

Virtus Health Pty Limited
Modern Slavery Statement
1 July 2022 – 30 June 2023

Section 1 – Introduction

Virtus Health Pty Limited (ABN 80 129 643 492) (**Virtus** or **Virtus Health**) takes the need to manage, measure and report on environmental, social and governance risks seriously, including modern slavery risks, human rights and labour practices.

Virtus is committed to reporting under the *Modern Slavery Act 2018* (Cth) (the **Act**). As has been the case for prior reporting periods, this modern slavery statement (**Statement**) follows the mandatory reporting criteria, setting out:

- an overview of the Virtus business, including details of our structure, operations, locations, and supply chains, to provide context and background;
- the actions we have taken during 1 July 2022 to 30 June 2023 (**Reporting Period** or **FY23**), to assess potential modern slavery risks in our operations and supply chains;
- the actions we have taken during the Reporting Period to address these modern slavery risks;
- how Virtus assesses the effectiveness of actions taken to address modern slavery risks; and
- the process of consultation with any entities that the reporting entity owns or controls, noting that a joint statement must also describe consultation with the entity giving the statement.

The reporting entity

In accordance with the Act, the reporting entities 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 [Company No 201303575Z]; and
- Virtus Health Europe Limited [Company No 904016]

Section 2 – Our Structure, operations and supply chain

Our structure

Until 4 August 2022, Virtus was an Australian public company listed on the Australian Securities Exchange. Virtus is now a de-listed, privately held company.

Virtus' head office remains at 176 Pacific Highway, Greenwich NSW 2065. The Virtus group of companies provides a comprehensive range of fertility, day hospital and diagnostic services across the eastern seaboard of Australia, Singapore, Denmark, the UK and Ireland.

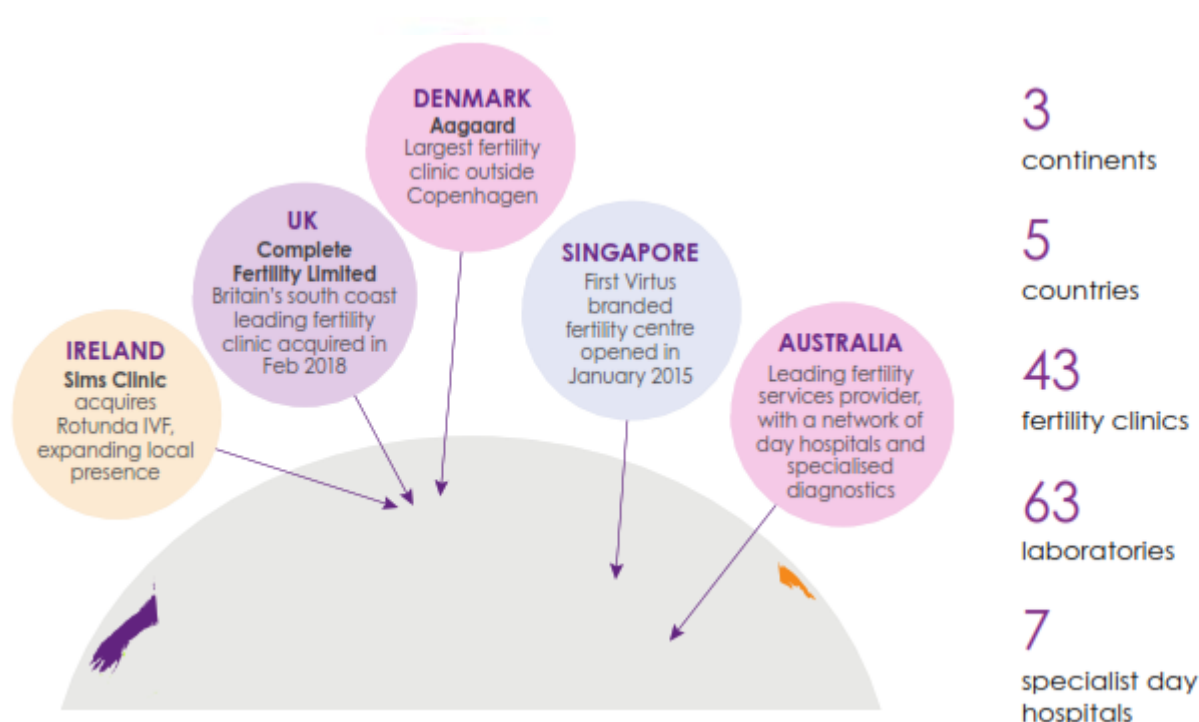
Our operations

Virtus is one of the leading Assisted Reproductive Services (**ARS**) providers 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 43 fertility clinics and 7 day hospitals. Our operations are supported by our supply chain and procurement function which ensures we have the necessary products and equipment to provide care to our patients.

Our locations

In FY23, Virtus Health continued to operate in low-risk countries that have a strong modern slavery and human rights framework.



Our supply chain

In FY23, Virtus Health had a direct supplier spend of approximately \$100m. Removing suppliers related to property, banking and the ATO, our direct supplier spend was approximately 80% of this total. 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 vendors¹:

Scientific and General Medical	Corporate Services	IT & Transformation	Facility Management	Marketing
Includes: Scientific & Medical Equipment and Consumables	Includes: Office suppliers, legal, training and education	Includes: IT Software, hardware, services	Includes: Repairs, cleaning, equipment, maintenance	Includes: digital marketing, advertisement, branding

¹ Note, values provided in following table are representative of Virtus' FY22 direct spend, i.e. after removing suppliers related to property, banking and the ATO. Given continued business operations, FY22 and FY23 spend is expected to be very similar, and adequate for subsequent modern slavery risk analysis across spend categories.

~45% of spend	~22% of spend	~15% of spend	~6% of spend	~5% of spend
Hospitality Includes: Food & Beverage	Travel & Entertainment Includes: Travel management	Donor Sperms & Eggs Includes: Donor sperm and eggs	Freight & Logistics Includes: Fuel, road freight, fleet maintenance	
The four categories (above) together account for ~7% of spend.				

As in FY22, when considering modern slavery risks in our supply chain, Virtus Health takes a risk-based approach to ensure resources are targeted to those direct suppliers that have higher modern slavery risk profile. Virtus Health continues to have the majority of its direct spend (>95%) in Australia, where supplier risk profiles are understood to be lower.

Section 3 - Identifying modern slavery risks

Virtus Health is committed to identifying, addressing, and managing risks of modern slavery and human rights.

In FY23 we continued to take steps to review our operations to identify risks, understand how modern slavery is related to our supply chain and operations, and evaluate our continued progress managing this risk area.

Our modern slavery risk profile

While approximately 95% of our direct supplier spend is in Australia and the balance is overseas, Virtus Health recognises that a broad approach should be taken to consider the full spectrum of our group's modern slavery and human rights risks.

When identifying potential modern slavery risks, Virtus Health aligns with the United Nations (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.

Risk identification activities

As in FY22, Virtus Health continued to use the following means to identify modern slavery and human rights risks:

- Monitoring our suppliers and supplier agreements;
- Reviewing modern slavery statements of direct suppliers; and
- Monitoring publications and government reporting.

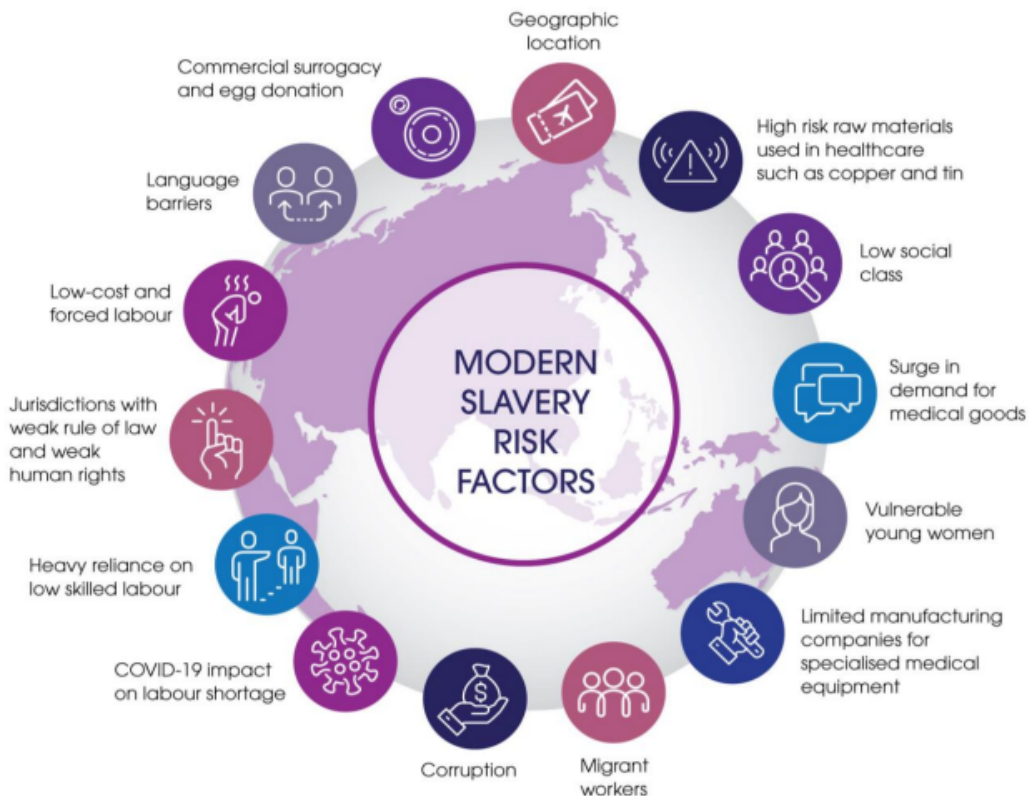
Risk factors

Four key factors have been identified to elevate our risks of modern slavery incurred via procurement activities:

1. Suppliers with a high reliance on vulnerable populations;

2. Suppliers with high-risk business models;
3. Goods and services that are in high-risk categories; and
4. Goods and services sourced from high-risk geographies.

Other factors that have been identified to increase risks of modern slavery across our supply chain include, but are not limited to:



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

Risk identification

Given risk identification activities undertaken across previous reporting periods, Virtus Health understands that certain procurement categories in healthcare have more significant inherent modern slavery risks.

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

1. **Use of overseas subcontractors and multi-tiered supply chain.** For example, limited visibility over working conditions and employment practices that may exploit workers.
2. **Procurement of medical goods.** For example, setting unrealistic costs targets and delivery timeframes that can only be met by exploited labour.
3. **Sourcing of raw materials for healthcare.** For example, child labour and forced labour involving deceptive contracting.
4. **Manufacturing of healthcare products in Asia.** For example, migrant illegal workers working in sub-standard working conditions and exposed to toxic materials.

5. **Overseas Gamete donor banks.** For example, due to commercialising eggs in countries and global shortage of gametes, vulnerable groups may be forced to donate eggs.

In FY23, modern slavery risks within Virtus' direct operations remains low given the location of our operations and direct suppliers spend, being predominantly in Australia, where governance and federal legislation protecting against modern slavery is strong. However, it is clear that there remains a higher risk of modern slavery in our broader supply chain.

Analysis conducted in previous reporting periods has identified high-risk supplier profiles, focused on: manufacturers; distributors, commodity production; and, offshore services. Further detail on these supplier profiles is available in Virtus' FY22 modern slavery statement.

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 within our broader procedures to protect and respect human rights.

1. Governance policies

Our robust governance policy framework continues to provide our foundation to mitigate modern slavery and human rights risks in our operations and supply chain. This consists of our:

- **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. The policy includes protecting those who come forward and report unlawful or unethical behaviour being conducted in our operations such as modern slavery.
- **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 the business 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.** 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 mechanisms for reporting and action 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 structure sets out key responsibilities at each level, also promoting collaboration and communication across the group.

Virtus Health's General Counsel is responsible for leading our response to modern slavery and human rights risks. Collaboration with Virtus' Group Legal Officer, Risk Managers, Group Procurement Manager and Procurement Officer is necessary to ensure coverage of risk factors identified in Section 3 of this statement.

3. Overseas operations

Virtus Health has historically reviewed overseas operations and industry news to ensure risks of modern slavery in our overseas operations are assessed and appropriate actions are taken in response. As relevant, Virtus may consult with our direct suppliers to determine whether there has been any modern slavery instances or new risks across our extended supply chain.

4. 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.

As reported in Virtus' FY22 modern slavery statement, our due diligence process to identify and protect against modern slavery risks consists of four key parts.

1. **Identifying and assessing actual and potential human rights impacts.** Via: risk assessments; screening operations and suppliers for modern slavery risks; implementing an accessible whistleblower policy and accompanying hotline for issue reporting.
2. **Integrating findings across entities and taking appropriate action to address impacts.** Via: 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.** Via: consulting and assessing our suppliers; and, reviewing high risk sectors suppliers' due diligence process for their own subcontractors.
4. **Publicly communicating what Virtus Health is doing to manage modern slavery risks.** Via: publishing a Modern Slavery Statement; where an instance of modern slavery occurs, investigate and take action.

5. Remediation processes

Virtus has an established process in place for handling grievances. Virtus Health's whistleblower policy and contract clauses, with dispute resolution provisions, establish our remediation processes and aim to ensure cooperation in remediation from the relevant parties.

Virtus Health remediation steps vary according the context and need of the instance. Remediation activities may include: formal apologies; working with suppliers to remediate an instance of modern slavery; and/or ceasing procurement operations from suppliers that are causing adverse impacts and have proven an unwillingness or inability to change practices.

In FY23 Virtus identified no modern slavery instances that required remediation.

6. Maturity assessment

Across FY23, Virtus participated in an independent assessment of our approach to identify, assess and address modern slavery risk. Assessed against a *modern slavery maturity framework*, our General Counsel engaged with industry experts who were able to provide specific,

tangible and pragmatic advice. This advice has formed the basis for the development of our roadmap to further improve the business' modern slavery agenda in FY24 and beyond.

This *maturity assessment* is intended to be used to complement existing key performance indicators (KPIs) developed by the business in FY22, to allow Virtus to assess the effectiveness of its modern slavery management in a quantitative way. Further detail on the KPIs are available in our FY22 modern slavery statement.

Section 5 - Assessing the effectiveness of our actions

Assessing the effectiveness of Virtus Health's actions is an important step in determining the success of our modern slavery program, and subsequently, identifying any changes that may be beneficial to make.

As disclosed in Virtus' FY22 modern slavery statement, we assess the effectiveness of our actions taken to address modern slavery through the following avenues.

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 provide Virtus with feedback on whether actions are effective for operational areas and provides us a method of consultation with all entities.
Collaboration with suppliers	Meeting with high-risk suppliers to check if any modern slavery instances have occurred, audits have been conducted, whether contracts include modern slavery clauses, and review any actions put in place to address modern slavery risks.
Tracking instances of modern slavery	Tracking and reviewing any trends in modern slavery instances across the world and/or reported in our operations and supply chain.

In addition to the above, Virtus has added one new measure in FY23 to assess effectiveness:

Modern slavery maturity framework	Independent assessment of Virtus' progress against nine criteria. Scoring against four stages of maturity, from 'basic' to 'best practice' provides an objective measure on how mature – and likely effective – our approach is to manage this risk.
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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 manage modern slavery and human rights risks. This includes ensuring all entities are aware of what actions they need to take. Virtus' approach considers the relationship between each entity and the risk profile of that entity.

As per previous reporting periods, Virtus' consultation approach to manage modern slavery risks, and produce this statement includes interactions with:

- Virtus' General Counsel;

- Executive Leadership Team; and
- Quality & Risk Committee.

Consultation focused on assessing Virtus' maturity in managing modern slavery risks via use of external experts and the *modern slavery maturity framework*, including recommendations for improvement.

More broadly, Virtus' entities have been involved in the review and approval process of this statement.

Forward commitments

Virtus Health is committed to continuous improvements in our management of modern slavery risks. We intend to continue current commitments and set new goals for the FY24 reporting period, as guided by the *modern slavery maturity framework*.

Ongoing commitments include:

- Undertaking further modern slavery awareness training;
- Ongoing embedding of modern slavery clauses into supplier contracts;
- Consulting and collaborating with suppliers on modern slavery risks;
- Improving supplier due diligence and onboarding, focused on higher-risk suppliers;
- Reviewing our risk assessment to ensure risks identified are current; and
- Creating and actioning improvement plans for high-risk suppliers.

Section 7 - Other relevant information

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

Section 8 – Approval

This statement is made pursuant to the *Modern Slavery Act 2018 (Cth)* for Virtus Health Pty Limited (ABN 80 129 643 492) and constitutes our modern slavery statement for the financial year ended 30 June 2023.

This statement has been reviewed and approved by the Board of Virtus Health on 22 December 2023 and signed by Virtus Health's General Counsel and Company Secretary on delegation from that board.

Signed



Anthony Hogarth
General Counsel and Company Secretary
Virtus Health Pty Limited
22 December 2023