



Modern Slavery Statement

Version: 1.0

21 December 2020

CDC Data Centres Modern Slavery Statement

Modern Slavery Statement Financial Year 2019-20

This Statement, made pursuant to the Modern Slavery Act 2018 (Cth) (the **Act**), provides information about CDC Data Centres (ABN 59 125 710 394) (**CDC**) and our plan to assess and address modern slavery risks in our supply chain. This Statement relates to the Financial Year 1 April 2019 – 31 March 2020.

Company Profile

CDC was founded in 2007 and is headquartered in Canberra, Australia. CDC provides scalable, secure, environmentally sound and reliable data centre facilities. CDC's core purpose is to keep Australia's data safe, and our vision is to be the definitive home of digital government and assured industries. Our values are:

- SECURE – we guarantee security, sovereignty and 100% up time
- TRUSTED – we deliver what we promise
- INNOVATIVE – we embrace change and promote innovation
- EXCELLENT – our products are differentiated, world class and of the highest quality
- RESPONSIVE – we move quickly and stay ahead of market trends

It is with this purpose, vision, and these values in mind that CDC conducts business, and will meet our responsibilities to assess and address the risks of modern slavery within our supply chain.

CDC currently operates 9 data centres in Australia – Fyshwick 1 and 2 and Hume 1, 2, 3 and 4 in Canberra and Eastern Creek 1, 2 and 3 in Sydney. Each centre is custom designed to CDC's structural, environmental, aesthetic, and operational requirements to meet the highest standards for data centres. CDC also develops new data centre facilities. It is currently developing 2 data centres in Auckland, New Zealand, under the local subsidiary 'CDC Data Centres NZ Limited' (NZBN: 9429047952928).

Responsibility

Operating data centre facilities requires an extensive network of suppliers, including professional service providers, maintenance service providers, goods manufacturers, engineers, and software/information technology providers (collectively, **Suppliers**). We take our responsibility to assess and address the risks of modern slavery practices within our supply chain very seriously. In doing so we have a zero-tolerance stance toward the use of forced or involuntary labour, child labour, unreasonable working hours, denial of fair wages or benefits, discrimination, harassment, denial of freedom of association or hazardous working conditions. Our aim is to promote an ethically robust supply chain, which includes the elimination of modern slavery practices.

Governance and Policies

CDC is governed by its Board of Directors (the **Board**). The Board is nominated by its shareholders and has overall responsibility for the governance of CDC, while the day to day management of the business is undertaken by CDC's executive team. The primary role of the Board is to approve and monitor the strategic direction of CDC having appropriate regard to the interests of all material stakeholders. The Board has established two standing committees, and other committees may be formed when it is efficient or necessary to facilitate efficient decision-making or when required by law. The standing committees are the Audit and Risk Committee and the Remuneration Committee. CDC has not established joint ventures with other organisations.

CDC has a relatively shallow organisational structure, allowing for close and ongoing collaboration between all levels of employees. This ensures that individuals across the business are aligned on the policies and practices that have been implemented to uphold ethical conduct. Our systems are continually evaluated and improved upon, and when joining CDC, new employees are trained on numerous policies that mandate appropriate behaviours in the workplace.

When engaging Suppliers, CDC employees are required to follow our Supplier Engagement Policy which establishes the processes and protocols to be followed when onboarding a new Supplier. This includes consideration of whether the prospective Supplier's business practices and values align with our own. This is a critical component in ensuring that members of our supply chain conduct themselves ethically, are trustworthy and meet the high expectations of our stakeholders. Further, we require Suppliers to comply with our Supplier Code of Conduct (the **Code**).

This document articulates (amongst other things) our expectations of Suppliers to uphold a commitment to human rights in the workplace, maintaining exceptional standards of security as well as conducting their business in a professional, ethical and responsible manner. Compliance with the Code is contractually required of Suppliers and is legally enforceable.

Additionally, CDC has a whistleblowing regime in place to ensure that any concerns raised by an employee, client or Supplier are heard and appropriate corrective action can be taken if needed.

Risks in Our Supply Chain

As a data centre facility provider located in Australia, we strive to support local business and engage Suppliers who have a reputation for ethical conduct. However, several risks exist in CDC's supply chain because of:

- The number of Suppliers that CDC engages. There is a risk that nefarious conduct (including modern slavery practices) could occur unbeknownst to us due to the high volume of Suppliers (particularly lower tier/low-spend Suppliers). Further, many of the Suppliers may themselves have a Supplier base which is not carefully monitored, and therefore pose a modern slavery risk within CDC's extended supply chain.
- Foreign ownership of Suppliers. While many of the Suppliers CDC engages are Australian owned entities, there are some examples where they are not. While foreign ownership is not a risk in itself, the prevalence of modern slavery is heightened when the supply of goods originates in locations not known for rigid employment laws, or where temporary, seasonal or migrant employment is common.

The three core elements of CDC which rely on a supply chain network are facility management services, professional services and construction services.

- **Facility management services:** Sub-contractors are engaged to provide operational facility services such as cleaning, security and maintenance.
- **Professional services:** CDC engages specialists to provide professional services that include financial auditing, legal, accounting and taxation advice, and other such services. CDC expects that its service providers are appropriately managing their own exposure to modern slavery risks.

- **Design and construction services:** CDC periodically develops new data centre facilities. A range of design consultants, contractors and goods suppliers are engaged by CDC to support the build, fit-out and commissioning process.

Assess and Addressing the Risks – Monitoring Our Supply Chain

CDC's legal and risk team have been engaged to create, maintain, and update CDC's modern slavery monitoring practices. As part of this process, the team has developed, and has commenced rolling out, a Supplier Questionnaire (the **Questionnaire**) that existing and prospective Suppliers are required to complete prior to entering into an agreement with CDC. This Questionnaire specifically addresses the legislative requirements of the Act and more general questions which act as indicia, and provide a basis of assessment, as to whether the Supplier is suitable to be engaged by CDC.

CDC prides itself on maintaining strong and open relationships with its Suppliers. CDC leverages these strong relationships to identify and rectify risks associated with that particular Supplier. As identified above, Suppliers are contractually bound by the Supplier Code of Conduct which sets out CDC's expectations relating to fair business dealings. This includes compliance with Australia's modern slavery standards.

The legal and risk team will map CDC's supply chain to identify "high risk" Suppliers. This process will allow us to assess whether a Supplier fits into a higher or lower tier in terms of their significance to CDC's overall operations. Those of greater significance who also pose a heightened risk will be subject to more enhanced due diligence.

CDC's 120 Australia-based employees are employed in accordance with Australian employment law and the National Employment Standards, while for our operations in New Zealand, employees are employed in line with New Zealand employment law. All CDC employees are afforded at least the minimum entitlements regarding hours worked, flexible working arrangements, leave, public holidays and pay. Ensuring these standards are upheld and complied with (both internally and amongst our supplier base) is a core tenet of CDC's efforts to assess and address potential modern slavery risks.

The development of our modern slavery program has been slowed by the affects of COVID-19 throughout 2020. A substantial portion of CDC's internal resources were directed toward minimising the impact of the pandemic on our day-to-day operations, which in turn has disrupted efforts to fully establish our supply chain risk assessment processes. Nonetheless, we have still managed to uplift our contracting and onboarding procedures, which includes the roll-out of our questionnaire targeting modern slavery risks (as identified above). We are now looking forward to applying greater focus on our supply chain mapping exercise, which will include performing enhanced due diligence, conducting audits (where warranted) and developing commensurate remediation strategies.

Evaluating Our Program

We plan to routinely evaluate the effectiveness of our program. The key performance indicators likely to be considered in this process include:

- the percentage of Suppliers who have completed and returned the Questionnaire;
- the percentage of Suppliers who have read and agreed to the terms of the Code;
- suggestions and feedback received from Suppliers based on their experience of being onboarded with CDC;
- the recommendations of any external auditors who assess our supplier onboarding program; and

- the frequency of identifying red flags within our Supplier base, and effectiveness of remediation.

Where risks of modern slavery are identified in CDC's supply chain, CDC, in collaboration with the relevant Suppliers, will endeavor to address the risk and take preventative steps against the risk re-occurring. CDC remains committed to its purpose, vision and values and believes that the application of the elements identified in this Statement will contribute to safer, fairer, more ethical and professional work environments.

This Modern Slavery Statement has been reviewed and approved by the Board.



Greg Boorer
CEO, CDC Data Centres