



CANBERRA DATA CENTRES PTY LTD



# Modern Slavery Statement

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# CDC Data Centres Modern Slavery Statement

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## Modern Slavery Statement Financial Year 2020-21

This Statement, made pursuant to the Modern Slavery Act 2018 (Cth) (the **Act**), provides information about Canberra Data Centres Proprietary Limited (ABN 59 125 710 394) (**CDC**) and our plan to assess and address modern slavery risks in our supply chain. This is the second Statement we have made under the Act and relates to the Financial Year 1 April 2020 – 31 March 2021.

### 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
- **SAFETY** – we actively promote safe work practices

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 nine 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 two 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. We promote an ethically robust supply chain, which includes the elimination of modern slavery practices. Presently, CDC does not own or control any other entities. Should CDC take ownership or control of another entity, we undertake to raise their awareness of Modern Slavery practices and ensure that their approach to mitigating Modern Slavery practices is consistent in its vigor to our own.

### 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 plane 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. Broad understanding of supply chain management has been enhanced across the business in the most recent reporting period as CDC introduced our new Assurance, Integrity and Risk function. The Assurance, Integrity and Risk team produces (in consultation with the Legal team) policies and internal governance procedures that detail CDC's risk identification, response and management processes. This includes identifying and responding in cases where issues within our Supply Chain become apparent. The practicalities of these processes are detailed below.

When engaging Suppliers, CDC employees are required to follow our internal 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. The shared acceptance of our ethical business practices and values is a critical component for ensuring that members of our supply chain conduct themselves with integrity, are trustworthy and meet the high expectations of our stakeholders. CDC's Supplier procurement program will be further strengthened as we are currently investing in the expansion of our procurement function, which will ensure greater awareness of, and compliance with, our expectations. Our focus is for substantial development in this area over the next 18 months.

These expectations are presently laid out in the [CDC Supplier Code of Conduct](#) (the **Code**) which is attached to Supplier contracts and is available on our website. The Code 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 maintains a [whistle-blowing regime](#) to ensure that any concerns raised by an employee, client or Supplier are heard and appropriate corrective action is taken as required.

### Risks in Our Supply Chain

CDC continues to strive to support local business and to engage Suppliers who have a reputation for ethical conduct and sound risk management processes. As the business continues to expand, many of the risks that CDC identified in our first [Modern Slavery Statement](#) (financial year 1 April 2019 – 31 March 2020) are amplified as more entities are introduced into our supply chain. Identifying these risks is an integral part of addressing them. Supply chain risk factors include:

- The number of Suppliers that CDC engages. There is a risk that nefarious conduct (including modern slavery practices) could occur unbeknownst to us because of a 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.

## Risk Assessment and Response – Monitoring Our Supply Chain

Since CDC's last Modern Slavery Statement, much progress has been made in identifying, assessing and addressing the risks that our Supply chain presents. The introduction of the Assurance, Integrity and Risk function at CDC has been a major part of that development.

Since commencing work in 2020, Assurance, Integrity and Risk has brought us closer to achieving major risk reductions that will be consistently maintainable by effectively implementing the following initiatives:

- Full ISO28001 compliance including threat and risk analyses of key Suppliers in order to inform targeted risk mitigation activities and security initiatives to minimise supply chain security risk as far as possible;
- A comprehensive, communicated and trained business continuity and crisis management framework;
- Assurance and integrity frameworks;
- Integrity and supply chain risk assessments; and
- fraud and corruption control plans, including an anonymous whistleblowing process and an internal investigations function.

Importantly, the team has also upgraded and disseminated CDC's Supplier Risk Questionnaire to key suppliers. Existing and prospective Suppliers are required to complete the questionnaire and shall be periodically re-issued for select Suppliers thereafter. The Questionnaire both specifically addresses the legislative requirements of the Act and asks 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. Once a Supplier completes the Questionnaire, their responses are collated and aggregated to produce a score which translates to a risk rating. Depending on the Supplier's risk rating, additional risk mitigations such as in-depth process and background reviews will be considered to reduce risk levels to as low as reasonably possible levels. This process allows 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 are subject to more enhanced and ongoing due diligence.

Since inception of the Assurance, Integrity and Risk function, CDC has further developed internal investigations capabilities which focusing on potential areas of concern both internally and amongst our supplier base.

In addition, we have engaged expert firms to perform initial and ongoing due diligence searches on Suppliers. This engagement includes a licence to perform both media and watch list checks on Suppliers, the results of which are constantly updated and accessible. This allows us to gather information on the Suppliers CDC engages beyond what has been provided by those Suppliers.

CDC prides itself on maintaining strong and open relationships with its Suppliers. We leverage these strong relationships to identify and rectify risks associated with Suppliers. 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. As CDC continues to implement and improve features of our supply chain management, we are in consistent and open dialogue with our Suppliers regarding our obligations in this space and what we require of Suppliers to fulfill those obligations. The result of these conversations is increased awareness of the importance of a cooperative approach to addressing Modern Slavery, including unquestionable clarity on CDC's strong stance regarding the requirement to make ethically sound business decisions and comply with human rights.

CDC's 156 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.

### Evaluating Our Program

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

- the risk rating afforded to Suppliers upon completion of the Questionnaire;
- all Suppliers reading and agreeing 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;
- the frequency of identifying red flags within our Supplier base, through results generated by the Questionnaire and other due diligence mechanisms such as background media and watch list checks;
- any incidents or breaches directly experienced by CDC, its Suppliers or reported to CDC about its Suppliers; and
- the effectiveness of remediation.

Where risks of modern slavery are identified in CDC's operations or its supply chain, CDC (in collaboration with the relevant stakeholders) will continue to endeavor to address the risk and take preventive steps against the risk re-occurring. For example, CDC will extend the rollout of its Supplier Risk Questionnaire to a wider supply chain base in 2022 to continuously assess modern slavery and general supply chain security risks. CDC remains committed to its purpose, vision and values and believes the ongoing 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 on 28 September 2021.



**Greg Boorer**  
CEO, CDC Data Centres