NEXTDC

# FY24 Modern Slavery Statement

1 July 2023 to 30 June 2024 | NEXTDC Limited | ABN 35 143 582 521

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# About this report

This report has been prepared for our stakeholders, including employees, investors, community groups, government, suppliers, and customers. It is made in accordance with the *Modern Slavery Act 2018* (Cth), for the financial year 1 July 2023 to 30 June 2024 (FY24). This Report covers all our operations unless otherwise stated. All references to our, we, us, the Company and NEXTDC refer to NEXTDC Limited (ABN 35 143 582 521) and its subsidiaries.

This report outlines the steps we have taken in continuing to understand, identify and address modern slavery risks in NEXTDC's operations and supply chain. NEXTDC requires ethical and transparent labour practices and, consistent with these principles, takes a zero-tolerance approach to any form of modern slavery.

The NEXTDC Board approved this statement on 17 December 2024. All inquiries or feedback on this statement should be directed to NEXTDC's Procurement and Compliance team at all.procurement@nextdc.com.

## FY24 annual reporting suite

This **Modern Slavery Statement** explains how we identify, manage, and mitigate the specific risks of modern slavery in our operations and supply chains.

The FY24 **ESG Report** provides an in-depth look at our approach and the performance of our most material sustainability initiatives

The FY24 **Climate and Nature Report** details our alignment to the TCFD and TNFD Frameworks, particularly climate and nature-related risks and opportunities and how we integrate these considerations into decision-making

The FY24 **Annual Report**, which details our, financial performance, included further disclosures on our sustainability-related financial risks, including TCFD

The FY24 **Corporate Governance Statement** provides information about governance at NEXTDC

# A letter from the Chairman and CEO

**At NEXTDC, we are committed to operating our business with the highest ethical standards. As part of this commitment, we are pleased to share our Modern Slavery Statement for the financial year ending 30 June 2024.**

[illegible] ethical business practices is [illegible] our adherence to the United Nations [illegible] Principles on Business and Human Rights. [illegible] to grow and expand our operations, [illegible] to the Asia Pacific region, we recognise [illegible] importance of addressing modern [illegible] our statement outlines the steps we are [illegible] identify and mitigate these risks, including:

- [illegible] **Diligence:** We conduct rigorous due [illegible] on our suppliers and partners to assess [illegible] potential risks.
- [illegible] **Sourcing:** We prioritise ethical sourcing [illegible] and work with suppliers who share our [illegible] to human rights.
- [illegible] **Welfare:** We are committed to providing [illegible] working conditions for all our [illegible]
- [illegible] **cy and Accountability:** We are [illegible] about our practices and hold ourselves [illegible] to our commitments.

[illegible] by taking these steps we can [illegible] more just and equitable world. [illegible] main committed to enhancing our data [illegible] analysis to assess the effectiveness of [illegible] modern slavery efforts. While we have not [illegible] specific instances of modern slavery this year, [illegible] the global prevalence of this issue and [illegible] our vigilance and proactive measures.

Douglas Flynn
[illegible]

Craig Scroggie
CHIEF EXECUTIVE OFFICER

# FY24 highlights

Published our fourth Modern Slavery Statement in December 2023 that disclose risks, actions, and performance metrics.

Modern Slavery workgroup continued to spearhead our efforts and coordinate due diligence activities on modern slavery risk across our operations and supply chains with additional focus on Asis Pacific Region.

Conducted modern slavery risk assessments across suppliers, deep-diving into high-risk tier-one suppliers. This included onsite assessments conducted in some of our high-risk suppliers in Asia utilising our Supplier Audit Tool.

Continued to enhance the due diligence process across potential suppliers throughout Asia in recognition of the increased modern slavery risks in jurisdictions where expansion is ongoing and planned.

Engaged with current and potential suppliers on Modern Slavery expectations, particularly during the Malaysian tender process, where strict adherence to our policy was emphasised. Engaged with stakeholders, including investors and customers, on modern slavery issues.

Continued to deliver mandatory, modern slavery training to all employees to foster awareness, vigilance, and a commitment to ethical human rights and modern slavery management practices.

# About NEXTDC

## Who we are and what we do

NEXTDC is Australia's leading data centre provider, delivering critical power, security, and connectivity for global cloud platform providers, enterprises, and government markets. Our Uptime Institute-certified Tier IV facilities guarantee 100% uptime, while our focus on sustainability ensures world-class operational efficiency.

NEXTDC is a publicly traded Australian company headquartered in Brisbane. With a current network of 16 operational data centres across Australia, we are expanding our footprint domestically and internationally. This includes the upcoming launch of A1 in Adelaide in September 2024, KL1 in Malaysia, and advanced negotiations for two additional edge facilities in Gold Coast (GC1) and Geelong (GE1). We have further plans to establish an additional six data centres across Australia and Asia.

Our edge data centres at PH1 Port Hedland and NE1 Newman opened for business in FY24, and D1 Darwin operational in August 2024. In FY24, we also secured the S6 Sydney facility, a prime location in the heart of the city, a groundbreaking "AI Factory" that will focus on advancing artificial intelligence. More announcements on this will follow.
Further details on the Company's activities, products and services, types of customers, net sales, capital, and quantity of services is available in NEXTDC's FY24 Annual Report, which is locate in our website's Investor section (www.nextdc.com).

## Our corporate values

At NEXTDC, our corporate values are not just words on a page. They are the behaviours we value most in our team. We embrace these values as the attributes by which we recognise, reward, hire, fire and promote our people. Our commitment to our values, ethics, and compliance fosters a culture that, we believe, attracts the highest-calibre employees, and builds and enhances our customer relationships.

Our Board of Directors drives culture and accountability. They ensure our values are reflected in the Company's operations and our day-to-day activities. Our values also underpin our approach to modern slavery and human rights issues, be it in our commitment to the community we work in, our supply chain and partnerships, or our employees. We care about our impact on stakeholders, including colleagues, suppliers, customers, and the community we live in. We are committed to:

- respecting the diverse cultures and heritages of our stakeholders, including local communities
- recognising the rights of indigenous peoples, acknowledging their connections to lands and waters and respecting their culture
- consulting with stakeholders on human rights issues and providing an accessible complaints mechanism to resolve grievances in a timely manner
- respecting that all employees have a right to reasonable work conditions and remuneration
- not use forced, compulsory or child labour in our operation and not tolerate such behaviours in our supply chain
- not tolerate harassment or adverse discrimination of any kind
- require that all personnel receive appropriate human rights and cultural training and guidance; and
- communicate this Policy and our commitment to human rights to all our stakeholders.

**Customer First**

We are obsessed with delivering the world's best customer experience.

**One Team**

We are an elite team working together with super stars playing in every position.

**Bright Ideas**

The best way to predict the future is to create it.

**Pursuit of Excellence**

We are relentless in our pursuit of excellence, not perfection.

**Straight Talk**

We don't talk bull, we have crucial conversations, we disagree and then we commit.

**Frugal Not Cheap**

We spend our money where it matters the most.

# Corporate governance

At NEXTDC, a robust corporate governance framework is critical in supporting modern slavery management. We strengthen our ability to identify, assess, and mitigate modern slavery risks through clear board oversight, executive accountability, and effective risk management processes. Our corporate governance framework includes regular reporting on modern slavery activities, transparent communication with stakeholders, and a commitment to continuous improvement. Our strong governance structure facilitates collaboration between business units, ensuring a coordinated and effective approach to modern slavery management.

NEXTDC engages with many product and service providers, especially concerning the design, build, operation, and maintenance of our facilities. All suppliers are required to comply with the Supplier Code of Conduct (the 'Supplier Code'). That includes complying with our Human Rights Policy and modern slavery requirements. In awarding contracts, NEXTDC prioritises suppliers that demonstrate best practices that are verified as part of the selection process. Following the appointment, NEXTDC's supplier assurance process is in place to verify that the Code is adhered to at all times. This process is further explained below.

NEXTDC takes social responsibility and ethical behavior seriously. We go beyond what's legally required to ensure honesty and openness in everything we do. Our values, outlined in this document, guide our commitment to high standards. Learn more about our approach to good governance in our FY24 Corporate Governance Statement on our website: (www.nextdc.com).

# Our structure, business operations and supply chain

## Where do we operate?

Headquartered in Brisbane, NEXTDC has sixteen live and operational data centres across Australia, located in Brisbane, Melbourne, Sydney, Perth, Canberra, Adelaide, Sunshine Coast. Port Headland, Newman and Darwin. NEXTDC also has operations in Malaysia, Japan, Singapore and New Zealand. We acknowledge that the inherent modern slavery risks vary in each of these countries and have taken this into consideration when developing our framework for addressing these.

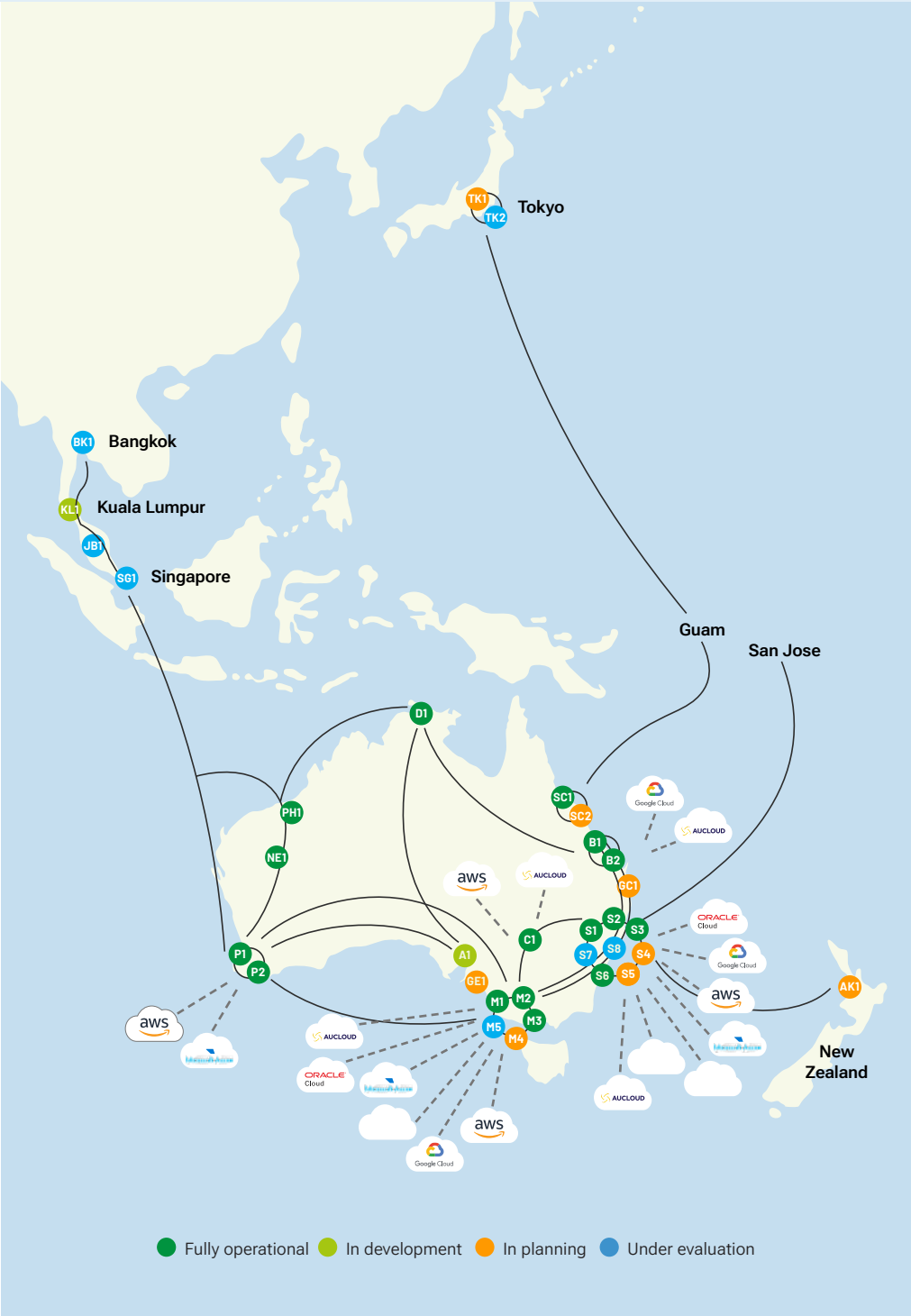
## Our supply chain

The goods and services that we source primarily relate to the development and construction of data centres, the operation and maintenance of our existing sites and a range of corporate enablement services such as the provision of office space, professional services and information technology. Our major categories of spend include:

- Construction
- Critical data centre plant and equipment (i.e., electrical and cooling systems etc)
- Energy and Utilities
- Facility Operations (including maintenance and repairs)
- Real Estate
- Professional Services
- Information Technology and Communications
- Marketing
- Travel and Entertainment

During FY24, more than 98% of the tier one suppliers we transacted with were incorporated in Australia, although some of these goods and services originated from overseas locations. The remaining overseas related procurement included suppliers based in New Zealand, Canada, Germany, France, Malaysia, United Arab Emirates, Ireland, Japan, Netherlands, Singapore, Thailand, the United Kingdom and the United States.

Generally speaking, the majority of the workforce of our main supply chain includes directly employed staff, however, in several circumstances, we have also identified the use of contract labour, low skilled workers and occasional use of migrants for specific projects where existing resource pools are not adequate.




### Grow in providing scalable robust digital infrastructure solutions

We aim to expand our service offerings while ensuring safe, secure, and reliable platforms for our customers to prosper, thereby contributing to the global digital transformation.

### Accelerate our sustainability journey

We prioritise advancing our decarbonisation We prioritise advancing our sustainability journey by focusing on environmental stewardship, social responsibility, and ethical governance. This includes accelerating our decarbonisation efforts through exploring renewable energy enhancements and alternative methods to meet our energy needs; upholding human rights and ethical business practices throughout our operations and supply chain, with a zero-tolerance approach to modern slavery and human trafficking and transparent reporting by aligning with evolving sustainability reporting standards to improve transparency and utility in our disclosures, providing insights into our environmental, social, and governance performance.

### Develop innovative approaches to support our customers' sustainability journey

We prioritise collaborating with customers and suppliers to seize opportunities for reducing emissions, adding social value and positive environmental impacts throughout our value chain.

# Modern slavery framework

NEXTDC's comprehensive framework on Modern Slavery policies and procedures, is outlined below and seeks to promote an active and inquisitive approach to identifying risks and ensuring we do not support transactions involving Modern Slavery in any form. NEXTDC's Procurement Policy sets out how we procure and manage third parties across the business and has been established in accordance with the core principles of our Procurement Framework. Our standard processes now include a risk assessment for new procurement activities and due diligence for new suppliers as required. This has been particularly important as we have expanded our supply chain to support the development of our fourth-generation data centres and our operation in Asia. We have now incorporated these activities into the selection of suppliers and consider this to be a critical element of our tendering process.

- **In FY24 we transacted with 747 suppliers (including government agencies) a total of $999 million.**
- **98% of our spend was with suppliers who are incorporated and located in Australia.**
- **91% of our annual spend in FY24 was consolidated amongst top 50 first tier suppliers.**
- **83% of our active supplier base in FY24 were located within Australia.**

# Relevant policies

We operate the following policies that describe our approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in our operations. Each of these policies is reviewed annually and endorsed by the Board as appropriate.

All the policies are available on NEXTDC's website, at www.nextdc.com.

## Employee Code of Conduct

NEXTDC Board endorsed Codes of Conduct (the Codes), governance framework, and supporting policies and procedures are available in the Corporate Governance section of our website (www.nextdc.com). NEXTDC's commitment to using ethical labour and eliminating modern slavery in our operations and supply chain is articulated in these documents. NEXTDC will not knowingly permit any human slavery or similar abuse to enter NEXTDC's operations or supply chain. Suppliers that are found to be in breach of these principles will not be tolerated.

## Human Rights Policy

NEXTDC's Human Rights Policy applies to all NEXTDC employees, its contractors, and suppliers. This includes personnel present on NEXTDC work sites, using its facilities, or dealing with its employees or contractors. The Policy has been developed in a manner that is consistent with the United Nations' Guiding Principles on Business and Human Rights. It encapsulates the principle that NEXTDC will not tolerate slavery, forced, compulsory or child labour in our supply chain or business operations and confirms its commitment to maintaining a due diligence program to prevent, identify, mitigate and eliminate any breaches in this regard. We are also committed to ensuring that our supply chain participants uphold these principles, and we encourage them to adopt similar policies within their own businesses. Our Human Rights Policy is overseen by NEXTDC's Board of Directors, including the Chief Executive Officer.

## Supplier Code of Conduct

The NEXTDC Supplier Code of Conduct sets out the behaviours and practices we expect from our suppliers. This includes our expectation that our suppliers will operate in a responsible manner on social, environmental, and ethical issues and comply with all applicable laws and regulations, including labour and child labour laws. Our view is that these expectations should also apply to their own supply chain and sub-contractors. The Supplier Code of Conduct reserves NEXTDC the right to audit suppliers and their operations. If a supplier fails to act consistently with the Supplier Code of Conduct or specific contractual obligations, this may result in remedial action or termination of their contract. At a minimum, we review our Supplier Code of Conduct annually to maintain its relevance and ensure it appropriately captures any human rights values that we hold. We have also taken the opportunity to regularly discuss this with suppliers with a particular focus on human rights to ensure that this message is received and understood by our broader supply chain.

## Whistleblower Policy

NEXTDC's Whistleblowers Policy enables employees, contractors, and suppliers to anonymously report suspected misconduct. The Policy and associated procedures have been designed to make it easy for employees to make disclosures without fear of retaliation. This includes matters relating to modern slavery, our labour practices, and human rights. NEXTDC is committed to promoting a culture of corporate compliance and ethical behaviour to create an environment in which employees or contractors, who have genuine suspicions about improper conduct, feel safe to report without fear of reprisal. The Head of People and Culture acts as the Whistleblower Protection Officer to ensure that reporters are not personally disadvantaged as a consequence of making a report. The Board's Audit and Risk Management Committee (ARMC) Chair is an independent escalation/reporting point to whom a report can also be made if other avenues are not possible or preferred. Reports can be lodged via a dedicated email (whistleblower@nextdc.com), of which the ARMC Chair is the only recipient. The Board is informed of any material incidents reported under the Policy, which includes matters related to human rights and modern slavery. All allegations received are reviewed and appropriately investigated as per the policy. Corrective or disciplinary actions are taken immediately, where required, including identifying improvements or learning opportunities.

# Modern slavery risks

## Our risk management framework

NEXTDC recognises that risk is an ever-present factor in its operations. Effectively identifying and managing these risks, alongside potential opportunities, is crucial for the company's success and growth. NEXTDC adheres to a risk management framework rigorously reviewed and approved by the Board annually. This framework aligns with the ISO31000 standard and operates within the Board-defined risk appetite. For more details on NEXTDC's risk management approach and implementation, please refer to the Risk Management Policy, FY24 Environmental, Social and Governance Report, and FY24 Corporate Governance Statement, all located under the Corporate Governance section of our website (www.nextdc.com).

## Identification and assessment of modern slavery risks in the supply chain

Our primary human rights risk lies within the supply chain for our data centre construction and operations. While we prioritise direct suppliers, we acknowledge the vulnerability of our indirect supply chain. To mitigate this risk, we actively engage with direct suppliers, scrutinise their management systems, and strive for increased visibility into the origin of goods and services before they reach NEXTDC.

Throughout FY24, we maintained a focus on high-risk suppliers, conducting thorough due diligence to identify potential risks and opportunities for improvement. We remain committed to staying informed about modern slavery risks within these relationships and regularly monitoring their evolution. By referencing to resources like The Global Slavery Index, ITUC Global Rights Index, UN publications, government advice, and media reports, we consider factors such as geography, industry sector, and operational considerations. We recognise the iterative nature of this process and continuously refine our approach based on ongoing learning and supplier relationships.

## Identifying geographic risk

Whilst the majority of our first-tier suppliers are based in Australia, we recognise that supply chains are complex and often involve a number of indirect inputs. With expansion activity underway in Malaysia and more generally in Asia, NEXTDC acknowledges the increased risks associated with human rights and the supply chain.

This is particularly a concern in the construction industry, which is a major employer of migrant workers, and there have been reports of forced labour and passport confiscation in this sector. This is particularly relevant in jurisdictions where knowledge of modern slavery is limited and where regulation and enforcement are lacking. In these circumstances, NEXTDC is employing a higher standard and taking active steps to identify and eliminate these risks. This includes working with several tier-one suppliers, such as construction service providers to understand how these risks are being identified and mitigated across the broader supply chain in tier two and three layers. These are being included at the selection and contract negotiation stage.

The process for supplier selection in Malaysia has involved physical interviews and site visits to specifically discuss modern slavery risks. As part of the tendering process, contractors and suppliers are required to formally acknowledge NEXTDC's human rights policy and supplier code of conduct and provide specific details on their own process prior to moving to the next stage. Furthermore, NEXTDC intends to conduct regular assurance activities on these suppliers and contractors post the selection phase to ensure continued adherence to the expectations of the company.

We have focused on our high-risk suppliers to not only understand where their own businesses are located but also where they are sourcing their goods and services from. The countries that are most relevant to our business include Australia, New Zealand, Germany, Italy, Switzerland, China, United Arab Emirates, United Kingdom, Turkey, Malaysia, South Korea, and Philippines, where a large proportion of the goods and services we procure originates from. We are committed to working with the key suppliers with whom we have the largest influence due to the spend profile. We recognise the importance of our suppliers implementing appropriate controls, processes, and policies to mitigate modern slavery risks in countries where modern slavery is more prevalent. We continue to monitor and manage this as part of our supplier due diligence process and hold them accountable for complying with NEXTDC's Supplier Code of Conduct.

# Risks by categories and sector

### Data centre parts and consumables

Goods may be manufactured and sourced from countries with elevated risks of Modern Slavery.

### Construction

Multi-tiered supply chain layers which can involve labour from countries that are poorly regulated particularly in relation to raw materials.

Use of low skilled low paid construction workers in the design and construction of new data centres and the upgrading of existing data centres.

### Computing and electronic equipment

Typically manufactured from countries that are considered higher risk for Modern Slavery due to poor regulation and limited protections for workers. Such items may include computers, mobile phones, and audio-visual equipment.

### Professional services

Services may be provided by companies engaging in long-term subcontracting and the use of labour sourced from overseas locations, where Modern Slavery is prevalent due to poor regulation.

### Critical plant equipment

Manufacturing of subcomponents for the directly procured equipment (via tier 2 and 3 suppliers) may be sourced from locations with elevated risks of Modern Slavery.

### Facility maintenance

Modern Slavery risks exist with particular categories such as cleaning, where workers are typically low-skilled, low-paid and belong to a transient workforce that is sometimes subjected to inappropriate labour hire and subcontracting practices.

# Due diligence

Our Procurement team conducts a range of supplier due diligence assessments at various stages of our sourcing and procurement process. NEXTDC's due diligence and remediation activities are performed in line with the United Nations Guiding Principles. We are focused on identifying, assessing, preventing, and mitigating human rights risks with a priority on our highest-risk direct suppliers on a periodic basis.

## Prevention and mitigation

We employ an interactive process to assess human risks in our supply chain for both new and existing suppliers. This ensures that our approach remains relevant and identifies changes where we may directly or indirectly cause or contribute to instances of Modern Slavery. We remain committed to expanding our knowledge and transparency of those risks and taking appropriate action to eliminate these, including targeting those suppliers that are of most concern.

## Supplier Onboarding

Our supplier vetting process includes a risk assessment as a key criterion in the vendor approval process. Where appropriate, potential suppliers must provide additional information to address our concerns on human rights and modern slavery risk. This includes the completion of an assessment to articulate how those risks are mitigated and managed by their organisation. In addition, all suppliers are required to acknowledge NEXTDC's Supplier Code of Conduct, which outlines our commitments in this area and our expectations of their conduct in maintaining human rights standards, including the elimination of child, bonded, forced, or involuntary labour in accordance with international and domestic best practice. Where a potential supplier is not able to demonstrate their compliance with these requirements, they will not be permitted to conduct trade with us.

## Renewing Supplier Agreements

Where a supplier is seeking to renew their contract, NEXTDC's Procurement team will review and determine whether further assessments on Modern Slavery compliance are required before new agreements are finalised. This is a step that has been introduced to provide a safety net for long-standing suppliers and to ensure our and our suppliers' human rights compliance posture is foremost in the relationship.

## Desktop Supplier Assessments

NEXTDC continued its annual supplier desktop assessment to identify and manage modern slavery risks throughout FY24. The assessment focussed on our first-tier, high-risk suppliers and where appropriate sought information on second-tier suppliers. This assessment process is designed to provide NEXTDC with further insights into our supply chain by reviewing industry-specific data, supplier policies, processes, and the control framework in place to manage modern slavery.

In FY24, we conducted a total of 35 supplier assessments, and 10 of those were considered high-risk suppliers when considering the scope and the geographical locations. Whilst no instances of modern slavery were identified, we are continuing to closely monitor four potentially high-risk suppliers . We have continued to see an increased number of suppliers who have developed systems to mitigate modern slavery and human rights risks when compared with previous years, however significant Where it is evident that a supplier is not demonstrating progress in this respect, NEXTDC proactively supports and educates these vendors to improve their systems and processes. The additional layers support the approach taken by NEXTDC and signify a shared commitment to permanently eradicating modern slavery in the broader supplier chain.

## Physical Supplier Assessments

Throughout the procurement and sourcing process, NEXTDC is often required to visit suppliers' premises for a variety of reasons. This includes factory acceptance testing of key equipment or components at both their Australian and international locations. Where it is appropriate, we have committed to a process under which a modern slavery assessment is undertaken as part of supplier visits.

During FY24, the Procurement team conducted several in-person visits, including for assessing potential suppliers within the Asian region. We believe that this is an essential part of the due diligence process, particularly where modern slavery risks are considered higher than in other jurisdictions. These efforts will continue in FY25 as the business continues its expansion activities both in Australia and across the Asia Pacific area.

## Supplier contracts

Demonstrating our clear commitment to eliminating human rights risks in our supply chain is also evident in our contracting process. In FY24, a large majority of supplier agreements include positive obligations on modern slavery and transparency in supply chains. The modern slavery provisions also require suppliers to notify NEXTDC if they become aware of an instance of modern slavery in their supply chain and provide information to NEXTDC to allow it to conduct its own assessment in relation to the suppliers response and ongoing suitability to trade with the company.

In keeping with NEXTDC's approach to modern slavery, a breach of these modern slavery provisions may result in us terminating the contractual arrangement. We are continuing to incorporate modern slavery provisions into our ongoing contracts where relevant and we continue to ensure that our employees understand the importance of this control in our contracting process. It is important that new suppliers understand and appreciate these expectations and where appropriate we are also discussing this before entering into new contracts. To further enhance awareness and knowledge of modern slavery, we also take the opportunity to consult with our suppliers at regular cadence sessions.

## Training and awareness

NEXTDC continues to raise awareness of modern slavery in its organisation by educating our employees and providing a variety of awareness sessions. We are committed to continuing to build our teams' knowledge and capabilities in this regard. We regard our employees as the key mechanism in identifying and addressing the risks of modern slavery. Our training program aims to equip them with the knowledge, tools, and skills to understand and describe modern slavery, how to identify it and how to report suspected incidents.

Importantly, we have seen a significant improvement in the number of staff who have completed modern slavery awareness training. During FY24, 99.2% of NEXTDC staff had completed one or more of these training sessions. .In FY25, we will be launching a pilot program of personalised, on-site training sessions for our Malaysian contractors and project team members. This initiative will prioritise ethical business practices, including modern slavery and human rights. We strongly believe that in-person training is crucial for fostering a deeper understanding of cultural nuances, enhancing cross-cultural communication, and building strong working relationships, especially for the foreign workers onsite. The training will be tailored to the specific needs and skill levels of each participant.

## Audit

In FY23, we worked with our external assurance provider to develop an internal audit program for supplier audits. We remain committed to completing these in-person audits to identify supplier risks, including those related to modern slavery and human rights. Besides assessing compliance with our Supplier Code of Conduct and human rights program, we require our suppliers to disclose policies relating to ethics, compliance with the law, labour rights, and working conditions. These audits complement the desktop assessment process and will provide further assurance on modern slavery risks for our tier-1 suppliers. In FY25, we will continue to audit our tier-1 and tier 2 suppliers and contractors based on the relevant risk profiles.

During one of these audits, we identified a potential risk of contractors being rostered for prolonged hours without adequate rest periods. While this did not constitute a modern slavery risk, it highlighted the effectiveness of our due diligence process in identifying and addressing potential third-party risks. To mitigate this specific risk, we contacted the supplier to clarify their scheduling practices and ensure compliance with local labour laws and industry standards. The supplier confirmed that this was an isolated incident and provided assurance on measures to prevent such occurrences in the future. We will continue to monitor supplier compliance to ensure that these and other potential risks are effectively managed.

In FY24, NEXTDC was once again assessed by ISS Corporate Solutions for our human rights practices. We received the highest possible score of one, which indicates a higher quality governance practice and low governance risk.

## Remediation

NEXTDC is committed to remediating any identified instances of human rights and modern slavery abuses in our operations and supply chain. We have provided a number of mechanisms for employees, contractors, and third parties to raise grievances, including raising any actual or suspected breaches. Policies and procedures such as our Grievance Handling Procedure, our Equal Opportunity Policy, and a variety of policies covering discrimination, harassment, workplace bullying issues as well as our Whistleblower Policy provide a framework within which our teams can raise concerns and grievances and ensure they are managed fairly and impartially. We also encourage team members to talk with the modern slavery committee members, their leaders, or People and Culture representatives about any actual or suspected breaches in a confidential manner.

Where non-conformances or risks of modern slavery are identified, NEXTDC will partner with the supplier to formulate and execute a corrective action plan and agree on a timeline for its implementation.

**No modern slavery related complaints were received or actioned in FY24.**

## Assessing effectiveness

NEXTDC's modern slavery framework represents an ongoing journey we will continue to mature in keeping pace with our growth while staying aligned with the UNGP. We will continue to build on the foundation we have established to evolve and assess our effectiveness in identifying and managing modern slavery risks within our operations and supply chain. Our modern slavery committee, which was established in 2018, will continue to drive these initiatives by:

Investigating complaints and grievances and reports of issues received through our mechanisms such as the Whistleblower Policy:

- Annual reporting on human rights and modern slavery related matters to the Executive Management and the Audit and Risk Management Committee (ARMC) of the Board
- Supplier audits and other assurance activities
- Incorporating procurement and human rights risks into the scope of our internal audit program
- On-going assessments of compliance against our Supplier Code of Conduct
- Continuous improvement initiatives
- Regular engagements and collaboration with the suppliers of goods and services
- On-going training and awareness sessions for internal and external stakeholders

## Consultation

NEXTDC's overarching policies, systems and processes have been prepared in collaboration with key functions including our procurement, operations, legal, risk and compliance This collaborative approach ensures that our efforts to eliminate human rights violations and modern slavery risks are comprehensive and effective. Our Chief Executive Officer and Chief Risk Officer, who oversee our overall risk management framework, have reviewed this Statement. It has subsequently been approved by our Board of Directors.

## Looking forward

Over the coming year, NEXTDC will continue to build upon the foundation laid over the past four years to further embed our Human Rights Policy across the business. We remain committed to enhancing our understanding, oversight, and management of modern slavery risks within our operations and supply chains. NEXTDC will continue to strengthen its ability to identify, assess, and address modern slavery risks, including refining our due diligence processes and controls. We will regularly review and update our policies, practices, and procedures to ensure ongoing protection against any mistreatment of individuals involved in our business. Throughout FY25, our modern slavery committee will focus closely on the below:

- We will prioritise training and awareness programs, particularly for suppliers operating in high-risk environments. We are exploring the option of conducting face-to-face training sessions to enhance learning and engagement.Further strengthen our supplier audit and assurance activities, in line with the contractual obligations we have implemented, with a particular focus on Asia.
- Continue the internal assurance programs around our procurement activities by using our modern slavery framework and developing new toolsets to support these processes, including the supply chain audits with a focus on new markets
- Continue engagement with suppliers to raise awareness and improve performance and corrective actions to mitigate risk, including the use of translators and expanded communication methods
- Embed best practice and learning into our approach across Australia and Asia, including incorporating worker voice into the assessment process and collaborative efforts with our suppliers to expand coverage into tier two supply chains
- Internal audit and assurance program to measure the effectiveness of our control framework and ensure compliance with our policies and industry best practices.

# Appendix A: Requirement Index

Table below outlines the sections of this Statement addressing NEXTDC's response to meet the core mandatory content required by the Modern Slavery Act 2018 (Cth).

| No | Reporting criteria | Page |
|---|---|---|
| 1 | Section 16 (a) Identify the reporting entity. | 5 |
| 2 | Section 16 (b) Describe the reporting entities structure, operations and supply chains. | 7 |
| 3 | Section 16 (c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls. | 9 |
| 4 | Section 16 (d) Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address the risks, including due diligence and remediation processes. | 10 |
| 5 | Section 16 (e) Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks. | 11 |
| 6 | Section 16 (f) Describe the process of consultation with:<br>(i) any entities that the reporting entity owns or controls | 11 |
| 7 | (ii) in the case of a reporting entity covered by a statement under section 14—the entity giving the statement. | N/A |
| 8 | Section 16 (g) Include any other information that the reporting entity (or the entity giving the statement) considers relevant. | N/A |

NEXTDC

where the cloud lives™

1 July 2023 to 30 June 2024
NEXTDC Limited
ABN 35 143 582 521

All enquiries or feedback on this statement should be directed to NEXTDC's Procurement and Compliance team at all.procurement@nextdc.com

nextdc.com