

Appendix 2: Ethical Sourcing Code

ETHICAL SOURCING CODE

Introduction

SKYCITY Entertainment Group's vision is to create fun and entertainment and our mission is to be the most popular entertainment and leisure destination in the cities in which we operate. As world-class entertainment and leisure destinations, SKYCITY's locations source products from a variety of producers and distributors both nationally and internationally.

SKYCITY locally recognises and respects its responsibilities as a corporate citizen. As such, SKYCITY has established a Board Corporate Social Responsibility ("CSR") committee chaired by independent director Sue Suckling. The CSR committee is responsible for developing and maintaining our CSR policies and ensuring our commitment to and compliance with such policies.

The CSR committee focuses on five areas of responsibility that we have identified as priorities: human rights and labour practices including diversity; the environment; fair operating practices; responsible gaming; and community involvement and development.

In recent years, concerns about poor working conditions and environmental degradation in developing countries and emerging markets have seen companies implement specific social and environmental criteria for selecting the production facilities from which they source.

SKYCITY's intention, in adopting this Code, is to improve our indirect impact on society and the environment by carefully selecting and working with our suppliers throughout the world. The aims of this Code are to encourage our suppliers to improve their practices and to assist them in doing so, therefore improving the quality of life of the people we touch indirectly and contributing to the protection of the environment.

As a consequence, SKYCITY requests its suppliers and sub-contractors commit to the core values and practices set out within this code.

United Nations (UN) Global Compact: Human Rights, Labour, Environment and Anti-Corruption Principles

As outlined in its Procurement Policy, SKYCITY supports and is committed to the United Nations (UN) Global Compact's ten principles which were established in 2002. These ten principles are:

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: Make sure that they are not complicit in human rights abuses.
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

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- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.
- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Human Rights & Labour Practices

Human Rights Policy

SKYCITY respects all human rights, of employees and local communities, and is committed to promoting these principles to its suppliers, as set out in SKYCITY's Human Rights Policy.

Expectations of Suppliers

SKYCITY requests its suppliers develop and implement policies and procedures to ensure respect of all human rights in their businesses, and those of their suppliers. The supplier must always comply with the most demanding requirements, whether relevant applicable laws, the Human Rights Policy or this Code. Where local laws prohibit a supplier from upholding certain aspects of the Code or the Human Rights Policy, the supplier should comply with local laws while seeking to respect human rights.

Discrimination & Harassment

All conditions of employment by the supplier must be based on an individual's ability to do the job, not on the basis of personal characteristics such as gender, ethnic origin, religion or personal beliefs. Suppliers must ensure they provide an environment where their employees can work without distress or interference caused by harassment, discrimination or any other inappropriate workplace behaviour.

Labour Practice

Child Labour Policy

The supplier must comply with the minimum employment age limit defined by national law or by the International Labour Organisation Convention 138 (whichever is higher).

Forced and Compulsory Labour and Discipline Measures

The supplier must not use any type of forced labour, which means any work or service performed involuntarily under threat of physical harm or bonded labour. The supplier will ensure their staff have the right to leave the workplace premises after completing the standard work day and be free to terminate their employment, provided that they give reasonable notice to their employer. The supplier will treat all personnel with dignity and respect. The supplier will not engage in, or tolerate,

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the use of corporal punishment, mental or physical coercion or verbal abuse of personnel.

Workplace Health and Safety

The supplier will provide a safe and healthy workplace environment and the supplier will take effective steps to prevent potential accidents and injury to workers' health occurring in the course of work, by minimizing the causes of hazards inherent to the work environment.

Compensation

The supplier must comply with all laws and regulating local wages, penalty rates, overtime compensation and legally mandated benefits. Wages and benefit policies must satisfy all applicable laws and regulations. Under ordinary business circumstances the supplier must not force their employees to work excessive working hours per week, including overtime. The supplier must also ensure all record keeping will be accurate and transparent at all times.

Freedom of Association and the Right to Collective Bargaining

The supplier must ensure that all of their staff have the right to form, join and organise trade unions of their choice and for them to bargain collectively on their behalf with the supplier. In situations where the right to freedom of association and collective bargaining are restricted under law, the supplier will allow workers to freely elect their own representatives.

Occupational Safety

The supplier is to ensure workers' exposure to potential safety hazards (e.g. electrical and other energy sources, fire, and on-site transport of any kind and fall hazards) is to be controlled by risk analysis evaluation, administrative controls, preventative maintenance and safe work procedures, with on-going safety training. Where hazards cannot be adequately controlled through these means, the supplier is to provide their staff with appropriate, well-maintained, personal protective equipment.

Environment

Environmental Policy

In an effort to enhance environmental performance, SKYCITY will institute purchasing policies that give preference to environmentally intelligent and sustainable (i.e environmentally preferable) products. The goal of the policy is to ensure that products and services purchased or contracted for will conform to the goals of SKYCITY's Environmental Policy. We will strive, where practically and commercially feasible, to purchase environmentally preferable products and services that meet SKYCITY's needs.

Environmentally Friendly Products

Environmentally preferable products and services which are comparable to standard counterparts in quality and price will receive purchasing preference. In situations where environmentally preferable products are unavailable or impractical, secondary considerations should include the environmental management practices of suppliers and producers.

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The purchase of environmentally preferable products is part of our long-term commitment to the environment. By sending a clear signal to producers and suppliers about this commitment, we hope to support wider adoption of environmentally preferable products and practices.

Waste Management

The supplier will ensure that waste is minimised and items recycled whenever practicable. Effective controls of waste in respect of ground, air and water pollution must be adopted. In the case of hazardous material, emergency response plans must be in place.

Packaging and Paper

The supplier will ensure undue and unnecessary use of materials is avoided and recycled materials should be used whenever appropriate.

Energy Use

The supplier will ensure all production and delivery processes including the use of heating, ventilation, lighting IT and transport should be based on the need to maximise efficient energy use and to minimise harmful emissions.

Water Use

The supplier will ensure that all products including showers, toilets, dishwashers, and hand washing facilities minimise the usage of water. Suppliers of laundry services will ensure that water usage is minimised and recycling and or environmental friendly products are used to ensure that the waste water does not pollute the water system. Where possible, grey water should be recycled and utilised in other areas of the business.

Fair Operating Practices

Business Integrity

The highest standards of integrity are to be upheld by the supplier in all business interactions. Suppliers will have a zero tolerance policy towards any and all bribery, corruption, extortion and embezzlement. All business dealing should be transparently performed and accurately reflected on suppliers' business books and records. Monitoring and enforcement procedures will be implemented to ensure compliance with anti-corruption laws.

Disclosure of Information

Information regarding business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices is unacceptable.

Intellectual Property

Intellectual property rights of SKYCITY and any third party in the chain of supply are to be respected by the supplier. The transfer of technology and know-how, where required, is to be carried out in a manner that properly protects each party's intellectual property rights.

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Fair Business Advertising and Competition

High standards of fair business, advertising and competition are to be upheld by the supplier. Appropriate measures to safeguard customer information must be used.

For the avoidance of doubt this Code is to be read alongside any agreements in place between the supplier and SKYCITY. Where there is any conflict between the terms of this Code and any such agreement, the terms of that agreement will prevail.