

Modern Slavery Statement 2021

(1 July 2020 – 30 June 2021)

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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 first modern slavery statement of ILS, made for the reporting year 1 July 2020 to 30 June 2021 (**FY2021**). It has been prepared in accordance with the Act and covers steps we have taken in FY2021 to address modern slavery risks. We recognise this is a complex issue and we are taking, and will continue to take, a prioritised risk-based approach to our ongoing compliance with the Act.



David Sagar
Chairperson
23/12/2021



Lucinda Abood
Chief Executive Officer
23/12/2021

Criterion 1: 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 2021.

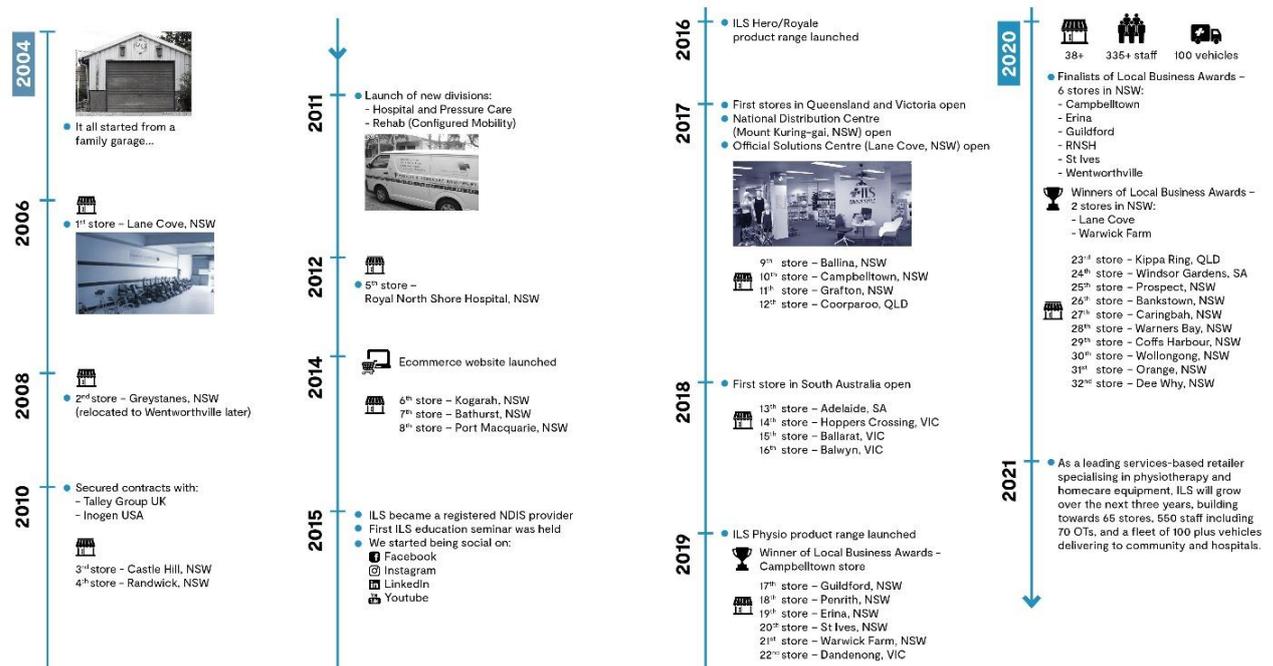
Criterion 2: Structure, operations and supply chain

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 also operates 44 retail stores across NSW, Victoria, Queensland and South Australia.

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

ILS Timeline



Approximately 525 staff work at ILS, 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 people with extensive knowledge in assistive technology as occupational therapists, product specialists and educators.

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 a mobility aid, 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 independent 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 clinical product specialists 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 44 physical stores across NSW, Victoria, Queensland and South Australia.
- **Technical Care:** Our qualified technicians provide support services across our extensive product range. Services and equipment repairs are conducted at our fully equipped Service Centre located in Eastern Creek NSW. 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.

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 ourselves.

Following the Guidance for Reporting Entities published by the Commonwealth Government (**Commonwealth Guidance**), we are taking a prioritised, risk-based approach by focusing on our top 10 suppliers by spend and on our top 10 products. This approach ensures that we can identify risks where we have the most ability to impact change.

Out of our top 10 suppliers:

- 7 are based in Australia
- 1 is based in the United Kingdom
- 1 is based in China
- 1 is based in America

Out of our top 10 products:

- 3 are manufactured in China
- 3 are manufactured in the UK
- 3 are manufactured in the US
- 1 is manufactured in Taiwan

Criterion 3: 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.

Our approach to risk analysis

In our first reporting year, 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 FairSupply we are taking a phased approach to our risk analysis:

- **Phase 1:** to first identify the modern slavery risk factors within our operations and supply chains. For year one the risk analysis was undertaken on our top 50 product suppliers. Moving forward we will increase the scope to include:
 - More product suppliers
 - Non product suppliers

- **Phase 2:** to identify and scope our key suppliers against identified risks to target those suppliers where we can have the greatest impact.

Identification of key risks

Geographic risks	<p>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.</p> <p>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.</p> <p>Risks of modern slavery also arise beyond our direct suppliers. While the majority 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.</p>
Sector / industry risks	<p>We operate in the highly regulated healthcare sector which inherently carries a lower risk of modern slavery.</p> <p>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.</p>
Products / materials risks	<p>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.</p>

Criterion 4: Actions we have taken to address any identified risks

This is our first modern slavery reporting year. Accordingly, for the FY2021 reporting period, we are implementing systems, processes and establishing teams to identify modern slavery risks. The systems that we put in place in this first reporting year will act as a foundation for continuous year-on-year improvement.

Set out below is an overview of the current processes in place as well as steps we have taken in FY2021:

- **Supplier risk mapping:** ILS strives to engage suppliers that are known for their high-quality products and reliable services. We aim to source products from reputable brands that share our commitment to identifying modern slavery risks. ILS has over 300 suppliers across our various divisions. In order for us to effectively risk map our suppliers, we have engaged Fair Supply, a specialist third-party analytics partner, to assist us with our baseline supplier risk mapping. Fair Supply will provide a risk profile analysis of all our suppliers using a global multi-regional input-output database which draws on information from a range of data sets to determine an estimation of modern slavery risk exposure. The analysis provided by Fair Supply will enable us to target and prioritise our suppliers going forward.
- **Supplier contracts:** Our supplier contracts require that our suppliers comply with ethical procurement standards and laws. We have developed a robust modern slavery clause which will be included in future ILS supplier contracts. This will require our suppliers, at a minimum, to take reasonable steps to identify, assess, address and report any risks of modern slavery practices in the operations and supply chains that relate to the goods or services that they provide to ILS.
- **Supplier due diligence:** Relationships with ILS suppliers are managed by our Head of Procurement, who considers the reputation, resources and quality of our suppliers before a commercial arrangement is formalised. The procurement and supplier management procedure incorporates supplier vetting on certain criteria including modern slavery compliance. As part of our identified year 2 reporting actions, we are looking to implement a robust framework for supplier due diligence.
- **Internal policies and procedures:** We are committed to ensuring that our employees have a safe, healthy working environment. We strive to become an employer of choice by fostering a culture that encourages feedback and transparency. We do this through:
 - Employee engagement survey seeking feedback for action on what we are doing as part of our process to continually improve
 - Employee handbook which incorporates our whistleblower policy
 - Complaints / Grievance policy and procedure
 - Company code of conduct
- **Staff training:** We recognise that the better educated and trained we are about modern slavery risks, the better we will be at identifying and addressing those risks. In FY2021, key internal stakeholders, such as members of our procurement, compliance and legal teams engaged in modern slavery education. Training will be provided for all employees in ILS procurement and sourcing roles, and we aim to expand this training program companywide.
- **Continuous improvement roadmap:** We have developed a roadmap for future improvement for our modern slavery reporting. This roadmap provides a clear direction for our year-on-year reporting targets to ensure continuous improvement of our modern slavery risk processes. Some action items for our second-year reporting include implementing an anti-

slavery policy, continuing to strengthen our supplier contracts, supplier due diligence and delivering targeted organisation-wide training.

Criterion 5: Assessing the effectiveness of our actions

During this reporting year, ILS has focused on preparatory work so that we can establish a robust framework to address modern slavery risks. In the next reporting period, we intend to introduce steps to assess the effectiveness of any actions taken. Some of these performance indicators include:

- auditing the number of supplier contracts that contain modern slavery clauses;
- monitoring the number of suppliers who have been audited for modern slavery risks and the responsiveness of our suppliers to any modern slavery audits;
- monitoring the number of modern slavery concerns raised via internal whistleblower channels;
- monitoring the number of employees who complete modern slavery training; and
- ensuring that any modern slavery concerns raised are addressed, actioned and appropriately remediated and communicated.

We will continue to seek/identify opportunities to improve the effectiveness of our actions. This includes regularly checking our modern slavery risk assessment processes to ensure they remain current, setting up procedures for regular feedback and engagement between internal stakeholders, and annual senior management review of our response to modern slavery. 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.

Criterion 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 23/12/2021 and is signed by David Sagar as the Board's authorised representative and Lucinda Abood, Chief Executive Officer, ILS.



David Sagar
Chairperson
23/12/2021



Lucinda Abood
Chief Executive Officer
23/12/2021