



Modern
SLAVERY
Statement
2022

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Mandatory Reporting of the Modern Slavery Act

Virtus Health's Modern Slavery Statement meets the mandatory reporting criteria set out in the *Modern Slavery Act 2018* (Cth). The following table illustrates our compliance and provides a cross reference to the sections in which the criteria apply to.

Mandatory Reporting Criteria	Reference in this statement
Identify the reporting entity	Page 3
Describe the reporting entity's structure, operations and supply chain	Page 6 - 8
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Page 9 - 12
Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes	Pages 13 - 15
Describe how the reporting entity assesses the effectiveness of these actions	Page 16
Describe the process of consultation with any entities that the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Page 17
Provide any other relevant information	Page 18

Statement of reporting entity

Virtus Health Limited (ABN 80 129 643 492) head office is at 176 Pacific Highway Greenwich, NSW, 2065.

Until 4 August 2022 Virtus Health Limited (Virtus Health) was an Australian public company listed on the Australian Securities Exchange. Virtus Health is now a privately owned company.

Virtus Health makes this joint Modern Slavery Statement on behalf of all its wholly owned and controlled entities (Refer to list of entities on page 6).

Virtus Health's Statement has been published in accordance with the Modern Slavery Act 2018 (Cth) (Act).

This is a joint statement of all the entities under the Virtus Health Group that meets the reporting threshold for the Act and the UK Modern Slavery Act 2015.

Section 1

CEO MESSAGE

This is Virtus Health's third Modern Slavery Statement under the Act and under the UK Modern Slavery Act.

Modern slavery can occur in any industry and has severe consequences for victims. It involves grave abuses of human rights and often modern slavery disproportionately impacts women and girls.

Currently it is estimated that 40.3 million people are living in modern slavery. In Australia it is estimated that over 1,900 people are victims of modern slavery and only one in five is detected¹.

Virtus Health is committed to identifying, preventing and taking actions to address modern slavery and human rights risk in our operations and supply chain.

Over the past year, we have continued to reassess our operations and supply chain to identify new risks and take any actions that are necessary to mitigate any potential modern slavery.

We have not identified any modern slavery instances in our direct operations and supply chain for FY22. However, we have identified that there is a lack of transparency in our extended supply chain which makes it challenging to uncover modern slavery risk and instances that may occur. In FY23 we aim to take more actions to foster transparency in our extended supply chain, in particular around procurement of medical and scientific products.

In FY22, we continued to strengthen our modern slavery framework and focused on:

- Our continued implementation of COVID-19 procurement strategies to ensure we decreased pressures on our suppliers and supply chain
- Strengthening our governance policies and procedures
- Researching our industry for further insight into modern slavery and human rights risks
- Consultation with our suppliers to determine modern slavery risk and modern slavery instances in our supply chain

We began our modern slavery journey in 2019 with the objective to educate ourselves on modern slavery risks in our operations and supply chain. Although we still have more to learn, we believe each year we have achieved this objective. I am very pleased to publish our third Modern Slavery Statement, which sets out the work we have done to mature our modern slavery framework and our commitments for 2023.



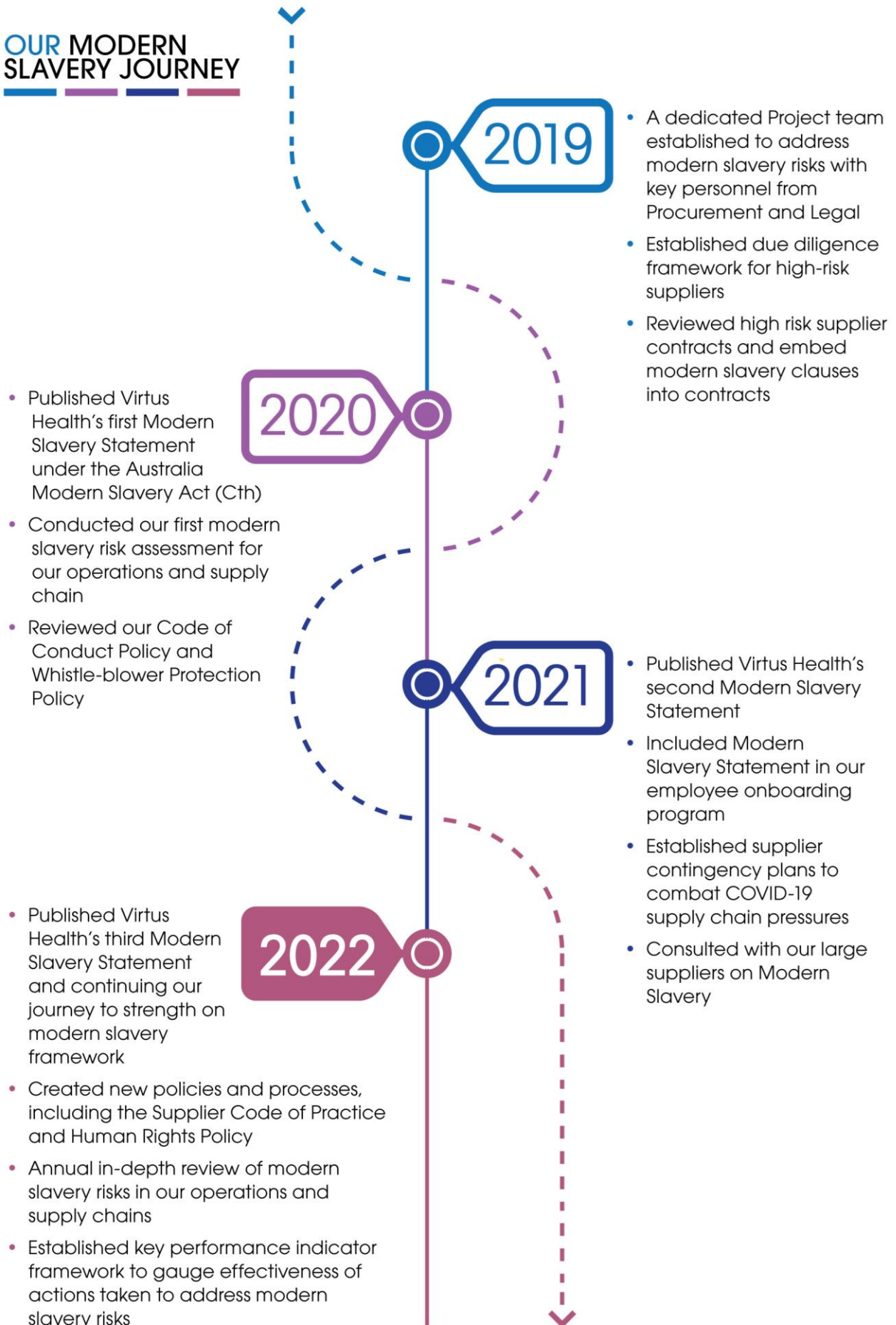
Kate Munnings

Chief Executive Office and Managing Director



¹ Anti-Slavery Australia 2022

OUR MODERN SLAVERY JOURNEY



Section 2

Our Structure, Operations and Supply Chain

Structure

During the reporting period, Virtus Health was an Australian public company listed on the Australian Securities Exchange. It has since been taken private following its acquisition via a scheme of arrangement, and its shares are no longer traded on the ASX.

The Virtus Health Group head office remains at 176 Pacific Highway, Greenwich, 2065, Sydney Australia. The Virtus Health Group consists of 7 entities that provide a comprehensive range of fertility and day hospital services through to reproductive genetics.

In accordance with the Act, the reporting entities for Virtus Health Limited (ABN 80 129 643 492) covered by this Statement are:

Melbourne IVF Pty Limited [ACN: 007 243 352]

IVF Australia Pty Limited [ACN: 098 082 109]

TasIVF Pty Limited [ACN: 122 826 939]

Queensland Fertility Group Pty Limited [ACN: 010 514 397]

Virtus Health Specialist Diagnostics Pty Limited [ACN: 606 809 536]

Virtus Health Singapore Pte Limited [ACN: 201303575Z]

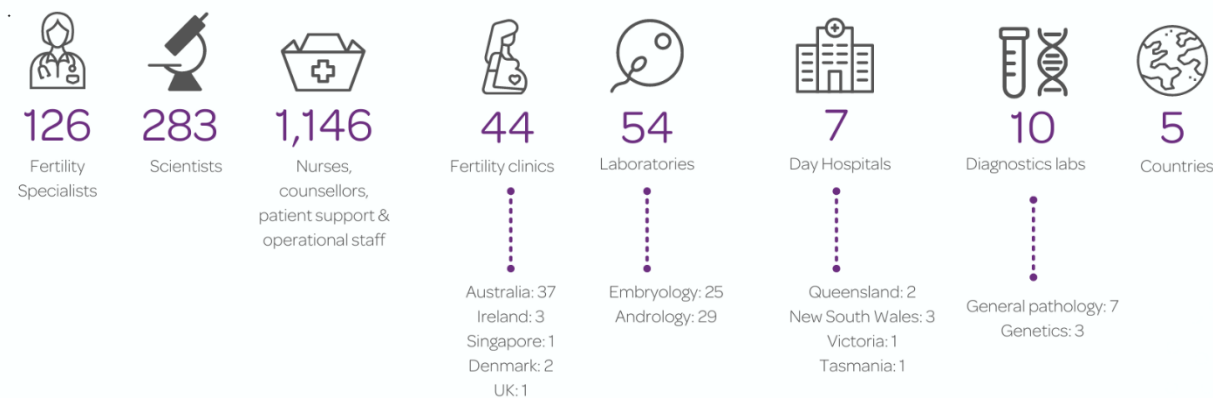
Virtus Health Europe Limited [ACN: 904016]

Collectively referred to in this statement as Virtus Health.

Our operations

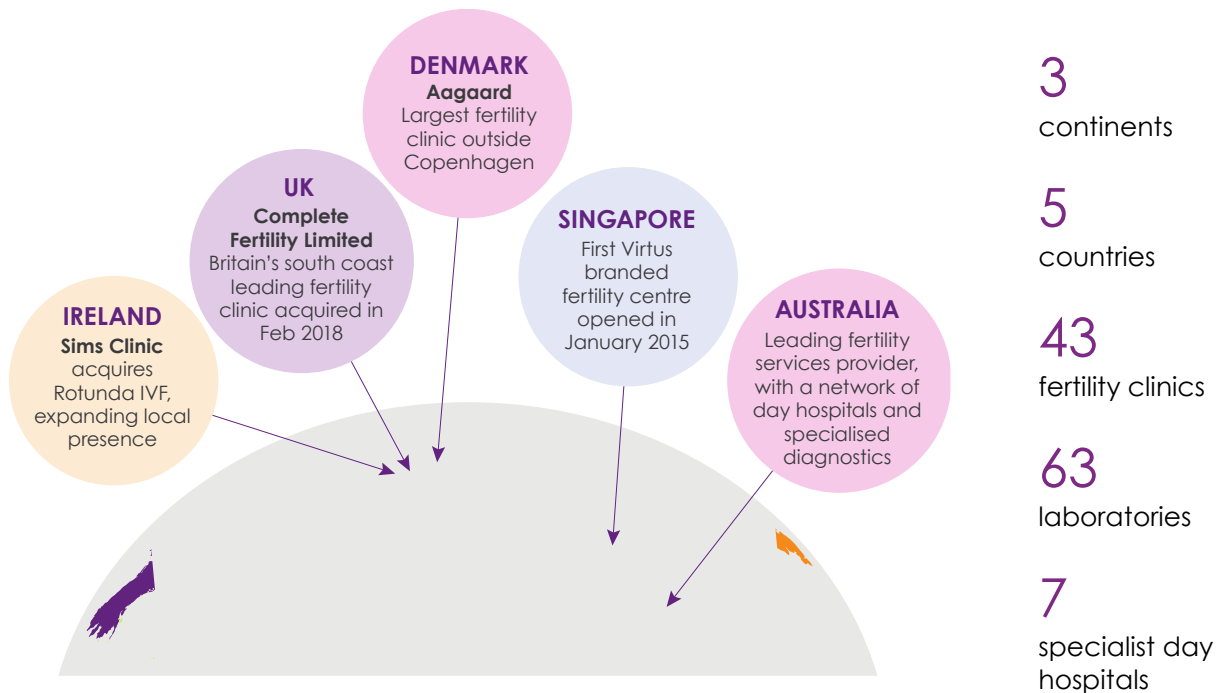
Virtus Health is a leading Assisted Reproductive Services (ARS) provider in the world with a market-leading position in Australia, Ireland and Denmark and a growing presence in the UK and Singapore.

Our operations consist of providing fertility services, day hospital services and diagnostic and genetic services. Globally we have more than 40 fertility clinics, 7 day hospitals and we help more than 5000 people each year to become parents. Our operations are supported by our supply chain in ensuring we have the necessary products and equipment to provide care to our patients.



Our locations

In FY22, Virtus Health continued its direct operations in countries that have lower risk of modern slavery and human rights violations.



Our Supply Chain

In FY22 Virtus Health had a direct supplier spend for approximately \$102m. These figures reflect how critical our suppliers are in ensuring we deliver affordable and sustainable healthcare to our patients.

Our supply chain is comprised of the following vendors:

Scientific and General Medical Includes: Scientific & Medical Equipment and Consumables	Corporate Services Includes: Office suppliers, legal, training and education	IT and Transformation Includes: IT Software, hardware, services	Facility Management Includes: Repairs, cleaning, equipment, maintenance	Marketing Includes: digital marketing, advertisement, branding
Hospitality Includes: Food and Beverage	Travel & Entertainment Includes: Travel management	Donor Sperm and Eggs Includes: Donor sperm and eggs	Freight and Logistics Includes: Fuel, road freight and fleet maintenance	

When considering the modern slavery risk in its supply chain, Virtus Health takes a risk-based approach to ensure resources are directed to those suppliers that have higher modern slavery risk profile. Virtus Health continues to have the majority of its direct supply spend in Australia, where direct supplier risk profiles are low.

Our Network

Our Company

Total employees in Australia:	1,193
Contracted Medical Professionals in Australia:	409
Labour hire employees:	0

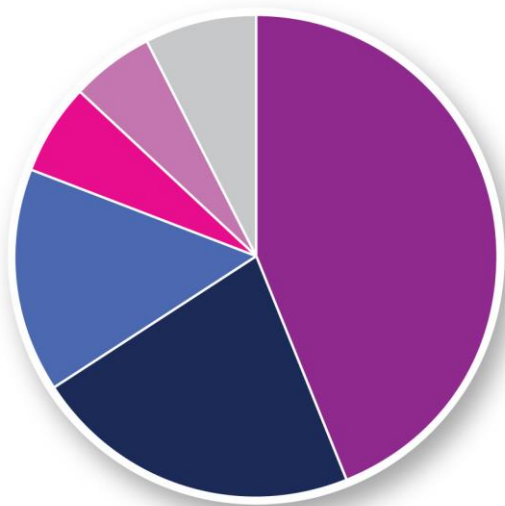
Our Locations

Total fertility clinics:	44
Total fertility clinics in Australia:	37
Total fertility clinics in high risk countries:	0

Our Suppliers

Total direct suppliers:	1,187
Total % of spend in Australia:	>97%
Total % of spend Overseas:	<3%

Our Supply Chain



Scientific and General Medical	44%
Corporate Services	21.89%
IT & Transformation	14.96%
Facility Management	6.19%
Marketing	5.51%
Other	7.45%

In FY22, **97%** of our direct spend is with organisations registered in Australia

Section 3

Identifying modern slavery risks

Virtus Health is committed to identifying, addressing, and managing risks of modern slavery and human rights. In FY22 we continued to take steps to review our operations to identify risks and understand how modern slavery is related to our supply chains and operations.

The Australian Government describes 'Modern slavery' as situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. It defines eight types of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

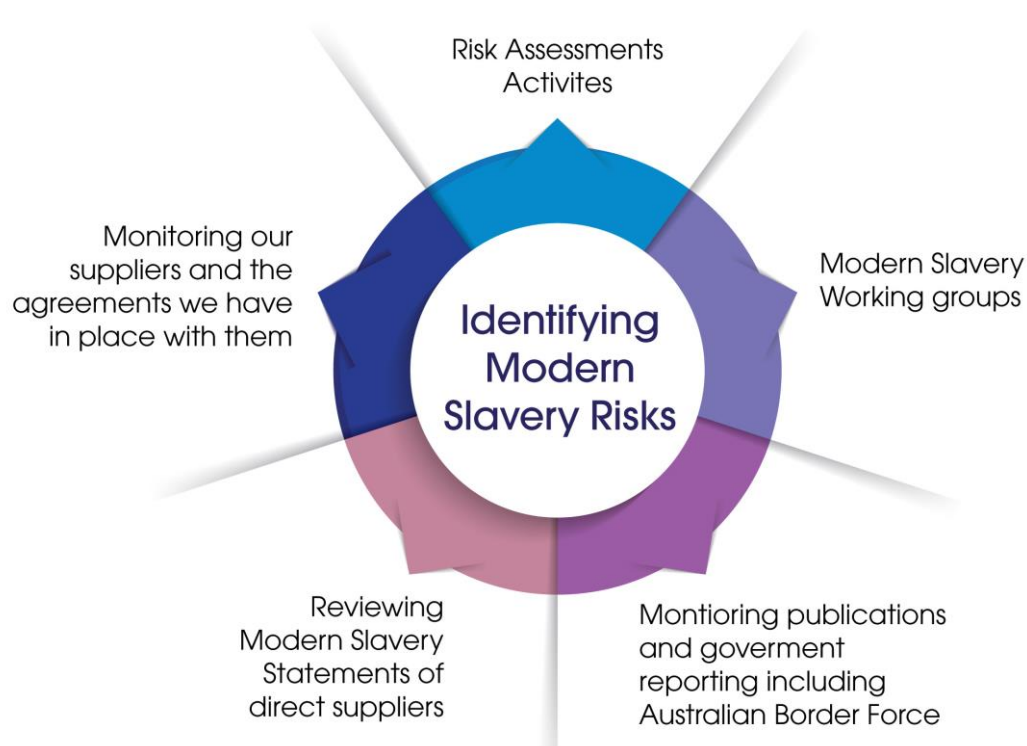
Our Modern Slavery Risk Profile

While ~97% of our direct supplier spend is in Australia and ~3% of our direct supplier spend is overseas, Virtus Health recognises that a broad approach is to be taken to consider the full spectrum of our group's modern slavery and human rights risks and impacts caused by our activities and relationships we engage in.

When identifying potential modern slavery risks Virtus Health aligns with UN Guiding principles, that is to consider whether Virtus may have the potential to

- Directly cause modern slavery practices through our direct operations;
- Contribute to modern slavery practices; or
- Be directly linked to modern slavery practices due to the products we procure through our supply chain.

In FY22 Virtus Health assessed its modern slavery and human rights risks using various risk factors including the following:



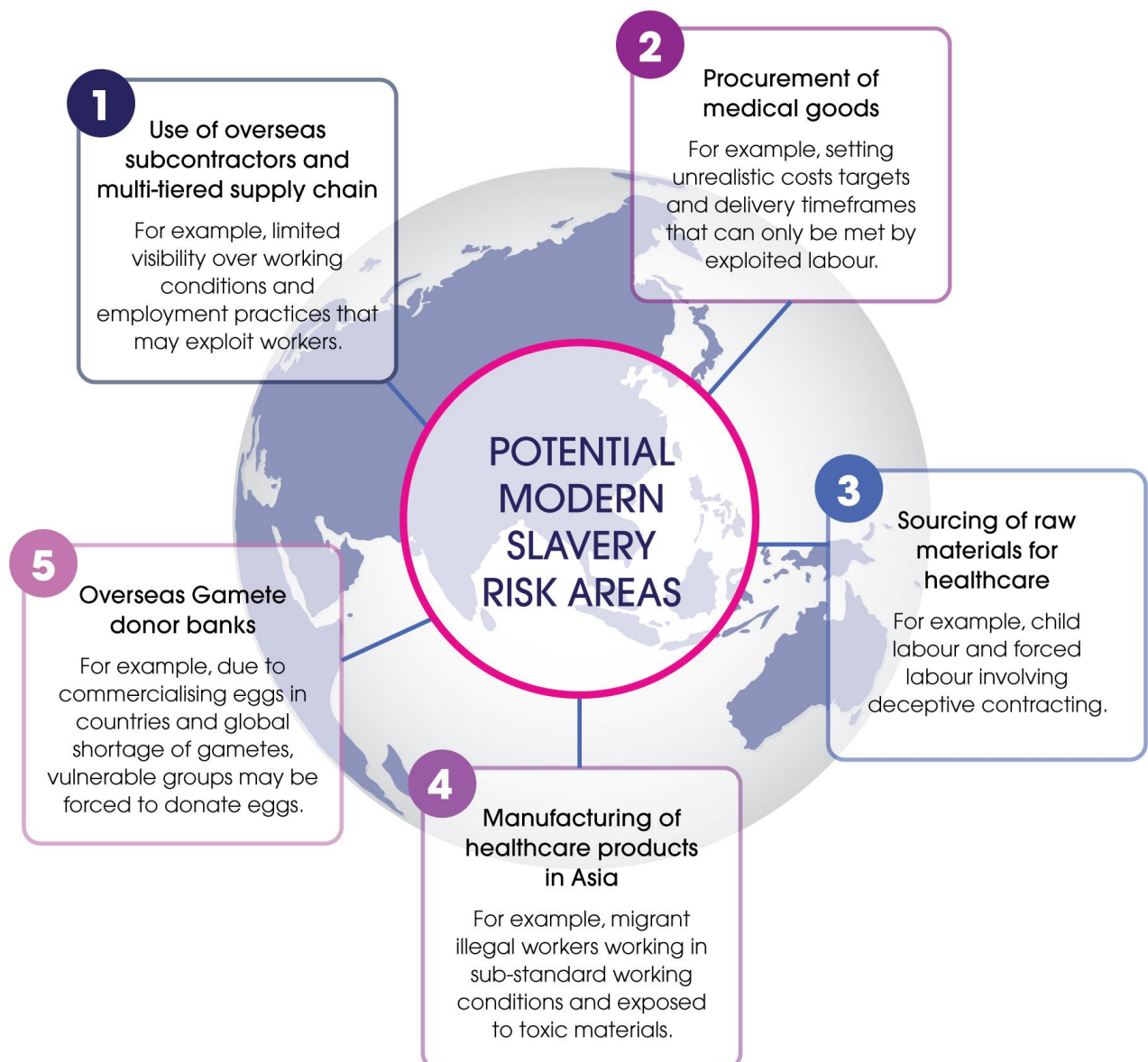
Virtus Health has identified that certain procurement categories in healthcare have more significant inherent modern slavery risks. In FY22 we continued to assess and review our risk areas and factors to further understand our risk profile. There are four key factors in our supply chain which elevate our risks of modern slavery:

- suppliers with a reliance on vulnerable populations
- suppliers with high-risk business models
- goods and services that fall in high-risk categories
- goods and services sourced from high-risk geographies

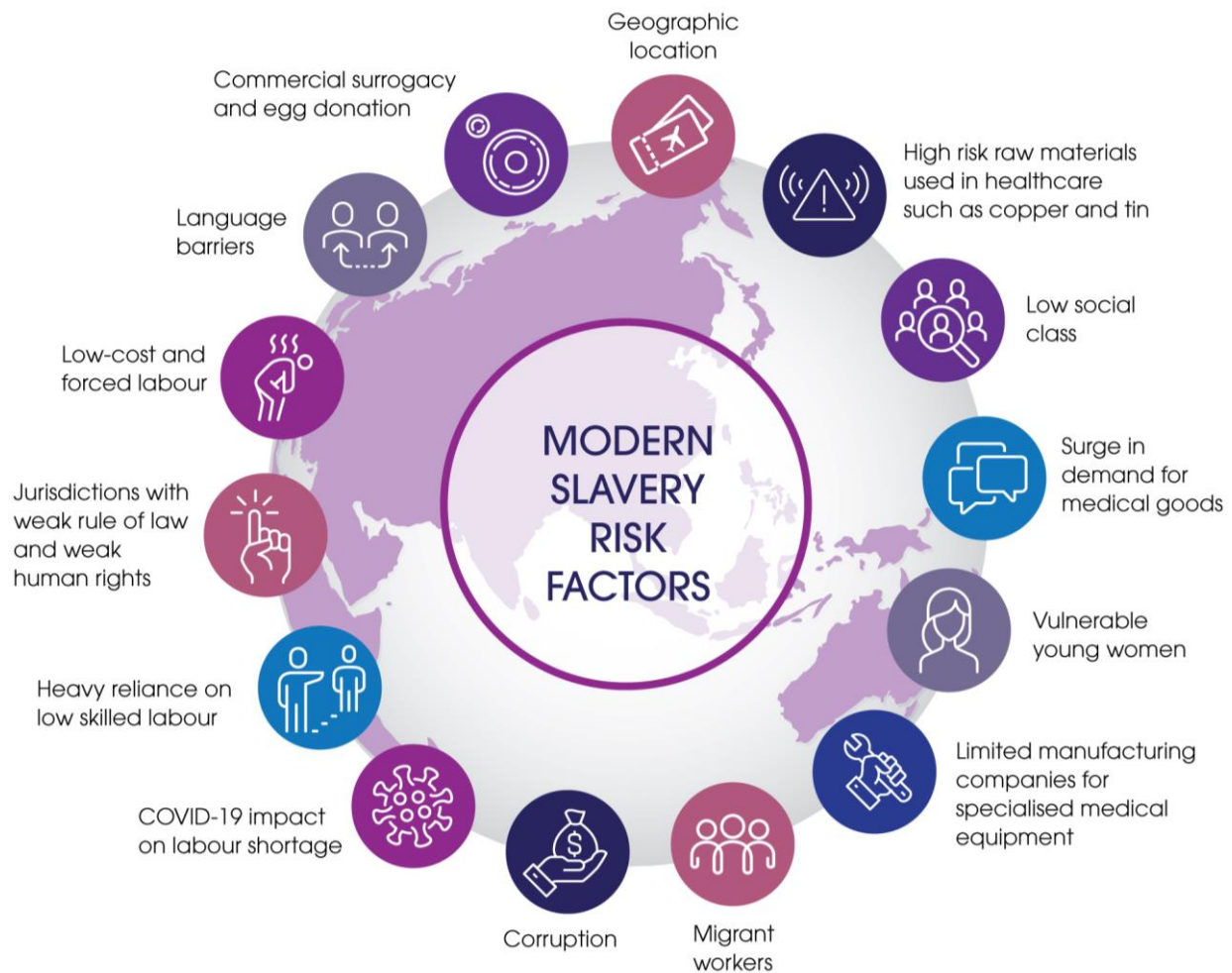
Where multiple high-risk factors are present, the chances of modern slavery risks are higher. Where this occurs Virtus Health will add additional resources and controls to prevent harm.

The following risk areas and factors have been identified for our operations and supply chain:

RISK AREAS



RISK FACTORS



In FY22, modern slavery risks within our operations and direct suppliers remains low given the location of our operations. However, there is a higher risk of modern slavery in our broader supply chain. Due to this, in FY22 Virtus Health assessed its broader supply chain to determine suppliers with high-risk profiles. During this process, Virtus Health considered whether:

- There were instances where Virtus Health contributed to modern slavery practices
- There were instances where Virtus Health was directly linked to modern slavery practices
- Virtus had a direct commercial relationship with the supplier or not
- Goods and services were sourced from high-risk countries
- Goods and services were in high-risk sectors, product and services
- There are alternative suppliers that can be used; and

Supply Chain – Supplier High-Risk Profiles:

High Risk Supplier Sectors	High Risk Products and Services	Direct vs Extended Supply Chain	High Risk Countries	Our Comments and Actions
Manufacturing	Suppliers that manufacture and supply medical goods such as gloves ² and garments	Extended supply chain	Malaysia Thailand Sri Lanka	No direct spend with suppliers in this sector. Virtus Health monitors modern slavery instances of manufacturers used in our extended supply chain through consultation with our direct spend suppliers.
	Suppliers that supply surgical instruments	Extended supply chain	Pakistan ³	
Distribution	Supplying of pharmaceuticals	Direct	Asia	Virtus Health only uses distribution suppliers that are located in Australia.
Commodities	Suppliers that source raw materials for healthcare electronics including tin, copper, gold and tantalum ⁴	Extended supply chain	Malaysia China	No direct spend with suppliers in this sector. Virtus Health monitors modern slavery instances of manufacturers used in our extended supply chain through consultation with our direct spend suppliers.
Offshore services	Overseas gamete donor banks	Direct	Ukraine, India and Eastern Europe	Virtus Health uses strict due diligence processes to assess the use of gamete donor banks from high- risk countries.

² Allied Market Research, *World Disposable Gloves Market – Opportunities and Forecasts, 2013-2020(2014)* cited in Mahmood Bhutta, et al, *In Good Hands: Tackling Labour Rights Concerns in the Manufacture of Medical Gloves* (British Medical Association, 14 March 2016) 4.

³ Human Rights at Sea, *Human Rights at Sea: Independent Research, Investigation and Advocacy for Maritime Human Rights* (2018).

⁴ Australian Nursing & Midwifery Federation, *Do No Harm – Procurement of Medical Goods by Australian Companies and Government* (April 2017) 20.

Section 4

Actions taken to assess and to address modern slavery risks

Virtus Health understands that modern slavery cannot be addressed in isolation from other human rights issues. Our response to both is aligned with the UN Guiding Principles on Business and Human Rights. That is why we integrate modern slavery risk management with our broader procedures to protect and respect human rights.

1. Governance Policies

Our robust governance policy framework provides our foundation to combat modern slavery and human rights risks in our operations and supply chain.

In FY22 we continued to review and where necessary add to our framework to ensure we are managing modern slavery and human rights risks consistently across our operations and suppliers.



WHISTLE-BLOWER POLICY

Outlines Virtus Health's process for managing unethical, illegal, fraudulent or undesirable conduct as well as concerns that modern slavery has occurred. Including protecting those people who come forward and report unlawful or unethical behaviour being conducted in our operations. This includes modern slavery conduct.



EQUAL EMPLOYMENT OPPORTUNITY POLICY

Virtus Health's Equal Employment Opportunity Policy promotes diversity within the workplace and equal opportunities for all employees within its operations. The Policy sets out processes and responsibilities with the aim of providing a workplace in which all workers are treated in accordance with the fundamental principles of equality.



CODE OF CONDUCT

Virtus Health's code of conduct sets out the values, commitments, ethical standards and policies of Virtus and outlines the standards of conduct expected of our business and people, taking into account Virtus' legal and other obligations to its stakeholders. Our employees receive annual mandatory Code of Conduct training through our learning management system.



GRIEVANCE POLICY

We have established grievance policy to set out the process for grievances and facilitate the appropriate dispute resolution in a timely and confidential manner. Our policy enables any modern slavery concerns to be identified and addressed by incorporating remediation process such as, whistle-blower hotlines and contract clauses with suppliers for dispute resolution.



HUMAN RIGHTS POLICY

In 2022 Virtus Health drafted its first Human Rights Policy. The purpose of this policy is to set out our commitment to protect and uphold fundamental human rights at all our operations and projects. The Policy shows that Virtus Health understands its responsibility in protecting human rights and identifies clear mechanism for when human rights have been infringed.

2. Governance Structure

Our governance structure is designed to oversee our management of modern slavery and human rights risk across our operations and supply chain. The framework sets out key responsibilities at each level and promotes collaboration and communication across the business.

Virtus Health's Modern Slavery Committee is responsible for leading our response to modern slavery and human rights risks, it includes our Group Chief Legal & Risk Officer, Group Legal & Risk Manager, Group Procurement Manager and Group Procurement Officer.

3. Overseas Operations

Virtus Health regularly reviews overseas operations and industry news to ensure risks of modern slavery in our overseas operations are assessed and actions required are taken. This includes consulting with our direct suppliers to determine whether there has been any modern slavery instances or new risks in our extended supply chain. In FY22 we consulted with our higher risk suppliers to determine what actions they had taken to mitigate modern slavery risk with their own overseas suppliers.

4. Key Performance Indicators

In FY22 Virtus Health established a key performance framework around modern slavery. The framework allows Virtus Health to assess the effectiveness of its actions in a quantitative way.

This also helps Virtus Health measure our response to modern slavery over time. The Key Performance Indicators that have been established include:

- The proportion or number of complaints resolved by a grievance mechanism
- The number of contracts that include modern slavery clauses
- The number of suppliers signing our supplier code of conduct
- The number of consultations with suppliers to improve our understanding of modern slavery risks and collaborate on actions to be taken to address risks
- The number of modern slavery instances
- The number of Modern Slavery Committee Meetings

From FY23 Virtus health will look to implement the KPI framework across the business to help measure our response to modern slavery consistently.

5. COVID-19 Impact

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

During FY22, it was evident that COVID-19 challenges were still present in our supply chain but with our implemented procurement COVID-19 strategies the challenges had decreased, and we were able to minimise the pressure on our supply chain. Virtus Health's procurement strategies include:

- 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;
- Consultation with key stakeholders across the business about modern slavery risk; and
- Strengthening strategic purchasing plans to protect against undue reliance and dependence on single suppliers.

6. Due diligence

Virtus Health is committed to identifying, preventing and mitigating actual and potential adverse human rights impacts in our operations and supply chains, including modern slavery.

Virtus Health's due diligence process consists of four key parts.

- 1) Identifying and assessing actual and potential human rights impacts: risk assessments, screening operations and suppliers for modern slavery risks.
- 2) Integrating our findings across our entities and taking appropriate action to address impacts: Implementing modern slavery onboarding awareness training, implementing incident reporting procedures and consulting with high-risk suppliers.
- 3) Tracking our entity's performance to check whether impacts are being addressed: Consulting and assessing our suppliers, including reviewing high risk sectors suppliers' due diligence process for their subcontractors.
- 4) Publicly communicating what Virtus Health is doing to manage modern slavery risks: publishing a Modern Slavery Statement and should modern slavery instance occur, investigate and take action.

7. Remediation processes

Virtus Health has an established remediation process in place for handling grievances. Where Virtus Health identifies that they have caused or contributed to adverse impact we will provide or cooperate in remediation. The remediation aims to prevent or mitigate the harm and any chance of the harm recurring.

Virtus Health remediation steps includes formal apologies, stopping activities that are causing adverse impact and grievance mechanisms. Virtus Health remediation processes also includes speak up policies such as Virtus Health's whistle blower policy and contract clauses with dispute resolution provisions to ensure cooperation in remediation.

In FY22 there was no modern slavery instances that required remediation.

Section 5

Assessing the Effectiveness of our Actions

Assessing the effectiveness of Virtus Health's actions is an important step in determining whether actions taken are implemented correctively and effective.

Virtus Health assesses the effectiveness of its actions taken to address modern slavery through the following avenues.

We assess the effectiveness of our actions through:	Details:
Modern Slavery Committee	Established working groups investigate, take action, report on and assess Virtus Health's response to modern slavery on a regular basis to ensure actions taken are adequate and sufficient. This includes reviewing whether any modern slavery instances have occurred.
Risk Management	Reviewing risk management processes and risk assessments to ensure risks remain current and to capture any new risk which may be present due to any operational or supplier changes.
Quality, Risk & Compliance Committees	Established committees provides Virtus with feedback on whether actions are effectiveness for operational areas and provides us a method of consultation with all entities.
Collaboration with Suppliers	Meeting with high-risk suppliers to review whether: <ul style="list-style-type: none">• any modern slavery instances have occurred• audits have been conducted• contracts include modern slavery clauses and to review any actions they have put in place to address modern slavery risks.
Tracking Modern Slavery Instances	Tracking and reviewing any trends in modern slavery instances across the world or reported in our operations and supply chain.

Section 6

Consultation, collaboration and forward commitments

Consultation and Collaboration

Virtus Health takes a collaborative approach when it comes to consulting with its entities on how to deal with modern slavery and human rights risks including ensuring all entities are aware of what actions they need to take.

Virtus Health has considered the relationship between each entity and the risk profile of that entity.

The consultation approach for this Statement was through the following methods:

- Modern Slavery Committee
- Executive Leadership Team
- Quality & Risk Committee

Our entities have also been involved in the review and approval process of this statement and the statement has been approved by the Board. This Statement was approved by the Board on 29 December 2022 and signed by Virtus Health Chief Executive Officer and Managing Director.

Forward Commitments

Virtus Health is committed to continuous improvement and intends to take proactive steps to do more to combat modern slavery and human rights risks.

For FY22 – FY23 our plan will be to narrow in on key focus areas to ensure that we maintain focus on key commitments and utilise resources efficiently.

Our continual commitments:

- Embedding Modern Slavery Clauses into supplier contracts
- Consulting and collaborating with suppliers on modern slavery
- Supplier due diligence
- Consulting with Virtus Health entities on identifying modern slavery risks and actions
- Establishing and implementing policies and procedures around Modern Slavery and Human Rights
- Reviewing risk assessment to ensure they remain current and effective
- Creating action plans for high-risk suppliers

Our commitments in FY23 and FY24:

Supplier Due Diligence/Onboarding:

Improve our supplier due diligence process by reviewing and enhancing existing supplier controls, reviewing risks beyond the first tiers of the supply chain, and introducing more stringent requirements in relation to supplier contracts.

Understanding our extended supply chain:

To collaborate with our direct suppliers that are in high risk sectors to understand our modern slavery risks in our extend supply chain by focusing on key high risk goods and services.

Key Performance Indicator (KPI) Framework:

Implement the KPI framework across our entities to help measure our response to modern slavery consistently and continue to review the KPIs we have in place to ensure they remain effective.

Modern Slavery Working Groups:

Strengthen our working groups by formalising Modern Slavery meetings to help drive actions and responsibilities. We will also look to evolve our working groups and determine if additional streams are required.

Environmental, Social and Governance (ESG):

Review and redefine our ESG framework with an aim to make modern slavery a key focus to further understand the social factors of modern slavery.

Section 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's website including our Group website as required by the UK Act.

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 2022. Please refer to page 6 for list of entities.

This statement was approved by the Board of *Virtus Health Limited* on 29 December 2022.