

ILS - Independent Living Specialists Modern Slavery Statement FY2023

(1 July 2022 – 30 June 2023)

Head Office

Unit 1/12 Mars Road

Lane Cove West NSW 2066

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Introduction

Independent Living Specialists (**ILS**) is an Australian leader in healthcare equipment solutions. Founded on a culture of empathy and empowerment, our customers are the core of what we do. We work closely in partnership with our clients and referral partners. Our clients are people who experience unique and highly personal challenges, and we continually learn from them by tailoring mobility solutions to meet their needs. This helps us to deepen our knowledge of best-practice mobility solutions and ensures that quality and innovation shape our business decisions.

We understand that modern slavery is a complex and global issue. As an organisation, we are committed to identifying, preventing, and addressing modern slavery in our supply chains. Forced labour and any exploitation of vulnerable workers have no place in our business or our supply chain. We welcome and support the introduction of the *Modern Slavery Act 2018* (Cth) (**Act**) by the Australian government.

This document is the modern slavery statement of ILS, made for the reporting year 1 July 2022 to 30 June 2023 (**FY2023**). It has been prepared in accordance with the Act and covers steps we have taken in FY2023 and will continue to take, as a prioritised risk-based approach to address modern slavery risks in our organisation and throughout our supply chain.



David Sagar
Chairperson
10/11/2023



Mathew Morgan
Chief Executive Officer
10/11/2023

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Reporting Entity

This modern slavery statement (**Statement**) is made by Independent Living Specialists Pty Limited, ABN 78 106 336 958 (referred to as **ILS, we, our** in this Statement). We are a reporting entity under the *Modern Slavery Act 2018* (Cth) (**Act**) and this Statement is submitted for the financial year ending 30 June 2023.

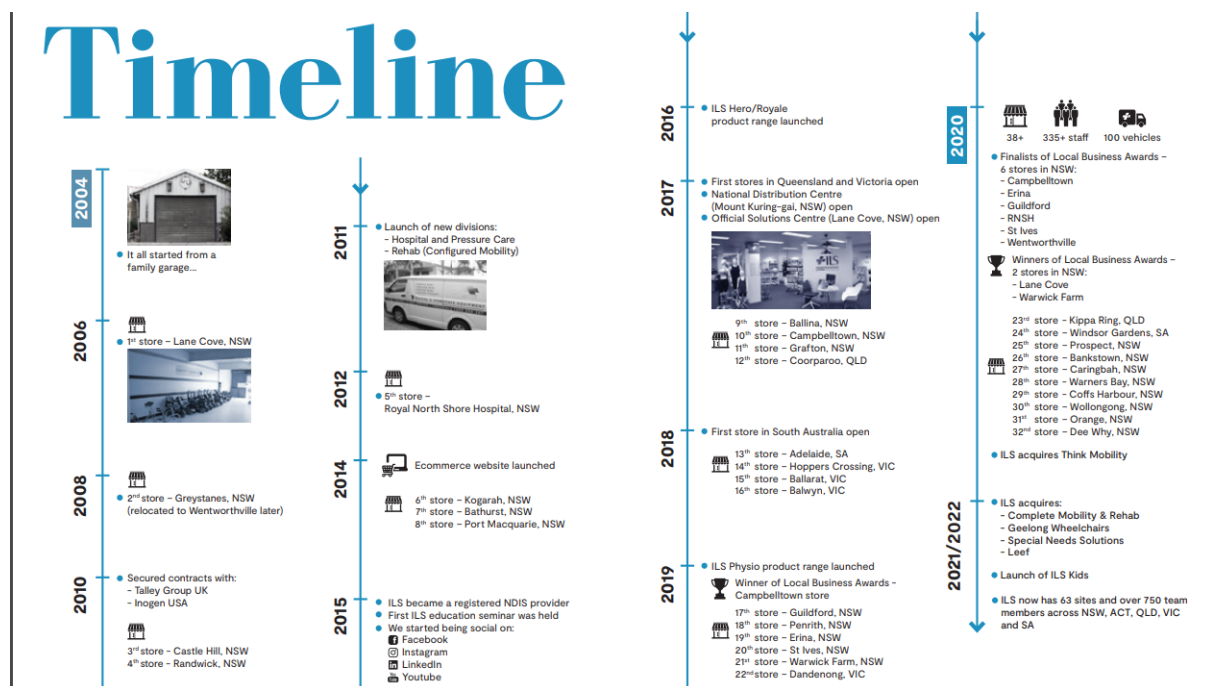
1. Structure, operations, and supply chain

1.1. Our Structure

ILS is an Australian proprietary company, limited by shares and incorporated in New South Wales, Australia under ACN 106 336 958. For more than 18 years, we have been providing the Australian general public/community with healthcare mobility solutions, clinical services, hire equipment and other support services. Our headquarters is based in Lane Cove, NSW 2066 and we operate out of 63 locations across NSW, Victoria, Queensland, Australian Capital Territory, and South Australia.

ILS does not own or control any subsidiaries and is not part of a larger group.

ILS Timeline



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Approximately 700 people work at ILS, a 5% increase over last reporting period, comprising permanent employees and contracted workers: in retail (in store and customer service), clinical support, warehouse, logistics, and business support services. Our clinical support team includes 40 Assistive Technology Professionals (ATPs) with extensive knowledge in assistive technology as occupational therapists, product specialists and educators.

1.2. Our Operations

Our business objectives and strategy are simple: to support our clients and empower them to live their most active and independent lives. We achieve this by delivering exceptional services to the general public, hospitals, residential aged care facilities and the wider allied health community in Australia.

We provide a wide range of equipment and clinical services including equipment hire. Our operations and product catalogue are divided into 5 key divisions:

- **Community Care:** We provide specialised equipment and clinical services, such occupational therapy consultations in retail stores and at-home. Whether our clients are looking for mobility aids, equipment to assist with a medical condition, disability or general equipment to assist with the effects of ageing, we work with them to maximise mobility, safety, comfort and independence through our range of equipment solutions.
- **Hospital and Pressure Care:** We provide healthcare equipment and advice to hospitals and residential aged care facilities in Australia. Our team of Occupational Therapists and Assistive Technology Professionals offer products that will assist in the management of pressure injuries in hospitals or aged care facilities.
- **Rehab (Configured Mobility):** We provide expert clinical and functional solutions for individuals with complex seating and mobility needs, specialising in scripted power and manual wheelchairs.
- **Retail:** Our retail operations include 51 physical stores across NSW, Victoria, Queensland and South Australia and a web store providing a national service.
- **Technical Care:** Our qualified technicians provide support services across our extensive product range. Services and equipment repairs are conducted at locations across NSW, Victoria, Queensland, Australian Capital Territory and South Australia. A wide range of services are offered including preventative maintenance, repairs, accessories to our products, battery testing and replacement, brakes, safety checks, spare parts, and equipment cleaning.

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1.3. Our Supply Chains

We work closely with reputable suppliers, in Australia and internationally, to ensure that our customers access the best possible range of healthcare equipment. Our suppliers provide us with a range of goods and services such as:

- **Goods for resale**, including compression equipment, hygiene products, pressure care, baby care, bathroom aids, bedrooms aids, beds, chairs, chairlifts, mattresses, patient transfer equipment, ramps, respiratory equipment, scooters, seating products, walking aids and wheelchairs.
- **Non-stock goods (not for resale)**, including equipment that supports our operations, retail store fit out materials, staff uniforms.
- **Support services**, including cleaning services, IT support, security services, facilities, office management and other logistical support.

The majority of our direct suppliers are based in Australia. We do not manufacture goods or operate manufacturing factories.

Following the Guidance for Reporting Entities published by the Commonwealth Government (**Commonwealth Guidance**), we are taking a prioritised, risk-based approach. For the last two reports we focused on our top 50 suppliers. For this reporting period we have now included our entire supplier list of 220 suppliers ranked by spend. This approach ensures that we can identify risks where we have the most ability to impact change and identify new opportunities.

Out of our Top 20 suppliers:

Top 20 Suppliers = 72% of Total Spend

- | | |
|------------------------------------|-----|
| • 16 are based in Australia. | 63% |
| • 2 are based in China. | 5% |
| • 1 is based in the United Kingdom | 2% |
| • 1 is based in America | 2% |

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2. Risks of modern slavery

ILS understands that all products and services can include risks of modern slavery in supply chains. In this section, we identify the potential for ILS to cause, contribute to, or be directly linked to modern slavery through our operations and supply chains. In this context, risk refers to the risk to people. While specific instances of modern slavery have not been identified in our operations and supply chains, we recognise that the risks of modern slavery are influenced by variable factors that require us to regularly monitor and assess our risk profile such as vulnerable populations, high risk industries and high-risk countries.

2.1. Our approach to risk analysis

We have formed an approach to identifying modern slavery risks in our operations and supply chains taking into consideration the Commonwealth Guidance and the Global Slavery Index 2018. In line with the Guidance, and in conjunction with Fair Supply we are taking a phased approach to our risk analysis. Our approach since 2021 is outlined below:

- **Phase 1:** This preparation stage is intended to create and strengthen the approach related to modern slavery within our organisation. We are striving to insert modern slavery preventative practices into our management system and drive participation from our workforce.
For year one the risk analysis was undertaken on our top 50 product suppliers. Due to an identified change in supplier profile mix we again focused on our top 50 product suppliers albeit for a different supplier mix.
- **Phase 2:** In this stage, we sought to identify where there is the most significant possibility of modern slavery. We will focus our actions where our organisation has the most considerable power to influence.
- **Phase 3:** Review opportunities from the first two phases to expand our actions to our entire supply chain.

ILS is proud to announce that we have completed the 3 phases outlined above. We executed our plan as per Phase 1 focusing on our top 50 suppliers and embedding the process and requirements within our team. We have identified where our highest risk exists and have commenced taking steps to address this risk as per Phase 2. We have completed a risk profile across our 220 suppliers as per Phase 3.

Identification of key risks

Supplier Risk Profile



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Overall ILS has a low to moderately low supplier risk profile. Evaluation of our 220 suppliers, ILS has 1 supplier in the moderately high, and 145 suppliers in the low category.

Geographic risks

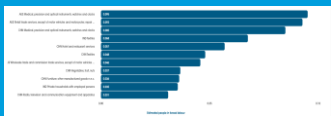


The majority of our direct suppliers (by spend value) are located in Australia, which is identified as a low-risk country for modern slavery risk.

We have identified that a portion of our product catalogue is manufactured in China. We recognise that some countries may have a higher risk of modern slavery and that China has been identified by the Global Slavery Index 2018 as one of the largest estimated numbers of people in modern slavery, with a lower government response.

Risks of modern slavery also arise beyond our direct suppliers. While many of our direct suppliers are based in low-risk countries, we understand that those suppliers may source products or components from overseas, including from countries that have been identified as higher risk countries.

Sector / Industry risks



We operate in the highly regulated healthcare sector which inherently carries a lower risk of modern slavery.

The support services provided to us, such as IT support and cleaning services, are industries recognised as carrying a higher level of modern slavery risk.

Tier Risk



The concepts of cause, contribution and direct linkage are set out in the UN Guiding Principles. We have undertaken a risk profile to Tier 10 and identified our highest likelihood of modern slavery as being in Tier two and Tier three of the supply chain.

Products / materials risks

We do not have any direct manufacturing operations of our products or equipment. However, we recognise that some products which may form part of our supply chain are from some of the highest risk product categories. This includes electronics and garments, and materials such as gold and cotton.

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3. Actions we have taken to address any identified risks:

1. Supplier risk analysis:

ILS has engaged Fair Supply to undertake an annual comprehensive risk analysis of ILS' supplier list. This year the report has encompassed all 220 ILS suppliers and the results of the supplier risk mapping undertaken by Fair Supply has determined our higher risk and high-spend suppliers and as such has highlighted key opportunities to action and continue to action.

2. Supplier Review:

Risk profiling and analysis from the 2022 dataset highlighted China as a geographical risk. From this ILS identified 13 suppliers to review. A comprehensive review was undertaken by Dragon Sourcing and covered the key areas of Environmental, Social (including modern slavery related items), Governance (ESG), and Quality via onsite factory audits. There were 85 items in these audits requiring verification through a 5-point rating system. All 13 suppliers passed the reviews, and none had any modern slavery infringements.

3. Supplier Relationship

Supplier code of conduct: ILS are progressing through the implementation of a Supplier Code of Conduct that requires that all suppliers to declare and acknowledge they have read and accepted the terms. This code includes modern slavery clauses.

ILS have prepared and incorporated modern slavery clauses in all new supplier contracts and have developed a plan over the next 12 months to continue working through and updating existing supplier contracts. We are approximately 60% through this process.

5. Assessing the effectiveness of our actions

ILS spend for FY2023 increased by 117%. In the context of growing revenue, people and a more diverse range of products and support services, the practical application of our actions has resulted in ILS being able to:

Maintain our estimated risk of people in forced labour in our supply chain to 1.983.

Reduce our low risk of people in forced labour per \$M spend by 53.2% to 0.0236.

These results are to Tier 10 in our supply chain and represent the concepts of cause, contribution and direct linkage as set out in the UN Guiding Principles and are part of a continuum of conduct.

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ILS will continue to seek and identify opportunities to improve the effectiveness of our actions. We will also continue to monitor modern slavery issues in the wider community and consider how our peers in the healthcare industry address modern slavery risks so that we maintain best practice actions.

6. The process of consultation

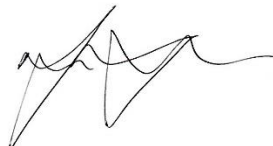
As we do not own or control any other entities, this criterion is not relevant for ILS.

Approval

In accordance with section 16(2)(a) of the Act, this Statement is approved by our Board of Directors on 10/11/2023 and is signed by David Sagar as the Board's authorised representative and Mathew Morgan, Chief Executive Officer, ILS.



David Sagar
Chairperson
10/11/2023



Mathew Morgan
Chief Executive Officer
10/11/2023

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