

Modern Slavery Statement

2021



virtus
HEALTH



MODERN SLAVERY STATEMENT 2021

CEO'S Message



Modern slavery can affect any country. Virtus Health is pleased to report on our ongoing commitment to prevent modern slavery in our operations and supply chain. We recognise the importance of the *Modern Slavery Act 2018 (Cth)* (Act) as a key initiative to counter modern slavery practices, which are major violations of human rights and serious crimes.

In our FY21 Modern Slavery Statement, we outline the continuous efforts and progress made in identifying, addressing and mitigating the risk of modern slavery in our operations and supply chain.

Virtus Health acknowledges that addressing modern slavery risk in our supply chain requires an ongoing commitment to building a more comprehensive understanding of modern slavery and human rights risks associated with our business.

Our purpose is to work towards a future where everyone in the community has the opportunity to create a family. In undertaking our work, our team make decisions guided by our values of innovation, teamwork, success and respect for each other. Taking action to uphold human rights and address modern slavery risks is the right thing to do.

In FY21, COVID-19 presented significant challenges to Virtus Health as a result of supplier disruption and delayed actions and activities with our suppliers. Our teams and suppliers faced lockdowns, shifts in production and stricter health and safety protocols.

In particular, there was increased pressure on healthcare manufacturers and logistic companies dealing with the elevated demand for medical and surgical equipment. This included electronic equipment and supplies such as surgical gloves, instruments and garments. Virtus Health is aware that the flow on affect from this, is an increased risk of exploitation to labour workers.

We have and will continue to work collaboratively with our suppliers to support them during the pandemic, raise awareness within the Virtus Health group and implement strategies to address modern slavery risk in our supply chain.

To every extent possible this year, we have matured our modern slavery risk approach by focusing on the actions taken, the effectiveness of those actions and pursuing continuous improvement. We also set out our response to the criteria contained in the Act and the impact of COVID-19 on our operations and supply chain.

We look forward to continuing to develop and refine our approach to this important human rights initiative in the years to come.

A handwritten signature in blue ink, appearing to read 'KM', with a stylized flourish at the end.

Kate Munnings
CEO and Managing Director
Virtus Health Limited
27 December 2021

Our Structure, Operations and Supply Chain

Virtus Health is a leading Assisted Reproductive Services (**ARS**) provider in the world with a market-leading position in Australia, Ireland and Denmark and a growing presence in the UK and Singapore. We provide a comprehensive range of fertility and day hospital services through to reproductive genetics.

Structure: Virtus Health is a global company with its Head Office located in Sydney, Australia. Virtus Health employs 1,317 staff, the majority being professional medical practitioners and healthcare staff.

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

- 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.

Operations: People are the core of our business and our commitment to respecting human rights of all workers starts in our own operations. Virtus Health provides fertility services, day hospital services and diagnostic and genetic services. Our operations also include indirect workers including contractors, sub-contractors and labour hire resources that support our businesses. For those people we do employ directly, their employment terms and conditions are set out in employment contracts governed by local laws in which they work. Most of our team members work in Australia.



Supply chains: Globally, we work with approximately 600 direct suppliers. As in the prior year, 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 ARS 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.

We engage with vendors that provide services in:



Healthcare



Manufacturing



IT & Software Services



Hospitality



Recruitment



Facilities management



Banking



Legal



Consulting and Auditing



Third-party travel management

Source locations

The majority of our suppliers are located in Australia (99.99%) with the balance located overseas (8 suppliers in total).

Virtus Health has identified only 1 supplier in a high risk country (Ukraine) but there has been no engagement with that supplier due to COVID-19 disruptions in the past year.

Should Virtus Health re-engage with that supplier in FY22, a risk assessment will be carried out to assess modern slavery risk and steps will be taken to work with that supplier to implement any remedial actions, if required.

Our Modern Slavery Risks

Last year Virtus Health conducted an initial risk assessment on our supply chain to identify areas of high risk of modern slavery.

This reporting period we continued to monitor these high risk areas by carrying out risk assessments and ensuring that our supplier contracts contain appropriate modern slavery clauses.

Virtus Health Risk Areas

- 1 Offshore suppliers
- 2 Offshore workforce
- 3 Offshore operations and clients
- 4 Alliances, partnerships and acquisitions
- 5 COVID-19
- 6 Healthcare sector
- 7 Manufacturing sector
- 8 IT and software sector
- 9 Hospitality sector

Our actions in identifying and addressing any modern slavery risks

COVID-19 Impact

COVID-19 continues to impact the global supply chain including the supply of IVF consumables that cannot be sourced locally. We understand that this pressure can increase the risk of labour exploitation.

During this reporting period Virtus Health's procurement and management team focused on the following actions:

- Continuous consultation and emergency briefings with high risk critical suppliers to gauge the ongoing impact of COVID-19;
- Enhanced workforce training to prevent and manage possible product shortages;
- Implementation of contingency plans where required to ease pressure on high risk suppliers;
- Continuous consultation with all stakeholders across the business about modern slavery risk; and
- Strengthening strategic purchasing plans to protect against undue reliance and dependence on single suppliers.

Ongoing Due Diligence

Virtus Health is committed to working with suppliers to manage modern slavery risk in the following ways:

- By providing clarity on Modern Slavery obligations and expectation;
- Conducting ongoing due diligence to existing high risk suppliers through auditing and surveys; and
- Investigating and addressing instances of modern slavery in our supply chain when they arise and take corrective actions.

Modern Slavery Instance in FY21

Through our procurement control measures it was identified that an overseas supplier associated with our direct supplier was under investigation for abuse of workers' rights in its supply chain. Virtus Health's Group Procurement Manager took swift action to investigate this instance and implemented the following actions:

- Consulted with our direct supplier to understand the severity and details of the investigation;
- Requested and reviewed the actions they had taken to address the non-compliances found and received confirmation that the overseas supplier was now compliant; and
- Requested and reviewed the overseas supplier's Corporate Social Responsibility Report and contractual arrangements in place between our direct suppliers and the overseas supplier regarding their compliance to Modern Slavery legislation.

By implementing new policies and systems around shift rostering, leave and hiring more workers, the overseas supplier is now compliant to local labour and modern slavery laws.

Modern Slavery Awareness

Virtus Health recognises that keeping up to date and being aware of Modern Slavery issues can help the company to understand its high risk areas and help staff understand why they may be required to change their interaction with high risk suppliers.

Virtus Health has subscribed to publications and government alerts to remain updated in relation to modern slavery instances around the world that may impact our operations and supply chain.

In addition, Virtus Health has added Modern Slavery content into our employee induction program which is completed when on-boarding new employees. The content includes legal requirements, information on our modern slavery statement and modern slavery risks. The intent of this, is to build a culture of awareness around modern slavery across the business.

This year we delivered training to Senior management across the businesses to better equip the businesses to identify and act on modern slavery risks.

Management's Commitment

Virtus Health has implemented and reviewed its Code of Conduct Policy and Whistle-blower Protection Policy to ensure the policies align with our approach in addressing modern slavery in our operations and supply chain.

These policies confirm Virtus Health's commitment to protecting human rights and taking action to address modern slavery risks. We will continue to strengthen our internal policies to ensure grievance channels for employees remain easily accessible.

Consultation

Virtus Health has consulted and communicated with all its entities on our commitments to modern slavery work, including its first Modern Slavery Statement. A working group was formed in FY21 with staff from across the group to establish a clear consultation process and the group has since expanded in size. The working group is made up of the Group Chief Financial Officer, Group Chief Legal & Risk Officer, Group Legal & Risk Manager and the Group Procurement Manager.

We plan on continuing the working group and having a strong collaborative approach with all our entities to ensure all operations are engaged.

Actions not completed in FY21

One action listed in our first Modern Slavery statement is still underway. Given this, we will be including the below action again in our outlook for next year.

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.

Assessing Effectiveness of our actions

Virtus Health regularly reviews and assesses the effectiveness of modern slavery actions taken by the organisation in order to evaluate the effectiveness of its actions. This is done through:

- Consulting extensively with all our entities;
- Consulting and auditing high risk suppliers;
- Risk Management Strategies and a Risk Appetite Statement;
- Workshops focusing on supply chain and operations involving the Group Chief Legal & Risk Officer and the Group Head of Procurement; and
- Reviewing policies, codes, due diligence processes and supplier strategies.

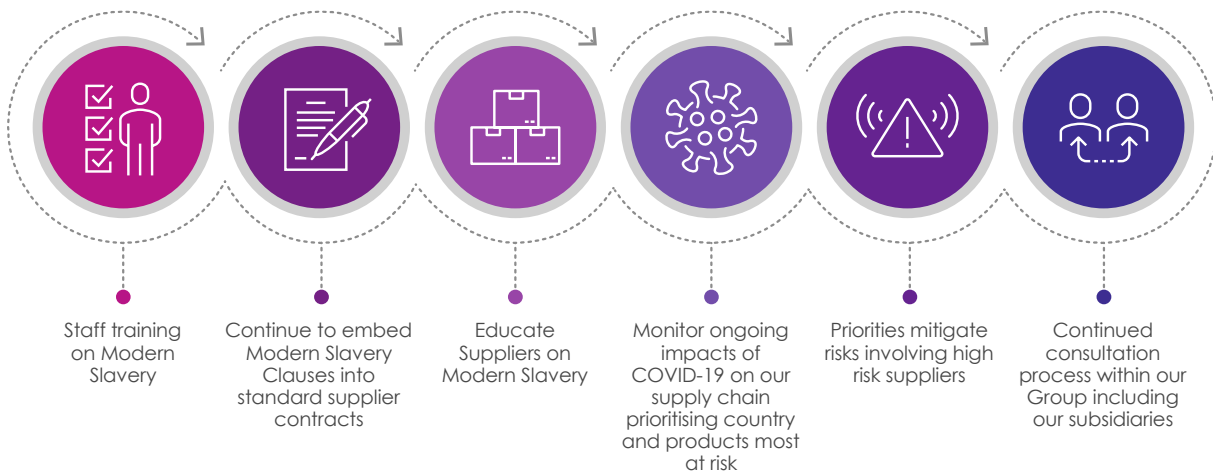
In FY22, we plan to further strengthen and mature our approach to assessing modern slavery risk in our supply chain and measuring the impact of that approach.

Our Commitments

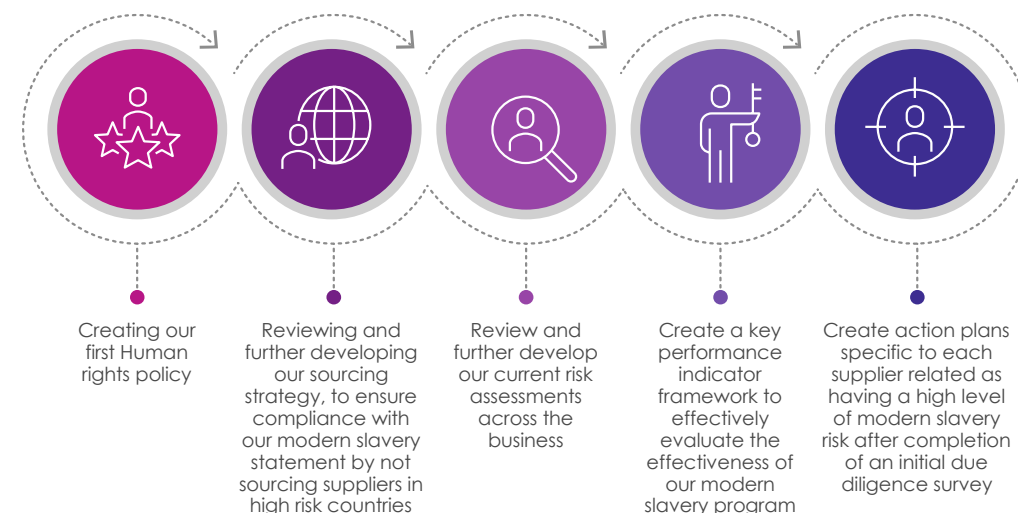
Virtus Health's is committed to a continuous improvement approach to modern slavery as reflected in our updated FY21 Modern Slavery Statement. We are committed to continuously evolving our approach to eliminate any risk of modern slavery in our supply chain and embedding our Modern Slavery statement across our business.

Given this, we plan to continue to monitor progress against our current commitments and have identified priorities for 2022, to further mature our response to modern slavery.

Current Commitments



FY21-22 Commitments



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 2021.

This statement was approved by the Board of *Virtus Health Limited* as the parent entity on 27 December 2021.



Sonia Petering
Chair



Kate Munnings
Group Chief Executive Officer & Managing Director

Virtus Health brands

