorship in professional women's sport
- SKYCITY Breakers
- Vodafone Warriors
- Blues Rugby
- SKYCITY New Zealand Badminton Open
- World Masters Games 2017
- The Chiefs Rugby
- SKYCITY Northern Knights
- SKYCITY Hamilton Waikato Cup
- Adelaide Football Club
- AFL Northern Territory
- Darwin Turf Club

VARIETY – THE CHILDREN'S CHARITY

SKYCITY has supported Variety – The Children's Charity since 2004. SKYCITY



Celebrity chef Sean Connolly gives SKYCITY Mystics players a lesson on cooking pasta at Gusto at the Grand

Auckland has hosted the Variety of Chefs Dinner for three years, a fundraising dinner which attracts around 350 guests. In 2014 chefs Nic Watt (MASU), Sean Connolly (The Grill) and Neil Brazier (The Sugar Club) featured as the three chefs, combining their talents to literally cook for a cause, with each of them responsible for cooking one course for the dining extravaganza. The proceeds from the evening went back to Variety to help make a huge difference to the many New Zealand families in need.

Since 2009, SKYCITY Auckland has hosted Variety Bingo every Sunday through to Friday in the SKYCITY Theatre. We also host Variety Bingo at SKYCITY Hamilton. All proceeds are donated to Variety. In 2015, a total of \$141,670 was raised, bringing the total raised through these bingo events since they began to more than \$643,000.

LEUKAEMIA & BLOOD CANCER FOUNDATION

SKYCITY has supported the Leukaemia & Blood Cancer Foundation for 10 years. The partnership has grown in that time and now includes three iconic fundraising events.

Dining For A Difference, an event inspired by Peter Gordon (The Sugar Club and Bellota), has been supported by SKYCITY since 2008. Each year, 13 invited international chefs hailing from New Zealand, Australia and the UK come together in the one kitchen and prepare a three-course fine dining style menu for the events 280 guests.

Hosted by SKYCITY, the Firefighter Sky Tower Stair Challenge celebrated its eleventh year in 2015. More than 700 courageous firefighters, auxiliary teams and special guests participated in this gruelling event, wearing full firefighting kit weighing in at 25 kilograms.

This event now attracts firefighters from New Zealand, Australia and the USA and in 2015 raised \$1.04 million.

Four years ago, the Sky Tower Corporate Challenge was launched, building on the reputation of the Firefighter Challenge. This event too has been a huge success and has raised significant funds. In 2015, we raised over \$346,000.

KIDZ FIRST CHILDREN'S HOSPITAL

SKYCITY recognises the significant contribution the Middlemore Foundation has made to the establishment of the Kidz First Children's Hospital. We continue to fundraise to ensure resources and equipment are in place to help sick kids and support their families. Each year SKYCITY hosts the Kidz First Christmas Party, a wonderful afternoon dedicated to the children, families and caregivers. The annual event, which draws some



SKYCITY's Firefighter Sky Tower Stair Challenge 2015



HOSTED BY SKYCITY, THE FIREFIGHTER SKY TOWER STAIR CHALLENGE CELEBRATED ITS ELEVENTH YEAR IN 2015. THIS EVENT NOW ATTRACTS FIREFIGHTERS FROM NEW ZEALAND, AUSTRALIA AND THE USA AND IN 2015 RAISED \$1.04 MILLION.

250 guests, was first hosted in 2004. It is held on-site at SKYCITY's Auckland venue. This year, SKYCITY Breakers, SKYCITY Mystics, Vodafone Warriors and the Blues players attended, manning Christmas card colouring-in and craft stations and face painting stations, as well as helping with bubble blowing, gift giving with Santa and spending time meeting and talking to the families.

BLUE SEPTEMBER

'Blue September' is an initiative by the Prostate Cancer Foundation of New Zealand to raise public awareness about prostate cancer and the advantages of early detection. The campaign was launched in 2008 at SKYCITY and every September, SKYCITY has lit the Sky Tower blue for the month to draw attention to the cause, as well as hosting fundraising events on site. In 2015, SKYCITY hosted The Good Man Poker night raising money for the cause,

and a special media launch breakfast was also held up the Sky Tower, helping to raise awareness.

AUCKLAND RSA - ANNUAL POPPY DAY APPEAL

SKYCITY is proud of our strong relationship with and support of the Auckland RSA. In addition to an ongoing sponsorship arrangement, we light the Sky Tower red in the lead up to ANZAC day. In 2015, a large image of a poppy was projected onto the Sky Tower for the second time.

SKYCITY also promotes the RSA Poppy Day Appeal across its site and media channels, with many Poppy Day donation boxes placed around site in all SKYCITY's bars and restaurants to encourage customers and visitors to provide their support for the appeal. SKYCITY Breakers, Vodafone Warriors and the Blues players helped with fundraising efforts this year,

volunteering to sell the distinctive red poppies for a donation supporting veterans, ex-service people and their families.

COMMUNITY INVOLVEMENT

HAMILTON

In Hamilton, we support a number of smaller charities and fundraising initiatives with food and beverage and entertainment vouchers.

We also have a partnership with Hamilton North School which provides special needs children with discounted access to the SKYCITY Boulevard as part of the school's community integration programme.

We also supported the Hamilton Christmas Trust, the Round the Bridges 70th Anniversary event, Hamilton's 150th Birthday, and two categories in the Westpac Waikato Chamber of Commerce



SKYCITY's Annual Poppy Day Appeal 2015

Business Excellence Awards as well as contributing to smaller community events that further connect us with the local community.

QUEENSTOWN

The American Express Queenstown Winter Festival is a week long celebration to launch the start of winter in the Southern Hemisphere. It has been running in Queenstown for 40 years, and SKYCITY Queenstown Casino has been sponsoring the event in some way or another since opening 14 years ago. Other sponsorships this year have included The DNA Gay Ski Week, the Queenstown Jazz Festival and the Cromwell Christmas Races.

ADELAIDE

Adelaide Casino continues to support the Flinders Medical Centre Foundation (FMCf). To date, more than A\$100,000 has been raised

for the Foundation through FMCf Bingo hosted by Adelaide Casino.

We help raise funds for disadvantaged and sick children in South Australia each year by participating in the Variety Bash run by Variety, the Children's Charity. This year we raised over A\$35,000.

We also raised over A\$3,000 for OzHarvest, assisted the Red Cross with disaster relief appeals through staff pay deductions and we regularly donate unclaimed lost property items to the Salvation Army.

DARWIN

We donate to the community through our Cash Donation Charity Box and through vouchers which are donated as prizes for events, raffles and fundraising. 'Charity Box' is a cash donation box on the property which is regularly rotated amongst charities such as: RSPCA, Sids and Kids and the Cancer

Council. Restaurant and accommodation vouchers have been donated for events, fundraising and raffles to 99 groups including sporting groups, schools, charities, and local businesses.

ENVIRONMENT

Environment matters are interconnected locally, regionally and globally and addressing them requires a comprehensive, systematic and collective approach.

We see environmental education and capacity building as fundamental to promoting the development of sustainable societies and lifestyles and to helping us maintain our reputation in communities.

AUCKLAND

The treatment of waste is one of SKYCITY's greatest opportunities under the environmental pillar. In the last financial year we commissioned an in-depth waste audit which identified real opportunities which are in the process of being evaluated and addressed by management.

To help reduce our energy levels, we have set a target of 95 percent energy-saving LED lighting across the site by 2016. So far, approximately 95 percent of the Sky Tower, 55 percent of the front of house, 50 percent of the SKYCITY Grand Hotel and 5 percent of the back of house have been converted to LED lighting.

The main site car park ventilation system has been replaced with an energy efficient ventilation system that monitors carbon monoxide levels in the car park and switches on ventilation only when required. We anticipate this will save up to 75 percent of the current fan use (1,400,000 kWh). All 20 of the main site lifts have been modernised or replaced to increase their efficiency. This has reduced their energy consumption by 70 percent on average. We have also replaced all four of the Sky Tower lifts with world leading technology. In fact, the Sky Tower is the first building in the southern hemisphere to install Kone Ultra Rope. This system removes many tonnes of weight from the old roping system, reduces the fire risk as there is no longer oil in the rope and increases the speed of the lift by up to 90 percent.

We have also replaced two of the four air conditioning water chillers with zero-ozone-



SKYCITY Auckland's new air conditioning units

depleting Chillers (R410A). The other two are scheduled to be replaced by the end of 2017. Three chillers in the Sky Tower and two in Federal House have also been replaced with R410A units. This will mean that our Auckland sites will be fully compliant with the Montreal protocol in terms of phasing out HCFC ozone depleting refrigerants.

We have planned to have all four of our main site boiler units replaced in FY17.

Printer and multi-function devices have been reduced in number and replaced with newer devices that consume less power and provide duplex capability by default, resulting in a 10 percent reduction in printed material. User authentication for print devices has reduced misprinted, reprinted and unclaimed prints by 10–15 percent. Print cartridges are recycled responsibly through a Planet Partners programme. We are working with consultants Waste Not to increase our recycling levels and to reduce our true landfill.

We have reduced the number of physical servers used by the business in Auckland by 25 percent, which in turn has led to a reduction in power consumption, with a further reduction of 25 percent expected over the next 12 months. SKYCITY's data rooms have been built utilising the latest technology to reduce cost of cooling by only requiring a small corridor to be chilled and having all PCs default to 'sleep' mode when inactive.

As part of the Federal Street Shared Space Project, the cobblestones that were replaced were sent to a community project in New Lynn. Heritage kerbs have been carefully removed and returned to Auckland Transport to re-use around Auckland CBD. Concrete removed from the site has been dug up, crushed and used for roading projects in Auckland.

The feature green wall includes approximately 3,500 plants and a self-irrigating watering

system has been installed. Tree pits have been designed to capture rain water which is then diverted to the ongoing watering of the trees. Stormwater run-off has been designed to direct the water from the SKYCITY plaza to the planned potential Victoria Park rain gardens (Victoria St Linear Park) in time.

ADELAIDE

Our property management team has been working with external companies to reduce overall operating energy costs for mechanical heating, ventilation and air-conditioning (HVAC) plant and provide a cleaner system of air delivery to the main gaming floor. Monitoring is now in place to measure energy usage across site and water use in the HVAC systems. Energy efficient lighting has been installed where appropriate and all new projects have energy efficient lighting specified.

All hand dryers across the property have been replaced with energy efficient units and all portable electric fan heaters in back offices have been replaced with energy efficient radiant panel heaters. We've also installed variable speed drives for mechanical pumps, waterless urinals where appropriate and flow restrictors on all tapware in toilets and kitchens.

Raw materials are now delivered to site in recyclable cardboard boxes or packing crates.

Primary produce is also pre-prepared to reduce waste. Glass and scrap metal are recycled, furniture and other equipment is auctioned and electronic equipment is responsibly disposed of through the local council.

We have reduced the amount of water required for cleaning by introducing the ISS Cleaning Excellence Programme. The use of microfibre cloths has seen a 70 percent reduction in the use of chemicals, reduced packaging and reduced water usage.

Moving forward, the new building project will meet the ESD (Ecologically Sustainable



Development) requirements adopted by all Australian Councils.

DARWIN

A NABERS (National Australian Built Environment Rating System) assessment has identified a number of ways for the site to achieve energy savings. We are in the early stages of implementing these projects, with older infrastructure needing to be upgraded first before implementation can begin.

The electricity supply to the whole site can be conditioned to perform more efficiently with both power factor correction and voltage optimisation. Through the significant investment already earmarked for this project, we will improve the quality of electricity supplied and increase the longevity of all electrical equipment. Voltage reduction will deliver site wide energy savings in the order of 10 percent.

We have estimated that lighting is currently responsible for 8.3 percent of total energy consumption. Replacing older halogen lighting with newer LED technology will reduce both the energy required and the heat given off, meaning less cooling is required. All areas of the property that have been refurbished, or



SKYCITY HAS A STRONG COMMITMENT TO URBAN RENEWAL – AN AREA THAT BRINGS STRONG BENEFITS TO THE COMMUNITIES IN WHICH WE OPERATE.

earmarked for future refurbishment, will have this new LED lighting installed.

Heating, ventilation and air-conditioning at the property is the largest energy consumer using an estimated 53.5 percent of total site. Funds have been earmarked to implement a monitoring system to better capture the needs of the site.

Solar panels on the roof to heat hot water required for the Hotel and Casino coupled with excess production to be ‘sold’ back into the grid will greatly reduce our energy costs.

We also plan to roll out an ‘Everybody Saving Power’ initiative that will educate staff and patrons to switch-off and turn-off when power and water is not required.

HAMILTON

The lighting system at our Hamilton site has been upgraded, replacing 700 halogen lamps with LED. These LED lights were installed in 2011 and have been operating 24/7 with zero to minimal maintenance.

Site emergency lighting is divided into ‘collective’ and ‘common’. The collective area remains in the non-maintained, lights off configuration with upgrades to this system planned for 2015–2016. Common area lighting has been replaced with the cost and energy-efficient LED lights.

Replacement of lighting in the car park will further reduce energy costs and will be addressed in the next financial year through a planned and scheduled replacement programme.

Parts of the air-conditioning systems have been reprogrammed to use more filtered outside air to cool the building rather than refrigerated air.

There are still refrigeration units on site that require R22 gas, but where possible R404 is used and refrigeration repair gases are being pumped down and reclaimed. We are currently

working through plans for the implementation of a plant maintenance programme which will see the removal of all R22 refrigerants and reduce the regular need for maintenance.

A cleaning product with no chemicals is being trialled in our Function Centre. If this is approved for introduction across the whole complex, chemical usage could be reduced by 90 percent.

Materials being recycled now include cooking oil, glass, plastic, tin, paper, cardboard and scrap metal. Old TV screens, electronic devices and projector lamps are now stored and removed for proper disposal.

We moved from manual ticketed promotions to using electronic draws in Bally in August 2014 reducing paper waste.

QUEENSTOWN (INCLUDING WHARF CASINO)

A programme is in place to progressively roll out LED and power save light globes across both sites. Timers have been installed to air-conditioning and heating, shutting down just before closing time and then starting again one hour before opening, delivering good energy cost savings. All back of house areas now turn lights off at the end of the day.

Recycling bins are in operation for glass, plastics and cardboard, and wood pallets are broken down and gifted to staff as kindling. Cooking oils are removed and responsibly disposed of.

The UPS system has been upgraded to a more efficient, modern system and we have reduced the temperature at which our boilers operate to create further energy savings.

The Queenstown property has double glazing on all windows to improve insulation.

BUILT ENVIRONMENTS

SKYCITY has a strong commitment to urban renewal – an area that brings strong benefits to



Artist's impression of the New Zealand International Convention Centre

the communities in which we operate. Our projects at the Adelaide Riverbank Precinct and the New Zealand International Convention Centre (NZICC) will add new vitality to places that must compete for visitors against an increasingly global and competitive backdrop.

The A\$300 million expansion in Adelaide will deliver the city an integrated entertainment complex in the heart of the new Adelaide Riverbank Precinct. Our complex will include Adelaide's first 6-star boutique hotel, expanded gaming facilities, Horizon VIP gaming salons and villas, and signature bars and restaurants.

Adelaide Casino is a member of the Riverbank Stakeholder Reference Group, which is responsible for promoting the Riverbank precinct as a destination, and includes amongst its members the Adelaide Festival Centre, Adelaide Convention Centre, and the InterContinental Adelaide.

Our initiatives further endorse our standing as a major contributor to tourism and tourism planning in the State. Adelaide Casino was recognised as the 'Major Tourist Attraction' in the 2011 South Australian Tourism Awards, and received silver medals in 2010 and 2012. We have also been a major sponsor of the

SATIC Tourism Conference for the past three years.

In Auckland the \$477 million investment and construction of the NZICC, adjacent 5-star, 300-room Hobson Street hotel, a retail laneway and 1,327 carpark, will generate jobs and help represent the country as a global events destination. The construction projects alone will create at least 1,000 jobs during their 38-month build, plus approximately 1,140 positions across conventions, hospitality, retail, gaming and food and beverage once both the NZICC and the new hotel are operational. Taking into account all other associated costs, including land, fit-out, and contingencies, the projects represent a \$700 million total investment by SKYCITY in the Auckland economy.

Our involvement in this substantial project and the significant redevelopment of Federal Street align with Auckland Council's long term plan to make Auckland the world's most liveable city.

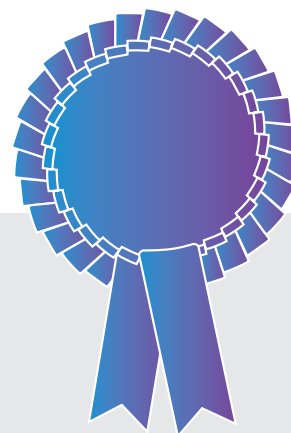
We are proud of the investment and the partnerships we have generated. Successes like Federal Street have proven that inner city revitalisation is both desirable and beneficial. In the case of Federal Street, we have brought the best culinary talent together in a formidable

precinct and given people new reasons to visit an area that was previously abandoned. Similarly, the work around the NZICC will act as a catalyst for the regeneration of Victoria Quarter, bringing business back, rejuvenating spaces and adding exciting retail edges.

The project forms part of an even wider plan to proactively connect the central city through a 'mid-block stitch' stretching from the Art Gallery to the New Zealand International Convention Centre over six city-blocks.

SKYCITY

AN AWARD-WINNING BUSINESS



SKYCITY AUCKLAND

- Winner of Innovative Youth Employer Award at ATEED Young at Heart Awards 2015
- YWCA Equity Awards 2015 – Silver commended
- New Zealand Marketing Awards – Best Entertainment and Tourism campaign (Chinese New Year)
- Romero Awards for International Casino Marketing – Best Fundraising Campaign, large site (Firefighter Sky Tower Stair Challenge)
- Romero Awards for International Casino Marketing – Best Large Casino Promotion (Chinese New Year)
- 2015 Travellers' Choice – SKYCITY Grand Hotel
- World Travel Awards – Winner of Australasia's Leading Casino Resort
- Both SKYCITY Grand Hotel and SKYCITY Hotel are Enviromark accredited

SKYCITY HAMILTON

- Waikato Commis Chef of the Year – Jody Piggales
- Westpac Waikato Business Excellence Awards – Hospitality and Tourism Business of the Year
- Bowlevard runner up in the Hamilton Central Business Association Awards
- Stage One of City Co-Op was a finalist in the Property Councils 'We are Waikato' Awards

SKYCITY DARWIN

- AHA Awards for Excellence – Chief Ministers Award for Responsible Gambling
- AHA Awards for Excellence – Best Entertainment Venue
- Australian Culinary Federation National Apprentice Competition – Silver Medal won by Tei Tien Chu (Amity), Commis Chef, Evoo
- Australian Culinary Federation – Winner Dessert – Mary Santos, Pastry Chef
- Baking Association of Australia – Winner Baked Dessert – Mary Santos, Pastry Chef

ADELAIDE CASINO

- Employer of the Year award at the South Australia Training Awards

LABOUR PRACTICES AND HUMAN RIGHTS

We are committed to respecting, protecting and fulfilling human rights within our sphere of influence. We do this through a combination of policies, actions and affiliations.

POLICIES

Five policies underpin our commitment to human rights at SKYCITY:

- Diversity and Inclusion Policy
- Equal Employment Opportunities (EEO) Policy
- Harassment Policy
- Fair Treatment Policy
- Anti-Discrimination, Harassment and Bullying Policy

DIVERSITY

Through our employer brand and our active leadership and talent development programmes, we are crafting a company with strong capacity to respond to changes in our entertainment sector. As an active endorser of diversity in the workplace, we welcome people with the right talents from all sorts of backgrounds. Because our businesses revolve around people, it is vital that everyone who works at SKYCITY feels included, valued and, above all, supported in their work. One of SKYCITY's great strengths

has always been that we are an employer of diversity. We are proud to welcome customers from many different backgrounds and cultures to our sites and we want each of them to feel at-home with our people.

By encouraging diversity in our workforce, we strengthen our market-leading employment brand and draw people to our businesses from many different backgrounds. Our commitment to diversity is taken up at Board level and we formally report on our outcomes in this area as an ASX and NZX listed company.

Every year since 2010 we have asked our people to provide us with feedback on SKYCITY's diversity culture through our annual engagement survey. Our continued focus and drive to provide an inclusive workplace has seen improved results every year. The table overleaf reflects the questions asked and the average rating based on a five-point scale that people provided (with 1 being a poor rating and 5 being the best it can be).

Our employee survey found that 5 percent of staff identify as part of the Lesbian, Gay, Bisexual, Transgender, Takatapui and Intersex (LGBTI) community. To further support this important employee group we are a founding supporter of and participant in the Rainbow Tick programme which supports the provision of safe and healthy environments for people in the rainbow community. Our support of the Rainbow Tick programme further extends our commitment to safe and supportive workplaces, adding our corporate voice to those who believe that work should be a place where people can thrive. We have achieved Rainbow Tick Accreditation through an audit process that assesses our policies, culture and support/training in this area. We have visibly supported the programme and rainbow equity via social media (LinkedIn, Facebook and Twitter), lighting the Sky Tower and promoting it in news reports on TV1 and TV3.



SKYCITY's GM Corporate Services Grainne Troute with Michael Stevens from Rainbow Tick



WE PROACTIVELY RECRUIT TO ENSURE WE ENGAGE WITH POTENTIAL STAFF FROM ALL AREAS OF THE COMMUNITY.

SKYCITY has a high representation of minority groups that are often under-represented in the wider workforce. In fact, we have people from 85 different ethnicities working for us. We proactively recruit to ensure we engage with potential staff from all areas of the community. Our talent sourcing initiatives have extended to include diverse channels including Maori Pacific Jobs, Ngati Whatua Orakei, 'Express' (an online and printed magazine for the gay community) and the Ministry of Social Development. The jobs themselves range from entry-level to advanced skill positions.

To further encourage inclusiveness at every level of our organisation, this year we have rolled out Diversity & Inclusion training to managers to raise awareness of unconscious bias in the recruitment and selection processes and provide tools to minimise any negative effect. More than 120 of our leaders have completed this training.

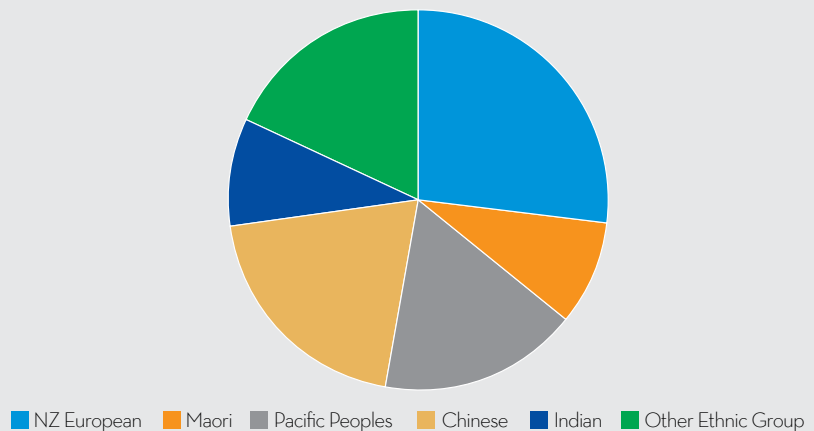
As an active member and participant in DiverseNZ we have assisted in building the toolkit that has now been rolled out for all companies across New Zealand to use in fostering and encouraging diversity.

In Darwin, an Indigenous Recruitment Champion drives our human resource practice and recruitment initiatives to strengthen and grow our indigenous staff base. The Darwin management team also work with Karen Sheldon, an indigenous training and recruitment organisation, to increase the presence of Karen Sheldon trainees (who are indigenous Australians) across the property.

In Adelaide we partner with Personnel Employment (Barkuma) to assist people with intellectual disabilities to secure employment.

An exciting new development this year was our pre-employment training programme, The Journey. Partnering with Ministry of Social Development, Best Pacific Youth Academy and Youth Services West, we are giving individuals with no previous skills or experience in Food & Beverage access to foundation skills and knowledge and the opportunity for us to assess their learning potential so they may be considered for positions within SKYCITY Auckland. More than half of those individuals attending our assessment days have been offered positions.

ETHNICITY OF SKYCITY NEW ZEALAND STAFF



MEMBERSHIPS AND AFFILIATIONS

As part of our efforts to ensure our human rights environment and initiatives are best practice, we are:

- A Member of the Sustainable Business Council NZ (SBC)
- A founding supporter for the Mayor's Youth Employability Traction plan
- Part of the COMET Steering Committee on Youth Employability
- A founding supporter and participant in the Rainbow Tick programme – supporting companies to provide safe and healthy environments for the LGBT (lesbian, gay, bisexual and transgender) community)
- A member of the Equal Employment Opportunities (EEO) Trust
- An ongoing corporate supporter of Global Women
- A member of the Aboriginal Employment Industry Cluster Network in Adelaide, which aims to provide employment opportunities for Aboriginal & Torres Strait Islanders within the hospitality industry

SKYCITY Darwin is also a signatory to the Australian Employment Covenant which focuses on employment of indigenous Australians and is part of the Generation One Network.

SKYCITY is a governing member of the 'Welfare to Work' programme developed by the Sustainable Business Council (SBC). This programme targets young solo parents (16–24 years) who are not in employment, education or training. The holistic purpose is to break the inter-generational welfare dependence cycle that is evident in this cohort through providing sustainable employment opportunities and ensuring business is equipped to manage this vulnerable workforce. Having actively participated in the development of the programme, we have now made a commitment to employ a total of ten programme participants in the first 12 months.

GENDER EQUALITY

In the final quarter of the 2014 calendar year we completed a review of our remuneration banding to ensure it discouraged gender bias. Our continued focus and efforts to ensure that SKYCITY provides fair and equitable remuneration to all staff saw us recognised with the Silver Award in the 2014 YWCA Pay Equity Awards.

Working with YWCA and Pivot Software we have also shared our journey and the benefits of having an equal pay remuneration system to the wider business public via conferences, blogs, presentations and meetings.

STAFF SUPPORT

All sites have an active Employee Assistance Programme in place. In Auckland, the Connect Centre team provides counselling and pastoral-care service to staff with support and referrals available where appropriate to professional and community agencies. One of the core services Connect provides is to assist staff dealing with problems related to cultural and other differences. For that reason we endeavour to ensure that our Connect representatives reflect SKYCITY's diversity. This programme has received external recognition from the Equal Employment Opportunities Trust and is unique to SKYCITY, providing an invaluable service to staff to ensure that we maintain a best practice human rights environment for all staff.

All our full-time employees in New Zealand are offered Southern Cross insurance while our people in Australia have access to a bulk discount deal for health insurer Bupa.

In New Zealand, in cases of extreme financial hardship, permanent employees are able to apply for a short-term, interest free loan (up to NZD\$1,000) to assist in financial emergencies.

LEADERSHIP DEVELOPMENT

Knowing that growing and retaining high potential leaders is critical to our continued success, we have worked with an external

Employee Survey Rating - Diversity	2015	2014	2013	2012	2011	2010
Everyone is treated with respect at work regardless of who they are	3.77	3.71	3.66	3.58	3.57	
SKYCITY values diversity of backgrounds, styles and viewpoints	3.98	3.88	3.80	3.77	3.74	3.62
SKYCITY treats people equally with respect to gender, race, nationality, religion and other differences	4.03	3.94

1 = STRONGLY DISAGREE 5 = STRONGLY AGREE



OUR EMPLOYEE ASSISTANCE PROGRAMME HAS RECEIVED EXTERNAL RECOGNITION FROM THE EQUAL EMPLOYMENT OPPORTUNITIES TRUST AND IS UNIQUE TO SKYCITY.

specialist consultancy in Leadership Development practices to develop an internally delivered programme entitled INSPIRE. This defines the values and expectations of our leaders and is designed to drive inspirational leadership. More than 200 of our front line or senior leaders have taken part in our programme through one of five different development workshops. Feedback from participants and teams has been overwhelmingly positive.

We continue to monitor the participation of female leaders/potential leaders in all our leadership programmes. This year, participation by women in our leadership development programmes was 41 percent.

As an inaugural supporter of the programme, SKYCITY has continued our strong commitment to the BEST Pasifika Leadership Academy, funding and supporting the participation of 11 Pasifika employees in the programme over the last four years. This programme has been an outstanding success and created opportunities for advancement into leadership roles for our Pasifika staff.

LABOUR PRACTICES

The creation of jobs, and the wages and other compensation they generate, are among an organisation's most important economic and social contributions. Meaningful and productive work is an essential element in human development. Standards of living are improved through full and secure employment and the lack of opportunities to work is a primary cause of social problems. Socially responsible labour practices have a major impact on respect for the rule of law and on the sense of fairness present in society. As such, they are essential to social justice, stability and peace.

CONDITIONS OF WORK

As a Group, we provide 6,500 jobs across New Zealand and Australia. In 2014, we paid

NZD\$280,009,000 in employee salaries and benefits.

We are committed to being a non-minimum wage employer. All SKYCITY employees are paid above minimum wage.

We strive to provide our staff with safe conditions at work that enhance their opportunities to be successful.

COLLECTIVES AND UNIONS

Our unionised staff are currently represented by United Voice and Construction, Forestry, Mining and Energy Union (CFMEU) in Australia and The Service & Food Workers Union (SFWU) and Unite Union in New Zealand.

HEALTH AND SAFETY AT WORK

Being a good employer complements our work in being a responsible citizen. Having found, encouraged and retained the best people, we have an ongoing responsibility to keep them safe, happy and well. All our New Zealand sites are ACC Partnership Programme certified at tertiary level.

Our Lost Time Incident Frequency (LTIF) rate increased slightly on the previous year. However, through early intervention and recovery at work we were able to reduce the average lost time per case (a measure of the severity of the injury) by 29 percent across the Group.

SKYCITY's Wellness Programme, Play Well, is a tailored wellness programme, run in conjunction with the Auckland Regional Public Health Service, that aims to encourage healthier individual behaviours by providing support, information, skills training and opportunities. Goals include improving our people's health habits, increasing physical activity, reducing sick leave/absenteeism amongst our workforce and improving productivity.

The Wellness Programme itself incorporates Positive Parenting, Nutrition and Work Life Balance Seminars, initiatives to celebrate cultural differences and exercise. In 2014, 200 people from across our Auckland site with different health objectives took part in our 70-Day Health Challenge. Also part of our Play Well programme – the annual ‘Dare the Stairs’, a 1,029 step challenge that sees participants choosing to walk either up or down the iconic Sky Tower.

EMPLOYER OF CHOICE

We continue to receive more than 1,000 registrations each month to become part of our talent pool, with an average of 3,000 applications for available positions each month. Today, we have more than 160,000 people looking for work at any one of our locations. Most of them reach us now through our SKYCITY Careers website, and our social media channels (Facebook, Linked In and Twitter). Access to such a rich variety of experience and knowledge makes us stronger, more flexible and responsive as workplaces to the shifting demands of the entertainment sector.

A PLACE TO GROW AND DEVELOP

By supporting our people, offering them work opportunities that challenge and stimulate them to realise their potential, and communicating news and expectations regularly and clearly, we are doing all we can to ensure that our workplaces are stable, fair and fun. The opportunities for a motivated individual from any background to grow a career from the bottom up and access a diverse range of opportunities are one of our top drivers of employee engagement.

Internal appointments have represented more than 33 percent of hires this year in Auckland. More than 800 SKYCITY staff (12 percent) changed roles in the past year because they were promoted or were successful in applying for a new role. Of staff that have been with SKYCITY for 24 months or more, 75 percent have had at least one position change during their tenure.

As the largest private sector employer of chefs in New Zealand SKYCITY is actively developing this pipeline of talent. Through our Cookery Apprenticeships, up to 10 chefs per year are recruited in Auckland and trained over three years to achieve a Level 3 and Level 4.



WE ARE COMMITTED TO BEING A NON-MINIMUM WAGE EMPLOYER. NO SKYCITY EMPLOYEE IS PAID MINIMUM WAGE AT ANY OF OUR LOCATIONS.

Site	Collective Type	Related Union(s)	Expiry Date	Collective Coverage	Union members as a percentage of workforce
Auckland	Collective Employment Agreement (CEA)	Unite and ETU	30 June 2017	Waged employees/ salaried employees in specified positions	28 percent
Hamilton	Collective Employment Agreement (CEA)	SFWU	2 September 2016	Waged employees/ salaried employees in specified positions	1.6 percent
Adelaide	Enterprise Agreement	United Voice and CFMEU	30 June 2017	Waged employees	Unknown
Darwin	Enterprise Bargaining Agreement 2015-2018	United Voice	1 February 2018	Waged employees	Unknown. As membership fees are not paid through payroll and union membership is not a pre-requisite for EBA coverage. Unions do not supply membership lists.



SKYCITY Apprentice Chef Cherie Leigh Craig with Auckland Mayor Len Brown at signing of Mayor's Youth Employer Pledge

NZQA Certificate in cookery. Our apprenticeship is unique in New Zealand in that the chefs are taught everything within SKYCITY by our own chefs and have the opportunity to work in 10 different outlets across SKYCITY including our production kitchens. Since we commenced this programme, 74 apprentices have graduated with qualifications. From 2016, SKYCITY Auckland will offer a City & Guilds Certificate in Food Preparation Cooking, hiring 16 apprentice chefs per year through this new programme. City & Guilds is an international training provider, operating in over 80 countries and SKYCITY is very pleased to be able to offer this qualification to its new apprentices going forward.

We have also pledged our commitment to Auckland's youth employment by becoming a pledge partner in The Mayor's Youth Employer Pledge. We have pledged to stand alongside the Mayor in support of creating sustainable employment opportunities for youth in Auckland, to work with other pledge partners, industry, Council, government and experts to co-design prototypes for addressing existing sector issues, to leverage the Mayor's Youth Employer Pledge communications platform, to partner with local boards and to facilitate local board engagement in communities that have been identified as priorities.

In Adelaide, approximately 150 employees studied for their Certificate III in Hospitality this year. We run five versions of this qualification so that the programme can be tailored to the requirements of their role, with a new Certificate III in Hospitality programme under development for stores starting next year. 15 employees also undertook their Certificate IV in Hospitality or Frontline Management.

SKYCITY delivers English as a Second Language (ESOL), numeracy and literacy support to our employees. We are the only company to continue our commitment unbroken, even after government funding finished and we had to fully fund participation for our staff. 280 staff have graduated from the programme.

In Australia, we are a member of the Hospitality Indigenous Employment Cluster which focuses on improving the employment prospects of indigenous youth in the hospitality and retail sectors in South Australia. The Cluster is facilitated by the Australian Department of Further Education, Employment, Science and Technology (DFEEST) and is chaired and attended by industry employers and hospitality and retail focused Registered Training Organisations.



THE OPPORTUNITIES FOR A MOTIVATED INDIVIDUAL FROM ANY BACKGROUND TO GROW A CAREER FROM THE BOTTOM UP AND ACCESS A DIVERSE RANGE OF OPPORTUNITIES ARE ONE OF OUR TOP DRIVERS OF EMPLOYEE ENGAGEMENT.

FAIR OPERATING PRACTICES

Relationships with other organisations are excellent opportunities to promote positive outcomes by providing leadership and promoting wider adoption of social responsibility.

Our procurement practices emphasise relationships and trust. We look for service, quality and value through our suppliers and it is testimony to the strength and loyalty that exists on both sides that we have a low turnover of suppliers. We continue to look for ways to achieve and reward innovation across our supply chain.

Procurement in SKYCITY is managed on a site by site basis, with Procurement Managers reporting directly into the site General Managers. Economies of scale are leveraged across properties as appropriate along with sharing of best-practice.

We have included CSR measurements as part of our supplier selection criteria for several years, covering areas such as sustainability, packaging and waste management. These measures protect our reputation nationally and as a business, help offset our social impacts and add to our bottom line efficiency. Here's how:

Through our Ethical Sourcing Code, we look to work with suppliers and partners who we deem to positively influence social, ethical and environmental performance, including ethical labour practices such as diversity.

Suppliers must as a minimum comply with all applicable laws and regulations relating to the environmental impacts of their business, and maintain procedures for notifying local authorities in the event of an environmental accident. Among the areas where we look for performance standards: waste management; packaging and paper; conservation; and energy use.

We prefer suppliers with an Environmental Management System and ISO Accreditation.

We recently formalised a comprehensive policy and guidelines that will further shape our decision making in this area, including introducing a number of key initiatives to increase fair operating practices/CSR in our

supply chain. In our tenders, for example, we will now ask those submitting proposals to detail:

- the system, processes and practices they are using to reduce environmental impacts, meet legal environmental requirements and achieve continual improvement of environmental performances;
- their latest CSR report
- their commitment to and delivery of sustainability principles
- how they are reducing environmental impacts directly associated with transporting raw materials/component parts and/or finished products.
- how they plan to minimise/reduce the amount of packaging
- how they plan to reduce greenhouse gas emissions
- fair employment practices
- formal programmes and initiatives to meet social and ethical responsibilities and objectives.

We're also looking to develop a framework that will allow Procurement to share information regarding CSR matters and to develop a Supplier Code of Conduct.

WHERE TO FROM HERE?

SKYCITY has developed a materiality matrix to accurately identify sustainability issues of high relevance for internal and external stakeholders.

SKYCITY applied a multistep process to identify and prioritise the sustainability topics relevant for SKYCITY.

The first step was a sustainability audit to assess SKYCITY’s current sustainability performance, identify gaps and highlight areas for improvement. The audit was based on a comprehensive set of stakeholder expectations drawn from leading non-governmental initiatives covering environmental, social and governance and conduct categories. The highest performance was shown in the field of governance and conduct, while environmental performance showed the greatest scope for improvement.

Following this SKYCITY collected internal and external stakeholders’ feedback. A total of 140 internal stakeholders were invited to participate in a survey to rank sustainability aspects in their relevance to SKYCITY. The survey included representatives from all locations in New Zealand and Australia, from apprentices through to the senior managers, and different business units from Gaming, to Corporate through to Security and Hotels. Qualitative interviews were held with external stakeholders including representatives from local authorities, NGOs, government and investors.

The results from both the internal stakeholder survey, with a response rate of over 60 percent

and the external stakeholder interviews were very consistent:

- Social indicators were rated as most important with regards to SKYCITY’s sustainability agenda with a strong focus on customers and the potential impacts related to gambling.
- Internal and external stakeholders identified the importance of having good governance processes in place.
- Environmental aspects were ranked lower, but were ranked as material issues for SKYCITY. Energy use was seen as the most important issue from an environmental perspective.

Sustainability aspects have been ranked according to stakeholder importance and their significance to the business.

The findings of the sustainability audit, internal stakeholder survey and qualitative interviews were then discussed at a senior executive workshop in April 2015 and possible actions addressing the sustainability aspects were ranked from low to high priority and short to long timeframe.

In order to determine the materiality matrix, the sustainability aspects have then been ranked according to the stakeholder importance.

Overall the top 10 material issues identified are:

- Customer Health and Safety
- Responsible Gambling
- Local communities
- Compliance
- Customer Privacy
- Anti-corruption
- Staff engagement
- Employment
- Unattended children
- Energy use

The top three social aspects are:

- Customer Health and Safety
- Responsible Gambling
- Local communities

The top three environmental aspects are:

- Energy use
- Waste
- Water

The next step is for SKYCITY to translate the findings into a detailed action plan. The materiality matrix is treated as a living document and may need to be reviewed and adapted from time to time in response to developing and changing stakeholder requirements and the business environment.

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