



QANTM Intellectual Property Limited (ACN 612 441 326)

Modern Slavery Statement

(Reporting Period ended 30 June 2022)

QANTM Intellectual Property Ltd

Modern Slavery Statement: 2022 Financial Year

FROM THE CHIEF EXECUTIVE OFFICER

QANTM Intellectual Property Ltd is pleased to release its third annual 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, 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 annual Modern Slavery Statement describes our approach to meeting these commitments, and updates our ongoing efforts to assess and address 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 29 November 2022.

A handwritten signature in black ink, appearing to read 'Craig Dower', with a long horizontal stroke extending to the right.

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 2022 (**Reporting Period**).

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 the following key brands:

Davies Collison Cave, including:

- Davies Collison Cave Pty Ltd - an incorporated patent and trade marks attorney business operating in Australia and New Zealand (**DCC**);
- Davies Collison Cave Law Pty Ltd - an incorporated legal practice operating in Australia (**DCC Law**);
- Davies Collison Cave Asia Pte Ltd - an incorporated patent and trade marks attorney business operating in Singapore (**DCC Asia**); and
- DCC Hong Kong Ltd – an incorporated patent and trade marks attorney business which commenced operations in Hong Kong in August 2022.

FPA Patent Attorneys, including:

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

Sortify.tm Ltd – an incorporated trade marks registration and automation business operating in Australia, New Zealand, Singapore and the United Kingdom operating under the brands Trademarks Online, Trademark Planet and DIY Trademarks (**Sortify**);

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 operating in Australia (**Cotters**).

The Group was restructured from 1 July 2022, with Advanz Fidelis merging with DCC Asia and the Cotters business merging with FPA and DCC.

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, 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.

All of the companies referenced above in this section are members of the Group for purposes of the Statement.

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OPERATIONS

QANTM Group generates revenue by providing services in relation to the creation, protection, commercialisation, enforcement and management of IP. In addition, QANTM generates revenue 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. Sortify.tm provides AI-powered technology solutions, including online etrade mark registration platforms in Australia, New Zealand, Singapore and the UK, and productivity tools for trade marks attorneys and lawyers.

QANTM Group operating businesses have a diverse client base ranging from start-up ventures and SMEs to Fortune 500 multinationals, public sector research institutions and universities. The majority of 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 Australia, New Zealand, Singapore and Malaysia based corporates, public sector research institutions, universities, and private individuals; and
- international clients which include:
 - foreign corporates who engage directly with QANTM, including Fortune 500 companies and other foreign multinational corporations; and
 - international clients referred to QANTM by IP practices based overseas (Foreign Associates)

QANTM Group has approximately 380 employees, with 84% 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). 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.

Overseas Associates are therefore both clients, and also a key part of QANTM's supply chain, acting as subcontractors providing professional services to QANTM's operating businesses, to support services provided by those QANTM operating businesses to their clients.

Our supply chain also includes the ordinary suppliers of products and services that would typically be required by any professional services company (**Ordinary Suppliers**), 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.

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

Risks in our Operations:

84% of the Group's employees are located in the Commonwealth of Australia and the rest are in the above-noted jurisdictions where we have significant operating history and experience. We comply with all labour laws and other applicable employment related legislation in all countries where the Group has employees. There have been no reports of any modern slavery practices or incidents in our operations during the Reporting Period, and we do not believe there is material modern slavery risk in this area.

This assessment is supported by the following factors:

- 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 Group operating subsidiaries, including Singapore and Malaysia, are at sites where staff report into such senior professionals; and
- all Group 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 reporting lines into the Managing Principals of the business units who are members of the QANTM Executive Team and report directly to the QANTM Chief Executive Officer and Managing Director.

Risks in our Supply Chain:

Most of the Group's suppliers that are based in jurisdictions with higher risk for modern slavery are Overseas Associates (as opposed to Ordinary Suppliers), which are firms of qualified professional services providers (patent and trade marks attorneys and lawyers), who are 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, the Group's operating businesses. The Group has relatively few Ordinary Suppliers that are located in higher risk jurisdictions.

As part of the Group's Modern Slavery Risk Mitigation Program (defined below), the Group has designed and undertaken a due diligence exercise to look into and further assess modern slavery risk in our supply chain, as more fully described below.

ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

Assessment of Risks:

With the assistance of an external consulting services provider, we have implemented and embedded an ongoing program to try and continuously improve our visibility into the labour practices in our supply chain and our ability to identify risks of modern slavery practices in our operations and supply chain (**Modern Slavery Risk Mitigation Program**).

The Modern Slavery Risk Mitigation Program is intended to be continuously reviewed and improved as time goes on and currently includes –

1. A Human Rights Policy, also refreshed and approved by the QANTM Board of Directors on 29 November 2022 and references our previous and current Modern Slavery Statements, that sets out 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 – and in which QANTM Group commits to never employ or use any form of forced labour including slave, bonded, and indentured labour or any form of human trafficking, and

- to avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur; and
- to seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.

2. 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 QANTM Group personnel. The Code of Conduct sets out specific commitments with respect to Modern Slavery, as follows:

- QANTM Group is committed to ensuring that the Group will never: (a) 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; or (b) employ or use any form of forced labour including slave, bonded, and indentured labour or any form of human trafficking.
- QANTM Group Personnel are expected to make decisions with respect to employment and employment conditions which reflect this commitment, and make appropriate notifications in the manner outlined in the Group's Whistleblower Protection Policy if they become aware of circumstances which reasonably indicate that QANTM Group, or any party with which a QANTM Group member has a business relationship, is operating in a manner contrary to these principles.
- QANTM Group will assess the actual and potential risks of human rights violations of this nature in our supply chain, and take 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; and which confirms a commitment not to engage in human rights violations.

3. A Supplier Code of Conduct, which requires that any of QANTM Group's Ordinary Suppliers of goods and services that are deemed to have a higher-risk profile for modern slavery risk to covenant, among other things, that they will comply with a list of specific covenants to ensure there is no modern slavery in their operations. The Supplier Code of Conduct is meant to be signed by Ordinary Suppliers as a binding commitment and has been incorporated into the Group's supplier on-boarding and new contract award and renewal processes.

4. A "Mutual Commitment to Ethical Business Practices", setting out binding commitments by QANTM Businesses and Overseas Associates in relation to Modern Slavery and Anti-Bribery. The Mutual Commitment is a protocol specifically designed to address the Group's relationships with its Overseas Associates, which are distinguished from traditional supplier relationships in that they are often reciprocal in nature, with QANTM Businesses and Overseas Associates providing services to each other. The terms of the Mutual Commitment require both the relevant QANTM Business and the Overseas Associate to commit to ensuring that, among other things, they will never employ or use any form of child labour, forced labour or undertake actions that may be used by some employers to put their employees into a state of financial bondage or indentured servitude.

5. A Whistleblower Protection Policy, the purpose of which is to encourage reporting of matters including illegal activity, misconduct or an improper state of affairs or circumstances in relation to QANTM, or any member of QANTM Group or its operations, or involving QANTM Group personnel.

QANTM is committed to achieving this purpose by:

- supporting the right of Group 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 (Group Personnel) and their relatives, dependents, spouses or domestic partners; 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 the Group operates.

To support its commitment to Whistleblower Protection, the Company has also 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 are forwarded initially to QANTM Group General Counsel and referred 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 Whistleblower Protection Policy.

QANTM's Human Rights Policy, Group Code of Conduct, Supplier Code of Conduct, Mutual Commitment to Ethical Business Practices protocol and Modern Slavery Awareness Training (defined below) all refer to the Whistleblower Protection Policy, and the reporting channels under the QANTM Speak Up service, which those documents make clear are available for reporting by clients, suppliers (including Ordinary Suppliers and Overseas Associates) and their respective employees. Our Human Rights Policy, Supplier Code of Conduct, Whistleblower Policy and most recent Annual Statement are accessible to our employees and suppliers on QANTM's website (at <http://qantmip.com/about-qantm/governance/>).

6. A Modern Slavery Risk Management System, which will provide for periodic review as part of the QANTM Group's risk management processes under the 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, which reviews current and emerging risks for QANTM Group, including adequacy of risk management plans and progress made against them), a risk "owner" (which for Modern Slavery is the QANTM Group General Counsel) and separate business risk registers owned by business units and functions. QANTM Group has implemented 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.

Addressing Risks:

Some specific key actions taken in connection with the Modern Slavery Risk Mitigation Program in the Reporting Period and in the period prior to the production of this Statement include -

- Ongoing implementation and roll-out of the Modern Slavery Risk Mitigation Program.
- Bespoke internal training delivered by QANTM's General Counsel to QANTM personnel has commenced. The objectives of the training are threefold – namely to (1) increase awareness of the large-scale, global issue of Modern Slavery and equip individuals with an understanding of the key indicators to look for when spotting concerns regarding Modern Slavery in their business dealings; (2) highlight a range of informative and educational resources & extended training sessions available to QANTM personnel through the internal training hub known as iQ Online; and (3) highlight the QANTM toolkit/resources available to QANTM personnel containing the policies and processes used by the Group to identify, detect and prevent Modern Slavery in our business and the multiple reporting channels under the QANTM Speak Up service if there are any

concerns or suspicions regarding Modern Slavery (**Modern Slavery Awareness Training**).

- In the spirit of collaboration and continuing to engage with our Overseas Associates on the importance of Modern Slavery, we have commenced an initiative to share QANTM's Modern Slavery Awareness Training video, and an extract relevant to Modern Slavery from our Code of Conduct, with the invitation to adapt these materials for their own internal purposes (**Materials Collaboration Initiative**).

ASSESSMENT OF THE EFFECTIVENESS OF ACTIONS TAKEN

The key focus in the Reporting Period for QANTM was to finalise and embed the Modern Slavery Risk Mitigation Program, which was commenced during the first reporting period, and to complete the actions taken as set out under the "Addressing Risks" subpart of the prior section of this Statement.

We believe that our Modern Slavery Risk Mitigation Program is reasonable and proportional to the modern slavery risk profile of QANTM Group's business and that it will help to mitigate the risks of modern slavery in our supply chain.

Actions in the next reporting period will include initiatives to encourage Overseas Associates, in particular, to continue to enter into the Mutual Commitments to Ethical Behaviour, to develop their own policy commitments to Modern Slavery compliance and risk mitigation, and to educate their personnel to increase awareness of Modern Slavery risks. Broadening the initiative to encourage Ordinary Suppliers to enter into the Mutual Commitments to Ethical Behaviour will also be explored. In addition, we will continue to work collaboratively with our Overseas Associates and Ordinary Suppliers by sharing with them (and encouraging them to adapt and use for their own purposes) our Modern Slavery Awareness Training video and governance materials relevant to Modern Slavery, through the Materials Collaboration Initiative.

Engagement with suppliers has continued to be 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.

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 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 are also 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.

OTHER RELEVANT INFORMATION

QANTM strongly supports fundamental human rights and the prevention of modern slavery and human trafficking. In addition to continuing to take the actions indicated by our Modern Slavery Risk Mitigation Program and further embedding it into our company processes and culture, we will be considering ways we may enhance the program such as, for example, how we can efficiently audit compliance with the Modern Slavery Risk Mitigation Program by ourselves and our suppliers, and how we can effectively and feasibly expand the program to reach deeper into our supply chain beyond our first-tier suppliers.

Having said that, the reality is that ensuring that slavery and human trafficking is not taking place anywhere in our supply chain, and especially at tiers beyond our direct (first-tier) suppliers, will likely remain a significant ongoing challenge for the foreseeable future. However, we have implemented a risk-based approach and are committed to achieving continuous improvement through the actions described in this Statement. QANTM is committed to the spirit and intent of the Modern Slavery Act.

BOARD APPROVAL

This Statement was approved by the Board of Directors of QANTM Intellectual Property Ltd on 29 November 2022.