



N E X T D C

FY24 Environmental, Social and Governance Report

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

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NEXTDC data centre traditional land custodians guide

NEXTDC acknowledges and pays respect to the past, present and future Traditional Custodians and Elders of this nation and the lands we are on, and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

Head Office

111 Eagle Street, Brisbane City QLD 4000

Yuggera / Turrbal and Jagera peoples

B1 Brisbane

20 Wharf Street, Brisbane City QLD 4000

Yuggera / Turrbal and Jagera peoples

B2 Brisbane

454 St Pauls Terrace, Fortitude Valley QLD 4006

Yuggera / Turrbal and Jagera peoples

C1 Canberra

19 Battye Street, Bruce ACT 2617

Ngunnawal people

M1 Melbourne

826 Lorimer Street, Port Melbourne VIC 3207

Bunurong of East Kulin Nation

M2 Melbourne

75 Sharps Road, Tullamarine VIC 3043

Wurundjeri of East Kulin Nation

M3 Melbourne

25 Indwe Street, West Footscray VIC 3012

Bunurong of East Kulin Nation

P1 Perth

4 Millrose Drive, Malaga WA 6090

Whadjuk Noongar

P2 Perth

11 Newcastle Street, Perth WA 6000

Whadjuk Noongar

S1 Sydney

4 Eden Park Drive, Macquarie Park NSW 2113

Wallumedegal Clan of the Darug nation

S2 Sydney

6-8 Giffnock Avenue, Macquarie Park NSW 2113

Wallumedegal Clan of the Darug nation

S3 Sydney

2 Broadcast Way, Artamon NSW 2064

Gamaragal People of the Darug Nation

S4 Sydney

Horsley Park, NSW 2175

Cabrogal people of the Darug Nation

D1 Darwin

2 Harvey Street, Darwin NT 0800

The Larrakia people

A1 Adelaide

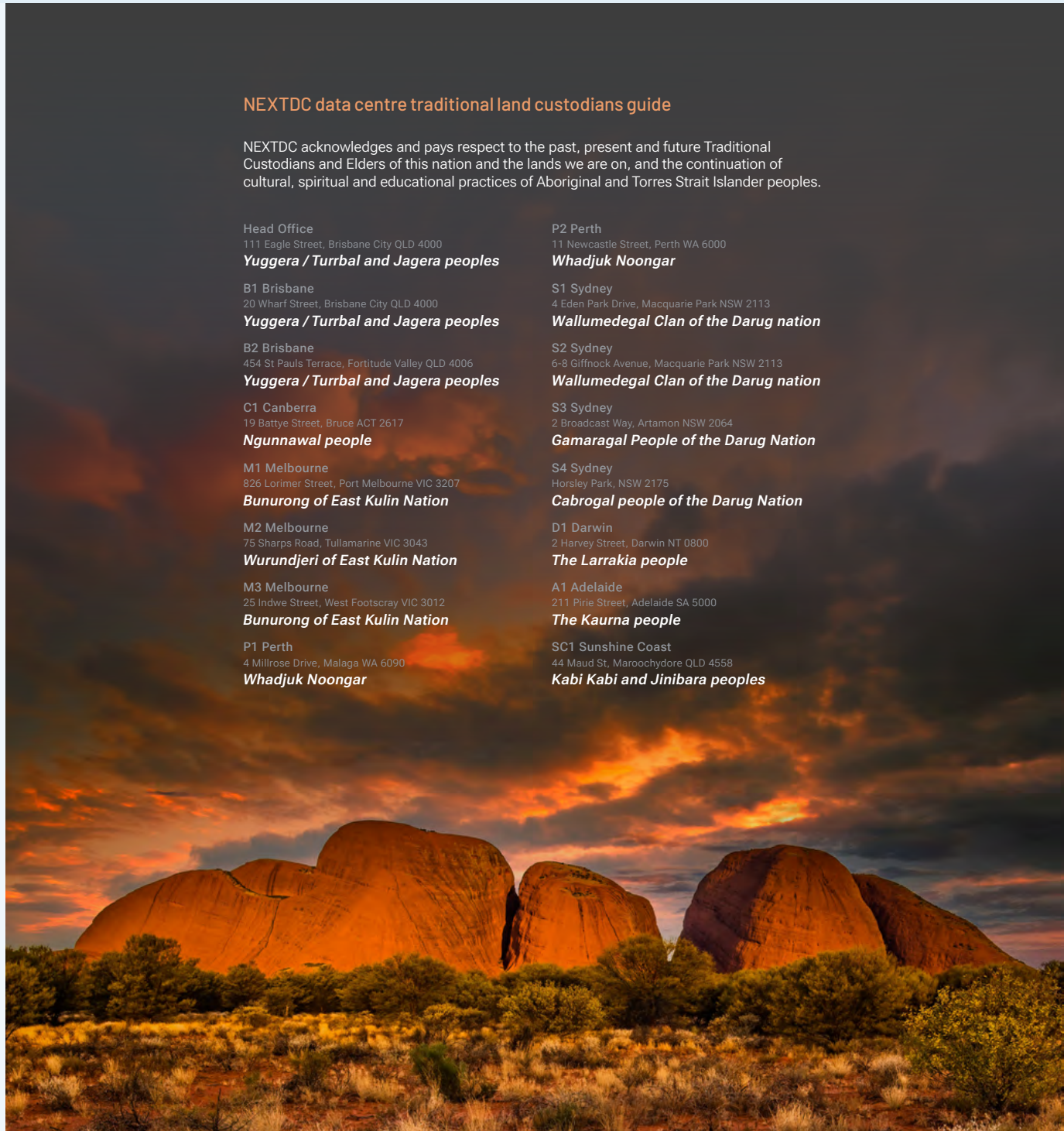
211 Pirie Street, Adelaide SA 5000

The Kaurna people

SC1 Sunshine Coast

44 Maud St, Maroochydore QLD 4558

Kabi Kabi and Jinibara peoples




About this report

This report has been prepared for our stakeholders, including employees, investors, community groups, government, suppliers, and customers. It details NEXTDC's performance against key material sustainability commitments during 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.


FY24 annual reporting suite




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




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



Our **Corporate Governance Statement** provides information about governance at NEXTDC



Our **Modern Slavery Statement** explains how we identify, manage, and mitigate the specific risks of modern slavery in our operations and supply chains. (our next update of which will be issued in December 2024)

Reporting framework

This report has been prepared in accordance with the **Global Reporting Initiative (GRI) Standards 2021**. By using the GRI Standards, NEXTDC ensures that it reports against the environmental and social issues identified as significant to its business and stakeholders. Please consult the GRI Index included in our FY24 Sustainability Data Pack, located in the Corporate Governance section of our website for further detail and quick reference.

FY24 marks a significant milestone as we align our business practices and objectives with the **United Nations Sustainable Development Goals (SDGs)**. By integrating these globally recognised goals into our operations, we demonstrate our commitment to contributing to sustainable development and addressing pressing global environmental challenges.

This year, we've also released our first Climate and Nature Report, detailing our alignment with the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)**. This report builds on previous years' disclosures and continues to provide transparent disclosures on climate-related risks and opportunities.

With the release of the **Taskforce on Nature-related Financial Disclosures (TNFD)** framework in September 2023, the report also includes our initial steps towards the TNFD's recommendations, commencing our assessment of nature-related risks/opportunities, dependencies, and impacts of our operations.

Assurance

No external assurance was sought on the details of this report. To ensure accuracy, the details have undergone a rigorous internal review and verification process. All details within this report have been reviewed and assessed internally and were approved for publication by the NEXTDC Board.

Feedback

We at NEXTDC value your feedback. Please forward any comments on this report or requests for additional information to investorrelations@nextdc.com.

Disclaimer

NEXTDC strives to provide accurate and transparent information based on the best available data and methodologies. However, there are inherent limitations to consider:

- **Metrics:** The ESG metrics used in this report may not be directly comparable to those used by other companies due to variations in methodologies, reporting standards, and industry practices. We align with recognised frameworks where possible, but some metrics may be company-specific to reflect our unique business model and priorities
- **Assumptions:** Certain data points rely on estimations and assumptions. We use industry benchmarks, reputable data sources, and our best judgment to make these estimations as accurate as possible. However, there are some inherent uncertainties associated with some of these
- **Forward-Looking Statements:** This report may contain forward-looking statements about our future ESG goals and initiatives which may be identified by statements containing terms such as 'intend', 'aim', 'ambition', 'aspiration', 'goal', 'target', 'project', 'see', 'anticipate', 'estimate', 'plan', 'objective', 'believe', 'expect', 'commit', 'may', 'should', 'need', 'must', 'will', 'would', 'continue', 'forecast', 'guidance', 'trend', or similar expressions. Users of this report are advised to exercise caution and avoid placing undue reliance on such statements, as these statements are based on our current expectations and beliefs and are subject to change due to various factors, including market conditions, regulatory changes and unforeseen factors or events

As a result, the content provided in this report is intended to be for general informational purposes only and is not intended to serve as the primary document to inform investment, legal or other advice.



Preparing for an evolving reporting landscape

The ESG reporting landscape is rapidly evolving, driven by the International Sustainability Standards Board's (ISSB) aim to provide a comprehensive baseline and international language for sustainability-related considerations and disclosures. The release of first two IFRS[®] Sustainability Disclosure Standards, triggered a global shift with multiple jurisdictions now developing emerging national regulations such as the Australian Sustainability Reporting Standards (ASRS).

Building upon the strong foundation laid with reference to TCFD, we are committed to comprehensive ESG disclosures that meet these evolving requirements. While the ASRS is still under development, we are closely monitoring its progress and will adapt our reporting accordingly.



We remain dedicated to a net zero future by reducing our emissions and enhancing energy efficiency.





A letter from the CEO

As we reflect on the Company's performance in FY24, I am proud to present our annual Environmental, Social, and Governance (ESG) report. This year has been transformative for NEXTDC, and we have made significant progress on our sustainability journey.

Globally, we're seeing significant transformation and growth in our industry. AI's rapid adoption is driving a surge in data centre power needs, increasing the need for our industry to reduce its environmental impact and respond to a changing climate. However, this also presents a compelling opportunity to develop more sustainable data centre solutions. Hyperscale colocation data centres maximise energy efficiency, much like public transportation reduces energy use compared to individual cars - by consolidating disparate infrastructure, they minimise power consumption and lower carbon footprints across the board. By transitioning our business to these models and focusing on zero carbon energy sources, data centres can become key players in achieving a sustainable digital transformation. Our focus on energy efficiency aligns with the ESG goals of our customers and positions us as a leader in the green data centre revolution.

Safety and wellbeing

Safety and well-being, both physical and mental, are at the forefront of everything we do as a business. This is reflected in our safety performance for FY24. We are proud to announce that our data centre operations achieved a zero Lost-Time Injury Frequency Rate (LTIFR) and zero Total Recordable Injury Frequency Rate (TRIFR). Additionally, we continued to see a positive trend in safety on the construction front, with TRIFR decreasing from 9.4 in FY23 to 4.6 in FY24 and LTIFR from 5.9 in FY23 to 0.8 in FY24.

As part of prioritising employee well-being, this year, we launched our inaugural "People at Work" survey to gain a comprehensive understanding of employee well-being and safety. We're pleased with the results, placing us in the "minimal concern" quadrant, being the most positive category. The valuable feedback gained from this, and our bi-annual employee survey is guiding our efforts in creating an even healthier and more productive work environment for all our employees.

Governance and ethical business practice

Elevating our commitment to sustainability, we have appointed both a dedicated Head of Energy and Head of Sustainability in FY24. This move deepens our leadership in energy and propels us forward in delivering on our sustainability goals.

To further strengthen our commitment to ethical business practices, we launched a cross-functional ESG Council in FY24. This internal cross-functional group will leverage their diverse backgrounds to monitor our ESG progress and ensure the successful execution of long-term ESG elements.

Transparency and transformation

This year, we have issued our first independent Climate and Nature Report detailing our alignment to the Taskforce on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD) frameworks, particularly climate and nature-related risks and opportunities and how we integrate these considerations into decision-making. We have continued to align our climate change reporting with the TCFD recommendations while working to bridge the gap between the current program of work and the upcoming mandatory sustainability reporting standards. We're proud to announce our inaugural adoption of the UN Sustainable Development Goals (SDGs), aligning our business strategy with a global framework for positive impact.

Climate action

FY24 presented challenges in balancing our growth with the need to minimise energy usage and carbon emissions. These challenges underscored the necessity

for continuous innovation in energy efficiency and sustainability practices and reinforced our commitment to integrating cutting-edge technologies that reduce our environmental impact. The implementation of advanced cooling systems (like direct-to-chip liquid cooling) in new facilities specifically designed for AI's high-density computing demands is an example of how data centres are continuously innovating in this respect.

We remain dedicated to a net zero future and enhancing energy efficiency. To support a low-carbon economy, NEXTDC is currently finalising its roadmap and net zero energy strategy to ensure an economically viable transition.

We achieved a Power Usage Effectiveness (PUE) score of 1.42 in FY24, demonstrating our ongoing commitment to operational excellence and environmental leadership. To further enhance our efficiency, we are continuously reviewing the quality of our data and methodology, a proactive approach that reinforces our dedication to continuous optimisation.

Our people

We are committed to fostering a truly inclusive workplace. We're proud that our workforce is already 31% women, and we're on track to achieve our ambitious 40:40:20 gender balance goal by 2030. We actively support inclusive hiring and development programs to ensure a diverse pool of talent can thrive in the Company. This commitment extends to our Board, where female representation has reached 38%.

In FY24, we introduced a formal Graduate program, recruiting graduates in Capital Works, Marketing, Engineering & Design, and Network Operations. These graduates will commence working for us in February 2025. We continue to collaborate with tertiary institutions, including a formal partnership with La Trobe University, to build work-ready graduates skilled for the smart economy.

Data protection

Our data centres are fortresses. Enhanced physical and digital security measures safeguard our infrastructure and, most importantly our customers' data. These measures seek to adapt to the evolving security landscape and to maintain a strong security posture that addresses emerging risks and vulnerabilities.

Future vision and goals

Our mission is to embed ESG deeply into our corporate strategy, making sustainability and responsible growth the cornerstones of our business. We aim to set industry benchmarks for environmental stewardship, social responsibility and governance.

This vision includes ongoing investments in research and development to drive sustainability innovation, by

engaging in collaborative efforts between governments, academia and industry to fund research into sustainable data centre technologies, and the development of eco-friendly and sustainable materials for data centre construction and equipment.

We will continue to develop next-generation data centre technologies, emphasising energy efficiency and zero carbon energy. Our facilities will continue to innovate in all aspects of sustainability including cooling, energy-efficient designs, and zero carbon energy.

Our community

We believe a business can best succeed alongside a thriving community. Through our 'Live to Give' initiative, we expanded our partnerships with The Smith Family, UN Women, and SolarBuddy, contributing volunteer hours and donations to positively impact communities and individuals. These partnerships reflect our commitment to sharing our success, supporting the places where we live and operate and making a meaningful difference in the lives of others.

Call to action

Our progress in ESG is a collaborative effort, and we invite all stakeholders – employees, customers, investors, and community partners – to join us in this journey. Your support and engagement are crucial. Together, we can drive meaningful change and build a legacy of innovation, as well as leadership in sustainable digital infrastructure.

A commitment to the future

FY24 has been a remarkable year for NEXTDC. We've achieved tremendous growth while making significant strides in our ESG efforts. The initiatives outlined in this report showcase our dedication to building a sustainable future for our business and the communities we serve.

I'm incredibly proud of our team's accomplishments this year. From expanding our volunteer programs to prioritising responsible supply chains to charting a course towards achieving net zero goals, their commitment to ESG is truly inspiring.

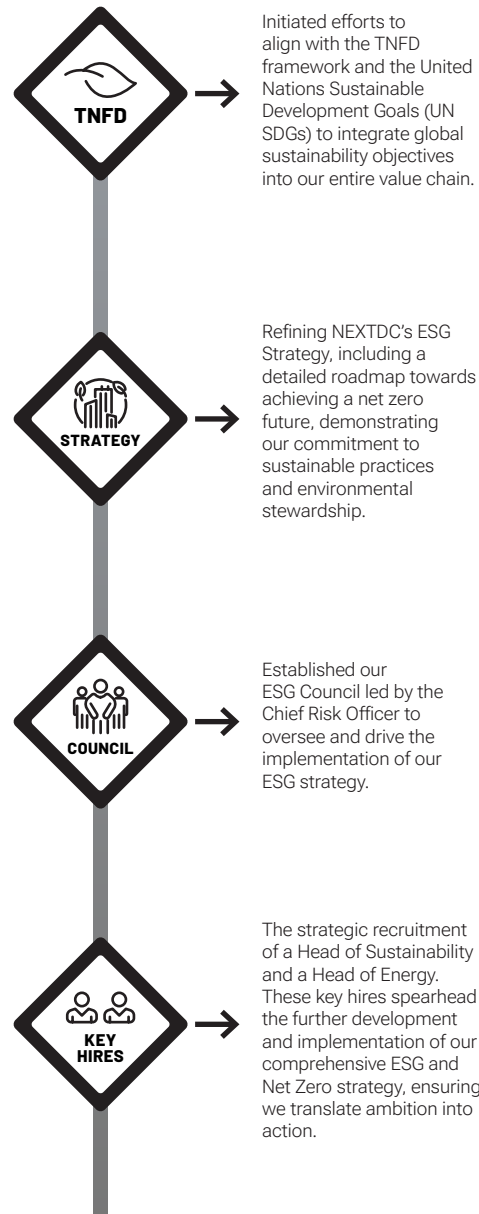
Looking ahead, we understand that maintaining this momentum is crucial. As we continue to scale, we will ensure that sustainability remains a core guiding principle. Thank you for being a part of our journey.

Sincerely,

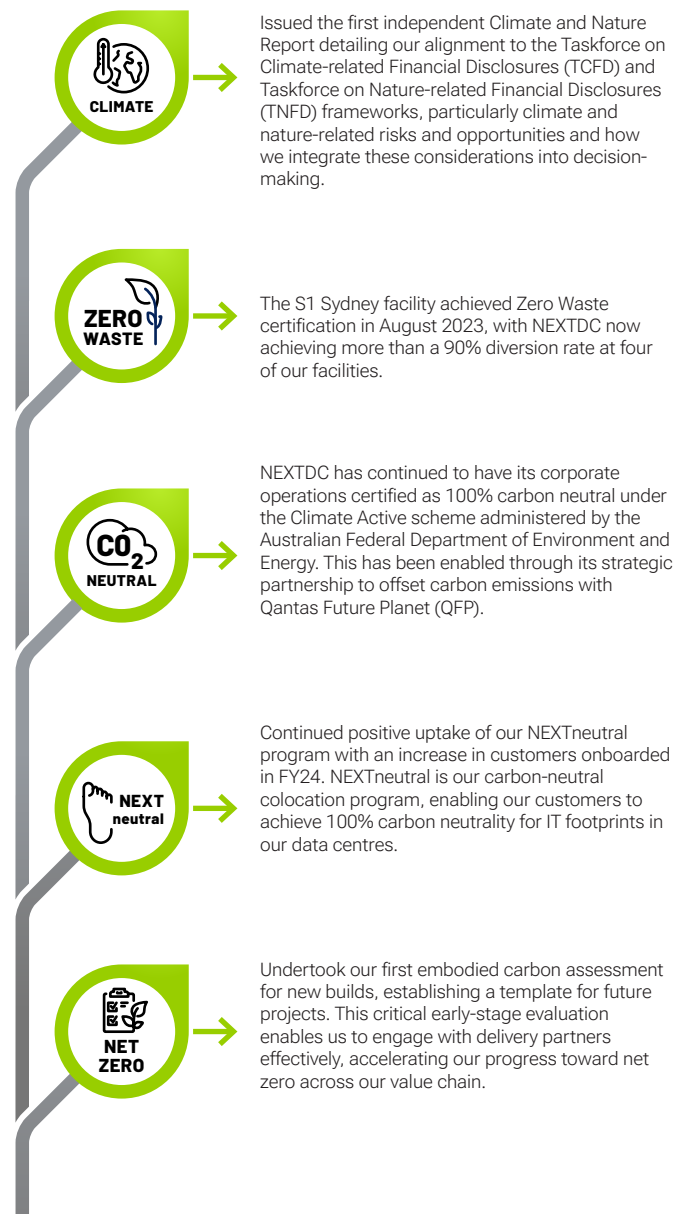
Craig Scroggie
CHIEF EXECUTIVE OFFICER

FY24 sustainability highlights

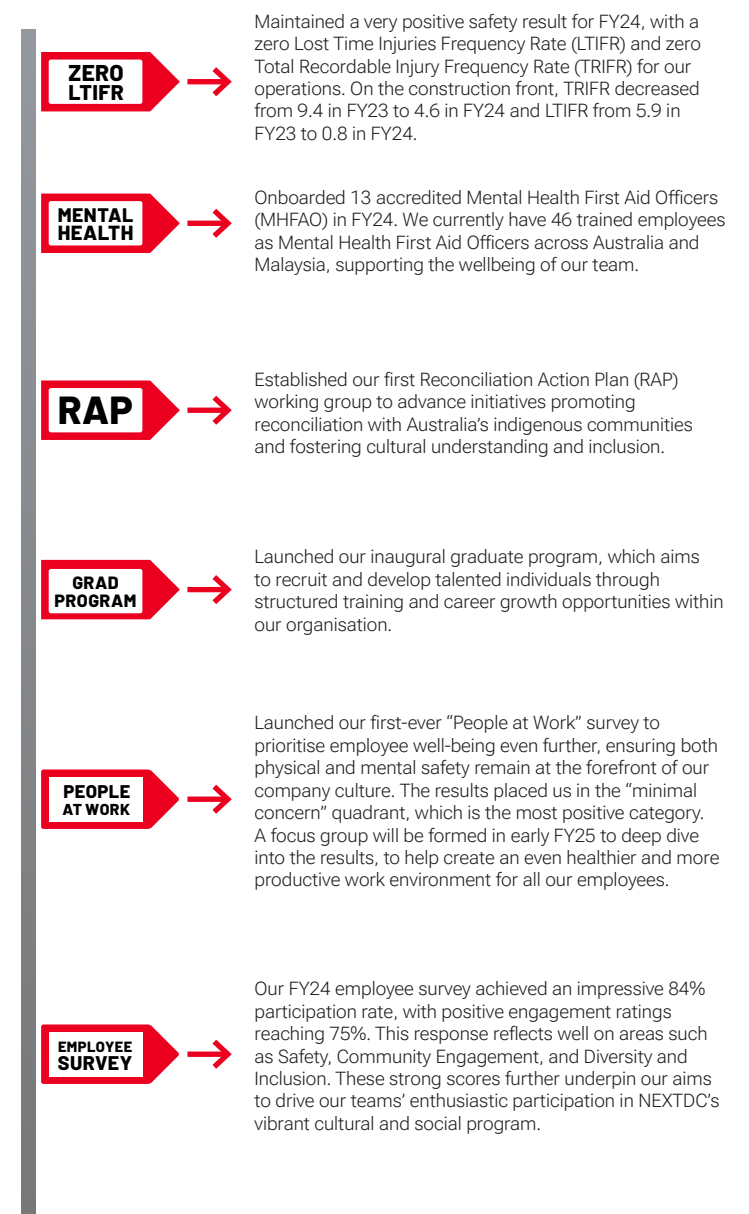
Governance



Environmental



Social



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 centers 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.

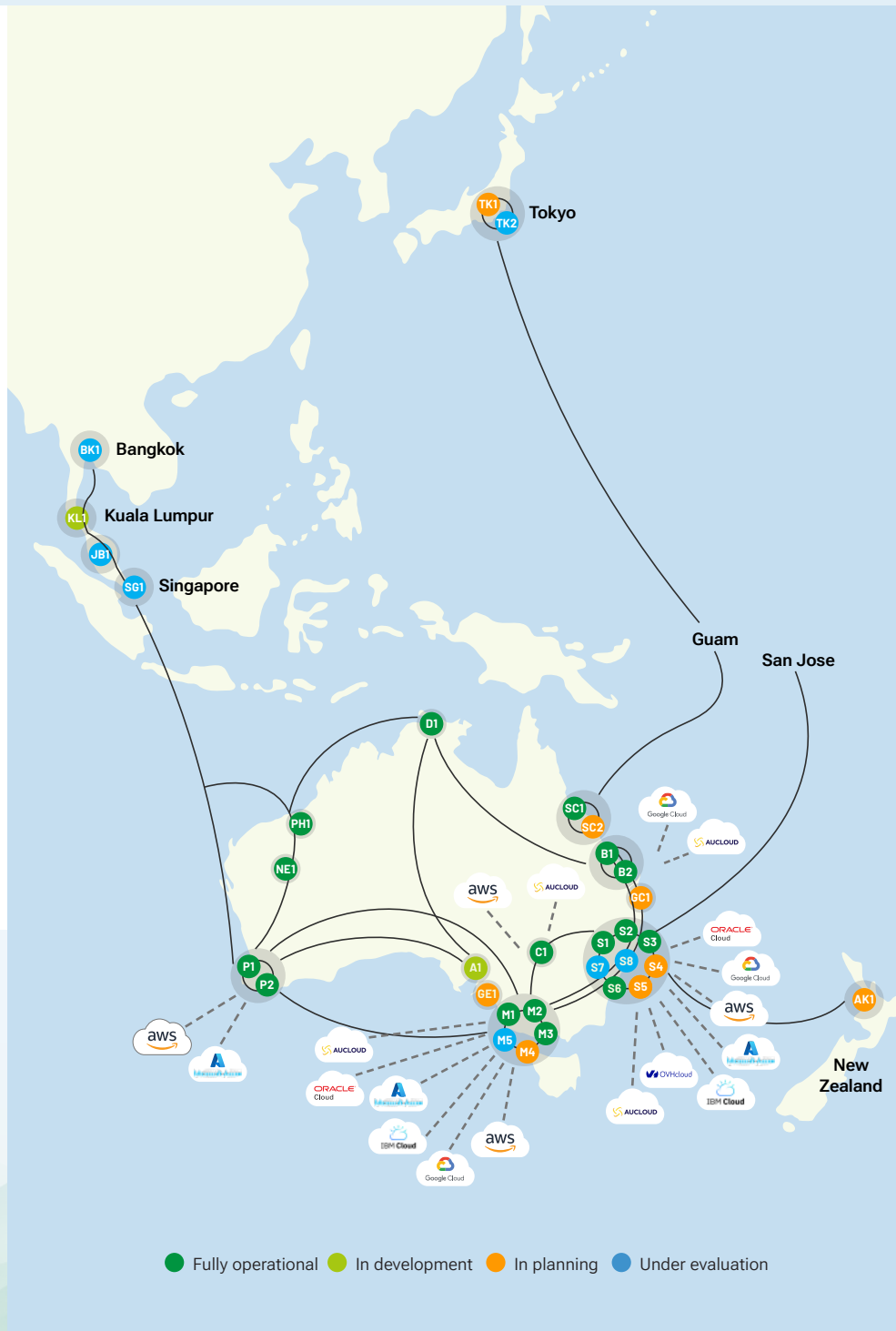
Further details on the Company's activities, products and services, types of customers, net sales, capital, and quantity of services are available in NEXTDC's FY24 Annual Report, which is located in our website's Investor section (www.nextdc.com).

Creating value with Purpose and Vision

Our purpose is to be the leading customer-centric data centre services company, delivering solutions that Power, Secure and Connect enterprise and Government customers.

Our vision is to help enterprises harness the digital age and improve our society through the advancement of technology.

We bring our purpose to life through our **strategy**: to innovate and excel in delivering resilient, safe, sustainable and scalable data centre solutions that empower our business, customers, partners and other stakeholders.



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 efforts through exploring renewable energy enhancements and exploring alternative methods to meet our energy needs. Additionally, we aim to align with the rapidly evolving sustainability reporting standards to improve transparency and utility in our disclosures.



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.

How we deliver value

Value drivers

Our people

Our highly skilled people deliver our strategy and have the greatest impact on every single step of the way – from customers, communities, shareholders and other stakeholders.

Our relationships and social presence

We pride ourselves on building trusted relationships with our stakeholders to enhance our brand and reputation.

Our customers

We offer secure, reliable service along with high performance and connectivity for our customers.

Our commitment to sustainability

- Sustainable design and operation of our data centres
- Continual enhancement of our power and water efficiency
- Prioritising of our decarbonisation journey
- Focusing on sustainable practices, policies and decision making for long-term value

Thought leadership

Our leadership position in the industry through considered investment in digital infrastructure expansion, provision of innovative technology to house a range of IT equipment and supporting the future, such as artificial intelligence.

Revenue growth

Access to capital and investor confidence.

Operational excellence

Providing the highest-quality digital-ready infrastructure that guarantees premium experience, systems that are reliable, secure and straight forward.

Secure and safe digital infrastructure

We create an environment that is physically secure and seeks to mitigate data breaches by a continuous focus on cyber security.

Reliability and resilience

We provide high-quality digital infrastructure that is resilient to the impact of climate change and ensure reliability in service.

Environment

We minimise our impact, improve environmental outcomes (such as power and water efficiency) and champion responsible management of natural resources through optimised design and operation.

Supply chain

We create economic value through payments made through provision of utilities, goods and services whilst also working with our supply chain to ensure sustainable processes are embedded into each stage of procurement and execution.

Our People

We actively engage with our diverse workforce, offering growth opportunities and cultivating a supportive and inclusive workplace culture.

Customers

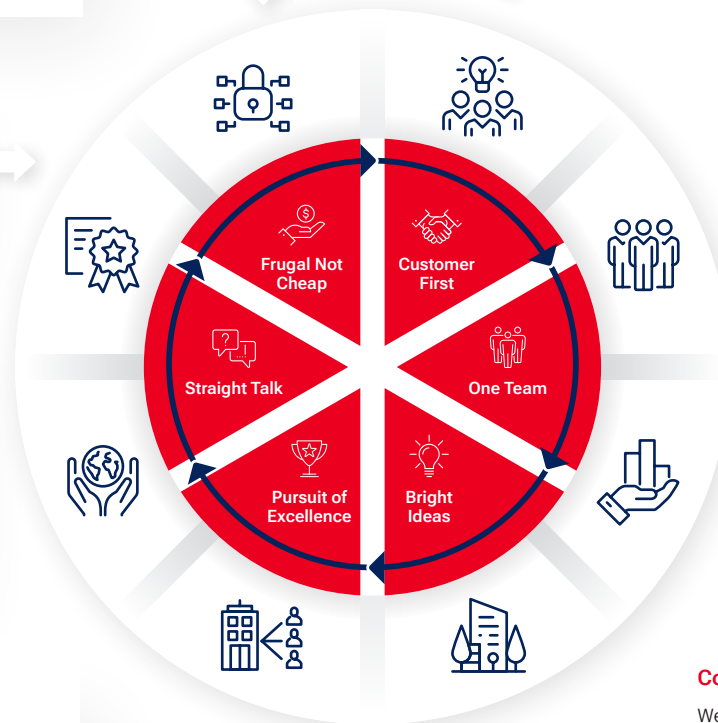
Our customers benefit through long-term sustainable business practices and advanced digital infrastructure solutions.

Shareholders

We are building for solid long-term financial returns and sustainable economic profits, operating transparently for investors to achieve value-creation for the long-term.

Community

We partner and invest in our local communities to ensure a sustainable future by enhancing opportunities for positive economic development, improving digital literacy and health outcomes, supporting nature-positive projects, and boosting productivity.



Our corporate values



Customer First

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



Bright Ideas

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



Straight Talk

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



One Team

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



Pursuit of Excellence

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



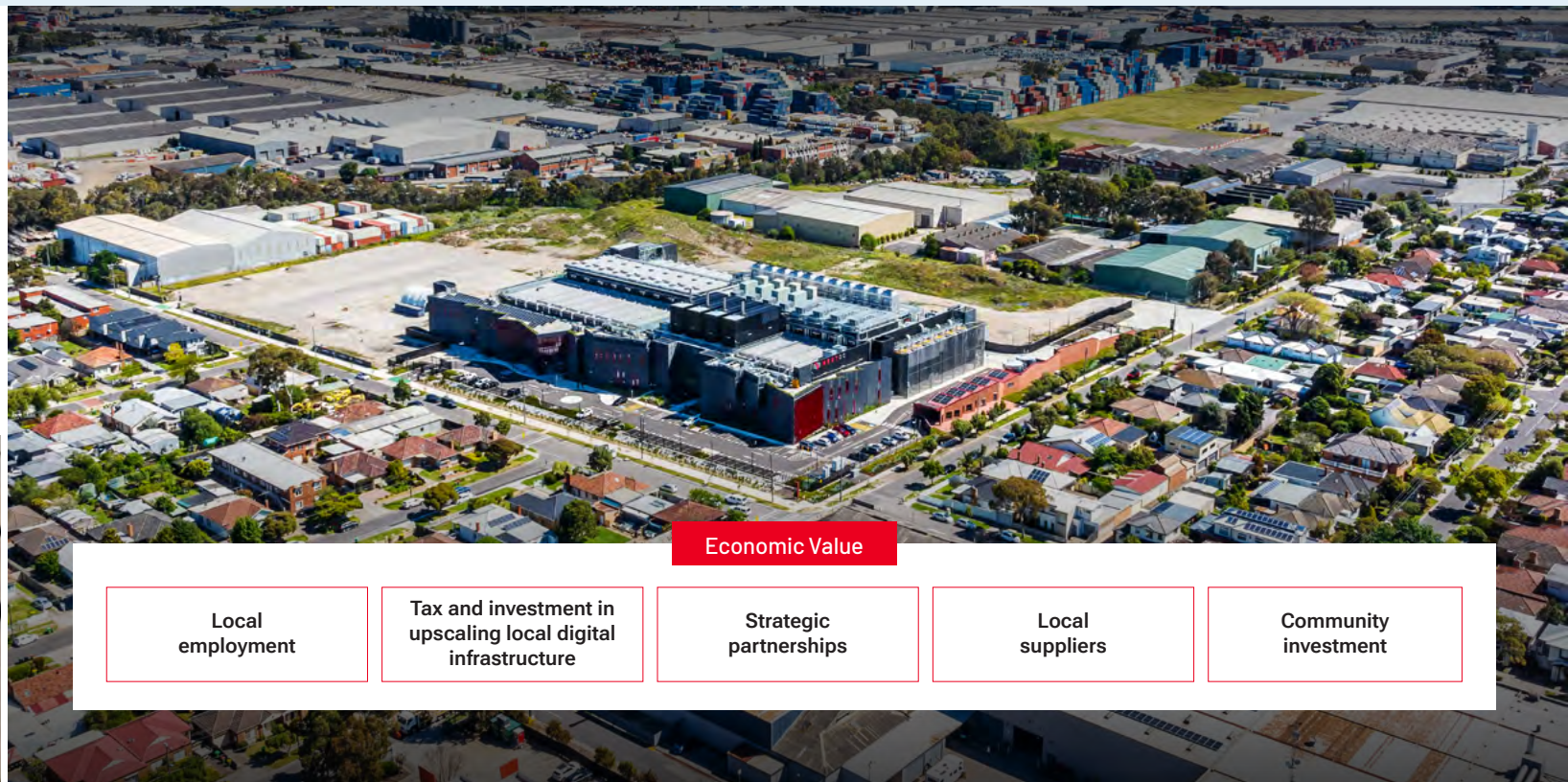
Frugal Not Cheap

We spend our money where it matters the most.

Our value chain

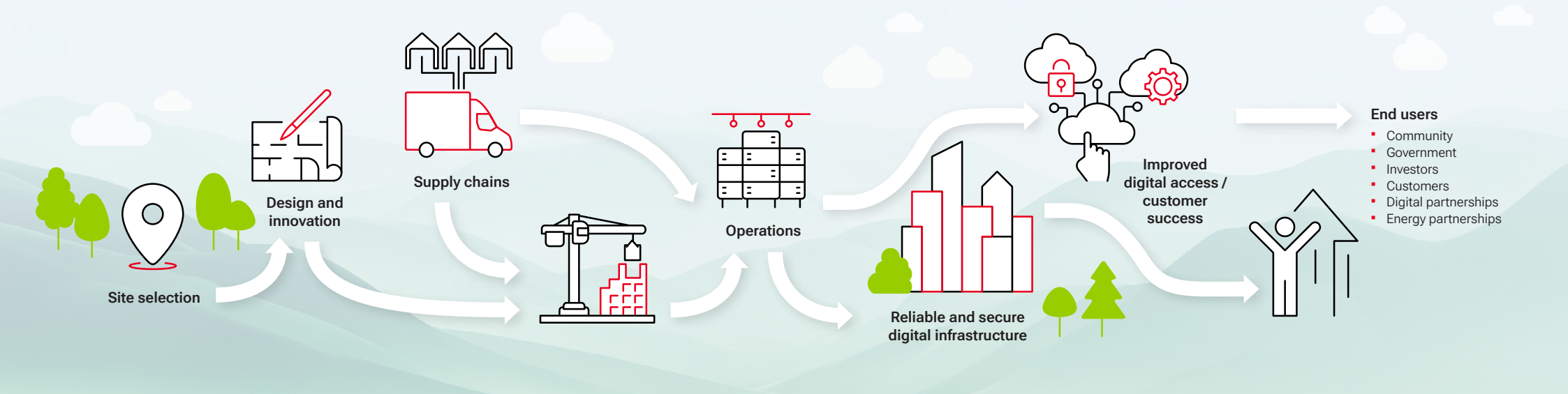
We are building a strong foundation for long-term success, and we want to foster a collaborative environment that drives sustainable value creation for our stakeholders.

We are focussed on creating reliable digital infrastructure, enhancing customer success, and generating significant economic value. We seek to implement strategies that deliver long-term benefits for our stakeholders, ensuring a thriving ecosystem for everyone involved.



Economic Value

- Local employment
- Tax and investment in upscaling local digital infrastructure
- Strategic partnerships
- Local suppliers
- Community investment



Stakeholder engagement

The success of our sustainability strategy hinges on collaborative stakeholder relationships. We engage with these groups as we accelerate toward our ESG Goals. This section provides an overview of our key stakeholders and how we engaged with them during FY24.



Stakeholder

NEXTDC employees

Employees are NEXTDC's number one asset. We provide a comprehensive salary, benefits and training program to develop and retain our talent.

Customers

NEXTDC's core value of Customer First aims to continuously create value for customers and communicate with them to help us understand their needs, build trust, and help achieve mutual growth

Shareholders and investors

NEXTDC strategically uses funds to generate positive investment returns and transparently discloses both operational and financial information.

Government and regulators/ authorities

NEXTDC complies with the laws and regulations applicable to its business and seeks to maintain good relationships with regulators and authorities.

Suppliers and contractors

They are our partners in achieving a profitable and sustainable business. We work together to jointly develop better solutions for customers and the business.

Communities

NEXTDC continues to communicate with stakeholders and residents in local communities about the impact of operations and construction activities.

Industry associations

NEXTDC actively engages with industry associations by fostering collaboration, representing our business, staying abreast of industry trends and best practices

Media

NEXTDC ensures ongoing engagement with media outlets to share insights and updates, enhancing transparency and keeping stakeholders informed about developments, initiatives and progress.

Key interests and concerns

- Safety and well-being
- Environmental and social impacts
- Diversity, Equity and Inclusion
- NEXTDC's growth and target our talent.

- Energy price and trends
- Keeping the workplace safe
- Environmental impacts
- Energy Efficiency
- Financial Performance and
- Net-zero pathway
- Protecting Personally Identifiable Information (PII)

- Financial Performance
- Growth Strategy
- Material financial and non-financial risks and how they are being managed
- Profitability/Dividend Policy
- Net zero pathway

- Keeping the workplace safe
- Environmental impacts
- Complying with regulatory requirements
- Regulatory reform
- Human Right and Modern Slavery
- Gender equality

- Keeping the workplace safe
- Environmental Impacts
- Supply chain efficiencies
- Modern Slavery due diligence

- Impact of constructing new data centres
- Support and care for the community around us
- Encourage participation in social welfare activities among employees

- Our response to emerging market trends, challenges and opportunities in industry
- Innovations in data centre technology and services
- Contributions to best practices
- Thought Leadership

- Our strategic direction, market presence, plans for expansion and new ventures
- Leadership decisions, compliance to relevant legislation and regulations
- Growth and overall financial health

How we engage

- Induction, Policies and procedures, Intranet, Committee meetings,
- Code of Conduct, Training and Awareness sessions, direct engagement, email, Viva Engage (our online collaborative platform)
- Employee Surveys (NEXTPoll and People at Work)

- Site Induction and Facility Rules
- Privacy Policy and Privacy Collection Statements
- Service Advisory Notifications Weekly/Monthly/ Quarterly meetings
- Annual reports

- Annual reports
- AGM
- Roadshows
- Website
- Investor briefings

- Meetings, briefings, presentations, events, working groups, forums, letters, emails, formal submissions (NGERs, WGEA, Modern Slavery Statement etc.), website, participation in industry associations and advocacy bodies
- Annual reports

- Prequalification, tender contract documents
- Site Induction and Facility Rules
- Supplier Code of Conduct
- Website, emails, direct engagement, monthly/ quarterly business reviews, health and safety briefings, checklists and questionnaires, supplier visits

- Project discussions through meetings, onsite inspections, and reports
- Live to Give initiatives; website

- Representation on boards and committees, meetings and working groups

- Media/ASX releases, briefings and interviews, websites, social media channels

Material topics

- Governance, Profitability and Ethical Conduct
- Energy and Climate Change
- Health, Safety and Wellbeing
- Diversity, Equity and Inclusion
- Employee attraction, development, retention
- Social Impact
- Customer Relationship

- Energy and Climate Change
- Health, Safety and Wellbeing
- Privacy Management
- Governance, Profitability and Ethical Conduct
- Sustainable Supply Chain
- Customer Relationship

- Governance, Profitability and Ethical Conduct
- Energy and Climate Change
- Natural Resource Management
- Health, Safety and Wellbeing
- Diversity, Equity and Inclusion
- Social Impact

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- Energy and Climate Change
- Natural Resource Management
- Health, Safety and Wellbeing
- Diversity, Equity and Inclusion
- Social Impact

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- Diversity, Equity and Inclusion
- Employee attraction, development, retention

- Governance, Profitability and Ethical Conduct
- Sustainable Supply Chain
- Customer Relationship
- Energy and Climate Change

- Energy and Climate Change
- Health, Safety and Wellbeing
- Social Impact
- Governance, Profitability and Ethical Conduct

Sustainability initiatives and industry associations

NEXTDC champions sustainability through industry collaboration. We participate in data centre sector associations, seeking to shape climate change and energy policy frameworks. This collaboration allows us to share best practices, gain valuable insights, and contribute to a more sustainable future. We are actively involved in the following industry associations and represent the data centre sector in achieving our business objectives:

- Communications Alliance – Communications Resilience Administration Industry Group
- Communications Alliance – Building Access Operations and Installation
- Communications Sector Group
- Trusted Information Sharing Network for Critical Infrastructure (TISN) member
- Communications Criticality Project
- Climate Active for Carbon neutrality activities
- National Safety Council of Australia
- Department of Foreign Affairs and Trade (DFAT)
- The Australian Trade and Investment Commission (Austrade)
- Malaysia Digital Economy Corporation (MDEC)
- Malaysian Investment Development Authority (MIDA)
- Diversity Council Australia
- Work 180
- Vision 40:40

We continue to review our industry associations and memberships to ensure their participation meets the expectations and needs of our stakeholders, with a particular focus on climate change and energy policy.



Materiality assessment

We strive to ensure that all our stakeholders derive value from the success of our business. To accomplish this, we regularly review our materiality assessment to align our priorities with the expectations of our stakeholders which are constantly evolving. The materiality assessment identified ESG issues and topics that matter most to our stakeholders and have the greatest impact on our business. These insights guide our sustainability priorities, business strategy, and risk management processes.

In FY24, we refined our material topics, incorporating feedback from customers, ESG Council members, and senior executives, particularly in response to emerging global industry trends.



| Material topic | Definition | Relevant GRI Metric | Boundary ¹ | Section |
|--|--|--|--|--|
|  Energy and climate change | Minimising our contribution to the harmful effects of climate change and optimising our energy footprint. This includes reducing our GHG emissions, as well as those of our supply chain and optimising our energy efficiency, as well as those of our customers and supply chain. Improving the resilience of our digital infrastructure and capitalising on climate-related opportunities. | <ul style="list-style-type: none"> Compliance with Laws and regulations, Energy, Emissions | <ul style="list-style-type: none"> External (Communities) | <ul style="list-style-type: none"> Environmental Sustainability and Performance |
|  Natural resource management | Ensuring the efficient use of resources, assessing our nature-related impacts and dependencies, proactive stewardship of water and minimising generated waste | <ul style="list-style-type: none"> Water and Effluents, Waste, Environmental Compliance, Environmental Compliance | <ul style="list-style-type: none"> External (Communities) | <ul style="list-style-type: none"> Environmental Sustainability and Performance |
|  Health, safety and wellbeing | Cultivating a robust and dedicated zero injury culture by effectively managing safety risks and promoting the mental and physical well-being of our people, customers, and partners | <ul style="list-style-type: none"> Occupational Health and Safety, | <ul style="list-style-type: none"> Internal (Employees) | <ul style="list-style-type: none"> Social Sustainability |
|  Diversity, equity and inclusion | Promoting a diverse and inclusive workplace that encourages opportunity and respect, with a focus on gender, cultural, and generational inclusiveness to address and reduce inequalities. | <ul style="list-style-type: none"> Diversity and Equal Opportunity | <ul style="list-style-type: none"> Internal (Employees) | <ul style="list-style-type: none"> Social Sustainability |
|  Employee attraction, development and retention | Attracting and retaining a talented and engaged workforce to become an employer of choice. This involves offering career development opportunities, competitive employee benefits, and channels for engagement and feedback. | <ul style="list-style-type: none"> Employment, Training and Education | <ul style="list-style-type: none"> Internal (Employees) | <ul style="list-style-type: none"> Social Sustainability |
|  Privacy management | Safeguarding information by implementing policies and infrastructure that protect data and minimise disruptions | <ul style="list-style-type: none"> Customer Privacy | <ul style="list-style-type: none"> External (Customers) | <ul style="list-style-type: none"> Governance |
|  Social impact | Championing the success of the communities where we operate by building partnerships that support local development, digital transformation and mitigating negative impacts. | <ul style="list-style-type: none"> Local Communities | <ul style="list-style-type: none"> External (Communities) | <ul style="list-style-type: none"> Social Sustainability |
|  Governance, profitability and ethical conduct | Maintaining a strong governance framework that prioritises ethical standards, personal integrity, and financial sustainability, with a commitment to transparency for all our stakeholders. | <ul style="list-style-type: none"> Economic Performance Governance structure and composition, Anti-corruption | <ul style="list-style-type: none"> Internal (Employees) | <ul style="list-style-type: none"> Governance |
|  Sustainable supply chain | Collaborating with our supply chain to ensure responsible sourcing by integrating ESG criteria into prequalification and supplier agreements. This approach promotes accountability throughout the supply chain and includes prioritising expenditure with social enterprises where possible. | <ul style="list-style-type: none"> Supplier Environmental Assessment, Forced or Compulsory Labour | <ul style="list-style-type: none"> Internal (Employees) External (Suppliers) | <ul style="list-style-type: none"> Social Sustainability Governance |
|  Customer relationship | Staying aligned with customer expectations through engagement and feedback to enhance the value and services we offer to both our customers and their clients | <ul style="list-style-type: none"> Customer Privacy, Customer Health and Safety Emissions | <ul style="list-style-type: none"> External (Customers) | <ul style="list-style-type: none"> Environmental Sustainability and Performance |

1. Internal boundary refers to entities over which NEXTDC has direct control and the people and contractors employed by those entities. External boundary refers to people and entities outside of NEXTDC's direct control.



Contributions to the UN SDGs

Aligning with the UN Sustainable Development Goals

FY24 marks a significant milestone as we align our business practices and objectives with the United Nations Sustainable Development Goals (SDGs). By integrating these globally recognised goals into our operations, we demonstrate our commitment to contributing to sustainable development and addressing pressing global challenges. As a leading provider of digital infrastructure, we are well-positioned to contribute to these goals. We have selected these six (6) key SDGs, where we believe we can make the most significant contributions.

This year's report aligns our material issues and ESG framework with the SDGs, which are reflected in the different sections of this report. While recognising the interconnectedness of all 17 SDGs, we've prioritised those most relevant to our operations. Our overall approach, policies, and objectives strongly support this global initiative.



SDG



Goal 3: Good Health and Well-being

Ensure healthy lives and promote wellbeing for all at all ages

- Health, Safety and Wellbeing
- Employee attraction, development, retention and attrition
- Sustainable Supply Chain



Goal 5: Gender Equality

Achieve gender equality and empower all women and girls

- Employee attraction, development, retention and attrition
- Governance, Profitability and Ethical Conduct
- Social Impact
- Diversity, Equity and Inclusion



Goal 7: Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable and modern energy for all

- Energy and Climate Change
- Customer Relationship
- Sustainable Supply Chain



Goal 9: Industry, Innovation and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

- Governance, Profitability and Ethical Conduct
- Energy and Climate Change
- Natural Resource Management
- Social Impact
- Privacy Management
- Customer Relationship



Goal 12: Responsible Consumption and Production

Ensure sustainable consumption and production patterns

- Natural Resource Management
- Sustainable Supply Chain
- Customer Relationship



Goal 13: Climate Action

Take urgent action to combat climate change and its impacts

- Energy and Climate Change
- Natural Resource Management
- Customer Relationship
- Sustainable Supply Chain

Related material topics

NEXTDC's summary of key initiatives

- Goal of Zero Workplace Injuries
- ISO 45001:2018 certification for our WHS Management Systems
- Conducted People at Work and NXPOLL Survey to gauge current engagement and identify areas for ongoing improvement

- Mental Health First Aid Officer (MHFAO) Training for employees and dedicated MHFAOs
- Hybrid working environment – encouraging flexible working arrangements
- Partnership with Sonder – instant access to employee wellbeing platform

- Ongoing safety performance monitoring and reporting across the business
- Ongoing training for our supply chain and subcontractors

- Goal of 40:40:20 ratio by 2030: meaning 40% men, 40% women, and 20% flexible across our employees, management, and the Board

- In FY24, our Board female representation is 38%, nearing our target of 40% with companywide female representation at 31%
- Strategic inclusive hiring as part of recruitment

- NEXTDC Women Community
- NEXTDC Women Leading Program and Women Rising Program
- Partnership with Work180 which has endorsed NEXTDC as an employer of choice for women

- Energy efficiency is a critical focus area for NEXTDC with PUE being a metric closely monitored.
- FY24 PUE has been 1.40

- Goal of net zero emissions and finalising roadmap for a net zero energy transition

- M1 Melbourne and S1 Sydney have maintained its NABERS 5-Star ratings and P1 its 4.5-Star rating for energy efficiency throughout FY24

- Rapid demand for digital infrastructure through global digital transformation – including AI driven technologies. NEXTDC is responding to customer needs and expanding through to the Asia-Pacific region to work closely with customers and industries

- Investment in local communities to accelerate digital literacy
- Implementation of advanced cooling systems (like direct-to-chip liquid cooling) in new facilities specifically designed for AI

- Respond to specific customer requirements and needs to create tangible sustainable impacts

- Goal of 90% landfill diversion of solid waste from our operations
- S1 Facility achieved the Zero Waste certification in FY24, with NEXTDC now achieving more than a 90% diversion rate at four of our facilities

- Circular approach to prevent waste generation
- Utilising recycled content in our design and selecting suppliers with environmental best practice certifications or Environmental Product Declarations (EPDs) where possible

- Reusing soil during our development activities and remediating contamination to promote landfill diversion
- Work with delivery partners who also have strong landfill diversion targets and actively monitor their performance

- Embodied Carbon Assessments in our new developments to identify priority opportunities to further our progress to a net zero future
- Assessing our dependencies/impacts on the natural environment such as water withdrawal, soil management, air quality, biodiversity, land use

- Optimise our design and operation of data centres so that there is proactive water stewardship and designed to local climate conditions
- Using water-based cooling to optimise energy savings however also exploring ways to reuse and reticulate water and better stormwater management

- Currently reviewing all metrics to inform emissions baseline setting and emissions reduction targets per scope of emissions category



ESG framework

At NEXTDC we believe in responsible business practices. This means making choices that benefit our customers, our employees, and the communities in which we operate. We strive to do the right thing in every interaction, fostering a sustainable and positive impact for our stakeholders.

Our ESG framework guides our decision-making and focus across the value chain. Ultimately, it's about providing our services in a more sustainable way.



How ESG is integrated across NEXTDC

Innovative engineering and design

Our innovative sustainable engineering and design practices are driven by cutting-edge technology and sustainable materials, often establishing industry benchmarks. We also conduct embodied carbon studies to further reduce our footprint.

Operational excellence

We strive for energy efficiency, water conservation, landfill diversion and monitor our progress targets.

Green financing

We seek sustainable finance to ensure responsible investment and long-term growth.

Leadership commitment

The leadership team champions ESG principles, integrating them into the company's strategic goals and decision-making processes.

Capital works

We seek to drive sustainability and WHS best practice by embedding our objectives from planning through to delivery. We collaborate with our delivery partners, to build awareness and the capability of site teams.

Planning due diligence and site finalisation

We prioritise thorough site due diligence as part of our site selection to minimise impact.

People and culture

We foster a diverse, inclusive, and well-being-focused work environment that prioritises ethical behavior and social responsibility.

Contractors and supply chain

We seek to engage contractors that have both a high service standard and an ESG commitment.

Transparency and reporting

We leverage leading ESG frameworks to guide our disclosures, fostering transparency and alignment with best practices.



A resilient and secure digital infrastructure

Our advanced facilities enhance physical and digital security, seeking to protect customer data with robust cybersecurity measures for a continuous, reliable service.

Customer relationships and stakeholder engagements

We collaborate with our customers and other key stakeholders to promote ESG initiatives. We engage with local communities to provide support and build connections.



Environment

Our impact and climate journey

Material topic relevance

- Energy, Climate Change and Environment

Themes and objectives

- Reduce carbon intensity and outline roadmap to our net zero roadmap
- Optimise our PUE and commit to long-term targets and transitioning to renewable energy future
- Engineering and design considering climate change resilience and nature positive and adaptation measures

- Partnerships and efficient design to reduce our consumption of natural resources, manage our impact on the land and remediate any identified sources of pollution
- Enhance water efficiency by deploying comprehensive water strategies at every location and ensuring sustainable water sources for all our facilities
- Reduce our waste, promote landfill diversion and promote recycled content in design



Social

Our people and community

Material topic relevance

- Health, Safety and Wellbeing
- Diversity, Equity and Inclusion
- Employee attraction, development, retention and attrition
- Social Impact
- Sustainable Supply Chain
- Customer Relationships

Themes and objectives

- Zero injury in our workplace and improving our performance constantly
- Promoting a diverse, equitable and inclusive workforce with development opportunities for all
- Strong and effective customer-focused experience, partnering together for sustainable solutions
- Creating value for the communities we operate in through strategised investments and initiatives
- Partnering and supporting our supply chain for sustainable practices



Governance

Our compliance and conduct

Material topic relevance

- Governance and Ethical Conduct
- Privacy Management

Themes and objectives

- Foster sustainability awareness and capability with a long-term transformation strategy, align reporting with top ESG frameworks, transparently share our progress whilst pursue sustainable finance for better enablement
- Clear and effective risk management framework, implementation and controls

- Strong business strategy, financial transparency and compliance and delivering on our policies, standards and procedures
- Conducting ourselves in accordance with our Code of Conduct ethically, transparently and with accountability
- Champion innovation, challenge the status quo and adapt quickly to rapid globally landscape of digital acceleration
- Maintain a robust cyber and physical security presence to ensure ongoing reliability of our critical infrastructure

The NEXTDC ESG Strategy – setting the scene

Our ESG Strategy

At NEXTDC, our business values guide our operations. In the data centres industry, where energy consumption and environmental impact are significant concerns, we are committed to ethical and responsible practices. We strive to minimise our environmental footprint through sustainable initiatives while promoting the well-being of our staff and the communities we serve. We take pride in our progress towards these goals, particularly with the creation of an overarching ESG Framework. Our strategy continues to be refined and will enable us to map our trajectory and track our progress. While our ESG objectives are ambitious, they are achievable. We intend to reach them by maintaining a strong focus and working with our clients, stakeholders, and value chain.

Our three year plan

We acknowledge the substantial work already done in the ESG domain within our organisation. The next stage in our growth is to now combine these efforts, into a unified and overarching ESG Strategy. By consolidating our past and ongoing projects under a single strategy, we will increase our efficiency and ensure the advancement of our commitments. This consolidation will also enhance transparency for all stakeholders and allow us to monitor our progress against our ESG key performance indicators (KPIs).

Our ESG Strategy will include key components such as our progress towards achieving net zero measured against a detailed roadmap for energy across our data centres and include insights into our transition to a net zero future. We will continue to prioritise the implementation of cutting-edge technologies to further minimise our environmental footprint and integrate measurable sustainable practices into our supply chain. Our strategy also focuses on building on our comprehensive employee well-being programs and community initiatives that support our ESG objectives and foster diversity and equity beyond traditional definitions. We aim to release the NEXTDC ESG Strategy in FY25 with an Action Plan that provides a blueprint for key business functions. We then intend to update this on an annual basis as our business evolves in order to build trust and accountability with our stakeholders and the community.

NEXTDC's net zero strategy is driven by the Head of Energy, who reports directly to the Chief Operating Officer (COO). This aspect of our ESG strategy is a crucial component of our overall approach and will play an integral role in our focus and reporting.



External initiatives

NEXTDC actively participates in industry benchmarking and maintains a robust audit program to ensure operational excellence. By aligning with industry standards and conducting regular assessments, we manage risks, optimise performance, and deliver on our brand promise of Power, Security, and Connectivity.



ISO Standards

All* our operational facilities are certified to **ISO 9001 (Quality Management System)**, **ISO 27001 (Information Security Management System)**, **ISO14001 (Environmental Management System)** and **ISO45001 (Work Health and Safety Management System)**.

Our certifications focus on the efficient operation and maintenance of our data centres and associated services. These certifications not only validate our management practices but also provide a standardised framework for communicating our commitment to stakeholders.



PCI-DSS

PCI-DSS is a proprietary information security standard for organisations that handle credit card transactions. Whilst NEXTDC does not, of itself, have the requirement to get certified for PCI-DSS purposes, as a data centre service provider, we do manage controls that form part of our customers' PCI-DSS requirements. All* NEXTDC facilities are certified to PCI-DSS. The scope of NEXTDC's certification covers controls managed by NEXTDC as a data centre service provider (Physical Security and availability of data centres).



TRUE certification

True (Total Resource Use and Efficiency) is a zero waste certification program focused on waste reduction and recycling. NEXTDC S1 Sydney achieved Certified level TRUE Certification.



Service Organisation Control (SOC) Reports

NEXTDC has issued SOC1 Type 2 and SOC 2 Type 2 assurance reports for all¹ its facilities.

SOC 1 Type 2 Reports are issued to support our customers in their annual financial audits. It provides assurance on the controls at NEXTDC relevant to the internal controls over financial reporting (ICFR) for our customers. SOC2 assurance reports reflects NEXTDC's ability to meet the Trusted Services Criteria for Security, Availability, Processing Integrity, Confidentiality and Privacy. It examines how, as an organisation, NEXTDC designs and operates the controls in these areas.



Carbon Disclosure Project (CDP)

NEXTDC participated in the 2019 and 2020 climate change CDP survey. To ensure a continued balance of resources between the delivery of our sustainability initiatives and reporting, NEXTDC has decided to pause its reporting with CDP to allow for the proper integration of TCFD recommendations. This report, prepared in line with the GRI Sustainability Reporting Standards, forms part of our disclosure on environmental, social, and governance performance.

NABERS

National Australian Built Environment Rating System. NEXTDC's M1 and S1 certified to NABERS 5-Star and P1 to 4.5-Star rating for energy efficiency.



Climate Active

Australian Government, Climate Active certified for carbon neutrality.



DTA Certified Strategic to Secure Sovereign Data

NEXTDC is certified by the Australian Federal Government's Digital Transformation Agency (DTA) as a Certified Strategic (Enclave) hosting provider of data centre services. Certified Strategic status is the highest level of certification attainable and recognition of our alignment with the highest certification standards, assuring Federal, State and local government organisations on security and data sovereignty issues.



FTSE4Good Index Inclusion

NEXTDC has been included in the FTSE4Good Index Series, a responsible investment index of FTSE Russell, a London Stock Exchange Group company, since December 2020. This series is designed to measure the performance of companies demonstrating strong Environmental, Social, and Governance (ESG) practices and is used by a wide variety of market participants to create and assess responsible investment funds and other products.

Uptime Institute certifications






¹ All NEXTDC facilities are certified to these standards in due course. Exceptions to this include NEXTDC's edge data centres (SC1, NE1 and PH1). Where it applies to the services we provide, new metro facilities (e.g. S6, A1 and D1) will be audited for these certifications after 12 months of operation.

Governance



Material topics:

-  Governance, profitability and ethical conduct
-  Sustainable Supply Chain
-  Customer Relationship
-  Privacy Management

Transparency is at the heart of good governance. We believe in clear and open communication, both internally and externally. This includes providing unambiguous information about our structure, operations and ESG performance.

Our corporate governance framework supports NEXTDC's overall operations. It prioritises accountable decision-making and helps ensure we conduct our work ethically, with integrity, and consistent with regulatory requirements.

In FY24, we've taken further steps in our commitment to sustainability by establishing dedicated ESG leadership positions. The appointment of a Head of Energy and a Head of Sustainability reflects our strategic focus in this area and intention to achieve ambitious sustainability goals.

We've established a clear leadership structure. The Head of Sustainability reports directly to the Chief Risk Officer (CRO) and is responsible for developing and overseeing our ESG strategy. Complementary to this, the Head of Energy reports to the Chief Operating Officer (COO) and leads the development and implementation of our net zero strategy and roadmap. These leaders work hand-in-hand, collaborating with the ESG Council to ensure a unified approach to achieving our goals.

The Head of Sustainability works with subject matter experts across the business to facilitate a comprehensive sustainability program including in cross-functional working groups.

Board and management oversight

Good governance is the responsibility of the Board as well as all levels of management. Our Board, with regular updates from the ARMC, provides oversight on all ESG matters. The Board oversees the implementation and management of the risk management framework, our ESG strategy, and our net zero roadmap. This ensures that ESG risks and impacts are evaluated and addressed in a proportionate and strategic manner.

The Board receives regular updates from the CRO and COO on the progress of the ESG and net zero strategies.

Sustainability considerations play a crucial role in NEXTDC's capital allocation program, which is overseen by the Investment Committee. The Committee considers many elements in its deliberation, including customer experience, environmental impacts, reputational risks, strategic alignment, and operational safety.

Sustainability metrics are already part of Key Management Personnel (KMP) remuneration, as part of the short-term incentive (STI) plan, which specifies operational and climate-related performance metrics, such as operational uptime, Power Usage Efficiency (PUE) metrics linked to greenhouse gas emissions, and other compliance and operational criteria. These STI metrics are continuously evaluated to complement our overall ESG Strategy. The CRO also plays a role in ensuring that major sustainability trends and emerging risks are integrated into NEXTDC's strategic considerations and chairs the ESG Council, which meets bi-monthly to consider and monitor key sustainability issues (see below).

Engaging with stakeholders

NEXTDC actively engages with and receives feedback from industry associations, proxy advisors and shareholders on climate change and broader ESG matters through investor meetings, our Annual General Meeting, and Investor Days, which are attended by Board members and management.

NEXTDC is committed to acting ethically and strives to achieve the highest standard of responsible business practices. We do this by seeking to integrate sustainability and corporate social responsibility into all aspects of our organisation. In operating our data centres, we seek to comply with all regulations and laws affecting them. We are committed to meeting our social responsibility, continuing to improve our team's working conditions, and building a healthy and safe workplace for our employees, customers, and visitors.

Performance management and reporting

We monitor environmental performance through site-specific operational indicators, which are distributed internally monthly or quarterly. These indicators cover metrics such as plant status, incident operational efficiency (Power Usage Effectiveness, Water Usage Effectiveness, waste-related data, etc.), and maintenance requests and activities that have taken place onsite.

This internal refinement enables us to report pertinent findings to the leadership team members and the ESG Council (and ultimately the Board), promoting transparency and accountability.

As for external disclosures, we publish dedicated ESG reports annually, outlining our policies, initiatives, and progress on environmental sustainability, social responsibility, and corporate governance for the year. We also integrate ESG information into our Annual Report and our website. We continue to be certified for significant elements of our ESG strategy by independent organisations, including the Uptime Institute, NABERS, True Waste, ISO, etc., which are further elaborated on in the External Initiatives section.

NEXTDC's ESG Council

To strengthen our governance framework further, in FY24 NEXTDC established an ESG Council chaired by our Chief Risk Officer (CRO). Deliberations and recommendations of the Council are reported to the ARMC through the CRO, assisting it and the Board in fulfilling its responsibilities concerning ESG matters more effectively.

The Council is a dedicated body focused on assisting NEXTDC in achieving its ESG programs and initiatives. It is comprised of team members from various parts of the business, including Engineering & Design, Operations, Risk & Compliance, Finance & Treasury, Supply Chain, Energy, People & Culture, and Investor Relations. This mix ensures that thoughtful and multi-faceted ESG perspective is brought to the lifecycle of our projects, operations and our connections to customers, shareholders, supply chains and communities.

The Council seeks to bring innovation and continuous improvement as well as overseeing good ESG practises embedded throughout our business.

Financial sustainability

A successful financial framework includes a plan for a sustainable future, which involves ESG considerations in our decision-making. In line with that, we are focused on financial strategies that align with our ESG objectives, including sustainable finance.

Aligning with TCFD and TNFD is also part of our initiative to develop a financial framework that integrates climate and nature-related considerations. Our progress is detailed in our Climate and Nature Report.

Risk management

Sustainability risks are an inherent part of our operational risk profile and are also reported on in our Corporate Governance Statement. Our internal risk assessment processes are conducted by business area, project and facility. We know that building resilience and a capacity to respond to emerging challenges will position us well to anticipate and manage the future risk landscape.

Sustainability also forms part of the seven pillars we use to articulate our enterprise-wide risks and our responses. The primary responsibility for this process lies with the Board's Audit and Risk Management Committee (ARMC). The Chief Risk Officer is responsible for the overall risk management framework, supported by our Head of Risk and Compliance.

NEXTDC's strategy for addressing and disclosing climate and nature-related risks and opportunities is anchored in our dedication to transparent governance. We seek to systematically evaluate and manage climate and nature-related business risks across all business parts using external management frameworks like TCFD and TNFD.

Our climate and nature-related risks and opportunities are outlined in the Climate, Nature and Environmental Sustainability section below.

Further details on our Risk Management Framework are available in our annual Corporate Governance Statement, which can be accessed at the Corporate Governance section of our website (www.nextdc.com).



Our approach to climate change

The Task Force on Climate-related Financial Disclosures (TCFD) framework has been instrumental in guiding our climate-related disclosures, allowing us to enhance transparency and inform decision-making.

By integrating climate considerations into our decision-making processes, we are taking proactive steps to reduce our carbon footprint, enhance operational resilience, and support a global effort to address climate change and transition to a low-carbon economy.

TCFD Framework

Our alignment with the recommendations of TCFD has enabled us to present consistent and comparable information regarding our climate-related impacts, ensuring investors are well-informed about how we are addressing the risks, making considered capital allocation decisions and seizing the opportunities presented by climate change.

Ensuring uninterrupted uptime is paramount. We understand the risks posed by climate change and extreme weather, and we incorporate robust climate resilience measures into every stage of our data centre lifecycle.

Scenario analysis is a vital component of our commitment to the TCFD framework. While these scenarios don't predict the future, they highlight key factors that could drive or disrupt the business. We've examined various scenarios based on specific climate models and explored how these situations might impact our business.

Additionally, our risk and opportunity assessments also focus on mitigation strategies, ensuring we remain resilient in the face of future challenges.

Our disclosed scenarios

Climate change management enables us to meet our net zero commitments and minimise our climate change risks. Our analysis spans three future scenarios:

- **Scenario 1: Globally on-track** – limiting the average global temperature increase to 1.5°C by 2100, aligned to with the Paris Agreement
- **Scenario 2: Business-As-Usual (BAU) baseline** – resulting in an average global temperature increase of 2°C to 3°C by 2100
- **Scenario 3: Ineffective Climate Action** – results in a climate shock with the average global temperature rising above 3°C by 2100

Our Climate & Nature Report provides comprehensive disclosures, aligned with TCFD recommendations, outlining our business resilience, climate-related risks,

opportunities and governance. Building on our earlier disclosures, in FY24, we have:

- Enhanced our scenario analysis for priority risks by understanding the most significant climate-related threats to our operations. This included simulating a range of conditions to enable us to anticipate their impact and assess how they could affect our revenue, costs and overall financial health
- Matured our existing strategy for climate change by establishing the ESG Council for a more robust oversight and integration of climate-related risks and opportunities

Looking forward

As the Australian Sustainability Reporting Standards (ASRS) mature, we will transition from the TCFD framework to align with these new requirements. In FY25, we will continue to leverage the outcomes of our TCFD disclosures by:

- Analysing the new standards and identifying the gaps between TCFD and ASRS disclosures
- Monitoring and refining our decarbonisation strategy and net zero pathway, also focusing on Scope 3 emissions
- Enhancing scenario analyses and establishing metrics to align with the forthcoming reporting frameworks, while also advancing transition planning to meet requirements
- Conducting awareness sessions for our senior management and stakeholders on the requirements of ASRS (and the step-up from TCFD)
- Conduct periodic reviews of climate-related risks and opportunities, especially site-based reviews for projects
- Gathering relevant data and information to support the expanded disclosure requirements
- Remain focused on determining scope 2 emissions boundaries and net zero responsibilities with our customers and their energy portfolio

"Climate and nature-related risks are no longer future threats. Our risk management strategy is both scenario planning and mitigation effort to further long-term resilience."

Michael Helmer
CHIEF RISK OFFICER



Our approach to nature

Nature is a complex system of interconnected ecosystems that provide essential services like clean air, water, and fertile soil. These natural resources are vital for the health of our planet and the sustainability of our operations. As change in land-use and habitat loss intensifies, the delicate balance of these ecosystems is increasingly at risk, emphasising the urgent need for conservation and restoration efforts.

TNFD Framework

Finalised in September 2023, the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) provide a structured approach for data centre companies to assess and manage their impacts and dependencies on nature. For a company that both designs and constructs its data centre facilities, the TNFD framework is particularly relevant as it offers a comprehensive methodology to identify nature-related risks, evaluate dependencies, assess opportunities, and develop a response plan.

In FY24, we initiated our journey towards managing our nature-related impacts by adopting the TNFD framework. In this way, we aim to demonstrate our commitment to environmental stewardship and build resilience into our operations.

Our disclosure

We support TNFD's Locate, Evaluate, Assess and Prepare (LEAP) approach, which guided us through the process of managing nature-related risks by a four-step approach:

- **Locate:** Identify where our operations interact with nature. This includes assessing potential impacts on biodiversity, water resources, land use, and climate change
- **Evaluate:** Assess our dependencies on and impacts on natural ecosystems by understanding the reliance on ecosystem services for operations, such as cooling systems or material sourcing
- **Assess:** Identify nature-related risks and opportunities, such as potential business opportunities related to nature-positive solutions (e.g., renewable energy integration, or green building certifications)
- **Prepare:** Develop strategies to mitigate negative impacts, enhance positive contributions, and disclose relevant information to stakeholders in line with TNFD recommendations

Data centres interact with the environment in various ways - from the energy and water resources consumed

to the physical footprint and impact on local ecosystems. Although we operate in established metro zones with preexisting disturbance, we recognise our operations, particularly new developments, have greater opportunity to be intertwined with the natural world.

By conducting thorough due diligence from site selection and incorporating ecological considerations into our design, construction, and operational processes, we aim to foster a positive relationship with nature. Nature-related risks, such as the increased frequency of extreme weather events, water scarcity, and biodiversity loss, are particularly relevant to the data centre industry, where stable environmental conditions are crucial for maintaining uninterrupted operations. For instance, we have identified that:

- Healthy ecosystems provide essential services such as natural cooling through vegetation, water filtration, and climate regulation. Without these services, we face increased energy consumption for cooling and higher operational costs
- The loss of natural buffers like wetlands and forests can heighten the risk of flooding, which threatens infrastructure integrity
- The availability of critical natural resources, such as water, is vital for the technology used in data centres, and any disruption can pose significant risks to our operations

To adapt to these risks, we undertook risk assessments and aim to expand this to site-based reviews for all new development projects. This approach, detailed in our *Climate and Nature Report*, outlines our current practices and progress while acknowledging areas for further development.

Looking forward

We view this first step towards TNFD alignment as a significant milestone. We are excited to start our journey, and over the next 12 months, we will:

- Continue to gain further understanding of the interactions between our sites and the ecosystem in which they are based
- Conduct awareness sessions on the TNFD with senior management and other key stakeholders
- Review the sectoral supplementary guidance released by TNFD to understand which elements apply to our industry and provide feedback

We will continue to enhance our TNFD reporting and operations, sharing our progress as we go.



Net zero: at a glance...

NEXTDC is dedicated to reducing its carbon footprint across operations, aspiring to become net zero for all Company-driven Scope 1 and 2 emissions. We are also working towards measuring and addressing emissions from our value chain and embodied carbon.

NEXTDC recognises that climate change mitigation is a shared responsibility, involving both us and our customers working together to find sustainable solutions.

Decarbonising data centres is a complex endeavour, with the challenge further compounded by the current energy mix on the grid, particularly in Australia, where reliance on fossil fuels still prevails. The Power Purchase Agreement (PPA) market presents its own sets of challenges, including the variability in renewable energy supply, high costs, and long-term financial commitments. Achieving financial viability while transitioning to renewable energy sources can be difficult, as the market for PPAs is competitive and often involves significant investment and merchant risk. These factors underscore the importance of collaboration with our customers and stakeholders to achieve meaningful progress towards net zero.

Currently, NEXTDC is undertaking an internal review of our emissions profile, data veracity and understanding of the roadmap for net zero. This review includes considering developments in low-emissions technology to ensure an economically viable transition, whilst taking into account the expansion of our business. Establishing a baseline year and tracking progress annually are key.

"As we grow, we will continue to take responsibility for minimising our environmental impact. Our roadmap to net zero recognises that growth and innovation can't come at the expense of sustainability. Our team is committed to developing solutions that harness the power of AI while safeguarding our planet for future generations."

Simon Cooper
CHIEF OPERATING OFFICER



Our approach to decarbonisation

Preparing the business for an evolving energy landscape is a pivotal step in NEXTDC's decarbonisation journey.

Our future focus for net zero includes:

- Preparing a comprehensive inventory of the Company's major sources of GHG emissions, along with existing actions and initiatives to address those emissions
- Assessing the complex GHG emissions boundaries between NEXTDC operations and customer energy portfolio and procurement activities
- Validating our approach with the support of third-party experts with deep experience, ensuring new and emerging methodologies are considered which will assist NEXTDC play its part to achieve net zero
- Setting targets for our business to progress our net zero journey

This next phase involves a thorough evaluation of the implications of setting targets and developing the accompanying transition plan. We are committed to transparency and accountability in our sustainability goals, and as we move forward, we will continue to publicly disclose our progress.

Focus areas for future action



Ongoing commitment to energy efficiency and reducing GHG emissions



Growing adoption of renewable energy



Clearly defining and mapping our GHG inventory and its boundaries with the customer energy portfolio



Decarbonising fixed assets and exploring new technologies and alternative fuels



Credibly offsetting residual and hard-to-abate emissions



Reducing our Scope 3 emissions



Lowering the embodied carbon in our buildings






Enabling the transition to electric vehicles (our fleet and provisions for our employees on site) electric vehicles



Environment



Material topics:

-  Energy and Climate Change
-  Natural Resource Management
-  Sustainable Supply Chain

Environmental objectives and performance

Powering a sustainable future, energy efficiency and environmental responsibility are integral to NEXTDC.

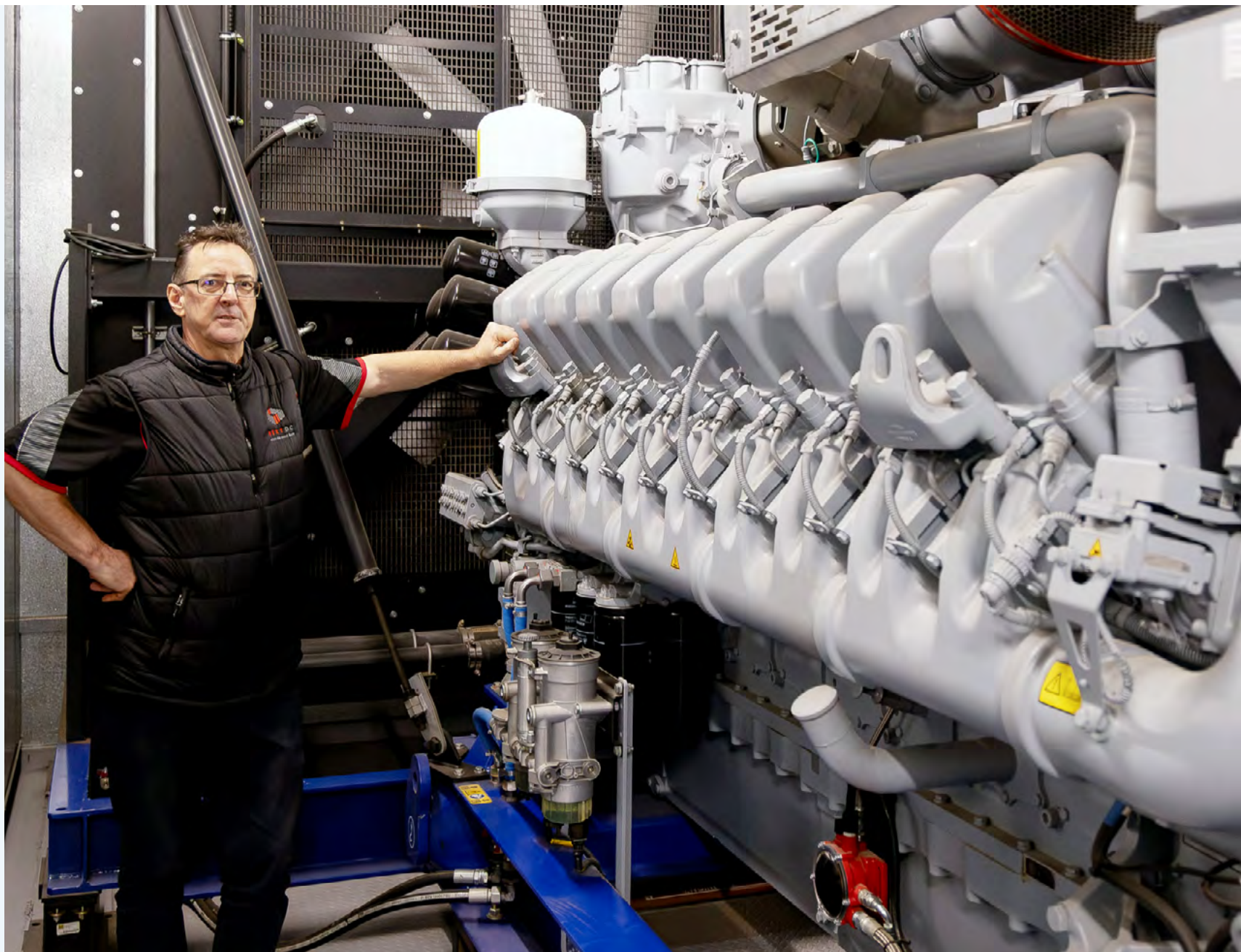
We design, engineer, and operate our data centres to minimise their environmental impact. This relentless pursuit of efficiency allows us to:

- Reduce our footprint: Minimise energy consumption and reliance on natural resources.
- Optimise environmental performance: compliant to regulations and enhance efficiency over the long term
- Empower sustainable customers: Enable customers to reduce their environmental impact through energy-efficient technologies within our facilities
- Be climate resilient: driving resilience of our data centres in the face of evolving climate conditions

Our design strategies include emphasis on advanced cooling systems, optimised airflow management, efficient power distribution, and sustainable building materials. Through a modular design approach, we achieve scalability while maintaining efficiency.

Leading the charge in energy-efficient data centres, we are pioneering sustainable, high-performance data centres across Australia.

This commitment is evident in our industry-leading NABERS ratings. In 2018, our M1 Melbourne facility became the first in Australia to achieve a coveted 5-star NABERS rating. This achievement was followed by S1 Sydney in 2020 and a 4.5-star rating for P1 in 2023, solidifying our position.



Environmental objectives

Objective 1:

Design data centres using the latest technology to reduce energy usage, improve environmental controls and our impact on the environment.

All NEXTDC's facilities are designed and constructed with sufficient redundancy to ensure that our customers' Service Level Agreements (SLA) for power, temperature, and humidity are met despite unforeseen circumstances such as energy outages or heatwaves. Fuel levels at each data centre are maintained to ensure the generators can continue to operate for up to 48 hours without utilising any power from the grid. Emergency fuel supply contracts are in place with major suppliers in the event interruptions extend beyond that.

NEXTDC's Uptime Institute (UI) certifications reflect our data centres' exceptional fault tolerance and resilience. Our Facility Operations Team is trained to operate and maintain the data centres in accordance with UI's Operational Sustainability best practice standards. NEXTDC's UI certification journey is further detailed in the 'External Initiatives' section of this report.

In addition, when building new data centres, NEXTDC seeks to mitigate environmental risks by considering:

- Environmental Compliance and Regulations
- The effect construction might have on cultural heritage sites
- Environmental impact on the site's construction and operation
- Climate-related risks such as extreme weather events, flooding, or heatwaves
- The generation of excessive dust and/or noise; and
- The development of an effective energy, waste, and water management plan.

As part of site selection, NEXTDC undertakes extensive due diligence on the potential environmental impact of construction and operation. This includes understanding the local landscape, urban planning requirements, and other factors that require careful management. For example, should asbestos be found during construction, a licensed hygienist will be appointed to manage the risk.

Local communities are also engaged to solicit feedback if they are likely to be impacted. We have implemented sustainable sourcing practices, evaluated options for eco-friendly building materials as part of our planning processes, and optimised resources to seek to minimise environmental impact.

Our credentials are further demonstrated through the achievement of our Uptime Institute Tier III and IV Gold Operational Sustainability accreditations, certifications that independently verify NEXTDC's operational excellence (as have the vast array of industry awards we have achieved in this area to date).

This year, as detailed in Case Study 1, we undertook embodied carbon assessments in our B2 facility, to guide carbon reduction initiatives across the business. This is another step in identifying areas where we can reduce emissions.

Our data centres are also designed with a sympathetic approach to the local landscape using integrated sustainable practices in harmony with architectural elements.

In *Case Study 2*, we explore the materials selected to ensure that architectural finishes and internal fixtures contributed to a healthier environment.

Case Study 1:

Embodied carbon assessment in design and delivery

In FY24, NEXTDC conducted embodied carbon studies to identify carbon reduction strategies for total life cycle emissions within our B2 Data Centre. These efforts contributed to improving our Scope 3 emissions and provided a foundation for engaging with our delivery partners on implementing reduction measures.

We collaborated with Arup, our design partner, to model the embodied carbon through construction and operation through to the building's end-of-life. Based on realistic design practices and available products, we implemented carbon reduction strategies to contribute to our net zero goal.

Our calculations were based on a detailed Building Information Model (BIM) and DesignBuilder, EnergyPlus Model, the reference design, and the subsequent detailed bill of quantities for the building, particularly large structural components such as concrete and steel. This also included the plant and equipment fitted into the building and assumptions on the contracted power demand through customers.

The study revealed that operational energy during the building's lifecycle accounted for about 90% of the total whole-of-life carbon, driven largely by the IT equipment used by customers, far surpassing the emissions generated by the construction of the assets themselves. Among the upfront carbon, structural elements such as concrete and steel were the most carbon-intensive, along with the plant and equipment.

This work will set a template for future projects in prioritising initiatives that reduce carbon emissions and associated financial considerations. It identifies actionable steps and highlights challenges, opportunities, and solutions across project stages. Assessing embodied carbon at the initial phase of

our projects creates an opportunity to make adjustments and enhancements with tangible benefits.

The study also revealed that, while this approach is common in major transport infrastructure projects, similar assumptions need rigorous review specific to our industry as digital infrastructure is constantly evolving, and well-established reference and benchmarking data is scant.

Our delivery partner, Kapitol Group, also undertook baseline embodied carbon assessments focusing on calculating upfront carbon associated with the superstructure and substructure of the M2 Stage 4, 5, and 6 data centres. It also provided a comparative analysis of all three stages, which deepened our understanding of the dependencies.

The NEXTDC M2 Stages 4, 5 and 6 were reported to achieve a lower carbon per gross building area ($\text{kgCO}_2\text{e/m}^2$) compared to the industry benchmark, with Stage 4 reporting the lowest carbon outcome. In a measure to act now, the current stage of development has substituted standard concrete for a green concrete mix (Envirocrete by Boral), which has 128 $\text{kg CO}_2\text{e/m}^3$ less than a standard concrete mix.

As energy grids decarbonise and operational carbon decreases, upfront embodied carbon becomes a critical component of a building's overall carbon footprint. Addressing this can lead to substantial and immediate savings.

Moving forward, this assessment will guide our approach to achieving net zero and drive progress within the industry. This will also support ongoing collaboration with our suppliers to encourage them to reflect and measure their own embodied carbon footprint.



Powering Progress

Free EV Charging at NEXTDC

NEXTDC is committed to both sustainability and a superior customer experience. That's why we've installed free electric vehicle (EV) charging stations at our S2, B2, M2, M3, and S3 facilities.

This convenient service is available to staff, customers, and visitors, encouraging the transition to cleaner transportation and reducing greenhouse gas emissions.

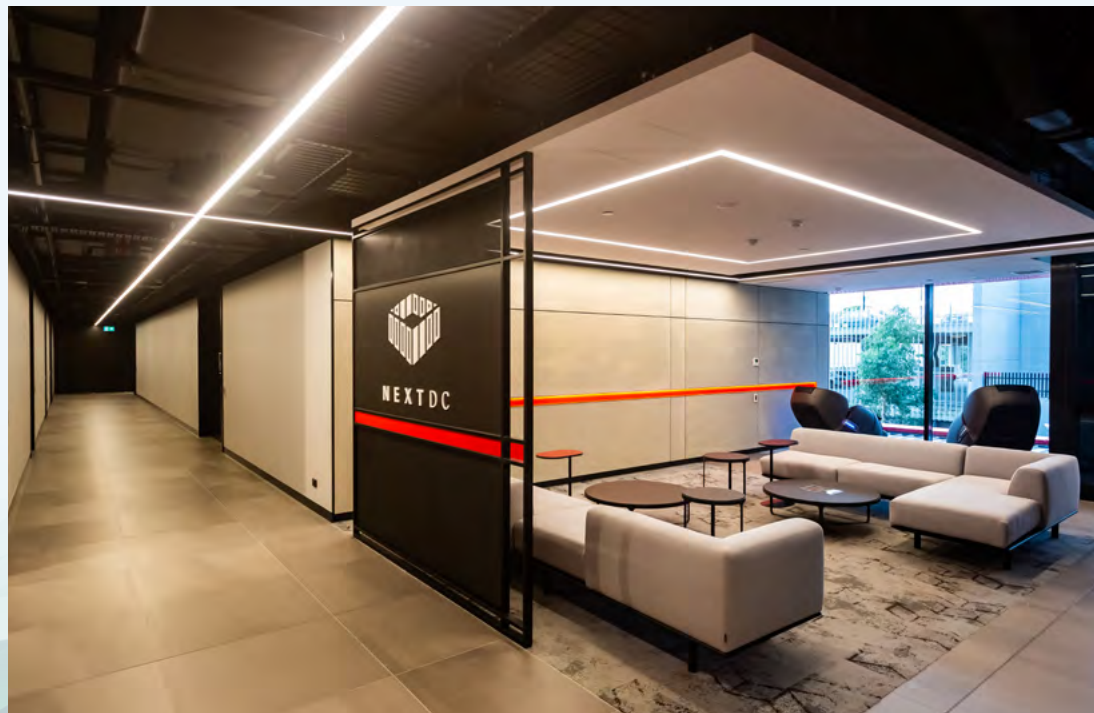


Case Study 2:

Sustainable finishes and internal experience

At our S3 data centre, we have prioritised the incorporation of environmentally certified architectural finishes and WELS-rated fixtures. These finishes are responsibly sourced, often from recycled or low-emission materials, and align with our commitment to sustainability. All our appliances and fixtures carry a minimum 3-star WELS rating, minimising water usage without compromising performance.

Our design team and architectural partners, such as Greenbox, ensure that products with recycled content and low environmental impact are prioritised. Our green initiatives include Signature Flooring's carpet, which achieves an 89% Green Star rating and is ethically sourced. Milliken's carpet is 100% recyclable, carbon neutral, and low in VOCs, meeting ISO standards and low impact on indoor air quality. We also installed Woven Image acoustic panels, which are carbon neutral, low in Volatile Organic Compounds (VOCs), and made from 100% recyclable PET with 60% total recycled content. Additionally, we used Instyle products for other interior textiles with Environmental Product Declarations (EPDs), containing up to 65% recycled PET (a type of plastic) and certified by GreenTag Level. Instyle products are also low in VOCs, non-toxic, non-irritant, and non-allergenic. The paints used in our facility are from ranges that are certified for environmental best practice, with minimal VOC and formaldehyde emissions compared to traditional commercial paints. Through these thoughtful choices, we create a space that is functional, aesthetically pleasing, and environmentally responsible, reinforcing our dedication to the sustainability and the well-being of our employees and customers.



Objective 2:

Operate data centres maximising the designed intent.

Energy Management

Ensure each NEXTDC data centre is operated to the lowest seasonal Power Usage Effectiveness (PUE) rating, to optimise power usage when delivering services

As a data centre operator, a growing customer footprint means increasing IT power requirements year-on-year. We control the portion of the data centre power consumption not directly used by customers by tuning our facilities to optimise the efficiency of the support and backup infrastructure.

Power Usage Effectiveness (PUE)

Our level of efficiency is measured through the PUE ratio, an internationally accepted standard metric used to rate the efficiency of data centres. This represents the proportion of total power consumption at a facility divided by the usable power delivered to customer IT equipment. A low ratio represents an efficient data centre. The closer the PUE ratio is to "1", the more energy-efficient the building is operating.

In FY24, the total power consumed by all operational NEXTDC data centres reached 476,571 MWh. Our Power Usage Effectiveness (PUE) for FY24 was 1.42, which, while slightly higher than last year, remains close to our target of 1.40. This increase can be attributed to two recently opened facilities where the IT load is still ramping up to full capacity. To ensure accurate PUE calculations, we have conducted significant metering reviews and continue prioritising power-tuning activities across our operation, which are emphasised throughout this report. As our facilities mature, we are confident in achieving greater efficiency through our ongoing commitment to reducing PUE ratios and optimising power usage.

Continuous tuning of mechanical, electrical and hydraulic areas for maximum efficiency

Power consumption is a major operational cost for both NEXTDC and its customers. Maintaining a low PUE ratio is crucial for NEXTDC's ability to attract and retain customers by offering cost-effective data centre solutions.

NEXTDC's PUE at M1 and S1 data centres was crucial in achieving a first-in-industry 5-star rating from the National Australian Built Environment Rating System (NABERS) for data centre efficiency. Our M3 facility is also designed for 5-star NABERS rating and our P1 facility maintained a NABERS 4.5-star rating throughout FY24 and we are gradually extending this accreditation to other NEXTDC facilities.

Our Engineering and Operations teams meticulously review and refine the design and operation of our

Mechanical and Electrical plant (MEP), resulting in significant energy and a reduced environmental impact.

The Operations specialists focus on optimising operational heat flow and power usage based on real-time data and seasonal conditions. Key areas of improvement include:

- Reducing data hall air leakage
- Optimising air distribution from floor grilles
- Minimising pressure difference between Computer Room Air Conditioning (CRAC) units and data hall floor
- Adjusting CRAC return air temperature, control valve positions and fan speeds
- Reducing chilled water bypass leakage
- Optimising chiller plant water temperatures and pump settings
- Maximising free waterside cooling

An example of the implementation of an innovative cooling approach can be seen in Case Study 3: Innovative Cooling methods at A1 Adelaide.

NEXTDC leverages its expertise and wealth of data-driven intellectual capital to operate data centres efficiently. We increasingly use artificial intelligence to make real-time adjustments for optimal energy efficiency without the need for human intervention. Our Chief of Engineering & Design developed a patent for NEXTDC in 2021 and is currently working on a PhD focused on innovative energy solutions for data centres.

We embrace 'immersion-cooling', a newly introduced technique where servers and storage devices are

submerged in dielectric liquid for thermal management. Our first Data Centre Immersion Cooling Suite was completed in 2022.

Looking ahead, our second, third and fourth-generation facilities will aim for PUE performance ranging between 1.15-1.29 at full load, influenced by our customer requirements and local weather conditions. In FY24, we engaged in several initiatives to continuously improve our PUE ratings:

- Prioritising energy efficiency while maintaining optimal conditions by adhering to ASHRAE guidelines and using a broader humidity range for additional efficiencies
- Upgrading our first-generation chillers with Smartlift systems to optimise efficiency
- Installed direct water cooling on demand on customer racks
- Managing floor grill placement to improve cooling efficiency and prevent warm and cold air mixing
- Using air-side and water-side free cooling to enhance energy and water efficiency
- Continuing to utilise our energy monitoring systems to collect performance data and make targeted improvements, which also will contribute to a higher NABERS rating performance
- Conducting monthly operational checks to optimise cooling system efficiency and reduce CRAC unit fan speeds where needed

In addition to these efforts, we are continuing our rollout of LED lighting upgrades, replacing inefficient fixtures with energy-saving ones throughout our facilities.

Case Study 3:

Innovative Cooling methods at our upcoming A1 Adelaide data centre

Data centres require substantial power to cool data halls and racks, leading to high energy demand and stringent air emissions management. To mitigate negative environmental impacts, NEXTDC implemented an innovative cooling approach at our A1 data centre: the direct free cooling system. This system uses filtered ambient air from the outside to replace the warm indoor air dissipated by the IT load.

This marks a significant advancement as it uses minimal electricity and water in the cooling process. Direct free cooling involves supplying a room containing heat-

dissipating equipment with cooler, filtered air from outside. Simultaneously, the internal heat is expelled and replaced by fresh air. This approach offers numerous operational benefits, including substantial savings in water, energy, and costs. Additionally, this design allows for excellent scalability with reduced hydraulic and MEP requirements.

The system requires specialised building fabric and façade elements, including dampers, louvres, grilles, and filters, to ensure effective airflow and protection against environmental factors (sound, rain, particles, security, etc.). This setup also provides a satisfactory airflow rate, combined with natural ventilation for night cooling during warmer periods.

Although designed specifically for Adelaide's environmental and climate conditions, the system adapts to higher outdoor air temperatures through

careful monitoring and control to ensure acceptable indoor air quality and heat load on the building. Mechanical ventilation systems can supplement the cooling capacity if needed, particularly on hot and humid days.

A1 also utilizes an indirect free cooling system which further reduces refrigerant compressor energy usage when used to supplement the direct free cooling system. If the ambient dry bulb temperature is too high for direct air free cooling, the system supplements via cooling towers and heat exchangers to provide cooling without the need for chiller compressors. Chiller compressors only need to operate during the more extreme ambient conditions of the year when both dry bulb temperature and humidity are too high to enable direct or indirect free cooling.



Water Management

Ensure each NEXTDC data centre reports on and works toward minimal water usage - tracking Water Usage Effectiveness (WUE)

In NEXTDC, water plays a crucial role as the primary medium for heat transfer in and out of the data halls, requiring significant infrastructure and planning. We optimise water use through reuse, recycling and recovery, aiming to reduce our water dependency and environmental impact in the short and long term.

Environmentally Sustainable Design (ESD) and Water Sensitive Urban Design (WSUD) principles are integrated into our design to minimise negative environmental impacts and integrate urban water cycle management with planning and design to mimic natural systems.

For instance, at our S3 facility, we have installed a 50,000L rainwater tank that captures, filters and UV-treats rainwater for use in toilets, gardens, and end-of-trip facilities. The gardens are designed with drought-resistant, native plants, which create a cooler microclimate and enhance cooling efficiency. Our S3 and M2 sites have incorporated stormwater retention basins, vegetated swales, buffer strips, and rain gardens to manage stormwater and enhance water reuse.

Moreover, we installed a combination of stormwater treatment devices such as the Gross Pollutant Trap (designed to remove gross pollutants and coarse sediments) and a Membrane Filter (pollutant filter) to treat collected runoff from the site at S3. At M3, we installed the SPEL Stormceptors, which were strategically placed to capture and treat stormwater effectively, mitigating any risk of environmental pollution from unforeseen diesel spills. Additionally, we included the design of diesel detention tanks for all external fuel fill points at sites such as P1, B2, S5, and S4 to ensure the safety of stormwater runoff.

We are also exploring alternative water management options to further mitigate our environmental impact further. At our S3 site, we are trialling a system to capture and reuse water from the cooling system. Our facilities are built to withstand a 1% AEP or a 1 in 100-year flood event and are equipped to receive back-up fuel supplies during these emergencies.

In designing our facilities for the Asia Pacific region, we tailored our approach to local climate conditions and water availability. For example, we chose air-cooled chillers in Malaysia due to limited water resources, reflecting our commitment to climate resilience (see Case Study 4: Climate Adaptation and Resilience).

Water management is an ongoing focus for our Facility Managers, who regularly identify improvement opportunities as part of their quarterly goals. Metering devices benchmark water usage, providing insights to reduce consumption and quickly detect leaks.

We trialled the DeCalon™ (DCI) technology at our M1 site to enhance water treatment in cooling towers, reducing reliance on hazardous chemicals and improving maintenance and efficiency through advanced electrolysis and pH balance techniques (see Case Study 5: Water Stewardship in our water treatment technology).

Water Usage Effectiveness (WUE)

We track WUE—the ratio of total site water used to IT equipment energy usage—to measure water efficiency at each of our Data Centres. A lower WUE ratio indicates effective water reuse and recycling, and this metric is reported weekly to management, including the board, as part of our operational dashboards.

Our approach to responsible water management complies with all water licensing requirements set by industry regulators.

In FY24, NEXTDC's total water consumption across our data centre fleet was 701.66ML, with an average WUE of 2.16. Improved metering accuracy following a comprehensive review has led to a higher WUE from last year's recording of 1.73.

The inclusion of new facilities like M3 and S3 has also impacted our overall water consumption and WUE due to their capacity, water maintenance, and quarterly upkeep.

While water-based cooling systems contribute to a higher WUE, they offer significant advantages in terms of energy efficiency, longevity, and reduced maintenance costs which will outweigh the initial investment.

Case Study 4:

Climate adaptation and resilience through design

In designing our first data centre facility in Malaysia, we had to adapt our design to meet local climate conditions and ensure climate resilience. Water and water conservation were carefully considered during cooling selection. The proximity of water sources to the cooling plant and local water conservation policies played a crucial role in our decision-making process. For instance, in Malaysia, where local water supply unreliable and ancillary water infrastructure is limited, and where peak summer dry temperatures are not as high as Australia, we moved away from our evaporative water-cooled chiller approach. Instead, we adopted an air-cooled technique with reduced water demand.

While we recognise that water-cooled chillers generally offer greater energy efficiency, the availability of water in the surrounding area significantly impacted our selection process, leading us to embrace alternative technology. This decision also reflects our understanding of water dependency identified in our nature-related risk assessments and our commitment to mitigating these risks.

Case Study 5:

Water Stewardship in our water treatment technology

At our M1 site, we conducted a trial using DeCalon™ (DCI) technology, an approach to treat water in cooling tower systems without the need for hazardous chemicals. By using electrolysis, the solution descales cooling towers and balances the electrochemical pH of the water, ensuring biological growth is controlled. The trial confirmed:

- Reduced water bleed that is typically seen through traditional water treatment through chemical dosage
- Inhibit biofilm (microbial) growth, and any 'shock dose' required is through hydrogen peroxide, which degrades to just water and oxygen
- Eliminate hazardous chemical use for descaling and biocide treatment
- Easier cooling tower maintenance
- Less energy required through improved heat transfer and prolonged the life cycle of the water used
- Decreased Oxidation Reduction Potential, bringing corrosion under control

NEXTDC is currently exploring the option of a broader rollout of DCI.



Waste Management:

Commit to a target goal of at least 90% diversion of solid waste from our operations, with an ongoing commitment to prevent, eliminate and reduce wasteful practices and enable recycling.

At NEXTDC, a core component of our sustainability strategy is our commitment to managing waste through prevention, reduction, recycling, and reuse. This approach aligns with the principles of a circular economy. Our waste management practices adhere to our comprehensive Waste Management Plan and Hazardous Materials Management Procedure.

Our "Zero-Waste Initiative" promotes waste segregation using colour-coded bins across all sites and supports the reuse of office supplies. We also facilitate universal waste collection through our e-waste system, providing our customers with free, responsible disposal of retired equipment.

In FY24, our waste reduction efforts continued by:

- Deploying clearly marked bins for recycling different materials, including cardboard, packaging, and commingled waste, with separate bins for end-of-life batteries
- Prohibiting the disposal of e-waste in general waste bins, with signage to guide proper disposal and recycling of fluorescent lights
- Offering disposal options for e-waste like computers and phones
- Collaborating with customers to recycle packaging from IT infrastructure deliveries
- Raising awareness about waste management through facility waste champions, engaging employees, customers, contractors, and visitors

This year, we collaborated with waste contractors to tailor their reporting system, ensuring accurate and transparent conversion ratios for waste management at our facilities. This involved developing tailored metrics and methods, specifically for data centres with significant packaging, leading to more precise tracking and reporting of waste performance. Our facilities team conducted on-site audits to assess waste composition and management effectiveness, identifying opportunities for improvement and ensuring compliance.

At our construction sites, our principal contractors have established their own landfill diversion targets. Kapitool, for example, aims to divert over 95% of waste from landfills within the next year, an increase from their current 90% target. The M2 Melbourne construction project achieved an average recycling rate of 91%.

We regularly measure and report on our waste management efforts to management, with Facility Managers responsible for achieving site-level targets. In FY24, we generated 195.3 tonnes of waste, with 171.06 tonnes recycled, achieving an 87.69% waste diversion rate, nearing our 90% target. Notably, four facilities (B1, B2, S1, and S2) surpassed a 90% diversion.

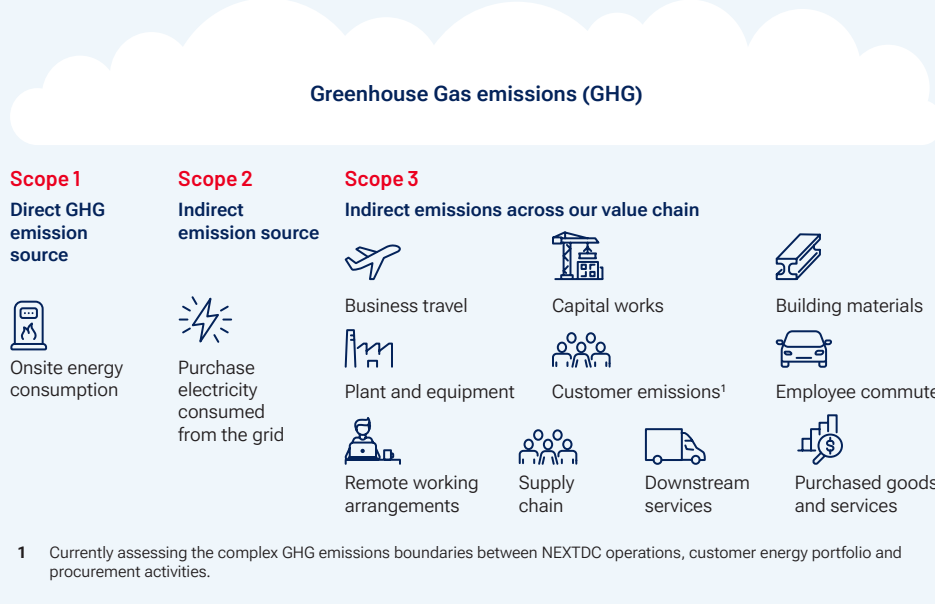
Emission Reduction:

NEXTDC addresses emissions through a multi-layered strategy that includes energy-efficient data centre design, a shift to renewable energy sources and ongoing operational optimisation.

We understand that a crucial part of reducing our environmental impact involves prioritising the reduction of our carbon footprint, with a particular focus on CO₂ as the primary contributor to greenhouse gases. This process starts with the accurate monitoring and reporting of our carbon emissions. To manage and reduce these emissions effectively, we categorise our carbon footprint into three scopes: Scope 1, Scope 2, and Scope 3. The image below illustrates the emissions within each scope category and provides examples of emission sources relevant to NEXTDC.

In FY24, NEXTDC completed an independent review of our Scope 1 and 2 data, enhancing the accuracy and reliability of our reported emissions to prepare us for assurance activities. We are now focusing on a comprehensive review of our total Scope 3 footprint to improve transparency and address the growing stakeholder interest in value chain emissions. This review aims to provide a clearer picture of our overall carbon impact.

Diesel and grid-supplied energy remain key sources of our Scope 1 and 2 carbon emissions. During the reporting period, NEXTDC consumed 597,095 kL of diesel across our national operations. Our generators are optimised to run at peak efficiency, which helps reduce emissions. We manage engine testing diligently to minimise non-essential diesel use. Our air quality monitoring extends beyond GHG emissions to include a strong focus on managing other emissions that can be released through the combustion of diesel in backup generators, including particulate emissions such as NOx and SOx. At our B2 Brisbane site, we are among the first co-location data centres to employ the Selective Catalytic Reduction (SCR) technology, which is designed to reduce potential NOx emissions by up to 96%.



Carbon Usage Effectiveness

We have continued to monitor our Carbon Usage Effectiveness (CUE) across our data centres. This metric measures the ratio of CO₂ emissions relative to IT equipment energy consumption.

This year, NEXTDC recorded a CUE of 1.08, an improvement from previous years, largely due to the enhanced energy mixes in New South Wales and Victoria with greater percentage of renewable energy. The state emission factors have been updated, leading to decreased emissions for our S1 and M1 sites. For detailed emissions data and information on our NEXTNeutral offset program and emissions reporting, please refer to the Sustainability Data section of this report or visit the Australian Government's Climate Active website.

Objective 3:

Comply with all applicable legislative and regulatory requirements relating to energy and the environment.

NEXTDC promises to **power secure and connect** our customers. We achieve this while seeking to uphold the highest standards of environmental responsibility and complying with all environmental and energy laws and regulations. NEXTDC's operations and approach to carbon emissions are compliant with the Australian Federal Government's National Greenhouse and Energy Reporting (NGER) Act 2007. NEXTDC annually reports on our greenhouse gas (GHG) emissions, energy consumption, and production under the NGER Scheme.

FY24 saw the completion of a successful environmental and safety management regulatory review, identifying no areas requiring corrective action.

Operationally, we continue to comply with all requirements imposed by various state instrumentalities, including cooling tower contamination sampling, lift registrations, fire testing, and more.

Environmental management direction and assurance activities

We regularly perform compliance inspections, periodic internal audits, and third-party assurance activities to confirm that we comply with our accredited management systems. NEXTDC has adopted and is certified to the ISO 14001 Environmental Management System and ISO9001 Quality Management System throughout its operations. We seek to satisfy the environmental protection requirements of all local governments.

Construction

NEXTDC data centres are designed and constructed in accordance with all relevant Australian Standards and the National Construction Code. Each of our construction projects is unique in terms of its climatic conditions, environment, and geographic characteristics. To that extent, the due diligence, engineering, and design stages for new facilities evaluate and accommodate these as part of any construction project.



Environmental compliance and sanctions

NEXTDC has not received any fines or non-monetary sanctions for non-compliance with any environmental laws or regulations and is not aware of any environmental or related licensing breaches. Similarly, NEXTDC has not received any fines or non-monetary sanctions in respect of any other laws.

Additionally, during the reporting period, NEXTDC met the following environmental compliance requirements:

- The Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act)
- Energy Efficiency Act 2000
- The Water Act 2007
- Environmental Protection Acts for each State/Territory in Australia
- Local council requirements for waste management
- Relevant dangerous goods legislation for each State/Territory regarding storage and handling of chemicals
- Relevant waste reduction/recycle legislation for each State/Territory
- Relevant control of noise legislation for each State/Territory
- The Australian Industrial Chemicals Introduction Scheme (AICIS)
- Heritage Acts – cultural heritage obligations for each site; and
- The National Greenhouse and Energy Reporting Scheme (NGER).

Requirements of key environmental Acts in Malaysia such as the Environmental Quality Act 1974 (EQA), National Water Resources Act 1993, Environmental Impact Assessment (EIA) Order 1987, National Solid Waste Management Act 2007 and Energy Commission Act 2001 in Malaysia were embedded in our planning phase, which commenced in FY24. The EQA is a comprehensive piece of legislation that sets out the framework for protecting the environment in Malaysia.

Objective 4:

Increasing the awareness of how each individual at NEXTDC can contribute towards reducing their impact on energy usage and the environment.

NEXTDC is committed to reducing its environmental impact and increasing its focus on sustainability. This ambition can only be achieved when all team members engage and believe in the overall goals. We seek to engage and educate our team members on environmental issues.

Every facility participates in environmental protection awareness campaigns and risk reduction initiatives throughout the year. The aim is to encourage team members to learn more about the importance of environmental issues related to their work.

Environmental awareness programs are also part of the induction processes for new joiners, with refresher courses, posts on our social platform Viva Engage, and targeted sessions aimed at team members throughout the organisation. Our Viva Engage on Energy & Environmental Sustainability is an example of a platform used to encourage and promote active discussions on the topic.

Forums such as the CEO and COO town hall meetings embed environmental sustainability awareness throughout the year. We seek to create awareness at every level including our employees, suppliers, customers, and visitors to our data centres to raise environmental awareness.

Objective 5:

Maintain communications with employees and external stakeholders on environmental issues and transparently reporting on our environmental performance to interested parties.

Our data centres serve as a vital interface with the local community, fostering collaboration and creating significant value for our stakeholders and the broader economy. We also recognise the importance of taking all our stakeholders along the journey of our performance.

NEXTDC's environmental strategy has been established considering the views of its primary stakeholders, including its shareholders, team members, customers, and suppliers.

NEXTDC follows a regular reporting cadence on all environmental initiatives. The Board receives quarterly updates on our environmental performance. Environmental compliance is upheld through robust internal and external audits, including NABERS, TRUEwaste, ISO 9001, 45001, and 14001 certifications. We integrate environmental considerations into new site development through diligent planning and supplier reviews to ensure ongoing compliance and best practices.

We also recognise that the actual data centre in itself has visual impact on the local landscape and the community in which it operates. We prioritise architectural design that seamlessly blends functionality and aesthetics. Our collaboration with partners like Greenbox for Sydney S3 has produced visually striking and engaging data centre facility. By incorporating thoughtful design elements and respecting the local context, we've created spaces that not only enhance the urban landscape but also foster a strong connection with the community. The S3 project exemplifies this approach, transforming an underutilized area into a welcoming public space. *Case Study 6* further details how the S3 site transformed an underutilised public space into a welcoming seating area, inviting the community to engage and interact in a more meaningful way.

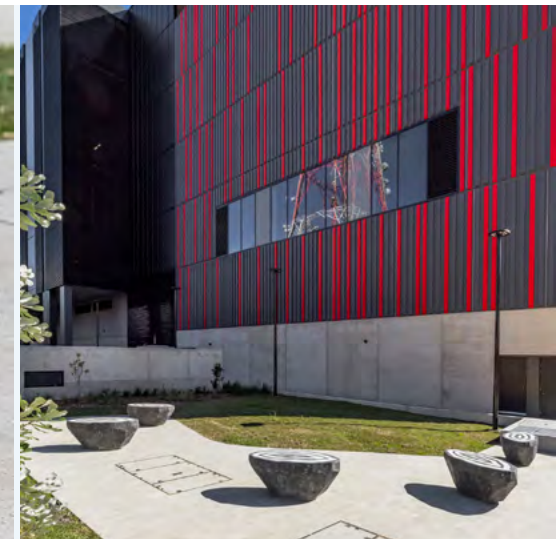
Case study 6:

Heritage interpretation through outdoor seating at S3

We engaged Urbis to provide a Heritage Interpretation Strategy to identify avenues for heritage conservation at our S3 site. This strategy aims to sustain the values of heritage landscapes, places, and objects, both individually and collectively, so that the community and visitors can appreciate, experience, and learn from them. By preserving these cultural treasures, we ensure they are passed on to future generations, enriching their understanding of our shared history.

As an outcome of the process, Art Pharmacy were commissioned for a unique artwork for the exterior public plaza. Created by the artist Yukupin, the piece celebrates the history of the Cammeraygal people by integrating innovative technology with traditional cultural practices. Early settlers documented stone artefacts in abundance throughout Sydney and its surrounding regions, revealing stories of innovation, sustainability, and technology. To fabricate the outdoor seats, a physical element shaped out of urethane foam was carved for a mould, replicating stone artefact-making techniques to achieve a similar finish and texture. Custom-made stencils derived from Yukupin's design drawings were used to emboss patterns onto the seats, a technique chosen over sandblasting for its precision and cleanliness.

By installing these comfortable seats and reflecting local artefacts through design, we have created an inviting oasis where people can relax, socialise, and enjoy their surroundings while acknowledging and preserving our heritage.



NEXTDC's carbon neutrality

Forming a strategic partnership with Qantas, NEXTDC became the first data centre operator in the region to achieve carbon-neutral corporate operations by purchasing carbon credits through the Qantas Future Planet (QFP) carbon offset program. In November 2018, NEXTDC was certified as a carbon-neutral organisation under the Australian Federal Government's Climate Active Carbon Neutral Standard, a partnership between the Australian Government and Australian businesses to encourage voluntary climate action.

First granted in 2018, NEXTDC has renewed its corporate organisational certification each financial year through the audit and certification of its carbon inventory and the voluntary retirement of an equal volume of carbon credits, which are similarly certified under Climate Active. This has now been extended to our operation in Malaysia.

NEXTDC has continued to partner with Qantas Future Planet and Tasman Environmental Markets to source carbon credits for both the organisational and NEXTneutral certification programmes. A careful selection process is used, with criteria that include the project's alignment with the Sustainable Development Goals adopted by the United Nations General Assembly.

West Arnhem Land Fire Abatement (WALFA) Project

Arnhem Land in the Northern Territory is prone to extreme, devastating wildfires that affect the landscape, people, plants and animals. These projects are owned exclusively by Aboriginal people with custodial responsibility for those parts of Arnhem Land under active bushfire management. Local rangers conduct controlled burns early in the dry season to reduce fuel on the ground and establish a mosaic of natural firebreaks, preventing bigger, hotter and uncontrolled wildfires later in the season.

The projects provide employment and training opportunities for local rangers while supporting Aboriginal people in returning to, remaining on, and managing their country. Communities are supported in the preservation and transfer of knowledge, the maintenance of Aboriginal languages, and the well-being of traditional custodians.

Enercon Wind Farms in Karnataka Bundled Project

Across India, wind farms introduce clean energy to the grid which would otherwise be generated by coal-fired power stations. Wind power is clean in two ways: it produces no emissions and also avoids the local air pollutants associated with fossil fuels. Electricity availability in the regions have been improved, reducing the occurrence of blackouts across the area. The projects support national energy security and strengthen rural electrification coverage. In constructing the turbines new roads were built, improving accessibility for locals. The boost in local employment by people engaged as engineers, maintenance technicians, 24-hour on-site operators and security guards also boosts local economies and village services.



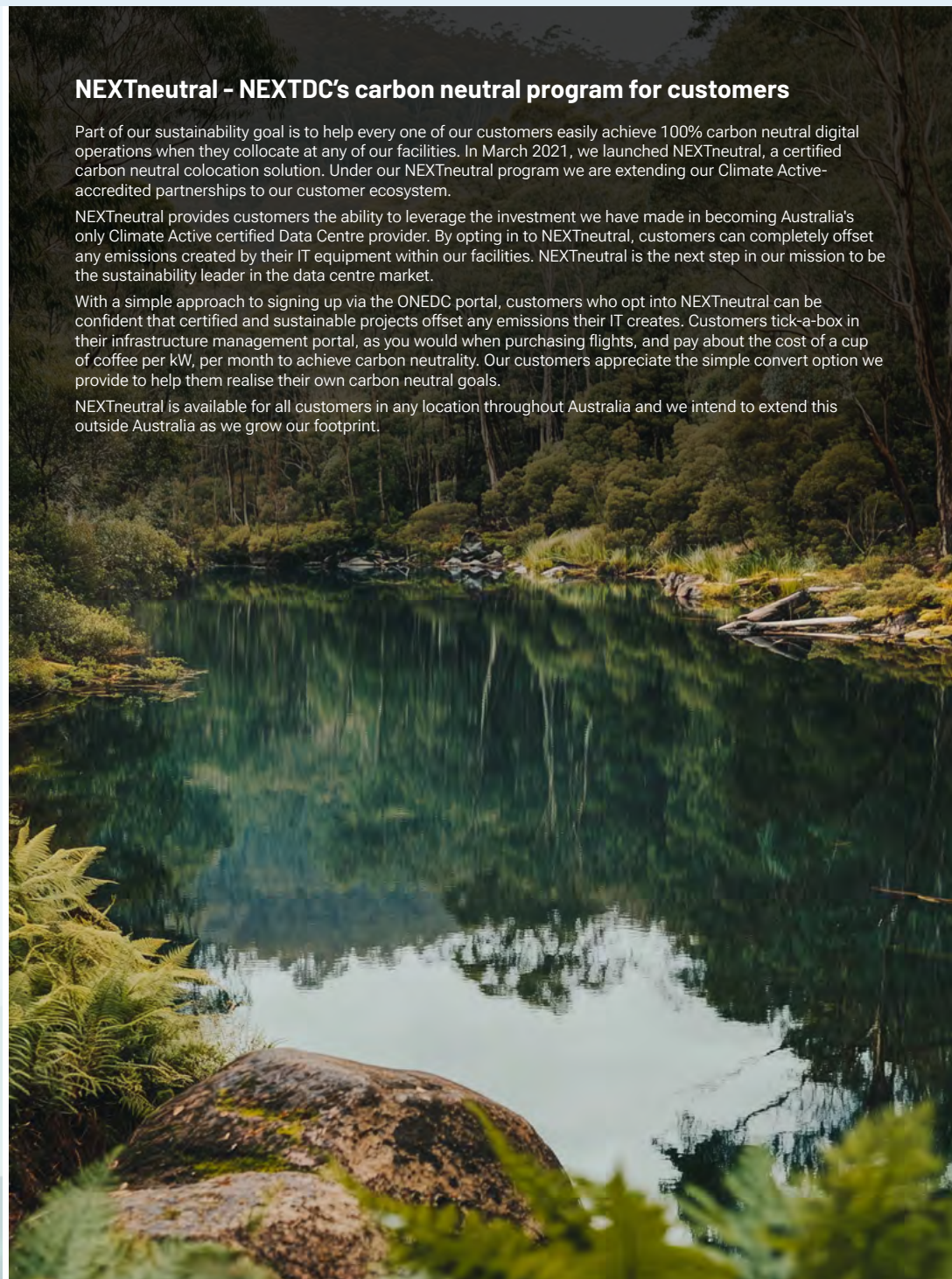
NEXTneutral - NEXTDC's carbon neutral program for customers

Part of our sustainability goal is to help every one of our customers easily achieve 100% carbon neutral digital operations when they collocate at any of our facilities. In March 2021, we launched NEXTneutral, a certified carbon neutral collocation solution. Under our NEXTneutral program we are extending our Climate Active-accredited partnerships to our customer ecosystem.

NEXTneutral provides customers the ability to leverage the investment we have made in becoming Australia's only Climate Active certified Data Centre provider. By opting in to NEXTneutral, customers can completely offset any emissions created by their IT equipment within our facilities. NEXTneutral is the next step in our mission to be the sustainability leader in the data centre market.

With a simple approach to signing up via the ONEDC portal, customers who opt into NEXTneutral can be confident that certified and sustainable projects offset any emissions their IT creates. Customers tick-a-box in their infrastructure management portal, as you would when purchasing flights, and pay about the cost of a cup of coffee per kW, per month to achieve carbon neutrality. Our customers appreciate the simple convert option we provide to help them realise their own carbon neutral goals.

NEXTneutral is available for all customers in any location throughout Australia and we intend to extend this outside Australia as we grow our footprint.



Sustainability in construction

Our delivery partners are critical to our projects' success and our expansion efforts. We have built strong relationships with our contractors, who consistently go above and beyond to unlock new sustainable construction methodologies and practices.

Their expertise and commitment enable us to achieve our ambitious sustainability goals. We screen each contractor for capability and expertise in this area, ensuring that they share our vision for a sustainable future.

We will continue to ensure we celebrate and empower their success. The following case studies from our construction partners showcase the remarkable accomplishments achieved through our on-the-ground efforts.



Lendlease, NEXTEC and Reds Global bring biodiesel into South Australia for the NEXTEC A1 Adelaide project

Lendlease has worked with NEXTEC and Reds Global to reintroduce biodiesel to power commercial construction cranes and generators at the A1 site. The A1 project in the Adelaide CBD has been using a blend of 20% biodiesel¹ and 80% mineral diesel, called B20, to power high diesel-consuming machinery like cranes since July 2023, saving 61.3 tonnes of carbon emissions - an equivalent to the yearly carbon sequestration of approximately 3050 trees². This required significant effort in working with local subcontractors to procure the availability of biodiesel and navigating challenges in South Australia.

This opportunity was sparked by the NEXTEC A1 project team investigating opportunities to reduce carbon emissions during construction, which is in line with the Lendlease global Mission Zero strategy. Lendlease is a 1.5°C aligned company with ambitious science-based emissions reduction targets, which aim to reach Net Zero carbon by 2025 for Scope 1 and 2 emissions and Absolute Zero carbon for Scopes 1, 2 and 3 emissions, within the Lendlease-defined boundaries, without the use of offsets. Lendlease has focused on eliminating fossil fuels, such as mineral diesel, in construction by prioritising electric construction equipment and machinery. Where electric options are unavailable, biodiesel and renewable diesel are used to support the transition to Fossil Fuel Free Construction.

1. Biodiesel is made from used cooking oil and tallow in Australia and is used as a blended fuel with mineral diesel
2. 1 tonne of CO₂ is equivalent to 50 trees on an annual basis (<https://www.climateutralgroup.com/en/news/what-exactly-is-1-tonne-of-co2-v2>)

"By harnessing cutting-edge technology and embracing sustainable practices, we are redefining data centre construction across Australia and Asia. Our commitment extends beyond constructing buildings to creating high-performance, environmentally responsible facilities that meet the demands of today while safeguarding our planet for tomorrow."

Crystal Jordan
HEAD OF CAPITAL WORKS



Kapitol drives sustainable construction at NEXTEC sites

Kapitol Group facilitates impressive sustainable construction with innovative practices at NEXTEC sites across several ESG aspects.

Electric plant and equipment trials

At Melbourne M2 and M3 projects, the team has utilised solar-powered lighting towers in preference to traditional diesel-powered ones available in the market. These proved effective for task lighting and ensuring visibility after hours.

By collaborating with their plant and equipment partners to prioritise electric alternatives for NEXTEC projects, Kapital were able to conduct a trial for an electric telehandler at the M2 project. At this stage, the equipment proved unsuitable for the tasks required; however, this feedback was critical to facilitating improvements in the uptake of electric vehicles.

Modular site walkways

Kapitol Group's graduate initiative at NEXTEC's M2 project introduced sustainable site amenities, including reusable fibreglass walkways replacing traditional disposable options. This innovative approach reduced waste and aligned with our commitment to environmental sustainability. The project also replaced the traditional stick-built canopy system with a reusable canvas system

Water reuse

Kapitol uses WashBox's wash station on site to recycle 98% of wastewater generated by painting and blasting operations, effectively eliminating liquid waste discharge. WashBox is a specialised tool wash system designed for construction sites. It's a closed-loop system that recycles water used for cleaning tools and equipment, such as paintbrushes, rollers, and other construction tools. By capturing and reusing water, WashBox significantly reduces water consumption and eliminates the discharge of polluted wastewater, contributing to overall environmental sustainability.

Soil management

Kapitol always prioritises the reuse of excavated soil on projects over disposal, in accordance with the waste hierarchy and best environmental practices.

Social procurement and reconciliation

Focusing on social value is a critical aspect of construction, and Kapital Group proudly contributed over \$3.5M to social, Indigenous, and women-owned enterprises on NEXTEC projects in the last year.

Social accountability is embedded in the procurement process, and supplier diversity is key to maximising positive impacts on the community. Kapital Group are proud to work with a diverse range of enterprises, including Muru, Baan Group, Fruit 2 Work, Clean Force, Ironbark Services, Top End Line Markers, Banksia Civil, and Structural Challenge, facilitating opportunities for underrepresented groups on NEXTEC projects.

Kapitol has also embarked on the development of its first Reconciliation Action Plan, with an inaugural Reflect RAP, which Reconciliation Australia formally endorsed in November 2023. Through this process, Kapital has dedicated internal cultural awareness training for all staff with the Koorie Heritage Trust and hosts cultural heritage site walks and smoking ceremonies before commencing any project on-site in recognition of the lands and history ingrained in the soils we work on. The NEXTEC Darwin project was the first Kapital Group project to use digging sticks during the groundbreaking ceremony. This practice has now been extended to our Victorian projects with digging sticks commissioned from a local Wurundjeri artist.



Social



Material topics:

-  Diversity, equity and inclusion
-  Employee attraction, development, retention and attrition
-  Health, safety and wellbeing
-  Sustainable supply chain
-  Customer relationship
-  Social impact
-  Privacy management
-  Governance, profitability and ethical conduct

Human capital development and management

At NEXTDC, we believe a strong workplace culture is the foundation for achieving our purpose and business strategy.



Our employees

At NEXTDC, we believe a strong workplace culture is the foundation for achieving our purpose and business strategy. This culture is anchored in our unwavering commitment to the values we hold dear. As of 30 June 2024, NEXTDC had 333 employees.

FY24 has seen many great 'A-Players' join NEXTDC with 24% of vacancies filled with internal staff transfers and 15% of external hires placed through employee referrals. We believe this is a good indication of NEXTDC's reputation, both internally and in the industry, and how it is perceived as an employer of choice.

We have high employee retention with many who have long tenures through our competitive compensation program, professional development opportunities, and a positive work culture. This has resulted in a stable workforce, with an 17.81% voluntary turnover rate in FY24. While we're encouraged by the downward trend, we remain committed to ongoing efforts to drive further improvements. We remain focused on employee retention through competitive compensation and benefits programs, a strong company culture, and ongoing investment in professional development opportunities. These initiatives will continue positioning us as an employer of choice.

Performance management and feedback culture

All NEXTDC team members received regular performance, remuneration and career development reviews during the reporting period. Each employee is encouraged to establish a Professional Development Plan with goals and training that are individually

designed depending on the employee's role and aspirations. This roadmap is reviewed with their manager each quarter through the 'Check-in' process, with both employee and manager supported by our People and Culture Business Partners and the Learning and Development team. Our 'Check-in' process is the foundation of our approach to managing performance and career development. These quarterly conversations aim to foster a coaching and continuous feedback culture that seeks to engage and motivate employees to grow and progress in their careers.

Developing talent and building career opportunities

Talent development is key to retention. We have invested in tools and resources that are designed to empower and inspire employees to direct their own career paths and build a portfolio of transferable skills in the industry.

Supporting and upskilling our team is an essential investment. NEXTDC believes that the professional development of its staff is a fundamental requirement for meaningful employment and growth. In addition to performance and productivity, our employees receive value from comprehensive technical and professional development programs that impart new skills for their current roles and beyond.

Our dedicated Learning and Development team provides employees and contractors with a range of educational and professional development opportunities. They also support and guide individual development plans created by team members in consultation with their direct leaders as part of the performance review process.

In FY24, all NEXTDC employees participated in some form of learning and development. All employees must

complete their annual compliance training, which averages approximately eight hours per employee annually.

NEXTDC understands the value that each team member brings to the Company. Through our bi-annual, manager-led talent reviews, we identify our key talent and talent gaps and make strategic resourcing decisions. The process also enables us to calibrate and deploy development and retention plans to reduce the flight risk of critical talent and build a higher-functioning team. Our executive leadership team uses targeted talent strategies to develop the executive leadership pipeline. 22 employees participated in our FY24 Key Talent Program which cultivates a diverse talent pipeline by combining talent acquisition, development, and engagement initiatives.

Our leaders are also provided with appropriate training and tools to allow them to excel and support their team.

We continue to roll out our Hour of Power sessions. We were privileged to have Nick Beaugeard from TribeTech who presented the topic on ChatGPT - The Future of AI in Your Hands.

Our Graduate Program

Another highlight in FY24 was the launch of our highly anticipated Graduate Program as part of our commitment to fostering talent and investing in the next generation of professionals. We are excited to provide this opportunity for recent graduates to embark on a journey of growth and development with us in mechanical engineering, architecture, construction and development, marketing or telecommunications and networks. We are looking forward to welcoming six graduates to join us in Feb 2025!

Formal program for leaders

- Partnered with the Women Rising Program to provide our emerging female leaders an opportunity to develop their leadership strengths, explore their career paths and learn more about themselves. These courses run over a period of 4 months and are held quarterly.
- A Women Leading program for our female leaders will also be rolled out in FY24 to support their growth in those roles.
- 6-month coaching program called FASTLEAD, run by HFL (Harbour Future Leaders), which aims to build the capabilities of our leaders by building essential skills, knowledge and the confidence to transition from individual contributor to effective business leaders.

Tools and sponsorship

- Job shadowing is offered as a development opportunity for employees who are keen to explore other areas of the business. Shadowing enables employees to gain insight into potential career paths and helps develop and strengthen relationships with people in other business areas.
- NEXTDC's educational assistance program is in place to assist employees who wish to undertake a qualification or course to further their professional development. In FY24 we saw a number of employees take up this opportunity and begin their journey towards Diplomas and Graduate Diplomas, Bachelors and MBA. In FY24 we increased our financial support of the Educational Assistance Program.
- We sponsored the ongoing development of over 30 employees seeking additional accreditations as part of their roles, be that a Certificate III in Project Management, Customer Engagement, Business or Telecommunications Technology, or Cert IV in Telecommunications Engineering Technology.

Initiatives and training

- In FY24, we rolled out the Women Rising and Male Allies Program designed for our team members who do not lead a team. These programs enable our employees to unlock their potential through an evidence-based curriculum, expert coaching, and supportive community. The program gives them confidence, tools, and practical steps to take their role to the next level.
- NEXTDC's Hour of Power sessions aim to provide our employees with an opportunity to increase their knowledge and skills in certain business areas and give visibility on current business projects, systems and processes. The sessions are held bi-monthly, run for 60 minutes and are presented by both team members and external guest speakers.
- The Key Talent Initiative (KTI) which has continued for the fourth year and seeks to identify and develop high-potential talent across the business. The program identifies, trains and advances high performing team members to ensure a sustainable individual contributor and leadership pipeline. The KTI includes tailored coaching on development plans, career mentoring with the Executive team and Personal Profile Analysis to provide insights into strengths, weaknesses and development opportunities.



Employee engagement

Having an engaged workforce is vital to achieving our strategic objectives. It enables us to attract and retain workers with the same purpose, values and goals.

NEXTDC goes beyond traditional top-down communication. We encourage engagement through daily huddles, team meetings, departmental catchups, the intranet, and our online platform, Viva Engage. This multifaceted approach fosters a sense of community and keeps everyone informed and connected.

Our regular cadence of 'All Hands' calls run by our CEO provides plenty of opportunity for our employees (working in our facilities or remotely) to hear from our leaders, ask questions and stay connected.

At NEXTDC, our team members' feedback is requested on a regular basis, both through formal employee engagement surveys and informal feedback requests by managers. This feedback is then used to determine the areas of focus for the business and to improve the level of employee engagement across the Company.

NXTPOLL: Unveiling a Thriving Workplace

The NXTPOLL employee survey, conducted at least once every two years, provides valuable insights into our employees' experiences.

FY24's NXTPOLL survey was conducted in March 2024. The results were strong, achieving a 75% engagement rate and 82% participation rate.

The survey also revealed our top strengths:

- Diversity and Inclusion Champion (88% score): This impressive score reflects our commitment to fostering a welcoming and inclusive environment
- Community-Minded (84% score): Giving back is a core value, with a high satisfaction rate for our community engagement efforts

- Safety First (83% score): Prioritizing a safe work environment is paramount, as evidenced by the strong score for safety

These results paint a clear picture: a culture that values its people, fosters a sense of belonging and prioritises social responsibility. Our engaged workforce is the true engine of NEXTDC's success.

We take employee feedback seriously. Actionable plans are being prioritised at all leadership levels to ensure NEXTDC becomes the workplace our people truly desire. Additionally, our CEO has opened an 'Ask Me Anything' Teams channel, for employees to put forward their queries or ideas. This direct line of communication provides the opportunity for employees to feel heard and valued.

The future of work

Our employee engagement surveys consistently highlight the importance of flexibility. When we empower our team to manage their work-life balance, they feel more engaged and have a stronger sense of belonging at NEXTDC.

Our 'The Way We Work' program, established at the start of the COVID pandemic in 2020, encapsulates our flexible work approach. Our employees and contractors can continue to work remotely (where feasible), enabling them to balance their personal and professional life, look after their health and well-being and that of their families. Our approach is designed to recognise and support the diverse people, work activities, priorities, and projects that drive our success.

Depending on their role, employees can work remotely and head into their local office occasionally to collaborate in person. Similarly, where working from home is not an option due to the nature of our 24/7 environment, we try to maintain a high degree of

flexibility. We recognise that flexibility does mean different things to different people, so our Flexible Working Arrangements Policy allows team members to work hours that better suit family, study, and other commitments or adopt other flexible patterns of work. Many of our employees have opted for hybrid work, which allows them to achieve the best of both worlds: the focus and collaboration of the office and the flexibility and autonomy of remote work.

NEXTDC also has a purchased leave scheme, which provides employees with the flexibility to fund an additional period of leave (up to a maximum of four weeks per year). Purchased leave is paid at the reduced purchased leave rate and no leave loading is payable on additional leave. This benefit allows employees to spend more time with their family, travel, celebrate life's milestones, renovate their house or take some extra time to refresh and recharge. It is a great way to boost morale and, as a result, improve productivity at work.

Employee recognition

At NEXTDC, employee recognition is critical to reinforcing particular behaviours, practices, or activities that drive the Company's performance and positive business results. We want our people to flourish, drive long-term performance, and feel truly valued for their contribution.

Recognition doesn't mean the same thing for everyone, so it is important to tailor our recognition so it's meaningful to the recipient. NEXTDC has created multiple avenues for recognition be it monetary or non-monetary. A centralised recognition budget is allocated to each cost centre. Managers can utilise the budget throughout the financial year to recognise their people appropriately whether it's for an anniversary, birthday or because the employee has gone above and beyond to achieve excellence in their role. Managers are

also able to gift 'NEXTDC Days' in recognition of their team members' efforts and contributions to a work activity or milestone.

Employees are recognised for living NEXTDC's values informally through Viva Engage, our internal communications platform and every month through a formal awards program.

Recognition has a big impact on our teams throughout the year, and our annual conference in FY24 provided the unique opportunity to celebrate our people's success in a public forum!

NEXTDC's 100%+ Club recognises and rewards our top-performing sales and supporting teams, driving motivation, retention, and brand reputation. In FY24, this incentive program culminated in an unforgettable Bali trip for our high achievers.

Inspiring the Future Australia

"I recently volunteered at an Inspiring the Future Australia event hosted by AWS, connecting high school girls with women in technology. I shared my career journey through interactive activities, inspiring students to consider technology careers. The platform allows teachers to select volunteers from various fields for school-based career events, fostering valuable connections between students and professionals. This experience was incredibly rewarding, allowing me to inspire young women to pursue careers in technology while also providing a valuable glimpse into the broader professional world."

Belinda Barron

HEAD OF ORGANISATIONAL DEVELOPMENT & LEARNING



Case study:

NEXTDC encouraging personal growth and career development, as featured by Work180

From flexible working to mentoring schemes, secondments, extra qualifications, and leadership training, NEXTDC is focused on enhancing the lives of all its employees – both personally and professionally. Hear what our people say:

"There are so many continuous learning and development opportunities at NEXTDC, and every time I've taken advantage of the opportunities that have been presented to me, I've been rewarded. That's a credit to NEXTDC for putting in the work to find really productive opportunities for their employees. There's also a culture where, if you voice ideas, they are valued and implemented – and I'm trusted to see the work through. It's even one of the company's core values – Bright Ideas. That kind of confidence in my abilities has been extremely motivating to keep taking chances, keep speaking up, and to keep growing in my role in this team."

Rebecca Hopping

ENGINEERING MANAGER, DATA HALL, AND TELECOMMUNICATIONS

"As a working parent, I really value being able to work from home and the work-life balance NEXTDC supports. I can be there for bedtimes and to make lunchboxes in the morning. It makes a huge difference. It also gives me more time to look after myself better – I don't take it for granted and use that time wisely. Today marks my 1,696-day streak of running at least 5km every single morning! It helps me keep calm and renew my energy. NEXTDC has also encouraged me to complete several professional certificates, which have helped me advance my skill sets."

SuMon Wai

SOLUTION ARCHITECT

"NEXTDC encourages everyone to question and actively seek answers. I love that all the books around us are available to take home and read. At our annual conference, our CEO promoted the book Rebel Ideas (which we were all given). A colleague mentioned they were not a big reader, and our CEO immediately offered it as an audiobook or to even read it to the person himself! I was thinking to myself: This is where I want to be!"

Eva Hordnes

WORKPLACE HEALTH AND SAFETY ADVISOR



Compensation and benefits



Our compensation and benefits program ensures that we attract and retain top talent. Both programs are reviewed periodically for market competitiveness. Benefit programs vary by country to reflect local market practices and employee needs. Depending on location, these may include:

- Time-off programs (Annual Leave, Carers leave, NEXTDC Day, Parental Leaves, Volunteers days, Compassionate leave. etc.)
- Flexible work arrangements
- Stock purchase plan
- Additional leave purchase plan
- Health & Wellness programs (Skin Check, Flu Jab etc.)
- Healthcare benefits
- Insurance protections (e.g., life and disability)
- Professional development opportunities
- Company Phone
- Other benefits

Paid parental leave

NEXTDC supports growing families! We offer 20 weeks' paid parental leave for primary caregivers (in addition to any government support) and four weeks for secondary caregivers, plus up to 12 months of unpaid leave for continued childcare needs. This policy is extended to all employees, including in Malaysia, beyond the 90-day statutory requirement, because we recognise the value that this benefit has to working parents, regardless where they live.

Our comprehensive Parental Leave Policy covers birth, adoption, surrogacy, and stillbirth/infant death and offers 10 "keeping-in-touch" days for a smooth return.

Pay equity

We believe people should be paid equitably for what they do and how they do it, regardless of their gender, race, or other personal characteristics. We set fair pay ranges based on market data, considering role, experience, and performance. Regular reviews ensure ongoing pay equity for all employees.

As a relevant employer under the Workplace Gender Equality Act 2012, we actively address any pay gaps. In response to the recent Employer Gender Pay Gaps Report issued by the WGEA in February 2024, NEXTDC issued a **Pay Gap Statement** outlining our approach and action plan to closing the gender equality gap.

Where do we currently stand?

Our gender pay gap for 2022-2023 was 17.2% for Median Total Remuneration and 21.9%¹ on Median Base Salary.

What is NEXTDC doing to close the gap?

Building a more diverse and inclusive workplace remains a top priority despite national median figures. We're committed to significant progress.

In FY24, NEXTDC uplifted the reward program by conducting a holistic review of our remuneration and reward program with the view to re-establishing strategies for each program, including new eligibility criteria that better establish fairness and equity. To remove any possible gender bias around eligibility and percentage of earnings for the two reward programs (STI and LTI), all employees were graded against a comprehensive levelling system based solely on a person's role and scope within the organisation. Some other key actions include:

- Review of all recruitment and promotion strategies and policies to ensure an inclusive and equitable approach to hiring
- Partnerships with Executive Central and Women Rising to provide tailored coaching and development opportunities to inspire and support women moving into leadership positions
- Partnership with WORK180 – who have recognised NEXTDC as an inclusive employer since August 2023 – to enhance our workplace standards so all employees, particularly women, can thrive in a diverse, equitable and inclusive environment
- Targeted attraction strategies to increase the representation of women
- Building a graduate program for 2025 where we will deploy inclusive hiring practices to attract more females into STEM at a grassroots level

Compliance with Labour law and sanctions

NEXTDC ensures that any formal grievances raised are treated seriously and addressed in accordance with its Grievance Handling Procedure, which meets legislative obligations, including any procedural fairness requirements. During the reporting period, NEXTDC has not received any fines or non-monetary sanctions for non-compliance with laws and regulations related to labour practices.

"Becoming a dad has been the most incredible experience of my life. Thanks to NEXTDC's generous 20-week primary care leave benefit, I've been able to adjust to being a dad as well as experience all the precious moments that I would have otherwise missed. This support has allowed me to truly bond with my son. It was fantastic to be fully available to support my wife in finding a sense of normality. I am grateful to work for a company that prioritises family and empowers fathers to be fully present for their children."

Kelvin Cadman
IT PROJECT MANAGER



1. Positive percentages indicate an inequality favouring male employees on average.

Diversity, Equity and Inclusion

At NEXTDC, we recognise the benefits of a workforce that reflects the diverse communities in which we operate, including the impact on collaboration, innovation, and employee retention.

We're fostering a culture of respect and belonging, where, Diversity, Equity & Inclusion (DE&I) policies and practices are the foundation for a positive and innovative workplace culture.

A diverse workforce for global impact

Our focus on diversity extends to our expansion into Asia. We understand the importance of cultural sensitivity in building strong relationships with our new business partners and customers there. By creating a workforce that reflects the communities we serve, we can ensure we're delivering the best possible service on a global scale.

In FY24, we piloted a Malaysia *Cultural Awareness Learning* session designed to increase the understanding of the differences between Malaysian, Australian and our individual cultures, to foster inclusivity and appreciation between our Malaysian and Australian colleagues. The Cultural Awareness Learning initiative is aimed at promoting:

- **Increased Empathy:** for a deeper appreciation for different cultural histories, norms, ways of working, and communication styles
- **Enhanced Collaboration:** for more effective cross-cultural communication and to foster stronger working relationships, teamwork and collaboration across borders
- **Boosted Morale:** Creating a more inclusive environment to drive a more positive and productive work experience for all

The *Cultural Awareness Learning* program for Malaysia and Australia will be rolled out in FY24 and will integrate additional territories as we continue to expand into new markets.

Gender diversity

NEXTDC is in an industry sector focussed on security, construction, electrical and mechanical engineering, and IT. Each of these has, in the past, had the effect of skewing our workforce strongly towards male participation.

Currently, 31% of NEXTDC's workforce is female, with a strong representation of mature workers. There are business functions that reflect female participation rates at or above 50% (such as Legal and Compliance, Finance, and HR functions). The Company is committed to achieving gender diversity in the workplace, and we are making progress in many ways through our inclusive hiring practices, opportunities for 'stretch' assignments and career advancement, and the mentoring and development of female talent.

We continue to target an improvement in the overall gender balance ratio. We aim to achieve a 40:40:20 ratio, meaning 40% men, 40% women, and 20% flexible across our employees, management, and the Board by 2030. This approach drives meaningful female representation and is inclusive of people who identify as non-binary. To further show our support for achieving this gender balance, we are working in partnership with 40:40 Vision, which seeks to move beyond tokenism and achieve a 40:40 ratio through business-oriented, structural transformation. We have joined their pledge to achieve gender balance at an executive leadership level by 2030.

Our commitment to DE&I starts at the top, with a highly knowledgeable, skilled, and diverse Board of Directors. The appointment of Maria Leftakis to our Board in August 2023 has further enhanced gender diversity on our Board, bringing the female representation to 38%, nearing our target of 40%. This reflects gender diversity being a key focus and priority for the Company at all levels.

Beyond achieving our gender ratio target, we are firmly committed to pay equity. As a relevant employer under the Workplace Gender Equality Act 2012, we actively address any pay gaps.

Another step forward in fostering gender equality is our partnership with Work180, whose vision is to create a world with fair and equal representation, opportunities, and pay for all women. Through this partnership, Work180 is supporting NEXTDC with industry insights and benchmarking and has endorsed NEXTDC as an employer of choice for women to help us attract, retain and support all women at NEXTDC.

Diversity, Equity and Inclusion Committee

Established in 2020, NEXTDC's DE&I Committee drives measurable progress towards our diversity, equity, and inclusion goals. We recently refreshed these objectives in 2024 to ensure they remain strategically aligned with our evolving business needs.

The Committee is championed by the Head of People and Culture, a representing member of the NEXTDC's executive team, and comprises a group of diverse staff members who are responsible for helping to bring about the cultural and equitable, changes necessary for the business.

The committee plays a vital role in fostering a diverse and inclusive workplace. It proactively guides our DE&I strategy, tracks progress for continuous improvement, and holds leadership accountable for creating an equitable environment for all.

In FY24, the committee prioritised several diversity initiatives, including raising awareness of unconscious bias, promoting disability inclusion, mental health and wellbeing, and increasing neurodiversity awareness. We also focused on gender targets, celebrated Pride month to support our LGBTQIA+ community, and advanced various social and welfare initiatives aligned with the company's growth. Additionally, we conducted a review of our recruitment materials to ensure they reflect an 'inclusive hiring' approach.

The Board gender proportions

38% female
62% male

Group Workforce gender proportions

31% female
69% male



"I often describe living with ADHD as standing in the middle of a tropical cyclone, with thoughts swirling around at a blinding pace. It can be overwhelming, but within this chaos lies the potential for unique and innovative ideas. With the support of my amazing family and great colleagues at NEXTDC, I've developed strategies to navigate the storm. Self-awareness, regular exercise, sufficient sleep, and medication have all helped me manage the whirlwind, turning it from a destructive force into a powerful source of creativity and problem-solving. By raising awareness of neurodiversity and fostering an inclusive environment, we can celebrate the strengths that come with different ways of thinking. Embracing my ADHD as a superpower allows me to see connections and possibilities that others might miss, highlighting the importance of recognising and valuing our diverse abilities as we succeed as #oneteam."

Adam Gardner
HEAD OF PRODUCTS



Listening to our team

To address the broader gender imbalance in our industry, NEXTDC continues to promote diversity, dismantle barriers to inclusion and promote equity for all team members. One of the ways we seek to achieve this is through NEXTPOLL, our annual engagement survey. The survey conducted in March 2024 found that 88% of our employees rated our efforts on diversity and inclusion as 'favourable' or better, identifying the company as an inclusive and respectful workplace. For the last year, the management team has been working with people managers to provide a range of activities to further foster a culture of diversity and inclusiveness.

Some of our key achievements in embracing and promoting diversity and inclusiveness in FY24 included:

- Established partnership with Work180, which has endorsed NEXTDC as an employer of choice for women and will support NEXTDC with industry insights and benchmarking to ensure we continue to focus on areas that will make NEXTDC a more diverse, equitable, and inclusive place to work
- Our 'The Way We Work' program continues to recognise and support the diverse people, work activities, priorities and projects that drive our success. This includes flexible working arrangements with many team members working from home, working part-time or working flexible hours to suit their personal needs.
- Relaunched our NEXTDC Women community with the *Connect and Reconnect Initiative*, which is aimed at fostering connections and building meaningful relationships among the incredible women in our

company. It is designed to create a supportive space where we may connect with someone for the first time or reconnect with a colleague in an informal catch-up

- Our 'Humans of NEXTDC' series (inspired by Humans of New York by Brandon Stanton), where we promote our incredible and diverse group of people, so we can understand our differences and learn from one another, both personally and professionally
- Continued partnership with 'Empowering Women in Trades' to encourage women to consider a career at NEXTDC. This included an introduction to the industry, key leaders and potential internships and other opportunities
- Mentoring programs and networking opportunities such as our Company-wide diversity forum, which brings together a broad range of team members, including senior executives and subject matter experts
- Celebrating days that promote inclusivity including 'R U OK' Day for mental health, Pride and various holidays globally to promote our cultural diversity
- International Women's Day (IWD) celebrations are conducted nationwide under the banner of 'Inspire Inclusion', with many of our women participating in the UN Women's IWD events across the country and globally
- Four women completed the Women Leading Program in FY24, which resulted in 71% of our female leaders having recently (March 2023 to June 2024) completed leadership training or coaching to support them in their role and career progress

- 34 women completed the Women Rising Program in FY24. We also piloted the Male Allies Program, and six of our male employees joined the program this year
- Continue to incrementally grow the number of female employees overall, including in senior roles, and promote them to internal career opportunities and professional development programs
- Attracted 21.4% of female external hires in FY24, noting the challenge of attracting female talent to operational and technology roles
- Setting clear goals for increasing diversity at all levels of the organisation through the DE&I Committee
- Conducted pay equity audit to ensure equal pay for equal work across all demographics
- Publicly report on DE&I efforts and progress in annual or sustainability reports

NEXTDC participates in Workplace Gender Equality annual compliance reporting and complies with the Workplace Gender Equality Act 2012 for FY24. The detailed breakdown of employees disclosed within the Company's 2023 Workplace Gender Equality report is available at www.nextdc.com.

Unconscious bias

NEXTDC tackles unconscious bias through ongoing training (workshops, online modules) for all levels (employees, managers, leadership). We also actively review recruitment and promotion processes (blind screening, diverse panels) to ensure fair and equitable decision-making throughout the employee journey.



Case study:

Women in Tech share how they're rewriting the gender rules, as featured by Work180

As we reflect on International Women in Engineering Day (celebrated Sunday, June 23 2024), we took a moment to recognise the outstanding achievements of our talented female engineer, Rebecca Hopping, alongside our amazing NEXTDC women, SuMon Wai and Eva Hordnes, featured in our recently published [WORK180 Story](#).

Their inspiring stories of personal growth and professional development paved the way for future generations of women in our industry! This is what they had to say:

"I've heard stories from friends in the industry where they faced challenges with biases and barriers to advancement, but I haven't experienced that at NEXTDC. Within my team, there's always been a supportive environment where my contributions are valued regardless of gender."

Rebecca Hopping
ENGINEERING MANAGER, DATA HALL,
AND TELECOMMUNICATIONS

"Being in IT for more than 20 years, I used to feel I had to work harder and be smarter than my male colleagues to earn the same respect and the title I deserve. It's not the case in NEXTDC; I've been fortunate to work alongside supportive colleagues who recognize talent and dedication regardless of gender. NEXTDC's commitment to diversity and inclusion is evident through initiatives like their partnership with WORK180, which not only empowers women but also ensures that everyone feels welcome and valued in the tech community."

SuMon Wai
SOLUTION ARCHITECT

"Having worked as a consultant for most of my career, I've often had to assimilate to male-dominated environments. I've worked in diving, subsea construction, at wharves, etc. Working with many wonderful people, but also some plain old dinosaurs! At NEXTDC, I see none of this. From my very first day, everyone has been professional and positive. We're all encouraged to ask questions and contribute to the conversation and development of the company."

Eva Hordnes
WORKPLACE HEALTH AND SAFETY ADVISOR

Reconciliation Action Plan (RAP)

NEXTDC is dedicated to recognising the unique status of Aboriginal and Torres Strait Islander peoples in Australia's history and ensuring their voices are central in discussions about recognition and reconciliation. Genuine inclusion extends beyond employment opportunities, it begins with addressing race relations, equality, equity, unity, institutional integrity, and historical acceptance. To foster a truly inclusive workplace, it is essential to create an environment that understands, respects, and celebrates Aboriginal and Torres Strait Islander cultures, ensuring a safe and welcoming space for all.

In our commitment to fostering an inclusive and respectful workplace, we launched a Reconciliation Action Plan (RAP) Working Group in FY24. This initiative, led by executive sponsor Jeff Arndt (our Chief Technology Officer), is dedicated to developing our inaugural RAP aligned with the Reflect RAP framework. This 8-member group is crafting action plans to build relationships, respect, and equitable opportunities for Aboriginal and Torres Strait Islander employees and communities. Our vision for reconciliation includes recognising and respecting their deep connections to lands, cultures, and histories, aiming to endorse and publish the RAP in FY25, thus solidifying our commitment to building a truly inclusive future.



Case study:

Our commitment to diversity, equity, and inclusion extends beyond our own workforce to our construction partners, who share our values and uphold these principles in their operations.

Our construction partner Kapitol Group prioritises supporting women and primary carers in construction by adhering to a strong work-life balance to reduce fatigue and provide greater flexibility and well-being. Their '10 in 14' programme ensures that Site Managers rotate on a 6-day/4-day roster and have every other Saturday off. All other roles are Monday to Friday, with a dedicated commitment to keeping hours below 50 and taking key steps towards a 40-hour work week.

Kapitol also has a 2-year graduate program offering exposure across the industry spectrum. The program highlights are the hands-on experience, a 5-day work week, dedicated monthly graduate forums and the graduate retreat. There are 15 Graduates and cadets across the NEXTDC portfolio.

A recent graduate success story in the NEXTDC portfolio is Lara Kaehne. Lara joined Kapitol Group in 2021 as a 2nd-year graduate from another construction company and, in three short years, has risen to the role of Senior Project Coordinator and is running Kapitol's first interstate construction project, the NEXTDC Darwin project.

Lara mentors other Kapitol graduates and attends university career days and high school career nights. Lara is also an active member of Building Pride, an organisation that focuses on improving the lives of LGBTIQ+ people in the construction industry and was instrumental in Kapitol becoming a Building Pride member in 2024. Lara is a member of Kapitol's Reconciliation Action Plan (RAP) committee and Diversity, Equity and Inclusion Committee. In 2023, Lara was a nominee for the NAWIC (National Association of Women in Construction) 'Young Achiever of the Year Award'.



Workplace health and safety

Safety is our top priority and is reflected also in our focus on the health and well-being of our team. We go beyond simply meeting industry standards; we actively cultivate a safe and healthy work environment, constantly seeking improvements.

Our ambitious goal is **ZERO workplace injuries**. We achieve this through ongoing safety initiatives and by fostering a strong culture of safety awareness among all employees and contractors. Everyone at NEXTDC plays a role in ensuring a safe workplace, and we empower our employees to identify and address potential hazards.

NEXTDC continued its positive safety trend with decreasing injury statistics across all areas of the business. In FY24 we achieved ZERO Lost-Time Injuries (LTIFR) and ZERO Total Recordable Injuries (TRIFR) across our operational sites.

On the construction front, we have seen a significant decrease in our Capital Works project TRIFR and LTIFR (both measured per million worked hours). Our TRIFR decreased from 9.5 in FY23 to 4.6 in FY24 and our LTIFR decreased from 6.8 in FY23 to 0.8 in FY24.

Governance

The NEXTDC Board oversees the WHS Policy and the overarching management systems, including regulatory and other requirements. The Company has a WHS Committee, which meets monthly to review WHS matters and consult with NEXTDC's employees, who are represented on the Committee for each site or office by a Health and Safety Representative (HSR). The HSRs support our organisation in identifying and managing WHS risks at the facility level and providing WHS-related advice and support at the site level.

The Board and senior executives receive regular reports on WHS activities and issues across the business. The Head of Safety meets with the Board as and when required to present and discuss safety matters.

NEXTDC's senior executive team continued periodic site visits as part of the Senior Leadership Interactions program (SLI) to discuss safety observations and opportunities for improvement with our operational staff. This has continued throughout FY24, with an average of more than 2 SLIs per month. This program ensures we maintain open lines of communication around potential safety concerns from our front-line teams directly to executive leaders.

Completing compliance training on ESG topics, including safety, is a metric in the Key Management Personnel (KMP) Short-Term Incentive (STI) remuneration plan and is reported on in our Remuneration Report included in our FY24 Annual Report.

Safety management system

We continue to improve the standard of our new facilities by embracing lessons learned during the design, construction and operation phases of all our sites. These insights are consolidated into our "Lessons Learned Register" which now contains over 800-line items. Our Safety in Design process captures these lessons to be reviewed by every project team as part of our site design process and to ensure they are addressed with engineering solutions as far as possible. This process promotes improved systems and capabilities that strengthen our safety performance and culture.

We offer a range of health and well-being support services to our people, such as free flu vaccination, skin checks, a 24/7 support hotline linked to professional care for safety, medical, and mental health concerns, and a range of initiatives to improve the health and wellbeing of our employees. These are further elaborated in the Mental Health and Wellbeing section below.

As part of our flexible work approach, we also seek to ensure that our people have appropriately adjusted ergonomic workstation setups, both in their homes and at work, and all staff receive ergonomic training, promoting self-management of hazards. The initiative continues to be received positively with most people requiring minimal workstation adjustments.

WHS policies and procedures are regularly reviewed and updated based on a continuous improvement methodology.

Risk management and assurance

NEXTDC complies with and is accredited to both the ISO 45001 WHS Management System and the ISO14001 Environment Management System standards.

We also undertake periodic independent legislative compliance audits, the outcome of which are shared with the Executive and the Board. The FY24 legislative audit identified no significant non-compliance gaps in our adherence to Work, Health and Safety (WHS) and environmental regulations. This positive outcome further reflects our ongoing commitment to operating within the highest safety and environmental standards.

Training and awareness

At NEXTDC, WHS is everyone's responsibility. We prioritise safety through a comprehensive education, training, monitoring, and reporting program. This is evident through regular briefings by leadership (e.g., bi-monthly CEO town hall sessions) and engagement with industry bodies and regulators to name a few.

Our commitment starts at the very beginning, with WHS and environmental training integrated into the induction and onboarding process for every employee and contractor, regardless of their role or location. This ensures a foundational understanding of safety protocols across our entire workforce. We provide a range of mandatory WHS training programs tailored to specific roles, covering topics such as electrical safety, emergency procedures, manual handling, fatigue management, and general workplace safety. Notably, our FY24 WHS employee awareness achieved an 88.6% completion rate.

Recognising the specific needs of certain positions, we undertake role-based mandatory advanced safety training for personnel within our facilities and customer operations teams. Examples include first aid, chief fire warden, spill response, and low and high-voltage rescue courses. Task-specific safety training is also provided for employees and contractors based on the hazards they



WHS employee awareness achieved an 88.6% completion rate.

Case study:

Automated Drilling Trial at M2 Melbourne

Our construction partner, Kapitol, set up a trial to test the use of Hilti Jaibot, a semi-automated drilling robot, to install mechanical subcontractor holes in a NEXTDC switch room.

Besides increasing productivity with a semi-autonomous ceiling drilling robot and achieving greater accuracy by digitising the construction value chain, construction robotics help reduce potential safety risks. Overhead drilling for installation of mechanical, electrical and plumbing (MEP) trades may be strenuous, challenging, and time-consuming for the workers, and it can expose them to Respirable Crystalline Silica dust. This tool helps reduce multiple risks associated with site construction projects.

The pilot programme identified the following:

Productivity: The Jaibot can drill approximately 500 holes per day.

Setup: Initial setup requires around an hour for an operator to establish control points and the robotic station.

are exposed to and the equipment they use daily. By equipping our team members with specialised skills, we foster a culture of preparedness and ensure they can effectively respond to emergencies, should they occur.

Accessibility and human-centric design

We prioritise accessibility and ensure our designing complies with the relevant standards. This includes features like wide pathways, ramps, accessible restrooms, parents room and fittings, ensuring all individuals can navigate our facilities with ease. Beyond technical functionality, our data centres prioritise human well-being by incorporating ergonomic design, natural lighting, and intuitive layouts. This focus on employee experience enhances productivity and fosters a positive work environment.

As we expand into Asia-Pacific regions where accessibility standards may be less clear or mature, we maintain our high standards of best practice. By rolling out these inclusive design principles consistently across all our operations, we ensure that every data centre, regardless of location, supports a welcoming and productive environment for all people and customers.

Automation: The robot's software integrates data from multiple trade Revit files and color-codes drilling points based on the responsible trade.

Reach: The Jaibot's arm extends up to 5 meters with a 1-meter drilling radius.

Future Development: Hilti is developing a new version with extended reach while maintaining the 1-meter radius, which would be ideal for NEXTDC data halls.

Drilling Speed: Drilling speed varied depending on the material but averaged 5-10 seconds per hole.

The benefits of this robot include extended reach, allowing drilling of all trade holes overnight, and minimising disruptions for workers and visitors during the day. Additionally, nighttime drilling significantly reduces noise pollution, creating a quieter work environment for nearby businesses and residents. Drilling based on a pre-defined model also minimises the risk of errors and rework due to clashes between different trades. This enhances overall project accuracy and efficiency.

The most significant benefit of this change was a dramatic reduction in fall risks. Minimising reliance on scissor lifts and working from heights significantly improves workplace safety!



Mental health and wellbeing

The mental health of our team members continues to be a work health and safety priority. NEXDTC is committed to promoting the physical and mental health of employees by encouraging them to maintain a healthy work-life balance.

We recognise that dealing with mental illness in the workplace should not be solely the responsibility of each employee but should be part of the company's overall approach to workplace health.

Our Mental Health Strategy includes:

- Promoting positive mental health and wellbeing through policies, support services and regular health initiatives
- Encouraging employees to adopt healthy work/life balance through flexible working arrangements
- Sharing knowledge and increasing awareness of mental health problems and the resources available
- Providing a safe environment that encourages employees to seek support early if they have declining mental health
- Having trained Mental Health First Aid Officers as an additional layer of support, to help someone developing or experiencing a mental health problem

Throughout FY24, we implemented a range of initiatives designed to support our employees.

- **Prioritising Sleep:** An informative session titled "Why We Sleep" educated employees about the crucial role of sleep in enhancing their overall health and well-being. It provided practical tips on improving sleep quality, promoting recovery, boosting productivity, and ultimately leading to a greater sense of fulfilment
- **RU OK?** We hosted a session on "The Wellbeing Affect." This session aimed to raise awareness about mental health and encourage open conversations among colleagues
- **Virtual Yoga Sessions:** Recognising the benefits of mindfulness and physical activity, we also hosted virtual yoga sessions led by a passionate employee

To empower our employees to thrive both inside and outside of work, we also offered a dynamic "Fuel Up" webinar series. This series featured sessions on optimising diet and routines for improved health, happiness, and success. Additionally, a session on Goal Setting & Visualization provided practical guidance on setting direction, finding motivation, and achieving a sense of purpose in both personal and professional goals. We also leverage Viva Engage to share mental health initiatives throughout the year, fostering positive engagement among employees and contractors.

By implementing these diverse initiatives, we strive to create a supportive work environment that prioritises the mental and physical well-being of our team members.

Mental Health First Aid Officers

To further strengthen our approach, we have a dedicated team of trained volunteer Mental Health First Aid Officers (MHFAOs) readily available to offer confidential support to colleagues experiencing mental health challenges. Currently, MHFAOs are present at most of our Australian sites, and we're actively expanding the program with more volunteers undergoing training. This year, we successfully extended the program to Malaysia, demonstrating our global commitment to employee well-being.

All MHFAOs complete the accredited Mental Health First Aid course and hold a current certificate from Mental Health First Aid Australia. With 46 volunteers across Australia and Malaysia (up from 34 last year), our passionate MHFAO team is dedicated to supporting their peers.

People at Work Survey

This year, we launched our first-ever "People at Work" survey to prioritise employee well-being even further, ensuring both physical and mental safety remain at the forefront of our company culture. Our results indicated that the NEXDTC workplace fell into the 'minimal concern' quadrant, which is the most positive category. This reflects a fabulous balance of job demand coupled with high levels of job resources.

NEXDTC scored well above industry averages for supervisor and co-worker support, praise and recognition, procedural justice and change consultation. A focus group will be formed in early FY25 to deep dive into the results, creating an even healthier and more productive work environment for all our employees.

Our partnership with Sonder

We recognise that well-being encompasses physical, mental, social, and environmental factors. Partnering with Sonder elevates our strategy by providing 24/7 support for employees and their families.

From self-help resources to live consultations with medical, mental health, and safety experts, Sonder empowers our people to manage stress, sleep, finances, and more. Additionally, safety features like "Check on me" and "Track my journey" ensure peace of mind, knowing someone has their back.



MH&W benefits

We have a range of benefits to support our employees manage their physical and mental health, including:

- Bupa Corporate Health Cover and Health Assessments
- Health and Mindfulness Webinars
- Annual Flu Vaccinations and Skin checks
- Healthy Snacks and Fruit



Mental Health First Aid Officers

Our accredited Mental Health First Aid Officers (MHFAO) are available to provide first aid to people who are experiencing a mental health crisis or may be developing a mental health problem. These employees provide first aid until appropriate professional help is received or the crisis resolves.



Finding balance

It's important to find the time to completely switch off from work and spend time with family and friends so you can be your best self at home and work. We encourage all our Australia based employees to regularly take their annual leave and consider purchasing extra leave using their pre-tax salary!



Organisational wellbeing and safety program

Sonder provides our people and their families with real-time access to a team of medical, mental health and safety experts that are ready to assist with their wellbeing needs, 24 hours a day, 7 days a week.



Viva Engage community

An internal online platform to share experiences, tips, ideas and questions about mindfulness, health and wellbeing with likeminded people in our dedicated Viva Engage community.



Learning and awareness

Alongside the more personal MH&W activities, all employees have access to LinkedIn learning platform for a collection of recommended courses to help learn more about taking care of our wellbeing.

As we navigate this period of rapid growth and expansion, safety remains our top priority. With multiple construction projects underway, including our new venture in Malaysia, ensuring the well-being of our workforce is paramount. We are committed to maintaining the highest safety standards across all our operations."

Scott Puddy
HEAD OF SAFETY



Customer data security and privacy

There is a clear delineation between the data that NEXTDC holds as part of managing our business and the data that our customers hold or process as part of their operations.

NEXTDC does not interact with or manage any data stored on our customers' equipment. Customers are responsible for managing their own data on their IT equipment and the security of that data. NEXTDC is responsible and takes pride in offering exceptional physical security controls to protect customers' equipment in our facilities.

We respect and protect the privacy rights of all individuals we interact with. Our Privacy Program focuses on compliance with global data protection laws and regulations covering all aspects of our operations. We collect minimal customer Personal Identifiable Information (PII), limited to activities such as account and contract management, marketing, and to permit entry into our facilities.

We recognise that a data security breach could have a significant reputational impact on NEXTDC and our customers. Any customer account-related information that we store is managed in accordance with our Privacy Policy, which is available on our website.

Internal data management procedures, such as the Data Retention Policy, Incident Management Procedure, Cyber Security Incident Response Plan, Data Breach Notification Process, and IT Disaster Recovery Plan, support how we manage, protect, and secure the integrity of data and how we would respond to a security or privacy breach. These procedures are designed to comply with all relevant legislation. All NEXTDC team members, contractors, and consultants must undergo mandatory privacy management and information security awareness training annually.

We test our Business Continuity (BC), Disaster Recovery (DR), and Cyber Incident Response plans annually, sharpening our expertise in managing critical systems during disruptions. Our BC program is a cornerstone of our operational resilience in keeping brand promise of 100% Uptime.

NEXTDC has not received any substantiated complaints regarding breaches of customer privacy or losses of customer data during the reporting period.



Cyber security

Cyber resilience is an important element of customer data security.

NEXTDC is committed to protecting our critical infrastructure, customer and employee data, and overall business operations from cyber threats. Our Board oversee cybersecurity governance and management delivered through our Chief Technology Officer (CTO). We have a robust cybersecurity governance framework in place, and we are continuously improving our risk management and incident response capabilities.

We perform periodic third-party audits to benchmark relevance and effectiveness and maintain a set of internal cybersecurity and information security policies that are available to all employees. We continue to expand our cybersecurity training programs, equipping our people with the knowledge and skills to navigate cyber threats and protect sensitive data. This commitment to employee education fosters a more secure work environment for everyone.



97% of staff completed Security Awareness Training FY24.

Physical security

Keeping your data safe is our top priority. That's why NEXTDC takes data centre security seriously. Our robust security program protects everything—our buildings, the infrastructure, our people, and most importantly, our customers' equipment and data.

The protection of NEXTDC data centres is enhanced using successive layers of security through a unified platform of physical, electronic and personnel security. NEXTDC's security and protection measures reflect ongoing changes in the risk and threat environment to protect the integrity of customer information in our care.

We prioritise the highest security standards across our data centres, adhering to the Australian Government Protective Security Policy Framework (PSPF) for both existing and future facilities in Australia and overseas. This "defence-in-depth" approach utilises multiple layers of protection to deter, detect, delay, and respond to

potential security breaches. Our second and third-generation data centres, and those to come, are designed and operated to meet or exceed these rigorous requirements. This includes secure zones for storing sensitive information at various Business Impact Levels, as outlined by the PSPF and Information Security Manual (ISM). These high standards are evident from conception to completion, integrating physical security measures, electronic safeguards, comprehensive policies and procedures, and a highly trained workforce – all validated by third-party certifications. We further ensure security through robust protocols and ongoing training, empowering our personnel to identify and report suspicious activity and safeguarding our customers and operations.

"Cybersecurity metrics are no longer just a technical concern; they are a vital component of our ESG strategy. By incorporating metrics such as incident response times and employee security awareness training completion rates into our ESG strategy, we can effectively demonstrate our commitment to data protection, risk mitigation, and overall business resilience. This transparency fosters trust with stakeholders and investors, reinforcing our position as a responsible and secure data centre provider."

Jeff Arndt
CHIEF TECHNOLOGY OFFICER



Supply chain

Recognising sustainability’s critical role, we integrate its impact into our supply chain risk management. We are conscious of the greenhouse gas emissions generated by our supply chains, alongside climate regulations, material availability, and ethical labour practices. By collaborating with suppliers on sustainability improvements, we aim to mitigate these risks and build a more responsible and resilient supply chain.

Supplier Code of Conduct

NEXTDC’s Supplier Code of Conduct (Code) sets the foundation for responsible sourcing across our entire supply chain, aligning with our Corporate Social Responsibility Policy. Encompassing all our product and service providers, especially those involved in facility design, build, operations, and maintenance, the Code establishes minimum expectations for ethical practices and good governance. This includes responsible management of WHS, social, environmental, and economic risks, along with ethical employment practices and robust information security measures. By adhering to the Code, our suppliers become partners in building a sustainable and ethical supply chain.

Modern Slavery and Human Rights Management

NEXTDC stands firmly against modern slavery in our operations and throughout our entire supply chain.

We champion human rights for all stakeholders, including employees, communities, partners, and those within our supply chain. We actively work to eliminate any potential human rights violations or risks throughout our operations.

We conduct our business in a manner consistent with practises outlined by the United Nations Guiding Principles on Business and Human Rights. NEXTDC’s supplier assurance program specifically addresses compliance with the Modern Slavery Act 2018 (Cth.) which requires us to report on and action any risks of modern slavery identified in our operations and supply chains. NEXTDC’s fourth Modern Slavery Statement, published in December 2023 can be found on our website (www.nextdc.com).

During FY24, we further refined our modern slavery work program and our supplier risk assessment process. As

we expand into Malaysia and other Asian markets, we take a proactive approach to managing modern slavery risks. This included:

1. **Embedding Requirements:** Our tenders and contracts explicitly require suppliers to adhere to our anti-slavery and ethical labour standards. These requirements outline expectations for responsible recruitment practices, fair wages and working conditions, and adherence to relevant local and international labour laws, among other things
2. **Rigorous Evaluation:** Modern slavery risk management is a key evaluation criterion during the tender selection process. We assess potential suppliers’ commitment to ethical sourcing practices and their ability to demonstrate compliance with our standards

Onsite Audits: Building on our experience with supplier audits in China, we plan to conduct annual on-site audits at key suppliers across Asia. These audits will verify compliance with our anti-slavery standards and identify potential areas for improvement.

Throughout the year, we have continued to perform comprehensive risk assessments of our tier-one suppliers while promoting increased awareness amongst our staff and our entire supply chain about the existence of modern slavery.

During FY24, we did not identify any instances of modern slavery in our supply chain. Our annual Modern Slavery Statement provides more details on this process and its outcome. Our FY24 Modern Slavery Statement will be published in December 2024 and available on our website (www.nextdc.com).



99.2% of staff completed Modern Slavery Training FY24

Sustainable procurement process

Understanding the broader environmental and social impact of our purchasing decisions is a core focus of our sustainability strategy. We’re committed to integrating these considerations throughout the procurement process. During due diligence, we prioritise suppliers showcasing best practices in sustainability. Additionally, robust systems uphold the integrity of our Supplier Code of Conduct. For certain contracts, a competitive selection process evaluates factors like supplier experience, sustainability practices, qualifications, quality assurance, financial stability, and insurance coverage. This ensures we partner with responsible and reliable suppliers who share our commitment to a sustainable future.

As part of our third-party risk management process, our construction partners are required to submit an Environmental Management Plan to advise NEXTDC on

how they will minimise their impact on the environment, where applicable. The effectiveness of environmental controls is included in the vetting and review process of new and existing suppliers. These are tracked and monitored via our internal assurance process.

Prior to any maintenance or other relevant works being undertaken at any NEXTDC facility, a risk assessment process (including safety, environmental, human rights management, and information security requirements) is conducted to ensure the contractor sufficiently identifies and mitigates risks.

Periodical Vendor Reviews with our key suppliers are used to discuss our expectations and assess compliance with sustainability requirements and best practices.

Continuing our commitment to responsible sourcing, we conducted comprehensive on-site audits for two suppliers in Australia and Asia in FY24. More audits are scheduled for FY25.

We hold suppliers to high ESG standards but recognise some may require assistance to meet minimums due to their size or industry. While we expect continuous improvement, we understand ending partnerships can harm workers. Therefore, we collaborate with these suppliers to address nonconformances and elevate their practices without compromising our requirements. This approach is being formalised into a framework for FY25, particularly relevant for our Asian expansion, where modern slavery risks are higher.

As we advance our ESG strategy, a sustainable supply chain becomes a central pillar. We are committed to maturing our practices in this area, which will involve identifying key metrics to track progress and measure impact.

Supporting local industries

Powering a Connected Australian Cloud Ecosystem: NEXTDC is a neutral hub designed to foster a thriving cloud computing environment in Australia. Our state-of-the-art facilities enable broad industry participation, housing a diverse ecosystem of telecommunications carriers and a multitude of local and international infrastructure, platform, application, software, and Network-as-a-Service providers. Many of these providers are Australian companies, playing a key role in driving the nation’s cloud revolution with their innovative service offerings.

Building local partnerships, empowering the workforce

We prioritise partnering with organisations of all sizes across various industries. While some specialised equipment requires international sourcing, we actively seek out Australian-based companies and local subsidiaries of international providers for our Australian operations. This commitment extends to installation, testing, commissioning, and maintenance services,

maximising the utilisation of Australian labour and subcontractors.

Expanding globally, delivering local benefits

Our commitment to local communities remains steadfast as we expand our global footprint. We prioritise creating economic opportunities in each region where we operate, working collaboratively with stakeholders to understand and address their expectations and concerns. Effective communication is crucial during project development to ensure a mutually beneficial outcome.

Fostering innovation and growth, our robust Partner Program extends beyond 750 vendors, telcos, and service providers, cultivating a thriving ecosystem for Australian businesses. We take pride in actively supporting local startups and small businesses (SMBs) through various partnerships nationwide. This commitment translates into real job creation – currently employing 316 people across Australia and a growing team of 17 in Malaysia. As NEXTDC expands rapidly, even more opportunities arise throughout the construction and operational phases of our facilities.

Our KL1 Kuala Lumpur in Malaysia will serve as our Asian expansion hub, housing the Global Integrated Operations Centre (GIOCC) with a multidisciplinary team to support growth across the region and globally. This strategic move positions us to capitalise on the strong Asian economic tailwinds and thriving digital services market. Over the next 5-10 years, we will invest in digital skilling and educational initiatives to empower the nation’s ICT and digital workforce and solidify Malaysia’s competitive edge in Asia.

Legal and socio-economic compliance

NEXTDC prioritises ethical conduct and maintains stringent sales and purchasing procedures to minimise the risk of fraud and corruption. A Board-approved Statement of Delegated Authority is in place to establish a clear hierarchy of authority within the Company.

NEXTDC fosters a culture of integrity through a comprehensive ethics program. All staff and directors are equipped with a mandatory Code of Conduct, reinforced by annual refresher training and integrated into the onboarding process. This Code is further supported by a robust framework of policies, including those focused on work health and safety, procurement, diversity, anti-bribery and corruption, conflict of interest, human rights, and responsible financial communication. Additionally, a dedicated Whistleblower Policy encourages employees to report any concerning behaviour they may witness.

There have been no identified instances of fraud since the Company was founded.



Community involvement

Our communities matter to us. We focus on partnerships and programs that inspire our future.

NEXTDC is extremely committed to giving back. Through our Corporate Social Responsibility program, 'Live to Give,' we support various charities and the community by providing donations, holding internal fundraising events and encouraging volunteering throughout the year.

Engaging for impact

We strongly believe that volunteering and giving back to the community promotes a positive employee experience and, ultimately, advances our ambition.

We have two key partnerships that are focused on embracing the power of education and investing in the digital futures of disadvantaged young people:

1. Our partnership with *SolarBuddy* supports their vision to gift six million solar lights to children globally who are living in energy poverty by 2030, helping them to study after dusk and improve their education outcomes. This year once again, our people participated in an initiative to assemble Solar Buddy's solar lights and wrote personal letters to the recipients to help improve the lives of families living in energy poverty.
2. Our partnership with *The Smith Family's* Learning for Life program provides vital support to over 38,000 disadvantaged students across Australia. In FY24, our contribution helped 18 students - 6 from kindergarten to year 10, 6 in years 11 and 12, and 6 tertiary students on their educational journeys. This program offers early intervention and long-term assistance, empowering students to reach their full potential.

With our international expansion, we are currently exploring nonprofit partners to give back to the community there.

Workplace giving

Our employees can donate pre-tax salary to charities like The Smith Family, Solar Buddy, Beyond Blue, UN Women, The Australian Red Cross and Cancer Council, with NEXTDC matching contributions dollar-for-dollar.



Volunteering

NEXTDC upholds the Pledge 1% movement, allowing staff to dedicate 1% of their work time to volunteer activities. All employees receive 3 volunteer days to support causes they care about, making it even easier for our people to give back 1% of their time to communities and charities that will benefit.

Our Australian employees are also able to request further paid volunteer days to participate in skills-based volunteering opportunities, which will not only benefit the community but also provide development opportunities for our people. We know that by listening and collaborating with our non-profit partners, we can prioritise and allocate resources to achieve greater good.

In FY24, the NEXTDC team increased volunteer hours taken to 11%, up from 4.7% the previous financial year. While we didn't quite hit our 20% target, we made a huge step forward and will continue to make strides.

Making a difference at the RSPCA

Our teams in Melbourne, Sydney, and Canberra all participated in the RSPCA Corporate Volunteer Day. It was both an inspiring and heartwarming experience that allowed the team to connect with animals in need and give back to our community.

Sydney: Our team interacted with animals needing care, enjoyed guided tours, and participated in feeding, walking, and cleaning activities. The one-on-one time with animals and the opportunity to contribute to the RSPCA's vital work were highlights for many.

Canberra: The team donned gloves and tackled gardening and cleaning tasks, even preparing food for the animals. The experience was capped off with heartwarming petting and cuddle sessions.

Melbourne: In addition to cage cleaning and writing thank-you letters, the Melbourne team walked goats, with one team member even finding a furry new friend through adoption!

Beyond the immediate impact on the animals, volunteering at the RSPCA also fostered a strong sense of teamwork within our group. We collaborated effectively, learned new skills, and shared laughter throughout the day. This experience was a powerful reminder of the importance of giving back and the positive impact even a few hours of our time can make. Our team left feeling inspired, grateful, and eager to continue supporting their vital work.

Our People & Culture team champions impactful volunteering, fostering a spirit of social responsibility. In FY24, they united teams across locations for corporate volunteering days at the RSPCA, Ronald McDonald House Sydney, and the Cancer Council in Melbourne. Their dedication made a tangible difference in these communities. Looking ahead, eight exciting volunteer opportunities are already secured for FY25, demonstrating our ongoing commitment to giving back.

Live to Give Committee

Our Live to Give Committee is a dedicated group of NEXTDC employees who drive our corporate social responsibility. The Committee is responsible for generating ideas, facilitating fundraising events across our NEXTDC sites, and researching and promoting volunteering opportunities for the wider business to get involved in. Our online collaboration tool, Viva Engage, continues to be a platform for people to share their giving journey.

The committee fostered a strong sense of corporate social responsibility in FY24 through employee-driven initiatives. Events like World Mental Health Day Morning Teas raised funds for Beyond Blue, our Workplace Giving Partner, while team members nationwide participated in a virtual coffee catch-up for UN Women's International Women's Day, demonstrating our commitment to both mental health awareness and gender equality.

Focus for FY25

In FY25, we will focus on growing our Live to Give program and engagement, continuing to focus on volunteering and scalability as we expand to new countries. Spreading Smiles at Ronald McDonald House:

In September 2023, a dedicated team from our Sydney office volunteered at Ronald McDonald House Randwick. They rolled up their sleeves to clean and revitalise the playground and surrounding areas, creating a brighter and more enjoyable space for the children and families staying there.

Supporting Our Local Community: NEXTDC and the Gungahlin Eagles

NEXTDC has proudly supported the Gungahlin Eagles Rugby Football Club, contributing to their successful premiership win in the ACT Premier Division last year. This partnership allows us to engage with the local community through future initiatives. We encourage our staff to attend these events, showcasing diverse cultures. We are committed to building stronger community ties through our involvement with the Gungahlin Eagles and exploring further opportunities to support local initiatives.



Sustainability data



Sustainability data



Environmental indicators

NEXTDC's sustainability data provided relates to the financial year ending 30 June 2024 and is presented to the nearest significant figure.

| | Target | FY24 | FY23 | FY22 | FY21 |
|--|--------------------|---------|---------|---------|---------|
| Energy | | | | | |
| Average Power Usage Effectiveness (PUE) | <1.40 ¹ | 1.42 | 1.39 | 1.38 | 1.40 |
| Water | | | | | |
| Water Usage Effectiveness (WUE) | N/A ⁴ | 2.16 | 1.73 | 1.61 | 1.74 |
| Total water consumption (ML) ³ | N/A ⁴ | 702 | 532 | 468 | 392 |
| Emissions⁵ | | | | | |
| Total Scope 1 emissions (tCO ₂ e) | N/A ² | 1,615 | 866 | 1,292 | 665 |
| Total Scope 2 emissions (tCO ₂ e) | N/A ² | 335,629 | 349,902 | 350,049 | 297,897 |

- 1 Target has been set based on all data centres being fully built and operational, and operating at target customer load.
- 2 There are no current targets for Scope 1 or Scope 2 emissions however will be refined as we progress on our net zero journey.
- 3 Total water drawn from water grids from all data centres over a full year.
- 4 There are no targets for total water consumption as this will reflect organisation/customer growth. WUE target will be set in the near future.
- 5 FY24 Scope 2 emissions calculation does not specifically allocate emissions to customer energy portfolios. NEXTDC is currently reviewing this approach and reassessing its emissions inventory and responsibilities. This does not impact the total Scope 2 calculation, which maintains the same methodology used in previous years (in-line with the National Greenhouse and Energy Reporting (NGER) guidelines).



NEXTDC people

| | 30 Jun 24 | 30 Jun 23 | 30 Jun 22 | 30 Jun 21 | 30 Jun 20 |
|---|------------------|------------------|------------------|------------------|------------------|
| Total headcount¹ | 333 | 310 | 276 | 273 | 248 |
| By division | | | | | |
| Corporate - Executive, Finance, Legal, P&C | 102 | 63 | 54 | 74 | 67 |
| Facility Operations, Project Management | 110 | 84 | 78 | 74 | 68 |
| Sales, Technology, Marketing and Customer Success | 121 | 163 | 144 | 125 | 113 |
| Turnover rates² | 17.81% | 18.28% | 23.23% | 14.2% | 14.1% |

¹ Headcount: The number of employees as at the end of the reporting period (includes part-time employees).

² Turnover rates: The average voluntary turnover rate for the reporting period.

Workforce by location, type, and gender³

| | Managers | | Non-Managers | | Totals (actuals) |
|-------------------------|-----------------|----------|---------------------|----------|-------------------------|
| | M | F | M | F | |
| Melbourne | 13 | 5 | 54 | 18 | 90 |
| Sydney | 19 | 4 | 49 | 22 | 95 |
| Brisbane | 7 | 6 | 46 | 25 | 84 |
| Canberra | 4 | 0 | 5 | 3 | 12 |
| Perth | 3 | 3 | 18 | 6 | 30 |
| Sunshine Coast | 0 | 0 | 1 | 0 | 1 |
| Adelaide | 1 | 0 | 2 | 0 | 3 |
| Darwin | 0 | 0 | 1 | 0 | 1 |
| Malaysia | 0 | 0 | 5 | 12 | 17 |
| Totals (actuals) | 47 | 18 | 181 | 86 | 333 |

³ Gender is classified based on the self-reported information provided by employees and recorded in the NEXTDC human resources system at the time of reporting. Employees have the option to self-report their gender when they begin employment and can update their gender selection at any time. In FY24, no employees were identified as non-binary or with an undisclosed gender.



Workforce – New hires by gender, location and age group

| | 20 and under | | 21-30 | | 31-40 | | 41-50 | | 51-60 | | 60+ | |
|-----------|--------------|---|-------|---|-------|----|-------|---|-------|---|-----|---|
| | M | F | M | F | M | F | M | F | M | F | M | F |
| Melbourne | | 1 | 4 | | 1 | 2 | 3 | 2 | 2 | | | |
| Sydney | 1 | | 3 | | 5 | 1 | 3 | | 2 | | 1 | |
| Brisbane | | | 3 | 1 | 2 | 1 | | | 1 | 1 | | |
| Canberra | | 2 | | | | | | | | | | |
| Malaysia | | | 2 | 5 | | 3 | | 1 | | 1 | | |
| Totals | 2 | 3 | 15 | 7 | 11 | 10 | 8 | 3 | 7 | 2 | 1 | |

There were no new hires in Perth, Adelaide and Darwin in FY24.



N E X T D C

where the cloud lives™

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

For any queries about NEXTDC's
sustainability reporting, please use
the following link to contact us.