

# Modern Slavery Statement

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

For the financial year 2022/2023

## 1. REPORTING ENTITY

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**) in respect of the actions taken by the entities of the KCH Group (**Group, We** or **Our**) to address modern slavery risks in our business and our supply chain in the financial year 1 July 2022 to 30 June 2023 (**Reporting Period**).

## 2. ORGANISATIONAL STRUCTURE, OPERATIONS AND SUPPLY CHAINS

### 2.1 Structure

KCH is a proprietary limited company which controls the following 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)

Each entity is governed by Directors.

Each of these entities jointly submit this Statement.

### 2.2 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, with 38 manufacturing, distribution, warehousing and retail locations across Australia.

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

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.

### 2.3 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.
- services needed for the Group's everyday operations, including professional services such as recruitment, marketing, 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.

73.8% of assessed suppliers had operations 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, Construction, Domestic work, Maintenance and repair of motor vehicles, Manufacturing, Personal services, Retail, Transportation and storage and Wholesale.

59% 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, Construction, Maintenance and repair of motor vehicles, Manufacturing, Mining and quarrying, Retail, Transportation and storage and Wholesale.

63.9% 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, Construction, Maintenance and repair of motor vehicles, Manufacturing, Retail , Transportation and storage and Wholesale.

### 3.2 Product and services

Suppliers indicated the high-risk goods produced were electronic goods and the high-risk goods sourced are Textiles, Thread/Yarn, Electronics, Aluminium, Polyvinyl Chloride (PVC) and Surgical Instruments.

### 3.3 Geographic

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

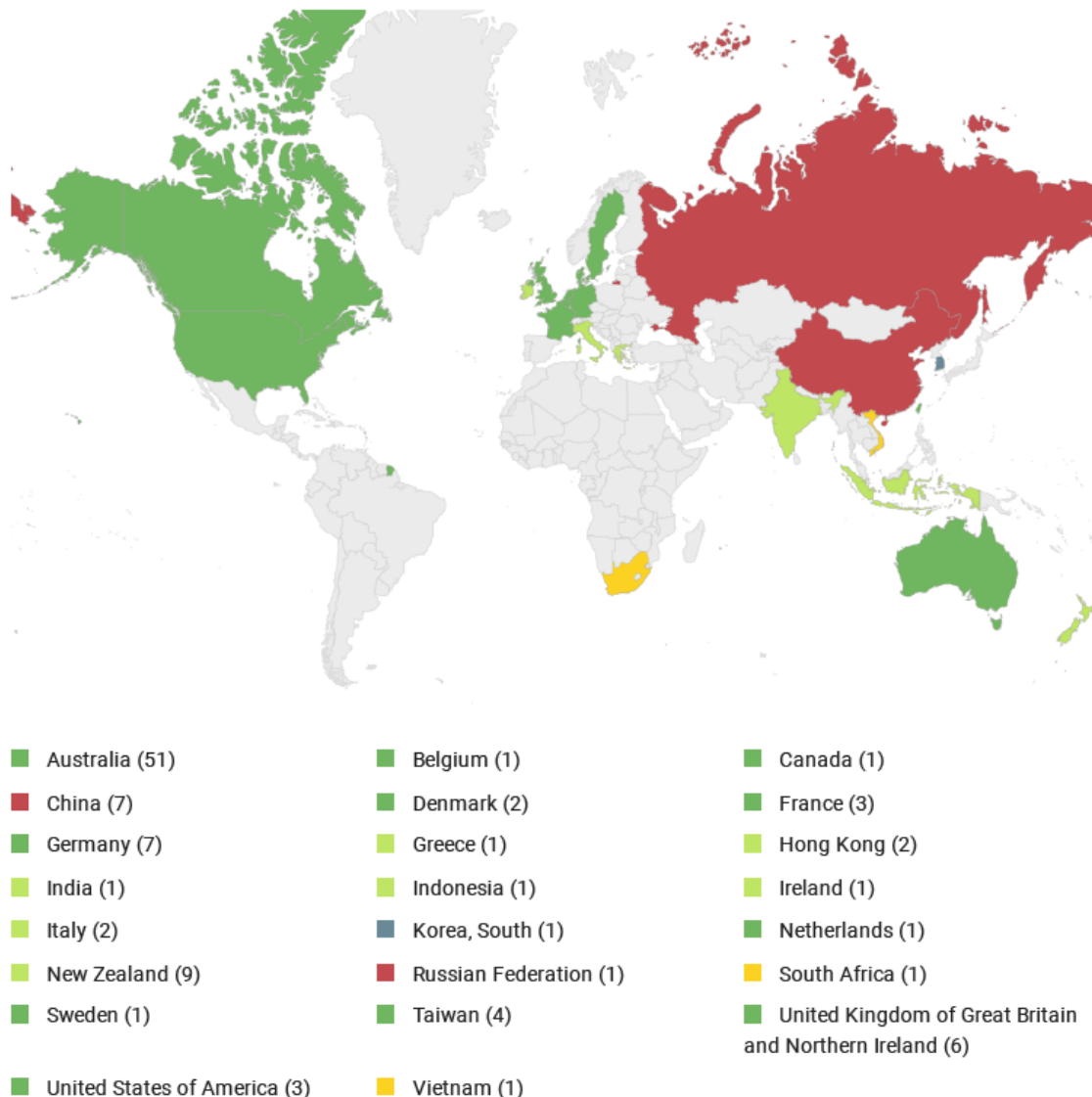


FIGURE 1: SUPPLY CHAIN - COUNTRIES OF OPERATION

The map in Figure 1 is overlaid with the Trafficking in Persons Report tiers (i.e. Tier 1, Tier 2, Tier 2WL, Tier 3 and Uncategorised).

### 3.4 Suppliers

We asked 122 of our top suppliers to complete a self-assessment questionnaire online using the MSAT. 61 suppliers completed the assessment, a completion rate of 50%.

Each supplier questionnaire was assessed using the MSAT and given an Inherent Risk Score and an Unmitigated Risk Score. Inherent Risk Scores 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 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:	40.5 out of 100
Unmitigated Risk Score:	30.5 out of 100

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

The Group has implemented several actions to address modern slavery risks.

### 4.1 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 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 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 policies in place relating to Grievance's, Whistleblowers and Risk assessments.

### 4.2 Risk assessments

We asked 122 of our top suppliers to complete a self-assessment using the MSAT, of which 61 suppliers completed the assessment. Based on Supplier's answer, Suppliers were classified into five risk categories: High-risk (high levels of inherent risk), High-risk (inadequate risk control), Medium-risk (partial risk control), Low-risk (adequate risk control) and Low-risk (low levels of inherent risk).

The majority of the responding Suppliers (41% of) were classified as medium risk, with 0 Suppliers falling into the High-Risk category, as can be seen from Figure 2.

Risk categories	% of suppliers per risk category	# of suppliers per risk category
■ Low-Risk (No inherent risk)	14.8%	9
■ Low-Risk (Adequate risk control)	36.1%	22
■ Medium-Risk (Partial risk control)	41%	25
■ High-Risk (Inadequate risk control)	8.2%	5
■ High-Risk (High levels of inherent risk)	0%	0

FIGURE 2: SUPPLIER RISK CATEGORIES

Going forward we intend to continue to assess those key suppliers as well as increase the number of suppliers we ask to complete the risk assessments.

#### 4.3 Due Diligence & Screening

We assessed our material suppliers within the Reporting Period and have identified a need to strengthen our due diligence and screening process and, in the future, intend to:

- 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.
- Continue to obtain self-assessment questionnaires from the suppliers already analysed.
- Onboard all new suppliers using MSAT software.
- Extend the questionnaire to a much broader group of our suppliers.

#### 4.4 Supplier Agreements

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

We will review our Supplier Agreements and terms to improve and include a modern slavery clause to ensure suppliers acknowledge their responsibility to ensure safe labour practices.

#### 4.5 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 staff, resulting in a 94% 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.

#### 4.6 Continuous improvement

The Group acknowledge that its modern slavery management system is in its infant stages and has identified a number of areas for improvement, such as:

- 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 and evaluating all the information we receive from suppliers.
- promptly take action on any allegations or finding of involvement in prohibited practices.
- implement a procedure and process for conducting due diligence on suppliers.
- conduct due diligence on high-risk 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.
- review agreements and ensure contracts with new suppliers contain a modern slavery clause.
- reinforce our whistle-blower protection policy, to allow people to raise concerns about individuals or organisations that the Group associates with, including clients, suppliers, and others.

#### 4.7 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 Senior Management.

We have assessed our actions taken so far and have seen some great improvements from our first reporting period. 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 taken.

We have reviewed our Modern Slavery Priority Actions plan and updated for 2023-2024, 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 oversee the implementation of the Modern Slavery Priority Actions for 2023-2024 and report to Directors and Executive Management of its progress on a regular basis, being at least Quarterly.

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

At least one Director of KCH is also a director of its wholly owned subsidiary entities and has awareness and transparency of all operations, actions, and responses across the Group.

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

## **7. OTHER RELEVANT INFORMATION**

Our Modern Slavery practices are in early stages of development, and we are committed to continuously improving our understanding of our suppliers, 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 28 December 2023.

## **9. AUTHORISED BY**

This statement is signed by Thomas Hogan in his role as the Director and Chief Executive Officer of K Care Holdings Pty Ltd on 29 December 2023.



**Thomas Hogan**

Director and Chief Executive Officer