

Modern Slavery Statement

Qscan Group Holdings Newco Pty Ltd

April 2020 – March 2021 (FY21)



1 Reporting entity

1.1 Background

Qscan Group Holdings Newco Pty Ltd (“Qscan Group”) is the largest radiology provider in Queensland, and the third largest within Australia, specialising in Diagnostic Medical Imaging & Interventional practice.

Our focus is providing hospital grade medical imaging services within suburban and rural locations, ensuring an exceptional patient experience.

To achieve this, we use highly trained subspecialist radiologists, clinical and support staff who leverage modern technology and high-quality medical imaging equipment.

The first Qscan clinic was established in 2007 in Windsor, Queensland. Since then, the company has rebranded to Qscan Group (2017) and expanded nationally, building on the original brand promise of ‘Trusted Analysis’ offering a genuine choice for referring practitioners and patients requiring excellence and compassionate care.



Our range of diagnostic services include:

- Musculoskeletal Imaging (Sports Medicine Imaging)
- Neuroradiology and Spinal Imaging
- Cardiac Imaging including echocardiography
- Abdominal and Pelvic Imaging
- Breast Imaging
- Nuclear medicine including PET
- DXA and Body Composition
- Oncology Imaging
- Paediatric Imaging
- Prostate Imaging
- Maxillofacial Imaging

Our range of interventional services include:

- Musculoskeletal Ultrasound, Fluoroscopic and CT-guided interventions
- Interventional Neuroradiology and Oncology
- All Tier A and B interventional services

1.2 Introduction

The Qscan Group is committed to the management of modern slavery risks within its operations and supply chain. The Group is committed to continually assessing, monitoring, and addressing modern slavery risks in its practices.

As part of the FY21 statement, Qscan Group acknowledges its effort to-date to assess modern slavery risks within its operations and supply chain and outlines the FY22 strategy to implement controls and address risks in accordance with the Modern Slavery Act 2018.

For context, the ‘risks of modern slavery practices’ mean the potential for Qscan to cause, contribute to, or be directly linked to modern slavery through our operations or supply chains.

2 Structure, operation and supply chains

2.1 Structure

Qscan Group Holdings Newco Pty Ltd is an Australian private non-listed company (ACN 645 220 328, ABN 22 645 220 328) established as a result of the 2019 acquisition by Infratil Limited (Infratil) of the Qscan Group.

Qscan Group Holdings Newco Pty Ltd operates a number of diagnostic imaging clinics across QLD, NSW, TAS and the ACT through a number of subsidiary operating entities (as disclosed in appendix A) under varying brands, including Qscan, North Coast Radiology, South East Radiology and Alpenglow Australia. For the purpose of this statement, all clinics within these separate operating entities are collectively reported as a single economic entity under the "Qscan Group" despite some clinic operating under different trading names.

Infratil is a New Zealand-based infrastructure investment company, which is listed on both the New Zealand and Australian stock exchanges. It also owns airports, electricity generators, data centres and telecommunication networks in various countries and is managed by H. R. L. Morrison & Co.

Infratil (now the primary shareholder) owns 56% of the Qscan Group, with an additional holding by Morrison Growth Infrastructure Fund (14%) and the remainder of shares owned by Doctors and Management of Qscan Group. All shareholders have voting rights in relation to the management and strategic direction of Qscan Group, with representation of the doctor groups on the Qscan Group Board.

The Qscan Group Board meets monthly and is supported by a Group Executive Management Team who are responsible for the day-to-day operations of the reporting entity.

The Head Office for Qscan Group is in Clayfield, Brisbane, Australia. The registered address is Level 2, 2-12 Wagner Road, Clayfield QLD 4011. Clinics are located across Queensland, New South Wales, Victoria, Tasmania, South Australia, and Western Australia.

2.2 Operations

Over the last four years, Qscan Group has undergone a significant transformation nationally, uniting 69 clinics under the one reporting entity, and building on the Qscan Group brand as a leading provider of quality radiology in Australia.

Qscan Group is made up of over 1100 employees and contractors, which includes 100 radiologists and 1000 radiology and clinic focused employees who as a collective, supported 1,325,143 examinations during FY21. The remaining employees are part of centralised shared services and the executive management team located at the head office.

Qscan Group operations include the following key areas:

- Provision of medical diagnostic imaging services and healthcare to patients across Australia.
- The direct employment of radiology, clinical and clerical staff required to support its operations and centralised shared services.
- Provision of medical supplies and equipment required to operate clinics, i.e., diagnostic imaging, uniforms, medicine.
- Provision of professional services within clinics and head office, i.e., cleaning services, legal advice, financial services.
- Construction of commercial buildings, i.e., new, or renovated clinics.

Part of the transformational journey undertaken during 2017-2020 was to identify business operations and functions which could be centralised in order to gain efficiencies and standardise practices across the organisation. This included Finance, Governance (clinical and corporate), Risk Management, and Compliance, People and Culture, Health and Safety (clinical and corporate workplace), Information Communication and Technology, and the Call Centre operations.

This statement explains steps taken to assess and reduce modern slavery risks associated to its operations in FY21, refer to section 4.

2.3 Supply Chain

Qscan Group is committed to understanding and monitoring the prevalence of human rights and modern slavery risks within each of the sectors that support our business operates in.

Qscan Group’s supply chain includes the provision of goods and services from within Australia and international locations.

During FY21, Qscan Group undertook a review of operations to identify and segregate the different industry sectors and categories of goods and services which support our radiology services and operations , as well as the construction materials and services engaged to build new clinics or upgrades to existing clinics.

Low-cost countries of manufacture may be favoured by the supplier for economic reasons, and these countries may present geographic risks of modern slavery, including poor governance, weak rule of law, conflict, migration flows and socio-economic factors like poverty.¹ Diagnostic Imaging Equipment and ICT Equipment alike, are not manufactured in countries that correlate with a high modern slavery index however Qscan Group recognises that individual components may be sourced from countries which are deemed high risk of modern slavery. Through engagement with suppliers, Qscan Group will endeavour to determine, through targeted questions in a Supplier Questionnaire, the country of manufacture and the origin of the product componentry to understand the inherent risk. This data will be available in the next reporting period and is able to be used to ascertain the risk of modern slavery occurrences when aligned with the Global Slavery Index.

Spend Category	Description	Country of Origin / Manufacture
Diagnostic imaging equipment	The highest spend category consists of the purchase and maintenance of medical / diagnostic imaging equipment such as Positron Emission Tomography (PET), Magnetic Resonance Imaging (MRI), Computed Tomography (CT) X-ray and Ultrasound equipment.	Including but not limited to, New Zealand, The United States of America (USA), Canada and The United Kingdom (UK).
Pharmaceutical Products	Pharma, Radio pharma, and contrast	These products are produced in Australia and imported from the USA, New Zealand and Germany.
Consumables	Medical consumables are used in high volume. Medical consumables such as disposable medical equipment, utensils, gloves, face masks and gowns.	Medical consumables are purchased from a broad number of suppliers who operate globally.

¹ Commonwealth Modern Slavery Act 2018 p.44

Spend Category	Description	Country of Origin / Manufacture
Labour Hire	Medical Typists are employed through a third-party labour hire agreement.	The Medical Typists are based in the Philippines.
Facilities Management	Facilities Management consists of several subcategories: Cleaning, Waste Management, Laundry, Pest Control, Fire Safety, Maintenance, Fire Safety, Rent, cleaning and maintenance services, groundskeeping / horticulture and security.	Remote (off-site) Facilities Management services is performed in Australia.
ICT Equipment	Laptops, desktop computers, computer monitors, and peripherals.	ICT equipment is manufactured internationally, including but not limited to China, Taiwan, Malaysia.
Freight	Freight and couriers are regularly used for logistics, transport and delivery.	Freight is undertaken within Australia and operates globally.
Entertainment	Entertainment involves venue hire and the associated facilities management for staff social functions. This category includes staff gifts.	Gifts may be produced in Australia or internationally, including but not limited to China.
Building Works (Major and Minor)	Trade service contractors including builders, civil contractors, electricians etc. for projects relating to refurbishment / fit out of premises or new builds.	Building supplies may be produced in Australia or sourced internationally from various countries.

3 Risks of modern slavery practices in our operations and/or supply chains

Qscan’s supply chain activities can be classified into two main categories to assess modern slavery risks:

1. Direct risks are classified as onshore (within Australia) that includes Qscan’s engagement of suppliers and services that may present risk of labour rights violations.
2. Supply chain activities within pre-defined high-risk categories were assessed based on the countries of product manufactured, including components used as part of the manufacture process. A supplier is deemed of greater risk should the components being sourced, come from countries which have a weak rule of law and/or political systems, poor labour rights or human rights violations, or are known for inherent corruption.

The methodology used to identify the modern slavery risks was in reference to the global slavery index; data based on the prevalence of modern slavery occurrences by country.²

Qscan’s modern slavery analysis activities considered our FY21 supply chain including higher risk areas of ICT equipment, medical consumables, medical diagnostic imaging equipment, building works (major and minor) and outsourced labour. In considering Qscan’s supply chain, each sector

² Global Slavery Index website: <https://www.globalslaveryindex.org/2018/data/maps/#prevalence>

and spend category was rated on the likelihood of contributing to modern slavery risks.

Considerations include:

- If the sector presents a history of outsourcing / offshore work to countries with poor governance systems and not well-regulated labour laws.
- If the component parts of products purchased through vendors were likely to include materials from countries with a high proportion of modern slavery abuses.
- The geographic area in which the entity operates and the history of that location for modern slavery breaches, poor working conditions, child labour and breaches of labour rights etc.

Qscan modern slavery analysis attempts to understand how our operations may cause, contribute, or be linked to modern slavery. The inherent risk of those sectors that Qscan’s operations are involved in are:

1. The underpayment of indentured workers and exploitation of migrants in the supply of travel, entertainment services and facilities management including but not limited to cleaning, waste, laundry, security, and maintenance related services.
2. Labour rights of offshore business services such as medical typists.
3. Labour conditions in the supply of manufactured goods such as ICT or medical imaging equipment.
4. Exploitation and underpayment of migrant workers in subcontracting services such as cleaning and laundry.

3.1 Direct Onshore Risks

The following table was used to determine which were the Direct Onshore Risks. In this reporting period Qscan Group has identified the Direct Onshore risks associated with the spend categories based on the type of inherent risks in employing lower skilled or migrant workers with irregular work shifts. These factors increase the likelihood of modern slavery occurrences making these categories particularly prone to modern slavery occurrences.

Industry Sector/s	Spend Category	Type of Risk
Facilities and Maintenance	Security	Lower skilled labour using irregular or migrant workers
	Cleaning and Waste	Lower skilled labour using irregular or migrant workers
	Storage	Lower skilled labour using irregular or migrant workers
	Laundry	Lower skilled labour using irregular or migrant workers
	Office Supplies	Lower skilled labour using irregular or migrant workers
	Staff and Patient Amenities	Lower skilled labour using irregular or migrant workers
	Horticulture	Lower skilled labour using irregular or migrant workers
	Pest Control	Lower skilled labour using irregular or migrant workers

Industry Sector/s	Spend Category	Type of Risk
	Furniture, Fixtures & Equipment (including delivery and install)	Lower skilled labour using irregular or migrant workers
	Building Works (major and Minor)	Labour risks of irregular or migrant workers
	Fire Safety	Labour risks of irregular or migrant workers
	Trades	Labour risks of irregular or migrant workers
	HVAC	Labour risks of irregular or migrant workers
	Automatic Doors and Maintenance	Labour risks of irregular or migrant workers
Clinical Supplies and Pharma	Imaging Film and Printers	Lower skilled labour using irregular or migrant workers
	Imaging Consumables	Lower skilled labour using irregular or migrant workers
Travel, Freight, Fleet and Print	Freight and Couriers	Lower skilled labour using irregular or migrant workers
	Travel	Lower skilled labour using irregular or migrant workers
	Entertainment (Venue Hire, Gifts)	Lower skilled labour using irregular or migrant workers

3.2 Supply Chain Risks

In the next reporting period (FY22) Qscan Group plan to further engage with suppliers that supply goods and services in the categories identified as presenting supply chain risks. The outcome of this supplier engagement will enable Qscan Group to better understand our supply chain to manage any potential risks or breaches of modern slavery.

The categories listed below may contain product components that are made up of plastics, metals or chemicals that are produced in countries that have a high prevalence of modern slavery occurrences and present a risks of labour rights breaches. These risks are harder to identify but are managed through engagement with suppliers.

Industry Sector	Spend Category	Type of Risk
Facilities & Maintenance	Office Supplies	Labour rights and governance in the overseas supply chain of plastic packaging products
	Medical Consumables	Labour rights and governance in the overseas supply chain of plastic and metal products
	Staff and Patient Amenities	Labour rights and governance in the overseas supply chain of plastic and metal products
	Automatic Doors and Maintenance	Labour rights and governance in the overseas supply chain of plastic, metal and electronic products

Industry Sector	Spend Category	Type of Risk
	Freight	Labour rights and governance in the overseas supply chain of plastic packaging products
Major and Minor Clinical Equipment	Diagnostic Imaging Equipment	Risk from manufacturing of metal and plastic products and the extraction of raw materials in countries with a high global slavery index.
Clinical Supplies and Pharma	Pharmaceuticals	Labour rights and governance in the overseas supply chain of chemical products.
	Radiopharmaceuticals	Labour rights and governance in the overseas supply chain of chemical, plastic and metal products.
	Contrast	Labour rights and governance in the overseas supply chain of chemical products.
	Film and Imaging Supplies	Labour rights and governance in the overseas supply chain of chemical, plastic and metal products.
	Medical Consumables	Labour rights and governance in the overseas supply chain of chemical, plastic and metal products.
Labour Hire	Contractors / Labour Supply – Medical Typists	Risk of unfair working conditions for people when operations are outsourced, possibly offshore.
ICT Equipment	ICT Equipment	Risk of unfair working conditions for people when operations are outsourced, possibly offshore.
Building Works	Construction Materials	Labour rights (child and forced labour) and governance in the overseas supply chain of raw materials such as timber, stone, rubber, glass, ceramic and granite.

Qscan’s business practices are transparent and compliant to legislative standards. Qscan seeks to continuously improve compliance. This is supported through the engagement of professional services to seek expert advice on labour laws, human resources and undertake internal and external audits that are promptly acted on to rectify any areas of non-compliance.

4 Actions taken to assess and address modern slavery risks in FY21

During FY21, the Qscan Group identified areas of opportunity to improve the company’s approach to reducing the risk of modern slavery practices within its operations and supply chain. This included:

- A requirement for a dedicated procurement resource was identified to help establish centralised procurement services, with controls and processes for the engagement of goods and services across the group. The resource commenced in FY22.
- Centralised recruitment and employee on-boarding process, which verifies identification to ensure applicant is approved to work in Australia, and provides employees with:
 - The Australian Government Fair Work Statement which outlines their entitlements and protections at work.
 - Qscan Code of Conduct policy, which ensures compliance with the Australian Human rights Commission Act 1986 (*Cth*).
 - Qscan Whistle-blower and Grievance policy and procedures, which promote reporting of any improper conduct within the group, i.e., modern slavery risks.
 - Disciplinary policy and process which formally investigates violations of rights (i.e., forced labour).

- An initial review of our supply chain risk based on the Global Slavery Index with the intention to expand on this in the next reporting period and incorporate a more detailed assessment using software to enable us to understand where the risk of modern slavery may exist within our supply chain, a supplier questionnaire and desktop-based audit.

5 Assessment of actions and effectiveness

Qscan Group is committed to continually assessing and reducing the risk of modern slavery practices within the operations and supply chain. Each financial year, the reporting entity has committed to undertaking the following due diligence to identify, prevent, mitigate, and account for modern slavery risks:

- Undertake a review of high-risk suppliers, ensuring currency of information captured in questionnaire remains up to date and work with suppliers to develop corrective action plans, where practical.
- Develop a Qscan Group Modern Slavery action plan, to support continuous improvement with managing risks of modern slavery practices.
- Review established policies and procedures, and remediate gaps identified to further reduce modern slavery risks within Qscan Group.
- Internal employee training on modern slavery to educate workforce and promote incident reporting. This will include a staff survey and feedback options to understand effectiveness of training and identify improvement opportunities.
- Internal audit of the supplier assessment process to understand effectiveness of questionnaire and review. This will include executive management input as part of the review process.
- Lodge an annual Modern Slavery Statement in accordance with the Commonwealth Modern Slavery Act 2018.

6 Consultation process on modern slavery

Qscan Group's approach to modern slavery in FY21 focused on understanding the reporting entities current position and developing an action plan for FY22. Consultation occurred at the Group Executive layer to introduce executives to legislative requirements and to discuss an achievable and practical approach which could be implemented over the coming years.

It is intended that future Qscan Group Modern Slavery action plans undergo a more comprehensive consultation process which includes engagement with executive management, procurement and commercial services representatives, regional managers from each brand, a review by the Audit, Risk and Compliance Committee, and noting by the Qscan Group Board.

7 Other Information

Due the global pandemic (COVID-19), the Qscan Group focussed its attention into maintaining essential services for patients for FY21. In addition, during this period, the supply chain faced disruptions due to international travel restrictions and government border closures, requiring alternative suppliers to be sourced locally using an expedited approach.

The risk of modern slavery practices within the alternative supply chain was potentially higher during FY21 as a result of limited supplier knowledge and expedited practices. This risk has been mitigated in FY22 with access to the original supply chain available again and a more controlled approach to procuring goods and services.

8 Forward Plan

As part of Qscan Group's commitment to reducing the risk of modern slavery practices within its operations and supply chain, the intent for FY22 is to:

1. Develop Modern Slavery policy and procedures and embed across organisation through staff education and training.
2. Undertake a more in-depth risk assessment with a third-party consultant to better identify the high-risk suppliers within our supply chain.
3. Engage directly with the high-risk suppliers to identify their position and controls to reduce modern slavery practices within their business. A questionnaire will be developed to facilitate this engagement.
4. Include relevant Modern Slavery special conditions to new supplier contracts and extensions.
5. Include Qscan's Modern Slavery Questionnaire as a mandatory requirement for all new suppliers before a contract is executed or extended.
6. Establish an Environment Social Governance (ESG) strategy, which provides strategic direction on sustainability issues and business improvement opportunities to reduce ESG risks, which includes modern slavery.

Qscan Group's annual investment into identifying, assessing and addressing modern slavery risks within its operations and supply chain will identify continuous improvement opportunities for the reporting entity, and continue to grow the organisations approach to sustainable procurement practices.

This statement was approved by the Qscan Group Board on 27 January 2022.

A handwritten signature in black ink, appearing to read "Paul Newfield".

Paul Newfield

Chairman of the Board

Appendix A - Subsidiaries

The following entities are covered by this Modern Slavery Statement:

- Qscan Group Holdings Newco Pty Ltd
- Qscan Group Midco Pty Ltd
- Qscan Group Bidco Pty Ltd
- Qscan Intermediary 1 Pty Ltd
- Qscan Intermediary 2 Pty Ltd
- Qscan Intermediary 3 Pty Ltd
- Qscan Intermediary 4 Pty Ltd
- Qscan NZ Ltd
- Qscan Group Pty Ltd
 - Premier Medical Imaging Pty Ltd
 - Q-Scan Services Pty Ltd
 - Q-Scan Pty Ltd
 - Queensland Cardiovascular Imaging Pty Ltd
 - Q-Scan Dental JV Pty Ltd
 - Q-Scan Everton Park Pty Ltd
 - Proximal Pty Ltd
 - Q-Scan Cleveland CT JV Pty Ltd
 - Cleveland X-Ray Services Pty Ltd
- X Radiology Australia Pty Ltd
- North Coast Radiology Holdings Pty Ltd
- Ilesilver Pty Ltd
 - The Trustee for North Coast Radiology Trust
- UMIC Pty Ltd
 - The Trustee for UMI Canberra Unit Trust
- UMIC New Co Pty Ltd
- Berera Radiology Holdings Pty Ltd
 - HR Clinics Services Pty Ltd
 - HR Clinic Asset Pty Ltd
 - The Trustee for HR Clinic Services Unit Trust
- South East Radiology Pty Ltd
 - Skynet Broadband Pty Ltd
 - Strickland Crescent Nominees Pty Ltd
- Alpenglow Australia Pty Ltd