

# Modern Slavery Statement

**K Care Holdings Pty Ltd (ABN 80 626 058 035) (ACN 626 058 035)**

**For the financial year 1 July 2023 to 30 June 2024 (Reporting Period)**

## 1. INTRODUCTION

At K Care Holdings Pty Ltd, we are committed to improving our practices to combat any form of modern slavery within our operations and supply chains. Modern slavery has no place in our business or society.

To uphold this commitment, we have implemented comprehensive policies and due diligence processes aimed at identifying and mitigating modern slavery risks. These processes include regular audits, training programs for our staff, and supplier engagement strategies. We are dedicated to continually improving our efforts to ensure that our business remains free from modern slavery and upholds the highest standards of ethical conduct.

## 2. REPORTING ENTITY, ORGANISATIONAL STRUCTURE, OPERATIONS AND SUPPLY CHAIN

### 2.1 Reporting Entities

This Modern Slavery Statement (**Statement**) is made pursuant to the *Modern Slavery Act 2018* (Cth) (**Act**) by K Care Holdings Pty Ltd (ABN 80 626 058 035) (ACN 626 058 035) (**KCH**) of registered office c/- Findex Level 1, 86-88 Deakin Avenue, Mildura.

This statement includes the following KCH entities:

- K Care Healthcare Solutions Pty Ltd (ACN 159 431 099) (ABN 47 159 431 099)
- The County Care Group Pty Ltd (ACN 088 222 226) (ABN 26 088 222 226) (**Country Care Group**)
- Country Care Management Services Pty Ltd (ACN 606 437 101) (ABN 23 606 437 101)
- Country Care Group Home Modifications Pty Ltd (ACN 619 350 435) (ABN 81 619 350 435)
- Specialised Mobility Pty Ltd (ACN 159 633 664) (ABN 59 159 633 664)
- MT Hogan Enterprises Pty Ltd (ACN 616 278 829)
- Willaid Pty Ltd (ACN 616 282 663) (ABN 98 616 282 663)
- RIH Holdings Pty Ltd (ACN 628 783 031) (ABN 22 628 783 031)
- Specialised Wheelchair Company Pty Ltd (ACN 001 326 558) (ABN 98 001 326 558)
- 24 Hour Positioning Pty Ltd (ACN 629 646 493) (ABN 96 629 646 493)
- Uccello Marketing Pty Ltd (ACN 602 569 595) (ABN 50 602 569 595)

KCH group (**Group, We or Our**) has an annual consolidated revenue of at least \$100 million.

### 2.2 Structure

KCH is a propriety limited company controlled by CCGA Holdings Pty Ltd (ACN 662 906 523) and a Board of Directors.

KCH controls each of the entities referred to above.

## 2.3 Operations

We are a group of national businesses which manufacturer, distribute and sell a large range of innovative healthcare products and services for the Australian and International markets both independently and through a national group of resellers.

Our head office is located in regional Victoria, in Mildura. We have over 500 employees and 50 manufacturing, distribution, warehousing and retail locations across Australia in the Reporting Period.

Our manufacturing and distribution division, “K Care Healthcare Solutions” (**K Care**), is one of Australia’s largest manufacturers and wholesale healthcare equipment brands. We are proud to design, develop and manufacture a wide variety of industry-leading products right here in Australia. K Care is home to some of Australia’s best-known industry brands, including Air Comfort, OxfordEME, EasyVet, R&R, Kerry, Alivio, Uccello Designs, Carilex and Merits Australia.

K Care provides products and services to retail distributors and resellers, and direct to aged care facilities, residential homes, hospitals, and healthcare centres across Australia and overseas.

Our retail and contracts division known as Country Care Group, provides healthcare equipment to individuals independently through its retail stores, as well as through servicing major government contracts, such as Department of Veterans’ Affairs, Queensland Government Medical Aids Subsidy Scheme, Victorian Government State-wide Equipment Program, Western Australia Health, Transport Accident Commission and HealthShare NSW.

## 2.4 Supply Chain

We procure goods and services from suppliers located all around the world, including the procurement of:

- manufactured products,
- raw materials,
- warehousing & logistic services,
- marketing & advertisement services,
- goods needed for the Group’s everyday corporate operations, including office supplies, and
- services needed for the Group’s everyday operations, including professional services such as recruitment, legal and tax, and non-professional services such as IT, telecommunications, and cleaning.

A number of our suppliers are based overseas. From these international suppliers we source health care related equipment such as raw materials, assistive technology equipment including components for assembling and manufacturing, as well as beds, hygiene equipment, pressure care, wheelchairs, commodes, lifts, and hoists.

Goods procured from our Australian suppliers include castors, stainless steel sheets and tubular products, manufacturing consumables.

## 3. RISK OF MODERN SLAVERY PRACTICES IN THE GROUP’S OPERATIONS AND SUPPLY CHAINS

We have mapped out our operations and supply chains to the following functions and activities that carry a greater risk of involving modern slavery activities and acknowledge that Modern Slavery risk is higher in some of our supply chain groups.

We used third-party software to complete risk assessments on a number of our suppliers, using a Modern Slavery Assessment Tool (**MSAT**). Suppliers were assessed and we were provided with an Insight Report on the

level of modern slavery risk within our supply chain. This Statement includes some of the key findings outlined in the Insight Report.

### **3.1 Sector and Industry**

Assessed suppliers were asked what sectors they operated in, produced goods in and sourced goods from. Results were compared to the Global Estimates of Modern Slavery.

74.8% of assess suppliers had operations in one or more high-risk sectors identified in the Global Estimates of Modern Slavery as one of forced labour exploitation. Those sectors being Accommodation and Food Service activities, Agriculture, Forestries, and Fishing, Construction, Domestic work, Maintenance and repair of motor vehicles, Manufacturing, Mining and Quarrying, Personal services, Retail, Transportation and storage and Wholesale.

59.7% of assessed suppliers produced goods in one or more of the sectors identified in the Global Estimates of Modern Slavery as one of forced labour exploitation. Those sectors being Accommodation and Food Service Activities, Agriculture, Forestries, and Fishing, Building services, Cleaning, Construction, Maintenance and repair of motor vehicles, Manufacturing, Mining and quarrying, Personal services, Retail, Security services, Transportation and storage and Wholesale.

64.7% of assessed suppliers sourced goods from one or more of the sectors identified in the Global Estimates of Modern Slavery as one of forced labour exploitation. Those sectors being Accommodation and Food Service Activities, Cleaning, Construction, Labour Hire, Maintenance and Repair of motor vehicles, Manufacturing, Retail, Security Services, Transportation and Storage and Wholesale.

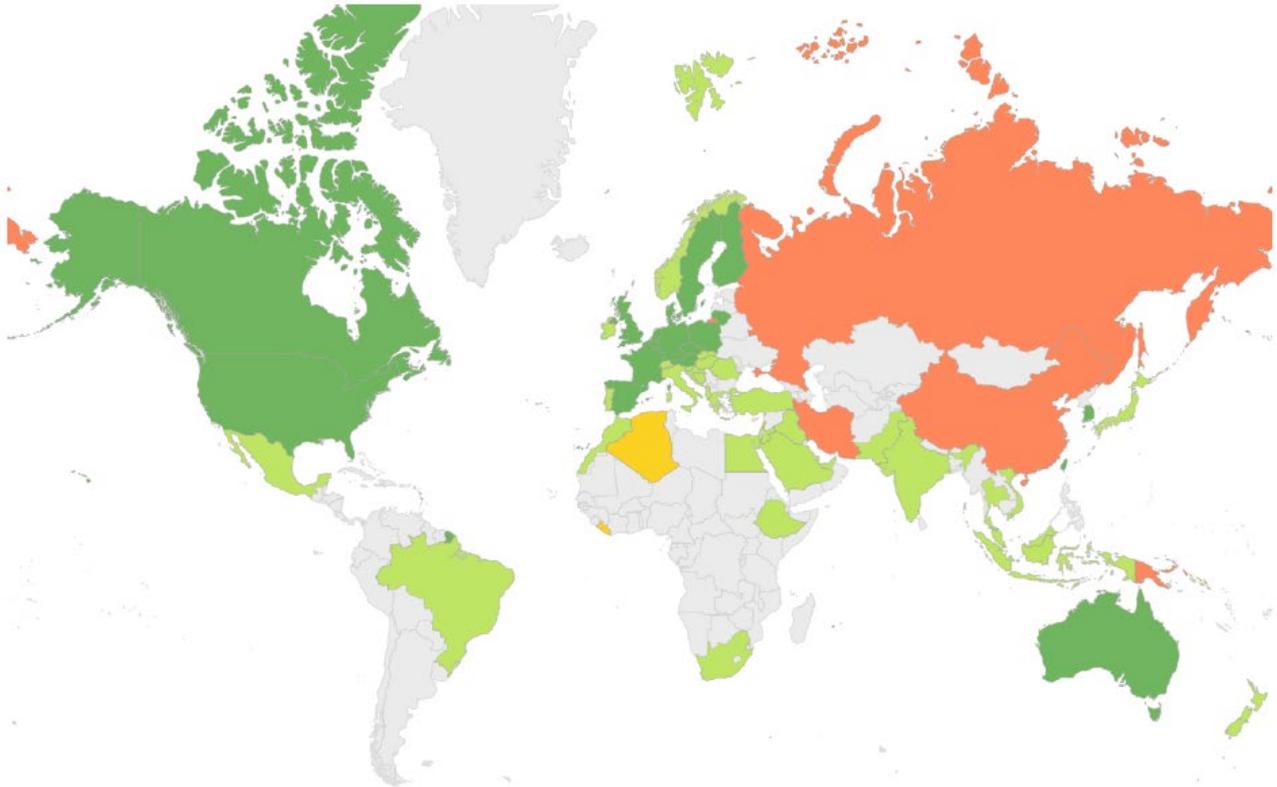
### **3.2 Product and services**

Suppliers indicated the high-risk goods and/or services produced were Electronics, Textiles and Furniture.

The high-risk goods and/or services sourced by Suppliers are Alarms and access control, Commercial cleaning, Mobile patrols, Perimeter security, Security, Warehouse packing, CCTV, Industrial cleaning, Other labour hire services, Recruitment and placement, Warehouse labelling, Warehouse sorting, Aluminium, Lead acid batteries, Polyvinyl Chloride, Solar Modules, Thread/Yarn, Vinyl, Electronics, Lithium-Ion batteries, Solar Cells, Textiles, Tyres, surgical instruments and furniture.

### 3.3 Geographic

Assessed Suppliers indicated that they operate in various locations around the world as set out in Figure 1 below:



<span style="color: #92D050;">■</span> Albania (1)	<span style="color: #FFC000;">■</span> Algeria (1)	<span style="color: #4F81BD;">■</span> Australia (95)
<span style="color: #4F81BD;">■</span> Austria (2)	<span style="color: #4F81BD;">■</span> Bahrain (1)	<span style="color: #4F81BD;">■</span> Belgium (4)
<span style="color: #92D050;">■</span> Bosnia and Herzegovina (1)	<span style="color: #92D050;">■</span> Brazil (2)	<span style="color: #4F81BD;">■</span> Canada (6)
<span style="color: #FF6600;">■</span> China (21)	<span style="color: #92D050;">■</span> Croatia (1)	<span style="color: #4F81BD;">■</span> Czech Republic (3)
<span style="color: #4F81BD;">■</span> Denmark (4)	<span style="color: #92D050;">■</span> Egypt (1)	<span style="color: #92D050;">■</span> Ethiopia (1)
<span style="color: #4F81BD;">■</span> Finland (2)	<span style="color: #4F81BD;">■</span> France (8)	<span style="color: #4F81BD;">■</span> Germany (12)
<span style="color: #92D050;">■</span> Greece (3)	<span style="color: #FFC000;">■</span> Hong Kong (3)	<span style="color: #92D050;">■</span> Hungary (1)
<span style="color: #92D050;">■</span> India (3)	<span style="color: #92D050;">■</span> Indonesia (2)	<span style="color: #FF6600;">■</span> Iran (Islamic Republic of) (1)
<span style="color: #92D050;">■</span> Iraq (1)	<span style="color: #92D050;">■</span> Ireland (1)	<span style="color: #92D050;">■</span> Israel (1)
<span style="color: #92D050;">■</span> Italy (5)	<span style="color: #92D050;">■</span> Japan (2)	<span style="color: #92D050;">■</span> Jordan (1)
<span style="color: #FFC000;">■</span> Lebanon (1)	<span style="color: #FFC000;">■</span> Liberia (1)	<span style="color: #4F81BD;">■</span> Lithuania (1)
<span style="color: #4F81BD;">■</span> Luxembourg (1)	<span style="color: #92D050;">■</span> Malaysia (2)	<span style="color: #92D050;">■</span> Mexico (1)
<span style="color: #92D050;">■</span> Morocco (1)	<span style="color: #4F81BD;">■</span> Netherlands (4)	<span style="color: #92D050;">■</span> New Zealand (18)
<span style="color: #92D050;">■</span> Norway (2)	<span style="color: #92D050;">■</span> Pakistan (1)	<span style="color: #FF6600;">■</span> Papua New Guinea (1)



FIGURE 1: SUPPLY CHAIN - COUNTRIES OF OPERATION

The map in Figure 1 is overlaid with the Trafficking in Persons Report tiers (i.e. Tier 1, Tier 2, Tier 2WL, Tier 3, Tier Special Case and Uncategorised). The number shown next to each country or region above represents the number of suppliers with operations in that location.

### 3.4 Suppliers

We asked 239 of our top suppliers to complete a self-assessment questionnaire online using the MSAT. 119 suppliers completed the assessment (a 95% increase of supplier responses from last year), a completion rate of 49.8%.

Each supplier questionnaire was assessed using the MSAT and given an Inherent Risk Score and an Unmitigated Risk Score. Inherent Risk Scores are modern slavery risks that are intrinsic to the operations of the supplier and are measured by asking the supplier about which countries, regions, sectors, and high-risk goods are part of their operations, production, or supply chain.

The Unmitigated Risk Score measures the modern slavery risks that remain after considering the risk controls that have been implemented by the supplier and is measured by understanding what policies, processes, and procedures the supplier has in place to reduce modern slavery risks.

Individual supplier scores are then aggregated to provide an overall score for our supply chain. Our aggregated supply chain risk scores are as follows:

Inherent Risk Score:	42.86 out of 100
Unmitigated Risk Score:	31.13 out of 100

Based on their responses, Suppliers were assigned one of the following risk categories:

		Inherent risk		
		Low	Moderate to High	Very high
Risk control	Adequate	Low-risk (Low levels of inherent risk)	Low-risk (Adequate risk control)	High-risk (High levels of inherent risk)
	Partial		Medium-risk (Partial risk control)	
	Inadequate		High-risk (Inadequate risk control)	

FIGURE 2: RISK CATEGORIES

A total of 81.5% of our suppliers are low-medium risk, with 37.8% of those suppliers being in the Medium-Risk category, with partial risk controls. 0% of our suppliers fall within the high-Risk category with high levels of inherent risk.

#### 4. ACTIONS TAKEN BY THE GROUP TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

The Group has implemented systems to:

- Identify and assess risk areas in our business operations and supply chains
- Mitigate the risk of modern slavery occurring in our business operations and supply chains
- Monitor risk areas in our business operations and supply chains.
- Remediate harm caused.
- Protect those reporting through grievance mechanisms.

##### 4.1 Governance

The board of KCH Group is responsible for the overall direction of our strategy to address modern slavery and the oversight and approval of this Statement.

We have recently restructured our Supply Chain team to share skills and enhance collaboration, to more efficiently manage our supply chain, improve our procurement practices and reduce the risk of modern slavery practices in our supply chain.

##### 4.2 Policies

###### *Modern Slavery Policy*

The Group has implemented a Modern Slavery Policy that applies to all employees, directors, officers, labour hire staff, contractors, or other representatives of our businesses or of any business in our supply chain.

The Modern Slavery Policy outlines our commitment to complying with the Act, preventing modern slavery practices occurring within our operations and supply chain and ensuring the risk of modern slavery practices are understood.

The Modern Slavery Policy has been made available to all employees through our online quality management system and a statement outlining the Groups commitment to respecting human rights has been included on our websites.

#### *Other Policies*

The Group also has policies in place relating to Grievance's, Whistleblowers, Risk assessments and Code of Conduct.

### **4.3 Risk assessments**

The annual Supplier Assessment is ran by our Quality Assurance team, with the assessment results being used to assist preparation of the annual Modern Slavery Statement.

For this Statement, we asked 239 of our top suppliers to complete a self-assessment using the MSAT, of which 119 suppliers complied. Based on Supplier's answer, Suppliers were classified into five risk categories outlined in Figure 2.

As noted above a total of 81.5% of our suppliers are low-medium risk, with 0% of our suppliers falling within the High-Risk category with high levels of inherent risk.

### **4.4 Due Diligence & Screening**

We assess our material suppliers and have identified a need to strengthen our due diligence and screening process. In this Reporting Period, we have continued to request self-assessment questionnaires from the suppliers analysed in the past and have extend the questionnaire to a much broader group of our suppliers. In the future, we intend to:

- Continue to obtain self-assessment questionnaires from the suppliers already analysed.
- Extend the questionnaire to a much broader group of our suppliers
- Screen new suppliers for modern slavery risk and take necessary precautions to reduce the risk to our operations.
- Complete our own audits of existing suppliers, where achievable.
- Onboard all new suppliers using MSAT software.

### **4.5 Supplier Agreements**

Our legal department reviews Supplier agreements to ensure that high level of transparency, accountability and ethics is upheld by third parties with whom we work.

We aim to include a modern slavery clause to ensure suppliers acknowledge their responsibility to maintain safe labour practices.

### **4.6 Training**

We have developed a training program which currently includes annual training on modern slavery for all employees.

The "Combatting Modern Slavery" training developed by a third-party provider was rolled out to all employees, resulting in a 87.22% completion rate. Training included a general overview on what modern slavery practices could look like and what to do if modern slavery is identified in our operations or supply chain.

Potential future training has been identified in procurement and contracting areas for employees in key purchasing or decision-making roles.

#### **4.7 Continuous improvement**

The Group has identified several areas for improvement in its modern slavery management system, including:

- continuing to carry out risk assessments on suppliers, increasing the pool of suppliers each year.
- undertaking continuous and ongoing assessment of our supply chains by requesting completion of our modern slavery questionnaire by suppliers and evaluating all the information received.
- promptly take action on any allegations or finding of involvement in prohibited practices, where applicable.
- conduct detailed due diligence on high-risk suppliers, including where appropriate, in person.
- implement a procedure and process for conducting due diligence on suppliers.
- review our procurement practices to seek to ensure that our suppliers and third-party labour providers operate ethically and where applicable address modern slavery risks in their business and supply chain.
- develop and implement a supplier code of conduct.
- further develop and implement our employee training program on modern slavery, while looking at the potential to extend to suppliers.
- continue to review agreements and ensure contracts with new suppliers contain a modern slavery clause.
- reinforce our whistleblower protection policy, to allow people to raise concerns about individuals or organisations that the Group associates with, including clients, suppliers, and others.

#### **4.8 Monitoring**

The continuous improvement actions identified will be monitored by our Legal, Quality and Compliance team. Our successes in investigating our modern slavery risk will continue to be reported to Directors and Executive team.

We have assessed our actions taken so far and have seen some improvements across reporting periods. We are committed and intend to continuously improve our modern slavery risks management systems and processes in the future.

### **5. HOW THE GROUP ASSESSES THE EFFECTIVENESS OF OUR ACTIONS**

In the next reporting period, we intend to take further steps to continue to assess our modern slavery risks and assess effectiveness of actions previously taken.

We have reviewed our Modern Slavery Priority Actions plan and updated for 2024-2025, with a number of actions to be completed within the key areas of Policy, Process, People and Suppliers.

Our Legal, Quality and Compliance team will ensure compliance with the implementation of the Modern Slavery Priority Actions for 2024-2025 and report to Directors and Executive Management of its progress as required.

## **6. HOW KCH CONSULTS WITH THE ENTITIES IT OWNS OR CONTROLS**

An Executive Director of KCH is also a director of each wholly owned subsidiary entity and has awareness and transparency of operations, actions, and responses across the Group.

Executive Management of the operating businesses have visibility across all operating businesses within the Group and meet regularly to discuss Group operations.

## **7. OTHER RELEVANT INFORMATION**

Our Modern Slavery management practices have been developed, and we are committed to strengthening and improving our understanding of our supply chain, understanding the risks of modern slavery, and mitigating those risks through supplier contracts, communication, education, and effective due diligence.

We recognise the importance of identifying and bringing modern slavery practices to an end and are committed to working with our supply chain to eliminate these practices.

## **8. PRINCIPAL GOVERNING BODY APPROVAL**

This statement was approved by the board in their capacity as principal governing body of K Care Holdings Pty Ltd on 20 December 2024.

## **9. AUTHORISED BY**

This statement is signed by an authorised representative of K Care Holdings Pty Ltd on 20 December 2024.



**Thomas Hogan**

Director on behalf of the Board of Directors