# Iris Energy Limited
# Modern Slavery Statement 2023

## 1 Introduction

This Modern Slavery Statement (**Statement**) is issued by Iris Energy Limited (doing business as IREN) (**IREN**) pursuant to the *Modern Slavery Act 2018* (Cth) (**MSA**) in Australia and the *Fighting Against Forced Labour and Child Labour in Supply Chains* Act (**Canadian Act**) in Canada, in each case for the financial year ended 30 June 2023 (**Reporting Period**).[1] This Statement also constitutes the modern slavery report of IE CA 1 Holdings Ltd. (**IECA1**) pursuant to the Canadian Act for the Reporting Period. This Statement describes the business of IREN and the subsidiaries it owns including IECA1, the risks of modern slavery in our operations and supply chains, the actions we have taken to assess and address those risks in the Reporting Period, and how we assess the effectiveness of such actions.[2]

We are an infrastructure business that builds, owns and operates next-generation data centers powered by renewable energy. Sustainability, including powering our data centers with 100% renewable energy (from clean or renewable energy sources or through the purchase of Renewable Energy Certificates (**RECs**)), is at the forefront of our business model. The data center infrastructure sector, like many sectors reliant on electricity and advanced technology, is exposed to modern slavery risks in the extraction and processing of raw materials through to the manufacture and maintenance of equipment and parts in supply chains. The interconnected nature of such supply chains means neither IREN nor any of the subsidiaries it owns, including IECA1, is immune from modern slavery risks despite our efforts to minimise them.

Where we use the term "modern slavery risks", we refer to the risk of harm to people arising from situations of exploitation such as forced labour, human trafficking, debt bondage, slavery and slavery-like practices, and child labour[3] (including the worst forms of child labour).

## 2 Our structure and operations

### 2.1 Company structure

IREN (ABN 60 629 842 799) (NASDAQ: IREN) is an Australian public company headquartered in Sydney. During the Reporting Period, IREN held a 100% beneficial ownership interest in 27 subsidiaries located in Australia (5 entities), Canada (12 entities including IECA1) and the United States of America (**USA**) (10 entities).

IECA1 is a corporation incorporated under the British Columbia *Business Corporations Act* [SBC 2002] and is a wholly owned subsidiary of IREN. It owns Bitcoin mining hardware and provides hashpower services to generate revenue.

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[1] All information in this Statement is correct, and should be read, as at 30 June 2023.

[2] References to "we", "us" or "our" throughout this Statement refers to IREN and its subsidiaries (including IECA1) unless stated otherwise.

[3] As defined in the Canadian Act to include labour or services provided or offered to be provided by a person under the age of 18 years and that: (a) are provided or offered to be provided in Canada under circumstances that are contrary to the laws applicable in Canada; (b) are provided or offered to be provided under circumstances that are mentally, physically, socially or morally dangerous to them; (c) interferes with the person's schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work; or (d) constitutes the worst forms of child labour as defined in article 3 of the Worst Forms of Child Labour Convention, 1999.

## 2.2 Overview of our business and operations

We are a leading data center business undertaking Bitcoin mining operations powered by 100% renewable energy (from clean or renewable energy sources or through the purchase of RECs). We also have a portfolio of sites for the development of data centers.

We own the data centers and associated electrical infrastructure. We also own, or have long term leasehold interests over, the land on which the data centers are located. This provides us with improved security and operational control over our assets. We target sites with access to low-cost and underutilized renewable energy as well as reliable long-term power supply. We also support the energy markets in which we operate through participation in demand response and the provision of ancillary services and load management in deregulated markets such as Texas, USA).

We aim to have a positive impact on the local communities in which we operate. We have partnered with local non-profit organizations and community groups to provide funding, sponsorships and grants. We also partner with local schools and training authorities to develop programs to train maintenance technicians, network specialists and other operations staff.

## 2.3 Our data centers

We have four data center sites across British Columbia, Canada and Texas, USA, an overview of which is set out below. Our data centers are specifically designed and purpose-built for high-performance and power-dense computing applications.

**Canal Flats, British Columbia, Canada**

This 30MW data center is situated on a 10-acre freehold site that we own. The site includes a fabrication workshop and is connected to the BC Hydro transmission network. During the Reporting Period, this site supported approximately 24 full-time local jobs in Canal Flats.

**Mackenzie, British Columbia, Canada**

This 80MW data center is situated on an 11-acre freehold site that we own. The site is connected to the BC Hydro transmission network. During the Reporting Period, this site supported approximately 20 full-time local jobs in Mackenzie.

**Prince George, British Columbia, Canada**

This 50MW data center is situated on a 12-acre site, with the land under a 50-year long-term lease (30-year initial lease term, with 2 x 10-year extensions), with an option to purchase. The site is connected to the BC Hydro transmission network. During the Reporting Period, this site supported approximately 18 full-time local jobs in Prince George.

**Childress, Texas, USA**

This 20MW data center and is situated on a 420-acre freehold site that we own and has expansion potential to 600MW of data center capacity. The site is directly connected to the ERCOT electricity grid via a 345kV transmission connection in the West Texas Load Zone. During the Reporting Period, this site supported approximately 14 full-time local jobs in Childress and is expected to support approximately 55 full-time local jobs once fully built-out to 600MW.

## 2.4 Our workforce

We operate in a competitive and specialised industry sector with a continued focus on attracting and retaining skilled and qualified personnel. We believe it is important to retain control and operational oversight of our data centers and as such we do not outsource such activities to a third-party provider.

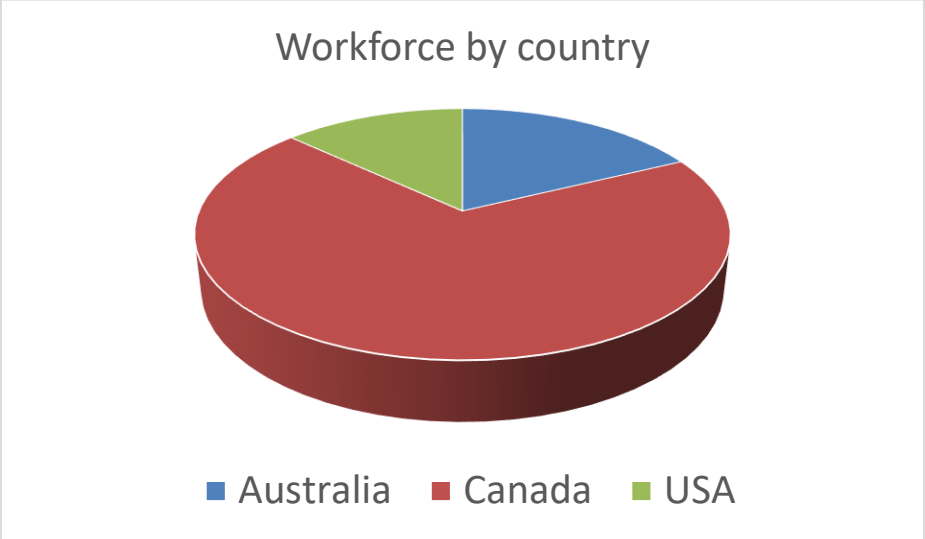
During the Reporting Period:

- we employed 106 employees, out of which approximately 88% comprised skilled individuals and 12% comprised roles with low barriers to entry such as cleaning and general labour roles;

- the majority of our *site* workforce including at the Canal Flats, Mackenzie, Prince George and Childress data center sites comprised operational roles such as electricians, miner repair technicians, network technicians, operations management, warehouse coordinators, health and safety personnel and general labourers. In Childress, in addition to our direct workforce, we had approximately 150 contractors (which is expected to grow as we continue to expand); and

- our *office-based* workforce comprised professional roles in engineering, information technology, human resources, finance, legal, project management, commercial, investor relations, data analytics, as well as administrative staff.

These roles were performed in Australia, Canada or USA as follows:




## 2.5 Our supply chain

**Data center site related supply chain**

(1) ***Renewable energy***

Electricity is a key input to our data centers and we rely on third parties, including utility providers, for the reliable and sufficient supply of electrical power.

Our three data center sites in Canada (Mackenzie, Prince George and Canal Flats) purchased power from BC Hydro. During the Reporting Period, approximately 98% of the total electricity consumed at those sites was generated from clean or renewable energy sources (primarily hydroelectricity), with RECs purchased for the remaining 2%.

Our data center site in Childress, Texas USA, purchased energy from the wholesale power market in the renewables heavy Panhandle region, with RECs purchased for 100% of our energy consumption.

(2) ***Third party goods and services***

*Data center construction and operations*

For our *construction* activities, our employees generally take an oversight role, apart from minor construction activities and/or specialised work:

- We typically outsource many aspects to consultants, construction firms, general contractors and subcontractors some of whom procure materials and equipment used at our sites; and
- We directly procure some materials and equipment from suppliers and original equipment manufacturers (**OEMs**). The materials and equipment used in construction or expansion activities use a large amount of commodity inputs (e.g. steel, copper, aluminium, cement). These include but are not limited to circuit breakers, high voltage transformers, low voltage transformers, switchgear, power distribution units, steel buildings, fans, filter banks and data center fit-out materials.

For the ongoing *operation and maintenance* of our data center sites and associated infrastructure, our employees directly oversee and manage such activities:

- We directly manage the maintenance and repair of our sites including buildings, electrical and other infrastructure and equipment such as Bitcoin miners;
- We directly procure the majority of the required goods and services including ancillary site support services, such as:
    - Cleaning, waste and pest management services;
    - Security services;
    - Office/trailer cleaning services;
    - Specialist consultancy services (e.g., training, environment, power and air flow testing); and
    - Rental equipment;
- Where we outsource maintenance services, they are procured predominantly from US and Canadian contractors; and
- Where we procure parts for equipment, they are predominantly procured from OEMs.

*Bitcoin mining operations*

In relation to our Bitcoin mining operations, third-party service providers include digital asset exchanges, mining pool service providers and firmware providers. Mining pools are platforms for miners to contribute and combine their hashrate processing power in exchange for payment. Mining pools may also provide ancillary services such as a dashboard and other monitoring software. Our mining pools pay us daily for the hashrate we contribute.

We procure mining hardware, including ASICs, from digital asset mining equipment suppliers such as Bitmain who are largely based in Asia and, as such, the mining hardware needs to be shipped to our various locations. Mining hardware purchase contracts appear to be predominantly standardised across the industry with limited scope for negotiation.

The equipment used in our Bitcoin mining operations are made using labour and a large amount of commodity inputs (e.g. steel, copper, aluminium). Bitcoin mining hardware replacement parts include semiconductor chips.

**Corporate office supply chain**

The main procurement categories are professional services (including legal, finance, audit, brokerage, regulatory advice, investor relations, media and advertising, public relations and recruitment), fintech and technology, training services, banking and financial institutions, travel and accommodation, transport and vehicle related purchases, freight, couriers, lease of office space, fit out services, property management, utilities, insurance, office supplies, food and beverages, corporate merchandise, IT hardware and software, secure document destruction services and telecommunications.

# 3 Modern slavery risks in our business, operations and supply chains

## 3.1 In our business and operations

We operate in jurisdictions considered to have a lower prevalence and vulnerability to modern slavery according to the Global Slavery Index. However, we recognise that modern slavery still occurs even in lower risk jurisdictions, particularly in industries where there are low barriers to

entry and reliance on workers on temporary visas or with limited working rights. In these contexts, there is a continuum of exploitative practices that may result in modern slavery.

Although most of our workforce comprises skilled employees, a small percentage perform low skilled roles such as cleaning and general labour. Modern slavery is a serious crime in most jurisdictions around the world and we have processes and controls in place to help manage the risk that our business may cause or contribute to modern slavery in our direct employment of people at any of our sites or office locations. Our mitigating measures are explained in more detail in Part 5 of this Statement. For these reasons, we consider there to be a lower risk of modern slavery in our operations.

## 3.2 In our supply chain

We are aware that there are inherent modern slavery risks across our supply chain, as explained below.

### (1) *Renewable energy*

As noted in the introduction, the complex supply chains of the electricity industry as a whole have been linked to modern slavery such as forced labour and child labour (including the worst forms of child labour). Equipment and machinery such as coal fired boilers, steam generators, gas generators, solar panels, hydroelectric turbines and batteries rely on the extraction of raw materials like polysilicon, steel and critical metals and the processing and manufacturing of the raw materials into component parts and finished goods. External reports of forced labour of ethnic minority groups in the production of polysilicon, steel, copper and aluminium have been widely published.

### (2) *Third party goods and service providers*

Construction services and materials have been linked to modern slavery and widely reported by media, NGOs and academia. Inherent risk factors in this sector, irrespective of jurisdiction, include systemic pressure on costs and deadlines, complex subcontracting arrangements, long and complex supply chains, low skilled workforce, language barriers (given the high prevalence of migrant labour) and informal recruitment practices. These risk factors are also prevalent in the cleaning industry.

The materials used in the construction works undertaken at our sites, such as steel, copper, aluminium and cement may originate from countries where there are heightened risks of modern slavery. Manufacturing is also a sector with increased modern slavery risks, particularly in countries with a higher vulnerability to modern slavery and weak rule of law. The risks are exacerbated in factories where there are limited permissions to conduct independent audits.

Many manufacturers, ranging from digital asset hardware suppliers through to corporate merchandise suppliers, may rely on labour in countries with a higher prevalence of modern slavery to produce goods at a lower cost and higher profit margin. Global information, communications and technology (**ICT**) hardware companies have been called out by NGOs for failing to address forced labour risks and impacts in technology supply chains.

KnowTheChain's 2022 ICT Benchmark Report notes: *Globally, as conflict, trade tensions and political instability combine with rising inflation and an imminent cost-of-living crisis, soaring food and energy prices have already caused an additional 71 million people in developing countries to sink into poverty. Against this background, exposure of vulnerable workers to the risk of forced labour is increasing around the world. ICT sector companies with supply chains traversing low*

*income and conflict-affected regions, as well as a history of dependency on vulnerable workers and hardball purchasing practices, are therefore particularly ripe for forced labour risk*.[4]

Many of the goods we procure are also shipped to us, with the global shipping industry also identified as a high risk sector for modern slavery, particularly forced labour.

# 4 Actions taken to assess and address modern slavery risks in our business, operations and supply chain

This Section 4 sets out the steps we have taken during the Reporting Period to help prevent and reduce the risk of modern slavery in our business, operations and supply chains. These include:

- seeking written assurances from contractors working on the Childress site that they have policies and procedures in place to check that their employees and subcontracted employees had the correct legal status to work in the USA;
- continued monitoring of any complaints under our *Policies and Procedures Regarding Complaints and Whistle-blowing Protection* that relate to labour and other human rights issues; and
- developing an internal ESG scoping document to further augment our ESG Policy including with respect to human rights and labour matters.

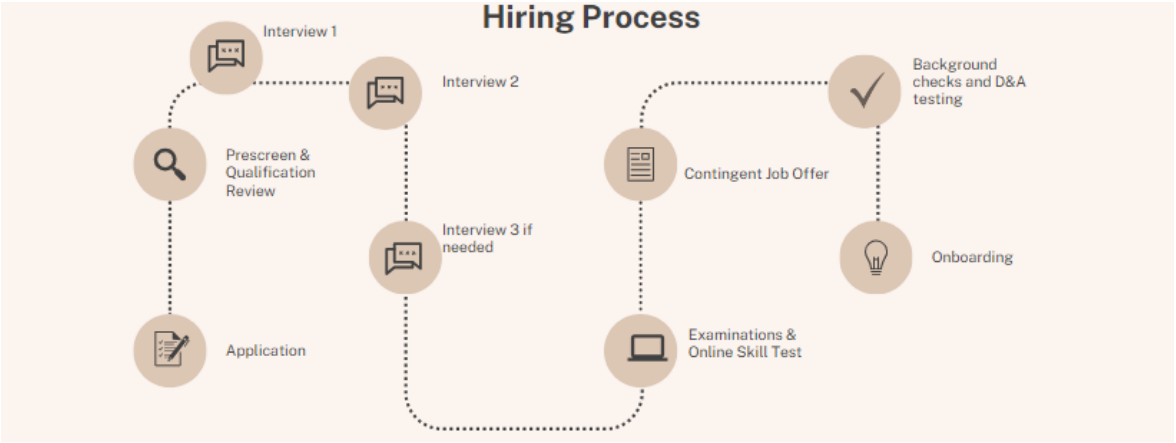
## 4.1 In our business and operations

Our *Code of Business Conduct and Ethics* (**Code**) describes our aim to pursue fair employment practices in our business. This includes a commitment to providing equal opportunity and fair treatment to all individuals based on merit. The Code prohibits harassment, whether physical or verbal, and whether committed by managers, non-management personnel or non-employees.

All our employees are paid in excess of the minimum wage. For employees in the USA and Canada, we perform a compensation analysis annually using internal and external data. During the Reporting Period, we assessed the hourly rates paid to the individuals performing the lowest paid roles in the US so that they are paid in excess of the minimum wage.

Our global recruitment processes require compliance with all applicable labour and employment laws including anti-discrimination and laws related to freedom of association and privacy. Our pre-employment checks include the right of each candidate to work in the jurisdiction in which they are located. Our hiring process is summarised in the diagram below (noting that drug and alcohol testing is only completed in the USA). Please note that the information provided in this Section 4.1 does not apply to IECA1 as it does not have any employees.

[4] https://media.business-humanrights.org/media/documents/KTC_2022_ICT_Benchmark_Report.pdf




We are also committed to the protection of individuals who report suspected wrongdoing. Our *Policies and Procedures Regarding Complaints and Whistle-Blowing Protection* outlines procedures for individuals to report wrongdoing and sets out when a report may qualify for protection under the protection scheme. The policy is applicable in all jurisdictions that we operate in. Employees and other eligible whistleblowers can expect their concerns to be reviewed by us in a confidential and anonymous manner.

We encourage all reports to be made to our Whistleblower Protection Officers. However, reports can also be made to senior manager, internal or external auditors or to an appropriate regulatory authority. Reports can also be made to the Ethics Hotline which is available 24 hours a day and 7 days a week. Furthermore, complaints can be submitted online at https://www.whistleblowerservices.com/IREN.

The policy was referred to in the Code of Business Conduct and Ethics.

There is nothing to report with respect to measures taken during the Reporting Period to (i) remediate any modern slavery (including forced or child labour); or (ii) remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of modern slavery (including forced or child labour) in our activities and supply chains.

We did not provide any formal training to employees on modern slavery during the Reporting Period, however, we plan to develop specific training for employees in relation to modern slavery.

## 4.2 In our supply chain

Our standard supplier terms and conditions provide that suppliers are responsible for complying with all applicable laws. These include laws relating to employment discrimination, hours and conditions of employment, occupational health and safety, wages, immigration, employee benefits, family and medical leave, environmental matters, product safety, corrupt or deceptive practices, commercial bribery, boycotts, antitrust, consumer products, data privacy, and government contracting and subcontracting.

During the Reporting Period, we sought written assurances from contractors working on the Childress site that they have policies and procedures in place to check that their employees and subcontracted employees had the correct legal status to work in the USA.

We are currently finalising our ESG scoping document to further augment IREN's ESG Policy. The aim is to enhance the integration of ESG principles into our core operations, financial frameworks, legal compliance and IT practices through transparency, accountability, and continuous improvement in our environmental stewardship, social responsibility and governance. Within the "S" pillar, this will include human rights and labour practices. During the Reporting Period, our

ESG Policy informed our focus on practical, impact-based outcomes and our commitment to promote ESG expectations within the business.

## 5 Assessing the effectiveness of our actions

We are committed to refining our approach to assessing and addressing modern slavery risks in our operations and supply chains. In our first year of reporting pursuant to the MSA and the Canadian Act, we identified areas for improvement and have engaged subject matter experts to support our efforts. Our approach to assessing effectiveness will involve setting measurable goals and tracking our progress against those goals.

The Audit and Risk Committee of our Board of Directors is responsible for, among its other duties and responsibilities, assisting the Board in overseeing our risk management policies. Moving forward, the executive management team will periodically update the Audit and Risk Committee on our progress.

**Goals for 2024**

(1) Update our Code of Business Conduct to expressly incorporate modern slavery

(2) Ensure that as we enhance our ESG plan, we specifically consider modern slavery risk

(3) Adopt a Supplier Code of Conduct articulating our expectations on modern slavery mitigation in our supply chain

(4) Review our supplier engagement and management processes to embed considerations of modern slavery risk

(5) Review our standard supplier contract terms and conditions and include provisions to specifically address modern slavery risks

(6) Develop specific training for in relation to modern slavery

(7) Review and amended, if needed, our whistleblower protection policy

## 6 Consultation and approval

Employees from multiple business units of IREN and its subsidiaries entities provided input in relation to this statement, such as Commercial, Finance, Operations. People & Culture and Community. Accordingly, IREN and its subsidiaries worked together in the preparation of this Statement. This Statement has been approved by the respective Boards of IREN and IECA1 on 15 May 2024 and signed by the relevant responsible member of the Board.

## 7 Canadian Act Attestation Language

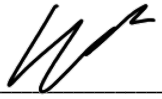
This Statement is the joint report pursuant to subparagraph 11(2)(b) of the Canadian Act of Iris Energy Limited doing business as IREN and IE CA 1 Holdings Ltd. (together, the **Canadian Reporting Entities**), for the financial year ending June 30, 2023.

This statement was approved pursuant to subparagraph 11(4)(b)(ii) of the Canadian Act by the Board of directors of each of Iris Energy Limited and IE CA 1 Holdings Ltd.

In accordance with the requirements of the Canadian Act, I attest that I have reviewed the information contained in this Statement for the Canadian Reporting Entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this statement is true, accurate and complete in all material respects, for the purposes of the Canadian Act, for the reporting year listed above.

I make the above attestation in my capacity as a director of the Board of Iris Energy Limited for and on behalf of the board of Iris Energy Limited.

I have the authority to bind Iris Energy Limited.

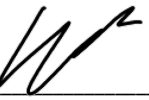


**Iris Energy Limited**
Full name: William Gregory Roberts
Title: Director
Date: 20 May 2024

In accordance with the requirements of the Canadian Act, I attest that I have reviewed the information contained in this Statement for the Canadian Reporting Entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this statement is true, accurate and complete in all material respects, for the purposes of the Canadian Act, for the reporting year listed above.

I make the above attestation in my capacity as a director of the Board of IE CA 1 Holdings Ltd. for and on behalf of the Board of IE CA 1 Holdings Ltd.

I have the authority to bind IE CA 1 Holdings Ltd.



**IE CA 1 Holdings Ltd.**
Full name: William Gregory Roberts
Title: Director
Date: 20 May 2024

## Annexure A – Glossary of Industry Terms and Concepts

Throughout this Statement, we use a number of industry terms and concepts which are defined as follows:

**Bitcoin**: A system of global, decentralized, scarce, digital money as initially introduced in a white paper titled Bitcoin: A Peer-to-Peer Electronic Cash System by Satoshi Nakamoto.

**Digital asset**: Bitcoin and alternative coins, or "altcoins", launched after the success of Bitcoin. This category is designed to serve functions including a medium of exchange, store of value, and/or to power applications.

**Miner**: Individuals or entities who operate a computer or group of computers that compete to mine blocks. Bitcoin Miners who successfully mine blocks are rewarded with new Bitcoin as well as any transaction fees.

**Mining**: The process by which new blocks are created, and thus new transactions are added to the blockchain in the Bitcoin network.

**Mining pools**: Mining pools are platforms for Miners to contribute their hashrate in exchange for digital assets, including Bitcoin, and in some cases regardless of whether the pool effectively mines any block. Miners tend to join pools to increase payout frequency, with pools generally offering daily payouts, and to externalise to the pool the risk of a block taking longer than statistically expected from the network difficulty. Mining pools offers these services in exchange for a fee.

**MW**: Megawatts. 1 MW equals 1,000 kilowatts.

# Annexure B – Mandatory Reporting Criteria

| | **Mandatory criteria** | **Page number(s)** |
|---|---|---|
| a) | Identify the reporting entity | 1 |
| b) | Describe the reporting entity's structure, operations and supply chains. | 1 - 6 |
| c) | Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls. | 6 - 8 |
| d) | Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes. | 8 - 10 |
| e) | Describe how the reporting entity assesses the effectiveness of these actions. | 10 |
| f) | Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the Statement). | 10 |