



QANTM Intellectual Property Limited

2020 Modern Slavery Statement

QANTM Intellectual Property Ltd

Modern Slavery Statement: 2020 Financial Year

FROM THE CHIEF EXECUTIVE OFFICER

QANTM Intellectual Property Ltd is pleased to release its first Modern Slavery Statement under the Australian *Modern Slavery Act 2018* (Cth). The *Modern Slavery Act* is a key initiative to counter modern slavery practices, which are major violations of human rights and serious crimes.



Modern slavery can affect any country. The United Nations estimates there are more than 40 million victims of modern slavery worldwide, with over half of these victims exploited in the Asia-Pacific region.

As stated in our Human Rights Policy, the QANTM Group respects and supports internationally recognised human rights - the basic labour, social, political, civil, economic, and cultural rights and freedoms to which all people are entitled, as set out in the Universal Declaration of Human Rights adopted by the General Assembly of the United Nations in 1948.

In line with this commitment to support human rights, QANTM Group will never employ or use any form of child labour which deprives children or adolescents of their childhood, their potential and their dignity, and that is harmful to physical and mental development. In addition, we will never employ or use any form of forced labour including slave, bonded, and indentured labour or any form of human trafficking. We are committed to assessing the actual and potential risks of human rights violations of this nature in our supply chain, and to taking reasonable and proportionate action, including by leveraging our business relationships, to prevent or minimise these risks, detect actual violations and provide or facilitate access to remedies for those affected.

QANTM's first Modern Slavery Statement describes our approach to meeting these commitments, and to assessing and addressing the risk of Modern Slavery in our own business operations and our supply chain.

We look forward to continuing to develop and refine our approach to this important human rights initiative in the years to come.

This Statement was approved by the Board of Directors of QANTM Intellectual Property Ltd on 23 March 2021.

A handwritten signature in black ink, appearing to read 'Craig Dower', written over a white background.

Craig Dower

Chief Executive Officer and Managing Director, QANTM Intellectual Property Ltd

This is the Modern Slavery Statement (**Statement**) for QANTM Intellectual Property Ltd (**QANTM** or **the Company**) and its related companies (together with QANTM, the **Group**), for the financial year ended 30 June 2020.

This Statement is made pursuant to the Australian Modern Slavery Act 2018 (Cth) (**Act**).

REPORTING ENTITY AND STRUCTURE

QANTM is the 'reporting entity' (as defined in the Act) covered by this Statement.

QANTM is the owner of a group of leading intellectual property (IP) services businesses operating under four key brands:

Davies Collison Cave, including:

- Davies Collison Cave Pty Ltd - an incorporated patent and trade marks attorney business incorporated in Australia and operating in Australia and New Zealand (**DCC**);
- Davies Collison Cave Law Pty Ltd - an incorporated legal practice incorporated and operating in Australia (**DCC Law**);
- Davies Collison Cave Asia Pte Ltd - an incorporated patent and trade marks attorney business incorporated in and operating in Singapore (**DCC Asia**);

FPA Patent Attorneys, including:

- FPA Patent Attorneys Pty Ltd - an incorporated patent attorney business incorporated in Australia and operating in Australia and New Zealand (**FPA**);
- FPA Patent Attorneys Asia Pte Ltd - an incorporated patent attorney business incorporated and operating in Singapore (**FPA Asia**);

Advanz Fidelis IP Sdn Bhd - an incorporated intellectual property prosecution and advisory practice incorporated and operating in Malaysia (**Advanz**); and

Cotters Patent and Trade Mark Attorneys - an incorporated patent and trade marks attorney business incorporated and operating in Australia (**Cotters**).

QANTM is also the majority shareholder in an IP business advisory company, **ipervescence Pty Ltd**, incorporated and operating in Australia, which provides IP consulting and flexible resourcing services.

In addition to these operating businesses, the QANTM Group comprises three additional wholly-owned subsidiaries incorporated and operating in Australia, with employees providing "back office" and other services to support the operating businesses and the corporate head office.

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OPERATIONS

The QANTM Group generates revenue by providing services in relation to the creation, protection, commercialisation, enforcement and management of IP. In addition, revenue is generated outside the IP application process, with clients engaging the QANTM businesses to provide strategic IP advice regarding their IP portfolio or that of their competitors. Such strategic advice assists clients in identifying potential opportunities for IP protection. DCC Law provides IP legal and litigation services, and corporate and commercial legal advice on mergers and acquisitions, governance and compliance, business structures and restructuring, capital raising, joint ventures, finance and asset protection.

The QANTM Group operating businesses have a diverse client base ranging from start-up ventures and SMEs to Fortune 500 multinational corporations, public sector research institutions and universities. The majority of the QANTM Group's clients are located in the United States of America, Europe, Japan and Australia and can be broadly divided into three groups:

- local clients, which include Australian, New Zealand, Singapore and Malaysia based corporates, public sector research institutions, universities, and private individuals; and
- international clients which include:
 - foreign corporates that engage directly with QANTM, including Fortune 500 companies and other foreign multinational corporations; and
 - international clients referred to QANTM businesses by IP practices based overseas.

The QANTM Group has approximately 350 employees, with 90% of them based in Australia.

SUPPLY CHAIN

QANTM businesses have relationships with a broad range of IP services businesses located internationally outside Australia, New Zealand, Singapore and Malaysia (**Overseas Associates**). Overseas Associates are located in more than 140 countries. QANTM businesses engage with them in two main ways. Overseas Associates are accustomed to engage the QANTM businesses to act on behalf of the Overseas Associates' international clients, where those clients seek to obtain IP protection in Australia, New Zealand, Singapore or Malaysia (often as part of the 'national phase entry' of applications made pursuant to the international Patent Cooperation Treaty (**PCT**)). Similarly, QANTM businesses will often engage an Overseas Associate to pursue IP protection or provide advice as a subcontractor to the QANTM business, where the QANTM business has been instructed by a client to source advice or assistance with respect to IP protection in the Overseas Associate's jurisdiction.

The Overseas Associates are therefore both clients, and also a key part of QANTM's supply chain, acting as subcontractors in the provision of professional services to QANTM's operating businesses.

Our Supply Chain also includes the suppliers of products and services that would typically be required by a professional services company, such as office space and associated facilities

management services, office equipment (including IT and telecommunications devices and software), and other services – including services from professional advisers (such as legal, financial and audit services), services related to recruitment, travel bookings, business consulting, and provision of staff training and wellbeing programs.

MODERN SLAVERY RISK ASSESSMENT

With the assistance of an outside consulting services provider with specialized software, QANTM undertook a modern slavery risk assessment of its supply chain activities in the reporting period.

This involved internal data analysis to identify and map all material first-tier suppliers in the Group's Supply Chain, by location, product or service provided. Level of expenditure by the Group was also noted, to assess the potential level of influence of QANTM over those suppliers.

A risk assessment of the mapped supply chain was conducted, and suppliers were assigned to ranked categories according to perceived risk level, based on factors such as the risk associated with the country in which the services are provided or from which goods are sourced, sector and industry risk (for example, office cleaning and security services are considered higher risk activities with respect to modern slavery), product and services risk.

RISKS OF MODERN SLAVERY IN THE QANTM GROUP'S OWN OPERATIONS AND SUPPLY CHAIN

The risk analysis undertaken included assessment of factors including the following with respect to the QANTM Group's own operations:

- a high proportion of QANTM's workforce are qualified professional patent or trade marks attorneys and lawyers, subject to and accustomed to complying with professional conduct rules enshrining high ethical standards, including overriding duties to comply with the law;
- business operations for all operating subsidiaries, including Singapore and Malaysia, are at sites where staff report into such senior professionals; and
- all employees are paid fair market wages in compliance with legal requirements, and the employing entities within the Group are supported by experienced human resources managers with dual reporting lines into the business units and to the Chief Transformation Officer, who reports directly to the QANTM Chief Executive Officer and Managing Director,

and with respect to the risks of modern slavery in the QANTM Group's supply chain, most of the suppliers in higher-risk jurisdictions for modern slavery are Overseas Associates who are firms of qualified professionals (patent and trade mark attorneys and lawyers), subject to their own rules of professional conduct and ethical standards, and in most cases are well-known and have long-standing business relationships as trusted advisers to, and clients of, QANTM's operating businesses.

A due diligence survey has been designed for completion by both Overseas Associates and traditional suppliers, to assist in a more detailed identification and assessment by QANTM of the modern slavery risks in its supply chain, based on their responses to questions relating to the suppliers' operations and supply chain. This was sent to a group of direct suppliers with the highest Group spend, a group of direct suppliers identified as being at the highest

risk for potential modern slavery incidents based on preliminary risk ratings, and a group of Overseas Associates identified as being at the highest risk for potential modern slavery incidents.

None of our suppliers or Overseas Associates have indicated that they are aware of any instances of modern slavery in their operations or supply chains. However, several of our suppliers made survey responses that we believe indicate modern slavery risk profiles that require some additional follow-up actions to further assess and mitigate possible modern slavery risk.

ACTIONS TAKEN TO ADDRESS MODERN SLAVERY RISKS

In response to the risks identified in our supplier due diligence process, we will create action plans specific to suppliers, prioritised on the basis of assessed modern slavery risk after completion of the initial due diligence survey, and assigning responsibility to Group employees for execution of those action plans.

Additionally, QANTM has developed a protocol for a Mutual Commitment to Ethical Business Practices, which is intended to be executed by both QANTM Businesses and the Overseas Associates with which they deal. The terms of the protocol require both the relevant QANTM Business and the Overseas Associate (among other commitments relating to matters such as anti-bribery compliance and general legal compliance) to commit to ensuring that they will never:

- employ or use any form of child labour (defined as work that deprives children or adolescents of their childhood, their potential and their dignity, and that is harmful to physical and mental development);
- employ or use any form of forced labour including slave, bonded, and indentured labour or any form of human trafficking in the conduct of our business;
- use deductions from wages as a disciplinary measure; or
- require workers to surrender any government issued identification, passport or work permit or other personal document as a condition of employment.

The protocol refers to QANTM's Whistleblower Protection Policy, and the reporting channels under the QANTM Speak Up service, which the Policy and protocol make clear are available for reporting by clients, suppliers and their respective employees.

QANTM has also developed a Supplier Code of Conduct, containing similar provisions, for execution with higher-risk suppliers in connection with supply arrangements.

Engagement with higher-risk suppliers has progressed subsequent to the reporting period, with most Overseas Associates contacted having become signatories to the Mutual Commitment. QANTM is continuing to monitor responses to the due diligence surveys.

As noted above, QANTM has also published policies emphasizing its commitment to the highest standards of legal, ethical and moral behavior, to conducting its business with integrity, to complying with applicable laws, and emphasizing its commitment to human rights (these are available on QANTM's website at <http://qantmip.com/about-qantm/governance/>).

QANTM Group has established a Human Rights Policy, approved by the QANTM Board of Directors, confirming QANTM Group's commitment to respect and support internationally

recognised human rights, being the basic labour, social, political, civil, economic, and cultural rights and freedoms to which all people are entitled, as set out in the Universal Declaration of Human Rights. The policy includes specific reference to rights related to workplace health, safety and labour conditions – including freedom from slavery, servitude, bonded labour, human trafficking and child labour.

The Company has in place a formal Code of Conduct the intent of which is to:

- articulate the high standards of honesty, integrity, ethical and law abiding behaviours expected of senior executives;
- encourage the observance of those standards to protect and promote the interests of shareholders and other stakeholders (including employees, customers, suppliers and creditors);
- guide senior executives as to the practices regarded as necessary to maintain confidence in the QANTM Group's integrity; and
- set out the responsibility and accountability of senior executives to report and investigate any reported violations of the Code or unethical or unlawful behaviour.

During the 2020 Financial Year, QANTM's Board approved a new Whistleblower Protection Policy, the purpose of which is to encourage reporting of "wrongdoing", which includes misconduct or an improper state of affairs or circumstances in relation to QANTM, or any member of the QANTM Group or its operations, or involves QANTM personnel.

QANTM is committed to achieving this purpose by:

- supporting the right of QANTM Personnel to refuse to participate in wrongdoing;
- providing robust protection from retaliation, victimisation or detrimental action for individuals in connection with reports of reasonably suspected wrongdoing;
- ensuring that confidentiality is maintained as required by law;
- providing accessible, secure and reliable channels for the following parties to report reasonably suspected wrongdoing, including by way of anonymous reporting:
 - current or former employees, officers, contractors, or consultants (QANTM Personnel) or their relatives, dependants or spouse; and
 - external parties, including suppliers to QANTM Group and their employees, clients and members of the public;
- facilitating thorough, timely, fair and impartial investigation of reports of wrongdoing;
- addressing issues identified, including by taking appropriate disciplinary action; and
- at all times complying with whistleblowing legislation in any country that QANTM operates.

To support its commitment to Whistleblower Protection, the Company has established the "QANTM Speak Up" service - an externally-managed service established to receive reports of wrongdoing by telephone, email, through an online platform or by mail. Reports received will be forwarded regularly to an appropriate officer within QANTM for confidential assessment and referral for appropriate resolution. Any instance of modern slavery would be in breach of applicable laws in QANTM's operating jurisdictions and reports of such instances would attract the protections afforded by the policy.

EFFECTIVENESS OF ACTIONS TAKEN

The focus in the reporting period and leading up to this first Modern Slavery Statement for QANTM has been to establish foundation policies, including the QANTM Group's Human Rights Policy, processes, and documents to assist in assessment and management of modern slavery risks, to complete initial risk assessment through analysis of supply chain data, and to engage with suppliers, prioritized on a risk weighted basis.

Engagement with suppliers has been impaired to a degree by the inability to travel and interact directly on the rationale and policy behind Modern Slavery compliance initiatives, due to travel restrictions established across our operating jurisdictions through the course the COVID 19 pandemic. However, there have been encouraging responses from suppliers to initial interactions, with Overseas Associates in particular receptive to a binding mutual commitment to compliance with Modern Slavery laws in place in our respective jurisdictions. Our view is that the approach of establishing QANTM's own policy with respect to Human Rights and noting that suppliers are encouraged to access reporting channels through the QANTM Speak Up service, on Modern Slavery and other issues to hold QANTM's businesses to account for their own operations, encourages a constructive and collegial approach to this important moral issue.

The effectiveness of the structure of the Modern Slavery risk management system within the QANTM Group will be reviewed periodically as part of QANTM's risk management processes under the QANTM Group's Risk Management Policy. The key elements of the risk management structure are management oversight by the Executive Risk Committee (a group of senior executives including all reports to the Chief Executive Officer and Managing Director, convened by QANTM's Head of Mergers and Acquisitions and Risk, which reviews current and emerging risks for the QANTM Group, including adequacy of risk management plans and progress made against them), a risk "owner" (which for Modern Slavery is the Group General Counsel) and separate business risk registers owned by business units and functions. QANTM is implementing an automated risk management tool which will assist in cascading and tracking of risk treatment plans. The risk management system is overseen by the Audit, Risk and Compliance Committee (ARCC) – a committee of the QANTM Board, and the adequacy and effectiveness of the Modern Slavery compliance system has been included on the annual program for the ARCC.

CONSULTATION WITH QANTM ENTITIES

QANTM has engaged with the various QANTM Group operating businesses through discussion items at meetings of the Group Executive (direct reports to the QANTM Chief Executive Officer and Managing Director) and the Executive Risk Committee, and engagement with the Managing Principals of the operating businesses which deal with the targeted higher risk suppliers to develop key documents such as the Mutual Commitment to Ethical Business Practices, and Supplier Code of Conduct, and to settle communications to targeted higher-risk Overseas Associates.

The progress on risk management actions has also been reported to and discussed in compliance updates which are standing agenda items at meetings of the ARCC.

QANTM's operating businesses also participated in completing risk-assessment surveys for their operating sites.

NEXT STEPS

QANTM acknowledges that the actions taken in the reporting period, and in the subsequent period up to the date of this Statement, are just the first steps in a journey towards ensuring there is no modern slavery in our supply chain. We are committed to make continuous ongoing improvement in our assessment and management of risk in this area.

QANTM's objectives for the 2021 Financial Year are to:

- execute and assess the benefits of the actions noted above in this Statement;
- broaden the level of interaction with suppliers, in particular Overseas Associates, with respect to modern slavery risks, through circulation of questionnaires and analysis of results, prioritizing on the basis of risk;
- develop and deliver training packages for targeted QANTM personnel;
- expand the take-up of the Mutual Commitment to Ethical Business Practices, and Supplier Code of Conduct by Overseas Associates and other suppliers;
- implement screening of supply chain counterparties for modern slavery issues, using a risk-based approach; and
- embed modern slavery compliance into the new risk management tool being rolled out across the QANTM Group to enable more effective cascading of actions and monitoring of progress.

BOARD APPROVAL

This Statement was approved by the Board of Directors of QANTM Intellectual Property Ltd on 23 March 2021.