

CDC DATA CENTRES

Modern Slavery Statement

28 September 2022



DATA CENTRES



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Modern Slavery Statement Financial Year 2021-22

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 its plan to assess and address modern slavery risks in its supply chain. This is the third Statement made under the Act and relates to the Financial Year 1 April 2021 – 31 March 2022.

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 be the critical infrastructure for critical infrastructure, with a vision to be the trusted digital foundation of government and critical infrastructure. CDC’s values are:

- SECURE – we guarantee security, sovereignty and 100% up time
- TRUSTED – we always do the right thing and deliver what we promise
- INNOVATIVE – we drive innovation, sustainability and market trends
- EXCELLENCE – we work collaboratively and safely to deliver differentiated, future-proof, world-class solutions
- RESPONSIVE – we are agile and resourceful in anticipating and exceeding customers’ needs

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

CDC currently operates 11 data centres in Australia – Fyshwick 1 and 2 and Hume 1, 2, 3, 4 and 5 in Canberra and Eastern Creek 1, 2, 3, and 4 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 has two data centres in Auckland, New Zealand, under the local subsidiary ‘CDC Data Centres NZ Limited’ (NZBN: 9429047952928). CDC also develops new data centre facilities. It is currently developing one facility in Melbourne with another to follow soon after. The below graphic indicates the location of CDC’s operational Fyshwick, Hume and Eastern Creek data centres:



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CDC currently employs 172 personnel in the following geographies (including full time, part time and casual staff):

- Australian Capital Territory 115
- New South Wales 44
- Northern Territory 2
- Queensland 3
- South Australia 2
- Victoria 5
- Western Australia 1

Of which:

- 165 are employed full time;
- 3 are employed part time; and
- 4 are employed on a casual basis.

Responsibility

The construction and operation of 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**).

CDC takes very seriously its responsibility to assess and address the risks of modern slavery practices within the supply chain. In doing so, CDC has 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.

CDC promotes an ethically robust supply chain which includes the elimination of modern slavery practices. Presently, CDC does not own or control any other entities other than the NZ subsidiary mentioned above. Should CDC take ownership or control of another entity, the company undertakes to engage to ensure a good understanding of modern slavery risk identification and management, with a level of rigour consistent with CDC’s of Modern Slavery practices and ensure that their approach to mitigating Modern Slavery practices is consistent in its rigour to CDC’s.

Governance and Policies

CDC is governed by its Board of Directors (the **Board**). The Board is nominated by its institutional shareholders (CDC is currently 96% owned by Infratil No.5 Limited, Commonwealth Superannuation Corporation ATF ARIA Investments Trust and The Northern Trust Company as custodian for the Future Fund Board of Guardians) 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. CDC’s institutional shareholders are large organisations and have its own modern slavery obligations. These shareholders bring its own experiences and processes to CDC, which helps form the basis of modern slavery efforts. 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 flat organisational structure consisting of just 166 full time employees, 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 organisation in the most recent reporting period as CDC introduced an 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 to any issues within CDC's supply chain, including in relation to modern slavery. The practicalities of these processes are detailed below.

When engaging Suppliers, CDC employees are required to follow the internal Supplier Engagement Policy which establishes the processes and protocols to be followed when onboarding a new Supplier. This includes considering whether the prospective Supplier's business practices and values align with CDC's modern slavery values as well as the Code. Shared acceptance of ethical business practices and values is a critical component for ensuring that members of the CDC supply chain conduct themselves with integrity, are trustworthy and meet the high expectations of our stakeholders.

CDC's Supplier program will be further strengthened with the investment in a new, fit-for-purpose "Supplier Management Framework" which will ensure greater awareness of, and compliance with, CDC expectations. The goal is for substantial development in this area over the next 6-12 months.

These expectations are presently laid out in the [CDC Supplier Code of Conduct](#) (the **Code**) which is included in Supplier contracts and is available on the CDC website. The Code articulates (amongst other things) CDC's 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 [whistleblowing regime](#) to ensure that any concerns raised by an employee, client or Supplier are heard and appropriate corrective action is taken as required.

Supply Chain Risks

CDC continues to strive to support local business and to engage Suppliers which 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 previous Modern Slavery Statements will continue to amplify as more entities are introduced into the supply chain. Identifying these risks is a necessary precursor addressing them. Supply chain risk factors include:

- The number of Suppliers engaged. There is a risk that nefarious conduct (including modern slavery practices) could occur undetected by management 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 and offshore manufacturing of equipment. While many of the Suppliers CDC engages are Australian owned entities, some 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. This is mostly commonly seen in the construction and maintenance of data centres. Many specialised goods and materials are imported from overseas markets, and it can be difficult to investigate the origins of the materials or the manufacturing process without contractor cooperation. Such cooperation is unlikely assist if the contractor has not undertaken an audit of its supply chain and/or is not under an obligation to do so.

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 funding and financial services, 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, including by being contractual bound to comply with the Code.
- **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 – Supply Chain Monitoring

CDC’s Assurance, Integrity and Risk function has continued to reduce risk by maintaining the following initiatives:

- Full ISO 28001 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.
- Fraud and corruption control plans, including an anonymous whistleblowing process and an internal investigations function.

The team is looking to upgrade CDC’s Supplier risk assessment through the implementation of a dedicated platform which will centralise data on key Suppliers. Existing and prospective Suppliers will continue to be required to disclose information to provide a basis of assessment, as to whether the Supplier is suitable to be engaged by CDC. Once a Supplier provides the disclosure, the information is 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 as low as reasonably practicable. This process allows CDC 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.

CDC has continued its engagement with expert firms (such as Refinitiv and Illion) 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 CDC to gather information on its Suppliers beyond what has been provided directly by the Suppliers themselves.

CDC prides itself on maintaining strong and open relationships with its Suppliers. CDC leverages these relationships to identify and rectify associated risks. 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 improve its approach to supply chain management, consistent and open dialogue is maintained with Suppliers regarding respective 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 Australia-based employees are employed in accordance with Australian employment law and the National Employment Standards, while employees of CDC’s New Zealand operations 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

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holidays and pay. Ensuring these standards are upheld and complied with (both internally and among Suppliers) is a core tenet of CDC's efforts to assess and address potential modern slavery risks.

Program Evaluation

CDC routinely evaluates the effectiveness of its program. Key performance indicators considered in this process include:

- the risk rating assigned to Suppliers during assessment
- all Suppliers reading and agreeing to the terms of the Supplier Code of Conduct
- suggestions and feedback received from Suppliers based on their experience of being onboarded with CDC
- the recommendations of any external auditors who assess the program
- the frequency of identifying red flags within the Supplier base
- any incidents or breaches directly experienced by CDC, its Suppliers or reported to CDC about its Suppliers (with no such incidents or breaches occurring as at the time of writing)
- 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 endeavour to address the risk and take preventive steps against the risk re-occurring.

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 2022.

A handwritten signature in black ink, appearing to read 'Greg Boorer', written in a cursive style.

Greg Boorer

CEO, CDC Data Centres