

Modern Slavery Statement

2020




virtus
HEALTH

MODERN SLAVERY STATEMENT 2020

This statement sets out the steps taken by *Virtus Health Limited* (ABN 80 129 643 492) to address modern slavery risks in our supply chain. We understand that modern slavery risk is focused on 'risk to people' as opposed to 'risk to entity' and that there can be a convergence in these risks. We also set out our response to the mandatory criteria contained in the *Modern Slavery Act 2018 (Cth) (Act)* and the impact of Covid-19 on our operations and supply chain.

Response to Covid-19

The global healthcare sector is considered to be a high risk sector for modern slavery due to the production of medical goods by vulnerable workers in certain countries. These goods include medical and surgical equipment, electronics and medical supplies (gloves, surgical instruments and garments). As a result we implemented the following strategies:

- We initiated a review of our direct supply chain and set up emergency briefing sessions with critical suppliers to gauge the impact of covid-19 on their operations.
- We implemented a contingency and staff education plan to prevent and manage possible product shortages.
- We implemented a strategic purchasing plan to protect against undue reliance and dependence on single suppliers.

Modern Slavery Reporting Requirement

Our response to the mandatory criteria required by the national Modern Slavery Reporting Requirement is as follows:

1 The reporting entity

Virtus Health Limited (ABN 80 129 643 492) and its related wholly owned and controlled entities including:

- Melbourne IVF Pty Limited
- IVF Australia Pty Limited
- TasIVF Pty Limited
- Queensland Fertility Group Pty Limited
- Virtus Health Specialist Diagnostics Pty Limited
- Virtus Health Singapore Pte Limited
- Virtus Health Europe Limited

Collectively referred to in this statement as **Virtus Health**.

2 Business structure, operations and supply chains

Structure: Virtus Health is the parent company with entities located in Australia, Singapore, Denmark, Ireland and the UK with the Head Office in Sydney, Australia. Virtus Health employs 1,317 staff, the majority being professional medical practitioners and healthcare staff as well as administrative staff.

Operations: Virtus Health provides fertility services, day hospital services and diagnostic and genetic services.

Supply chains: The majority of our suppliers are located in Australia and other low risk countries. The balance of our suppliers are located in countries in which we operate with a small number of suppliers situated in other overseas locations. We work with a number of suppliers who specialise in manufacturing and distributing products specifically into the Assisted Reproductive Services and Assisted Reproductive Technology industry. Aside from that our vendor base would resemble that of a typical healthcare provider including hospital, clinic and laboratory equipment suppliers and office and IT/telecommunications products and services. Further to this we engage with vendors that provide services in recruitment, facilities, real estate, banking, legal, consulting, auditing and third-party travel management.

3

Risk of modern slavery practices in our operations and supply chains including entities owned and controlled by us

We have conducted an initial scoping exercise involving our direct supply chain. The exercise involved a risk assessment of suppliers located in countries commonly known to be at high risk for modern slavery and in high risk industries or sectors. Our preliminary paper-based risk assessment indicates that:

- We are not directly involved in causing risk to people;
- We have not contributed to risks to people by facilitating or incentivising modern slavery;
- We are not directly linked to suppliers whose operations may be linked to modern slavery.

However, we are committed to reviewing modern slavery risk deeper in our supply chain particularly in high risk sectors including healthcare.

4

Supplier risk management and due diligence

We have conducted an initial modern slavery risk assessment of our direct supply chain. Our risk analysis has established a baseline that will inform future risk assessments and focus.

A high proportion of Virtus Health's workforce are qualified professional medical practitioners, nurses, scientists, embryologists subject to and accustomed to complying with professional conduct rules enshrining high ethical standards, including duties to comply with the law. Business operations for all entities are at sites where staff report into such senior professionals. All employees are paid fair market wages in compliance with legal requirements, and the employing entities within the Virtus Health Group are supported by experienced human resource managers with reporting lines into each territory Managing Director who each report directly to the Virtus Health Group Chief Executive Officer and Managing Director.

The majority of our suppliers are located in Australia and other low risk countries. In addition, the majority of our suppliers are in low risk sectors. However, there were some high risk sectors identified in our supply chain (IT and software services, healthcare, personal services, food service activities and manufacturing). This assessment will inform our future due diligence activities as we track and integrate our findings across our operations.

We will create action plans specific to each supplier rated as having a high level of modern slavery risk after completion of an initial due diligence survey and assign responsibility to Group employees for execution of the action plan. The framework for resolution of any issue in relation to modern slavery risk includes

- Trying to resolve with supplier;
- Determine treatment strategy;
- Implement treatment strategy or ascertain new supplier.

Virtus Health has a Whistleblower Protection policy, the purpose of which is to encourage reporting of "wrongdoing", which includes misconduct or an improper state of affairs or circumstances in relation to Virtus Health, or any member of the Virtus Health group or its operations or involves any Virtus Health group personnel.

5

Assessing the effectiveness of our modern slavery risk activities

We intend to assess the effectiveness of our modern slavery risk management activities as part of Virtus Health's risk management processes under the Virtus Health Group Risk Management Policy by:

- Conducting further risk assessments of modern slavery risk and tracking results against our initial risk assessment;
- Tracking improvements against our baseline risk assessment in 12 months.
- Continuing to consult extensively with all entities in the group.
- Placing modern slavery compliance firmly in our risk programme as part of Environmental, Social and Governance (ESG).

The risk "owner" for Modern Slavery risks is the Group General Manager Legal & Risk. Virtus Health implements a risk management tool which will assist in cascading and tracking of risk treatment plans. The risk management system is overseen by the Risk Committee – a committee of the Virtus Health Board, and the adequacy and effectiveness of the Modern Slavery compliance system has been included on the annual program for the Risk Committee.

6

Consultation process within our Group including our subsidiaries

A consultation process was conducted across our operations and a Working Group established. The Working Group is made up of the Group Chief Financial Officer, the Group General Manager, Legal and Risk and the Group Head of Procurement with assistance provided from staff in the global business where required. The Working Group will continue to consult and work with all parts of our operations to address our modern slavery risk.

7

Other relevant information

This statement has also been prepared to meet the requirements of the *Modern Slavery Act 2015 (UK)* and will be published on our UK entity websites including our Group website as required by the UK Act.

Next Steps

This is the first Modern Slavery Statement prepared for Virtus Health. We acknowledge that the actions taken in the reporting period and in the subsequent period up to the date of this Statement are just the first steps in a journey towards ensuring there is no modern slavery in our supply chain. We intend to engage with the requirements of the Act in a meaningful way and are committed to continuously improve over time.

Further steps include:

- Sharing our Modern Slavery Statement with all staff including new staff and delivering training for targeted Virtus Health personnel.
- Continuing to include modern slavery clauses in new legal and supplier contracts.
- Conducting further risk assessments by broadening the level of interaction with suppliers with respect to modern slavery risks and prioritising future action based on further risk assessment results.

This statement is made pursuant to the *Modern Slavery Act 2018 (Cth)* for *Virtus Health Limited* (ABN 80 129 643 492) and constitutes our modern slavery statement for the financial year ended 30 June 2020.

This statement was approved by the Board of *Virtus Health Limited* as the parent entity on 17 March 2021.



Sonia Petering
Chair



Kate Munnings
Group Chief Executive Officer & Managing Director

Virtus Health brands

