



THE  STAR
ENTERTAINMENT GROUP

MODERN SLAVERY AND HUMAN
TRAFFICKING STATEMENT 2021





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MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT 2021

OVERVIEW

The Star Entertainment Group Limited (ASX Code: SGR) (The Star) is a leader in Australia's tourism and hospitality sector, bringing high quality integrated resorts to key tourism destinations. Because of our focus on guest service and building talented teams we believe that respecting human rights is a central part of delivering a socially responsible business that builds connections in the communities in which we are proud to operate and respects diversity in our teams.

As a large-scale single site employer, The Star has a long history of contributing to the communities in which we operate including through long term partnerships with other civil society participants in our communities.

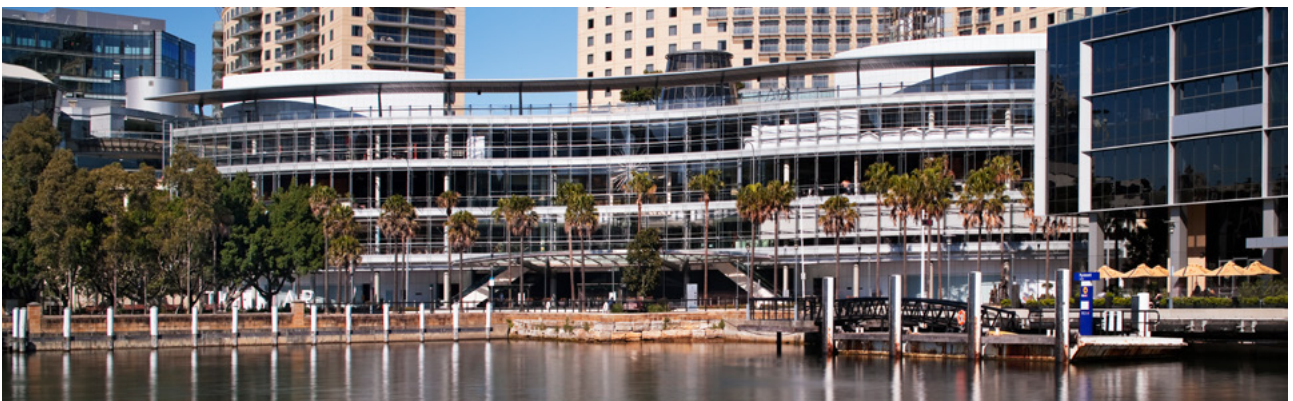
We recognise that modern slavery happens in Australia as well as in other countries, so our approach to modern slavery is not limited by jurisdiction or other formal structures that modern day slavers ignore.

The Star has adopted a definition of Modern Slavery in its Ethical Sourcing Policy that is consistent with

the Modern Slavery Act 2018 (Commonwealth) and global agreements and conventions on human rights and sustainable development.

The Star has a number of joint venture agreements to develop assets in New South Wales and Queensland. For FY 2020 (the Reporting Period) those entities did not qualify as reporting entities for the purposes of the Modern Slavery Act 2018. As the assets under development through the joint ventures become operational, The Star will incorporate reporting related to the operational activity as required under the Act.

During the Reporting Period The Star was subject to Public Health Orders related to COVID-19 pandemic that required us to close our operations. The Star was forced to stand down almost all of its employees and as a direct result, had to cease certain key planned activities aimed at addressing our modern slavery risks, for a period. At the time of publication of this statement, those activities have recommenced.





THE REPORTING ENTITY

The Star is an ASX 100 listed company that owns and operates integrated resorts: The Star Sydney; The Star Gold Coast; and Treasury Brisbane. The Star also manages the Gold Coast Convention and Exhibition Centre on behalf of the Queensland Government.

The Star is committed to optimising its properties, supporting the communities in which we operate, and capitalising on the opportunities presented by our world-class locations in Sydney, Brisbane and the Gold Coast. The Star and its joint venture partners Chow Tai Fook Enterprises and Far East Consortium (JV Partners) are currently delivering a \$3 billion redevelopment of Queen's Wharf in Brisbane. Expected to open in late 2022, Queen's Wharf Brisbane will deliver transformational impacts on Queensland jobs, training and tourism, both domestic and international.

The Star has also entered into further joint venture agreements with JV Partners to expand and improve the value proposition of our properties in Sydney and the Gold Coast. Together The Star and JV Partners also acquired the Sheraton Grand Mirage on the Gold Coast.

The Darling at The Star Gold Coast was completed ahead of the Gold Coast 2018 Commonwealth Games. In 2019 The Star and our JV Partners commenced the construction of a 53-story hotel and apartment tower. Together, these projects and associated works will represent an investment of up to \$850 million at The Star Gold Coast.

In Sydney, The Star has delivered \$500 million of improvements and refurbishments including our luxury hotel The Darling, which is Sydney's only Forbes Five Star hotel.

The Star employs about 8500 people across our operations, in a mix of permanent, part-time, casual roles and through limited agency labour hire. In the Reporting Period we spent around \$600 million across our supply chains for goods and services from a very diverse supplier base. We expect all our approximately 3,000 suppliers to operate consistently with our Supplier Code of Conduct, which includes key requirements to act honestly in business and respect human rights, the environment, diversity and equal opportunity.

POLICIES AND GOVERNANCE

The Star maintains corporate governance arrangements that adhere to the requirements of the Corporations Act and ASX requirements including Listing Rules and the Corporate Governance Principles and Recommendations. Our Code of Conduct requires ethical business practices from the company as a whole and from our people. This includes robust risk assessment practices including, where relevant, consideration of a range of human rights factors. The Code of Conduct is supported by a range of conduct policies and the system of policies is overseen by an Ethics Panel.

In 2016 The Star set out a new five-year sustainability strategy called 'Our Bright Future'. The Star's view of sustainability is broad and focuses on building business capacity and delivering continuous improvement in the management of environmental, societal and governance issues. 'Our Bright Future' groups our objectives and targets into four key pillars:

- 1** *We strive to be Australia's leading integrated resort company*
- 2** *We actively support guest wellbeing*
- 3** *We attract; develop and retain talented teams*
- 4** *We develop and operate world class properties.*



POLICY ACTIONS ON MODERN SLAVERY

The Board of Directors have approved an Ethical Sourcing Policy which requires risk-based assessments of the modern slavery impact of our operations and goes further to embed consideration of environment, societal and governance considerations in our procurement and sourcing activity.

The Star has developed a detailed contractual framework for use across its supply chain which transmits our desire to have the lowest reasonable risk of contributing to modern slavery as a result of the goods and services we buy.

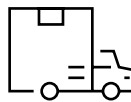
In early 2019, The Star formed a specialist project team drawn from across the group to focus on building our response to the risks of modern slavery in our supply chains. This team has been working diligently since then, with support from external advisors, to enhance our risk model, risk assessment processes, training and capability, and to plan the future activities required to drive continuous improvement. This team is guided by the procurement and governance leaders and sponsored by the Chief Risk and Legal Officer.

SUPPLY CHAIN RISK ASSESSMENT

Key FY20 statistics:



\$606 Million
annual addressable spend with with Tier 1 suppliers



3,051
Tier 1 suppliers



13
annual addressable categories

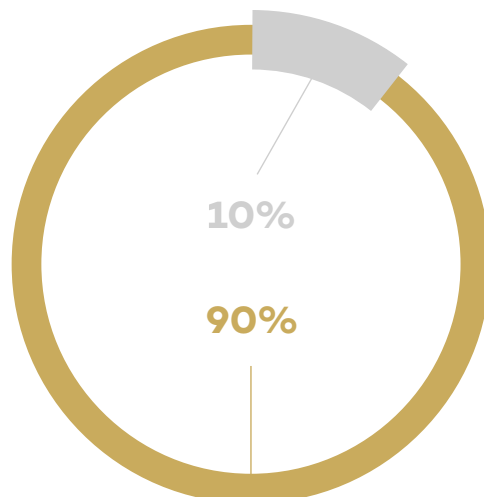
The analysis in Figure 1 shows our sourcing of goods and services is overwhelmingly local in dollar terms and this weight to local suppliers is also reflected in the proportions of Australian businesses we deal with in comparison to international entities. Similarly, the largest single percentage of at risk supplies are sourced through entities that are required to make Modern Slavery Statements.

At The Star, we are continuing to strive to find the balance between consolidating sourcing through a small number of large businesses (which may reduce modern slavery related risk) and contributing to local communities by focussing on farm-to-plate supply chains and purchasing which supports local business.

In the Reporting Period, The Star engaged external consultants to update its supply chain risk assessment and category heatmap, with a focus on socially responsible procurement and a specific modern slavery lens. The Star has historically mapped out its supply chain categories by their overall inherent risk rating, including consideration of environmental, safety, labour and corruption risks, illustrated in Figure 2 below. The top two categories, when assessed in the context of both labour/ human rights risk and spend magnitude, are Hospitality and Construction.

FIGURE 1: TIER 1 SPEND BY COUNTRY ORIGIN

- OTHERS - Proportion of spend with Tier 1 suppliers located outside Australia
- AUSTRALIA - Proportion of spend with Tier 1 suppliers located in Australia



**FIGURE 2: FY20 CATEGORY LABOUR RISK ASSESSMENT**

CATEGORY	FY20 SPEND	LABOUR RISK RATING
Capital Projects	\$172,305,018	Medium
Property Services & Maintenance	\$97,487,589	Low
Hospitality (incl. food & beverage)	\$96,487,586	High
Marketing	\$63,013,640	Low
Gaming	\$44,337,636	Low
IT	\$38,829,903	Low
Professional Services	\$27,464,961	Low
Transport	\$20,000,179	Low
Travel	\$14,512,219	Low
Direct Contingent Labour	\$11,523,718	Medium
Indirect Contingent Labour	\$10,888,217	Low
Corporate Services	\$6,015,656	Low
People & Performance	\$2,679,990	Low
TOTAL	\$605,546,312	

Hospitality specifically in respect of food was assessed as an inherently high-risk category due to the highly dispersed and global nature of supply chains, particularly for ingredients sourced directly or indirectly from developing countries, such as cacao, coffee beans and seafood. The inherent risks arise primarily in relation to potential labour abuses and safety concerns in farming, fishing and food production. Hiring practices internationally and domestically can also be a source of concern in respect of bonded labour.

Similarly, there is a higher risk of labour exploitation in the Construction category, both in the manufacture of building materials and onsite labour, especially migrant workers. These are risks mitigated in The Star supply chain through controls which improve safety and labour practices, including auditing of contractors or material manufacturers, and requiring appropriate training and adherence to employment standards.

The Labour Risk Rating column in Figure 2 reports standardised risk criteria associated with the category as a whole but many of the categories represent very

significant fields of commercial activity and a wide array of participants. The Star conducts business within its first tier of suppliers with entities who have a compliant approach to modern slavery laws and are captured by various versions of such laws in many jurisdictions. Preliminary risk reviews indicate that these companies are unlikely to contribute to direct modern slavery risks in The Star's supply chain. We do, however, acknowledge that there may be indirect risks that will need attention as our processes mature.

Because of the Public Health Orders made in March 2020, The Star essentially became non-operational for a substantial period of FY2020 meaning that planned due diligence processes were deferred until FY2021.

The Star will be re-engaging its external consultants in FY2021 to build a more comprehensive risk assessment model and heat map, with a specific focus on modern slavery risks. The Star will be guided by this refreshed risk assessment to target key suppliers in these higher risk categories and partner with them to reduce risk in the extended supply chain.



MEASURING EFFECTIVENESS

Leading change and evidence based improvement in our approach are key themes of the program of works and the capability build that has been established at The Star. Performance measures which track our influence in terms of our impact on modern slavery will always be a combination of process tracking and outcome assessment.

We are still at an early stage of capability development and The Star has focused on building systems and processes, so the main bulk of our measures are oriented to assist us in understanding the success of our capability development and awareness raising within the business.

After we have assessed the impact of the COVID-19 pandemic on The Star's modern slavery risk reduction program we will develop measures that increasingly inform us about changes in relative risk in our supply chains.

TRAINING AND CAPABILITY DEVELOPMENT

Raising awareness and skills among key team members, like procurement category managers, has been a key first stage in the detailed training program that The Star embarked on in 2019 and 2020. Awareness training sessions have been completed for key team members about our Ethical Sourcing Policy and our approach to assessing and addressing modern slavery risks in our supply chains.

Again, as a result of the government directed property closures, The Star deferred further training initiatives; however these will be re-initiated in FY21.



FUTURE PLANS

The Star understands that reducing its role in direct and indirect causes of modern slavery is a multiyear program. Our initial risk assessment identified few direct risks in our first tier supplier base but recognises the potential for indirect risks in some of the more complex and/ or global supply chains that certain vendor partners participate in.

To continue our role in mitigating modern slavery risks and impacts, The Star will:

- *Continue to train team members in procurement and supply sourcing teams to ask the right questions about supply chain risks*
- *Develop capabilities to monitor for public evidence of modern slavery risks in relevant supply chains*
- *Continue to develop the sensitivity of our risk assessment systems*
- *Actively engage with our highest risk suppliers to mitigate risks throughout our extended supply chain*
- *Embed appropriate consideration of modern slavery risks into all relevant processes including tendering and the onboarding of new suppliers.*

This statement was approved by the Board of The Star Entertainment Group Limited.

Signed,

Matt Bekier
Managing Director & CEO
The Star Entertainment Group Limited.
January 2021



THE  STAR

Our Bright Future

*Sustainability
Engagement Program*

THE  STAR
SYDNEY

TREASURY
BRISBANE

THE  STAR
GOLD COAST