



# Red Hat Asia-Pacific Pty. Ltd.'s Modern Slavery Statement 2020

## Introduction

This is the first modern slavery statement (hereinafter "Statement") for Red Hat Asia-Pacific Proprietary Limited (hereinafter "Red Hat Asia-Pacific Pty. Ltd."), ACN 090 438 485, and is made in accordance with the Australia Modern Slavery Act 2018 (Cth). This Statement constitutes Red Hat Asia-Pacific Pty. Ltd.'s modern slavery and human trafficking statement for its financial year ending 31 December 2020 (hereinafter referred to as the "current reporting period").

As a global company, respect for human rights is an integral part of the corporate social responsibility commitments of Red Hat, Inc. and its subsidiaries (hereinafter "Red Hat"). Red Hat strongly opposes illegal human trafficking and forced labor (and all other forms of modern slavery) in any form. Accordingly, Red Hat strives to operate in accordance with the highest standards of conduct, ethics, and fair treatment and it is committed to improving our practices for identifying and minimizing the risk of modern slavery in our operations and supply chain.

## Structure, Operations, and Supply Chain

Red Hat Asia-Pacific Pty. Ltd., established in 1999, has approximately 455 employees across Australia, with offices located in Brisbane, Canberra, Melbourne, Perth, and Sydney. Red Hat Asia-Pacific Pty. Ltd. is a wholly owned subsidiary of Red Hat, which is headquartered in the United States. In turn, Red Hat is wholly owned by International Business Machines Corporation (IBM), which is also headquartered in the United States. Red Hat Asia-Pacific Pty. Ltd. does not own or control any subsidiaries.

Red Hat, founded in 1993, is the world's leading provider of enterprise open source software solutions, using a community-powered approach to deliver reliable and high-performing Linux®, hybrid cloud, container, and Kubernetes technologies. Red Hat delivers hardened, open source solutions that make it easier for enterprises to work across platforms and environments, from the core datacenter to the network edge. By operating transparently and responsibly, Red Hat continues to be a catalyst in open source communities, helping customers build flexible, powerful IT infrastructure solutions.

Award-winning support, training, and consulting services make Red Hat a trusted adviser to the Fortune 500. As a strategic partner to cloud providers, system integrators, application vendors, customers, and open source communities, Red Hat can help organizations prepare for the digital future.

In 2019, Red Hat was acquired by IBM for US\$34B, breaking the record for the largest software acquisition in history. Together, IBM and Red Hat will continue to innovate with a next-generation hybrid multicloud platform with a goal to redefine the cloud market for business.



Red Hat Asia-Pacific Pty. Ltd. sells Red Hat support and maintenance services for Red Hat branded software in Australia. As a services business that does not manufacture any tangible goods, Red Hat Asia-Pacific Pty. Ltd.'s supply chain is limited and consists of goods and services procured to operate our business and enable our employees and partners to deliver our services. During the current reporting period, Red Hat Asia-Pacific Pty. Ltd.'s supply chain included suppliers from the following sectors:

- Professional, scientific and technical services, such as computer system design and related services;
- Information technology, media and telecommunications (hardware and software);
- Administrative and support services, such as building cleaning and other support services;
- Rental, hiring and real estate services; and
- Construction services.

Our suppliers were predominantly domiciled in Australia, although some of the products or services supplied originated from other jurisdictions, for example IT hardware.

### **Risks of Modern Slavery Practices in our Operations and Supply Chains**

For the current reporting period, we have completed a preliminary scoping exercise to identify key areas of modern slavery risk in our operations and supply chain, in particular, and as a first step, identifying Red Hat Asia-Pacific Pty. Ltd.'s Tier 1 suppliers who may be considered high risk. This risk analysis focused on the industry of suppliers.

Red Hat Asia Pacific Pty. Ltd. has approximately 190 suppliers (excluding some global suppliers that it does not directly contract with), most of which are within the professional, scientific and technical services sector and the administrative and support services sector. While many of these suppliers are the local subsidiaries of significant global companies, we recognise that there is risk in all supply chains. Given that our largest suppliers manufacture and have operations in many countries around the world, we appreciate that there is a higher inherent jurisdictional risk with these suppliers.

As a result of our supplier risk assessment outlined above, we identified a range of suppliers, from very low risk suppliers to suppliers that fall within potentially higher risk categories. In the higher risk category, we identified suppliers of technology hardware, cleaning, maintenance services, logistics and delivery services, field services, application development services, construction and building works, travel, hospitality/events and food, office supplies and services, and marketing products.

We consider Red Hat Asia-Pacific Pty. Ltd.'s risk of modern slavery in its operations to be relatively low, given our hiring practices and the contractual, policy and statutory protections provided to employees. We only hire employees that live and are authorised to work in Australia in accordance with applicable employment laws. We are committed to respecting human rights in our workplace and have a number of policies and processes in place to promote a safe, diverse and inclusive workplace.



## **Actions Taken to Assess and Address Modern Slavery Risks in our Operations and Supply Chain**

The following section provides an overview of additional actions taken during the current reporting period to assess and address risks in our operations and supply chains, and the policies and processes currently in place to facilitate risk assessment, prevention, and mitigation.

Red Hat takes a global framework approach in addressing modern slavery risks. Accordingly, Red Hat Asia-Pacific Pty. Ltd. is fully aligned with Red Hat under this global approach to combat modern slavery in its operations and supply chain, including through the following:

### **Policies and Standards**

- Red Hat Procurement Supplier Code of Conduct (Supplier Code). To ensure the integrity of supplier relationships across the globe, as part of Red Hat's standard procurement process, Red Hat suppliers are required to operate in accordance with our Supplier Code of Conduct and to apply this Supplier Code in all dealings with Red Hat. The Supplier Code applies to third parties supplying goods or services to or on behalf of Red Hat, including staffing agencies and independent contractors, and it incorporates Red Hat's commitments regarding health and safety, labor and human rights, ethics, and other responsible business practices. In December 2019, Red Hat revised its Supplier Code in order to more clearly set forth minimum expectations for our suppliers and third-party labor providers related to ethical practices including addressing modern slavery and human trafficking risks in their business. A supplier's violation of the requirements of the Supplier Code may result in the immediate suspension or termination of the supplier relationship. The Supplier Code is publicly available on Red Hat's website at the following link: <https://www.redhat.com/en/about/policies/procurement/supplier-code-of-conduct>.
- Code of Business Conduct and Ethics (Code of Conduct). The Red Hat Code of Conduct, recently updated in June 2020, is the cornerstone of Red Hat's compliance program that provides our employees with a clear understanding of the high standards for ethical conduct by which we conduct our business globally. Red Hat requires that all employees of Red Hat, and its subsidiaries (including Red Hat Asia-Pacific Pty. Ltd.), comply with this Code of Conduct, other Company Policies, and all laws, rules, and regulations applicable to Red Hat wherever it does business. The Code of Conduct also requires employees, officers and directors of Red Hat to deal honestly, ethically and fairly with its suppliers, customers, competitors and employees, and to ask questions, seek guidance, report suspected violations, and express any concerns regarding compliance with it. Employees must certify that they understand and will follow the ethical principles and compliance rules outlined in the Code of Conduct upon hire, followed by annual re-certification each subsequent year.
- Employee Training. Red Hat's Annual Compliance and Ethics Training program is also a part of Red Hat's bedrock commitment to maintaining a culture of compliance and ethical business



practices in accordance with our Code of Conduct. Each year, Red Hat employees around the globe are required to complete compliance and ethics training on a variety of ethics and compliance topics. In the future, we will evaluate how we can enhance this training in order to more effectively address human rights and modern slavery issues across the organization.

- Red Hat Business Partner Code of Conduct (Partner Code). Red Hat relies on our partners to help us maintain the trust of our customers and broader community and, therefore, we only work with entities who we believe are honest and ethical, and who commit to do business ethically. The Partner Code applies to all Red Hat partners and their officers, directors, employees, independent contractors, and agents. Red Hat expects all partners to adhere to this Partner Code when conducting business with Red Hat and its customers, potential customers and other partners. If Red Hat believes that a partner has failed or may fail to comply with this Partner Code, Red Hat may immediately suspend or terminate its relationship with the partner. The Partner Code is publicly available on Red Hat's website at the following link: <https://www.redhat.com/en/about/red-hat-partner-agreements>.

### **Due Diligence Actions to Identify Modern Slavery Risks**

- Supplier Certification. As part of Red Hat's standard procurement process, Red Hat suppliers must agree to comply with the Supplier Code, or make an equivalent commitment, at the outset of the relationship. A supplier's failure to sign and return the Supplier Code certification may result in the supplier's disqualification from providing future goods or services to Red Hat, Inc. or any of its subsidiaries (including Red Hat Asia-Pacific Pty. Ltd.). The Supplier Code expressly states that the supplier "shall comply with slavery, human trafficking and child (and minimum age) labor laws of the country or countries in which they conduct business, shall ensure that slavery, servitude, forced or compulsory labor (including prison labor) and human trafficking are not taking place in their supply chains, and shall deal honestly, ethically, and fairly in these relationships."
- Supplier and Business Partner Due Diligence. All Red Hat suppliers and partners are subject to various forms of due diligence, including the verification of information provided to Red Hat. Additional selective, risk-based due diligence exercises are also performed on both Red Hat business partners and suppliers. During the current reporting period, Red Hat developed a new enhanced Supplier Validation Process for both existing and new suppliers, which incorporates a new supplier questionnaire, risk assessments, and more comprehensive anti-corruption compliance directives. The new supplier questionnaire includes questions that will help Red Hat assess potential modern slavery risks, including whether the supplier employs vulnerable workers (e.g., migrant workers or young workers). Under the new supplier validation program, Red Hat will also periodically revalidate certain suppliers based on their business and the goods or services they provide. The new supplier validation initiative launched in December 2020 with an initial pilot group of existing suppliers.



- Employee Certification. As noted above, all Red Hat employees are required to complete annual Compliance and Ethics Training, which requires all employees to review and re-certify their commitment to the Code of Conduct.
- Reporting Mechanisms. In order to encourage and foster a culture of reporting, Red Hat maintains a number of policies and reporting channels enabling employees, suppliers, business partners, and the general public to report potential violations of our standards, including illegal or unethical business practices. Red Hat policies also prohibit retaliation or other adverse action against those that raise concerns in accordance with these policies. Reporting channels include a global Compliance and Ethics Hotline that is available 24 hours a day, seven days a week and allows for reporting on a confidential or anonymous basis. During the current reporting period, Red Hat also established a dedicated supplier concerns reporting channel (supplierconcerns@redhat.com), which is referenced in our Supplier Code. We continuously monitor these reporting mechanisms. To-date, we have received no reports involving complaints of modern slavery risks or incidents via these reporting channels.

### **Assessment of Effectiveness**

Red Hat Asia-Pacific Pty. Ltd. will continue to assess the effectiveness of its actions through Red Hat's global framework, including those policies, standards and due diligence actions outlined above. Red Hat is always seeking to improve in this area and it continues to review its human rights efforts, as well as best practices across different regions, to understand how we can further strengthen our commitment to ensure modern slavery and human trafficking are not taking place within our organization or our supply chains in Australia and globally. In the next reporting period, Red Hat will continue to implement our third-party due diligence processes, including the global launch of the newly revised and more robust Supplier Validation Process. As a part of this Supplier Validation Process, Red Hat will seek responses to the modern slavery-related questions incorporated into our supplier questionnaire in order to further understand potential modern slavery risks in our supply chain. Red Hat will also establish a Modern Slavery Working Group, drawing upon global expertise across Red Hat and its subsidiaries, in order to identify and consider other ways to improve our policies and processes in order to combat the risks of modern slavery. Red Hat will also continue to monitor its reporting mechanisms (including any whistleblower reports received through the global Compliance and Ethics Hotline) to identify whether any of the reports reflect modern slavery incidents or risks.

### **Consultation**

Red Hat Asia-Pacific Pty. Ltd. does not own or control any other entities and, therefore, additional consultation under the Australia Modern Slavery Act 2018 (Cth) is not required.



## Board Approval

This Modern Slavery Statement was reviewed and approved by the Board of Directors of Red Hat Asia-Pacific Pty. Ltd. on 28 June 2021.

DocuSigned by:  
*Amanda Newby*  
05FC90E0529345B...

---

**Amanda Louise Blanck Newby**

Director, Red Hat Asia-Pacific Pty. Ltd.