

SkyCity Entertainment Group 2023 Annual Meeting

Julian Cook - Chair's Address, People and Culture Committee

In addition to being the Chair for the SkyCity Entertainment Group, I also Chair the People and Culture Committee.

Key areas of coverage for the Committee are remuneration, particularly that of the Senior Leadership Team, diversity and inclusion, succession planning, talent and attraction and culture.

Over the past financial year, we saw a new Chief People and Culture Officer join the business, Shaun Philp. Shaun was previously Chief People Officer at Chorus since 2017. Shaun adds significantly to the capability in this area and we are pleased to have him aboard.

Shaun is picking up the various programmes of work within the People and Culture Committee and, in particular, is leading the ongoing review of remuneration and incentive programmes within the business to ensure they are fit for purpose. In particular, the review of the long term incentive programme, which was delayed following the departure of the former Chief People and Culture Officer, is now being picked up again.

A key issue for the Committee to address throughout the past financial year was how to address the impact of the AUSTRAC Statement of Claim filed against SkyCity Adelaide in December 2022 and ultimately the decision to make a A\$45 million provision for a potential AUSTRAC civil penalty and associated legal costs. The activity alleged in the Statement of Claim largely relates to the period before the 2023 financial year, however, the Committee and the Board determined it was important to make an appropriate sanction. To this end, achievement of the compliance portion for the short term incentive payments was set at 11.7 out of 20, and an additional 25% reduction was applied to all short term incentive payments.

Against the very disappointing nature of the AUSTRAC allegations, the Committee and Board also had to weigh up the good progress made in the Adelaide AML/CFT enhancement programme and the high amount of work for management as a result of this.

As a group, SkyCity employs over 4,500 people in New Zealand and South Australia. A key feature through the 2022 financial year was shortages of staff in a number of areas. This has eased and through the 2023 financial year our employee numbers grew by 699. Vacancy levels have also reduced significantly since the prior year. With the completion

of the Horizon Hotel and New Zealand International Convention Centre nearing, we have commenced recruitment for what will ultimately be an additional 700 jobs.

Lastly, the Committee follows employee engagement scores closely. The 2023 survey saw a response rate of 84% of permanent employees and an overall engagement score of 78% which is 2% points above the Global Average Benchmark and in line with the New Zealand average benchmark.