

IPH Group Modern Slavery Statement

December 2021

IPH Limited ACN 169 015 838



Table of Contents

Introduction	3
IPH's structure, operations and supply chains	3
Risks of modern slavery practices in IPH's operations and supply chain	5
Actions taken to assess and address modern slavery risks	8
Assessment of the effectiveness of our actions	9
Consultation and approval process	9



Introduction

IPH Limited (ABN 49 169 015 838) (IPH) is committed to maintaining the highest ethical standards in the conduct of its business activities. IPH has a long history of acting with professionalism, integrity and honesty. The reputation of IPH and its businesses as responsible and ethical organisations is important to their ongoing success.

IPH and its businesses oppose slavery in all its forms.

This Modern Slavery Statement (Statement) is IPH's second statement made in accordance with the *Modern Slavery Act 2018* (Cth) (Act). IPH was pleased to publish its inaugural Modern Slavery Statement in December 2020. During the financial year ended 30 June 2021 (FY21), IPH continued its efforts to assess and address modern slavery risk exposures in our business operations and supply chains and this Statement provides an overview of these actions.

This Statement is submitted as a joint statement on behalf of all reporting entities within the IPH Group, being IPH Limited and its wholly owned subsidiaries Spruson & Ferguson Pty Limited (ABN 55 601 269 050) and Xenith IP Group Pty Ltd (ABN 88 607 873 209).

These subsidiaries all had annual consolidated revenue of at least AUD\$100 million during FY21.

Responding to the COVID-19 global pandemic

In FY21, like all businesses, IPH has had to continue to manage the COVID-19 global pandemic. In this Statement, we have referred to some of the actions we have taken to respond to the COVID-19 pandemic in FY21 in the context of assessing and addressing modern slavery risks in our operations and our supply chains. Please refer to our FY21 Sustainability Report for more information regarding our response to COVID-19.

IPH's structure, operations and supply chains

Overview

IPH is the leading intellectual property (IP) services group in the Asia-Pacific region.

IPH operates a number of professional services businesses providing IP services, including the leading IP firms AJ Park, Griffith Hack, Spruson & Ferguson and Pizzeyes. During FY21, AJ Park acquired the New Zealand IP firm, Baldwins Intellectual Property, which now forms part of the AJ Park business. In FY21 IPH also operated in areas which support its IP services businesses, through the WiseTime business, an autonomous time-keeping software application. On 1 July 2021, IPH announced that it had expanded its digital and trade mark capability with the acquisition of Applied Marks Pty Ltd. Applied Marks now operates as part of the IPH group. As this acquisition completed in FY22, this Statement does not address activities taken by Applied Marks, this business will be reported on in our FY22 Modern Slavery Statement. In this Statement, each IPH business is referred to as a Group Business and collectively IPH and its Group Businesses are referred to as the IPH Group.



Group Businesses operate from 20 offices across eight IP jurisdictions, being Australia, New Zealand, Singapore, Malaysia, China, Indonesia, Thailand and Hong Kong. Globally, Group Businesses employ more than 900 people.

During FY21, the principal activities of the Group Businesses consisted of:

- IP services related to the provision of filing, prosecution, enforcement and management of patents, designs, trade marks and other IP in Australia, New Zealand, Asia and other countries, provided by the IP firms AJ Park, Griffith Hack, Spruson & Ferguson and Pizzeys; and
- the development of autonomous timekeeping software under a subscription licence model whereby the software is licensed and paid for on a recurring basis, provided by the WiseTime business.

Governance

The IPH Board has ultimate responsibility for overseeing the IPH Group's response to modern slavery risks. The IPH Board's Risk Committee oversees the review of emerging risks, including any modern slavery risks, and the management of potential risks by applying risk management policies and processes to relevant facets of the IPH Group.

IPH's Modern Slavery Taskforce, established during FY20, continues to coordinate activities taken across the IPH Group with respect to modern slavery.

As set out further below, IPH has implemented and continues to monitor a number of policies and processes across the IPH Group which are intended to assist Group Businesses to identify and manage material risks, including modern slavery risks, relevant to their businesses.

Suppliers

The principal supply chains within the IPH Group can be broadly categorised as follows:

- supply chains comprising other Group Businesses; and
- supply chains comprising external suppliers.

Both types of supply chains support the business operations of the IPH Group.

In relation to the first category of suppliers, Group Businesses often subcontract elements of their operations to other Group Businesses. For example, Spruson & Ferguson Australia may engage Spruson & Ferguson Asia to provide patent and trade mark filing services across Asia on behalf of clients of Spruson & Ferguson Australia.

In relation to the second category of suppliers, Group Businesses engage external suppliers to supply goods and services across a number of different industries, including:

- professional services including foreign patent and trade mark filing and agency services, recruitment services, external training and education services, external marketing services, external consultants and contractors and legal support services;
- real estate including utility services and other services;



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- related to the offices from which Group Businesses work;
 - technology including IT hardware, software and print services required for the operations of Group Businesses;
 - business products and services including the products that Group Businesses purchase for their offices, for example, furniture, stationery and marketing items as well as the services that are used in Group Businesses' offices such as catering, security and cleaning; and
 - travel services including travel and accommodation booking providers for Group Businesses.

Some of our Group Businesses and external suppliers are based outside of Australia, including across the Asia-Pacific region.

Risks of modern slavery practices in IPH's operations and supply chains

Due diligence process and risk identification

As set out in our FY20 Modern Slavery Statement, during FY20, IPH conducted due diligence to assess the modern slavery risks that exist across the IPH Group, including in the operations and supply chains of all Group Businesses.

This due diligence process involved working with our Group Businesses to obtain details of the external suppliers used by each business and then conducting a risk assessment of each Group Business' external suppliers to identify those suppliers which may have a higher potential exposure to modern slavery risk. The risk assessment was based on guidance provided by the Australian Government's Border Force Department.

Risks of modern slavery in the IPH Group's own operations

As a result of the risk analysis undertaken in FY20 set out above, IPH identified the residual risk of modern slavery in the operations of the IPH Group as low. During FY21, we revisited this risk assessment and concluded that it had not materially changed, such that IPH still considers that there is a low residual risk of modern slavery in the operations of the IPH Group.

In FY21, the specific factors set out below contributed to reaching this conclusion.

All Group Businesses have strong corporate governance frameworks, which involve monitoring and addressing human rights issues under IPH Group corporate policies. These frameworks involve effective practices and procedures within each Group Business which encourage ethical behaviour and professionalism. The IPH Group has a strong, embedded value of integrity, which is important to ensure that we retain the trust of our people, clients and customers.



We have a number of policies in place that ensure our values are maintained in the IPH Group's own operations, including our:

- **Statement of Values**, which sets out the values that IPH expects its employees and partners to commit to, available at <https://www.iphltd.com.au/investor-information/>;
- **Code of Ethics and Professional Conduct**, which reflects and reinforces the values which underpin the operation of the IPH Group, available at <https://www.iphltd.com.au/investor-information/>;
- **Anti-Bribery Policy**, which provides information and guidance on the IPH Group's position on bribery and corruption in the jurisdictions in which we operate, available at <https://www.iphltd.com.au/investor-information/>;
- **Sanctions Policy**, which sets out what IPH requires certain individuals to do to assist it to comply with relevant sanctions laws, available at <https://www.iphltd.com.au/investor-information/>; and
- **Whistleblower Policy**, which is a practical tool for helping IPH and Group Businesses identify non-compliant conduct that may not be uncovered unless there is a confidential and secure means for disclosing such conduct, available at <https://www.iphltd.com.au/investor-information/>.

During FY21, IPH rolled out online training courses covering key corporate governance policies to all officers and employees across the IPH Group. The policies covered by the online training courses included:

- Statement of Values;
- Code of Ethics and Professional Conduct;
- Share Trading Policy;
- Whistleblower Policy;
- Anti-Bribery Policy; and
- Sanctions Policy.

In addition, all professional staff are governed by codes of professional conduct for the practice of patent and trade mark attorneys and/or legal practitioners.

We also have human resources teams across the IPH Group who look after our employees. Group Businesses prefer to engage employees on a direct basis and to limit agency staff wherever possible. All employees are paid fairly for work performed and are subject to identity checks. In addition, employee assistance programs are offered to all IPH Group employees and all staff have access to the IPH Group Whistleblower Policy and the procedures set out in that Policy.



In addition to the above, during FY21, IPH undertook a detailed review of its risk management framework as part of an internal audit process and as a result, adopted an updated risk management framework which is being progressively implemented across the IPH Group. The updated risk management system aims to identify and manage potential risks, including modern slavery risks, in a continuous, proactive and systematic way through high quality risk management policies and processes across the IPH Group. IPH's updated risk management framework recognises risk as a business process that is owned by all management, which assists in further encouraging ethical behaviour and professionalism across the IPH Group.

Risks of modern slavery in the IPH Group's supply chains

As a result of the risk analysis undertaken in FY20 set out above, IPH identified the residual risk of modern slavery in the supply chains of the IPH Group as low. During FY21, we revisited this risk assessment and concluded that it had not materially changed, such that IPH still considers that there is a low residual risk of modern slavery in the supply chains of the IPH Group.

In FY21, the specific factors set out below contributed to reaching this conclusion.

Many of the external suppliers engaged by Group Businesses are established reputable corporate entities or other professionally regulated organisations. IPH considers these suppliers to be low risk in relation to slavery and human trafficking issues.

In addition, Group Businesses have direct relationships with many external suppliers that are not normally associated with the engagement of slave labour. In many instances the relationships that Group Businesses have with external suppliers, particularly foreign patent and trade mark filing and agency services, are trusted, direct, long-term relationships. This enables Group Businesses to help work with these suppliers to safeguard human rights.

Further, only certain professional staff and senior business support staff of Group Businesses are entitled to agree supplier terms of engagement and do so after appropriate assessment has been carried out on the supplier.

Importantly, one of the most significant actions taken during FY21 with respect to further reducing the risk of modern slavery in the IPH Group's supply chains was the introduction of the IPH Group Supplier Code of Conduct to IPH and its Group Businesses. This document can be found on the IPH website at <https://www.iphltd.com.au/investor-information/> and on each of our Group Businesses' websites. The Supplier Code of Conduct outlines the standards and behaviour IPH and its Group Businesses expect from their suppliers when conducting business with the IPH Group. The Supplier Code of Conduct is an important element in the IPH Group's commitment to ethical and socially responsible procurement. Each Group Business is currently taking steps to distribute the Supplier Code of Conduct to new and existing suppliers to their business, which will assist in further reducing modern slavery risks across the IPH Group.



Actions taken to assess and address modern slavery risks

Even though we consider the risk of modern slavery practices in the IPH Group's operations and supply chains to be low, IPH has put into place appropriate systems and controls to continue to identify and assess our modern slavery risks and manage those risks effectively.

In FY21, we built upon the actions taken to address modern slavery risks during FY20. The actions we took during FY21 included:

- **Maintenance of taskforce:** IPH continues to maintain a Modern Slavery Taskforce which has responsibility for coordinating the IPH Group's response to modern slavery risks. The Taskforce is headed by the IPH Group General Counsel and Company Secretary. It monitors the progress of actions related to modern slavery taken across the IPH Group on a regular basis.
- **IPH Group Supplier Code of Conduct:** As noted above, during FY21 IPH introduced a Supplier Code of Conduct which applies to IPH and its Group Businesses. This is an important step in addressing and remediating modern slavery risks within the IPH Group's supply chains as it allows the IPH Group to engage more directly with its supply chain.
- **Revised risk management framework:** During FY21, IPH adopted an updated risk management framework which is being progressively implemented across the IPH Group. This revised framework will assist in identifying and managing potential modern slavery risks in a continuous, proactive and systematic way.
- **Monitoring and reporting:** IPH continues to monitor and report on its response to modern slavery risks to external stakeholders. This includes reporting transparently through our annual Modern Slavery Statement. We have also made a number of disclosures to clients and customers who have approached us for information about our modern slavery response as part of their own due diligence. These communications are coordinated by the Modern Slavery Taskforce.
- **Grievance mechanisms:** The IPH Whistleblower Policy continues to apply to all Group Businesses and also to suppliers, contractors, consultants and service providers to Group Businesses. It provides an additional protected avenue for individuals to raise concerns, which may include concerns related to modern slavery risks.
- **Training:** IPH continues to progress the development of an internal training program to educate IPH Group staff further on the impacts and risks of modern slavery, which will also provide guidance on the newly introduced IPH Group Supplier Code of Conduct. This training will be rolled out during FY22.

Working with our suppliers during the coronavirus (COVID-19) pandemic

We recognise that our suppliers may face commercial uncertainties as a result of the COVID-19 pandemic. We continue to work with our suppliers in the manner outlined in this Statement, including to maintain transparent supply relationships and ensure modern slavery risks in our supply chains are monitored and addressed.



Assessment of the effectiveness of our actions

The IPH Modern Slavery Taskforce continues to coordinate the approach taken across the IPH Group to managing modern slavery risks. This includes assessing the effectiveness of the actions taken by IPH to date by, for example, continuing to conduct due diligence of suppliers' willingness and commitment to combat modern slavery, including suppliers' compliance with the IPH Group Supplier Code of Conduct.

IPH also continues to develop specific processes and checklists to assess the effectiveness of the actions it has taken and will continue to take to address modern slavery risks.

Looking ahead

In the next financial year ending 30 June 2022, the IPH Group aims to:

- continue to assess and monitor modern slavery risks across the IPH Group's operations and supply chains using our systems and tools;
- continue the distribution of the IPH Group Supplier Code of Conduct to all IPH Group suppliers and work to verify that suppliers are complying with the Supplier Code of Conduct; and
- roll out modern slavery awareness training to identified individuals and teams across the IPH Group.

Consultation and approval process

In a similar manner to the consultation process adopted in FY20, IPH has communicated with Group Businesses to explain our commitments and our approach to tackling modern slavery risks in FY21. In performing the actions described throughout this Statement, consultation included engagement with:

- the leaders of all Group Businesses as well as various levels of management within Group Businesses to discuss IPH's risk assessment activities, including those related to modern slavery risks, particularly, the roll out of the IPH Group Supplier Code of Conduct;
- IPH's Modern Slavery Taskforce, which is responsible for coordinating IPH's response to modern slavery risks;
- IPH's Executive Risk Committee, to discuss the identification and management of risks generally across the IPH Group; and
- the IPH Board of Directors.

As noted above, the IPH Board has ultimate responsibility for overseeing the IPH Group's response to modern slavery risks. IPH's Risk Committee will continue to provide oversight of all risks across the IPH Group, including any modern slavery risks and will manage potential risks by applying the updated risk management framework in place across the IPH Group.

This Statement was approved by the Board and is signed by the Chief Executive Officer and Managing Director of IPH, Dr Andrew Blattman.



IPH is committed to eliminating modern slavery in all its forms across the IPH Group.

I am proud of the work IPH continues to do to address modern slavery and I am pleased to publish IPH Limited's second Modern Slavery Statement.



Dr Andrew Blattman

CEO and Managing Director
IPH Limited

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