

# Corporate Responsibility Report 2017



ABN 24 004 196 909



**SONIC  
HEALTHCARE**

Quality is in our DNA

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# CEO Message



The creation of our Corporate Responsibility Report each year provides us with a valuable opportunity to outline the many ways we impact upon the communities we serve. It highlights our contributions to education, the way we look after our staff, the steps we take to minimise our environmental impact, and our support of local communities, as well as people in developing countries.

As Sonic celebrates its 30th anniversary, it also provides us with the opportunity to reflect on who we are as a company. I am proud and privileged to say that Sonic has evolved into a wonderful company, one that fits so well into the ethical investor category and that conforms with so many of the standards required for inclusion in the FTSE4Good index. In essence, our values, our track record and our current behaviours make for a very compelling corporate responsibility report card.

Our business success comes down to a very simple philosophy — if you look after the medicine, and the staff who provide it, the business will look after itself.

So often, public companies are judged purely on their financial return. And while Sonic's financial success speaks for itself, it is the success we have achieved outside of our financial performance that should really be celebrated.

Sonic has created a culture of medical excellence and social contribution that is encompassed in our Core Values.

These values act as the guiding and shining lights of our company, helping our staff to operate in an ethical and responsible manner that facilitates optimal patient care. In turn, this has helped to cement our reputation as ethical and trusted healthcare practitioners, making Sonic a trusted global brand that impacts almost 110 million patients each year.

We also know that the practice of medicine comes with certain privileges and responsibilities, and this includes providing modern healthcare to communities who would otherwise not have access to it. Our Catalyst Program is the cornerstone of our giving program, and helps to fulfil our social obligations to give back to the community in a meaningful and socially responsible way. Over the last 10 years, we have helped to create medical self-sufficiency for communities in dire need, positively impacting the lives of tens of thousands of people. As the program continues to expand into different countries, we will be able to permeate the lives of even more people with this important social responsibility project.

A handwritten signature in black ink, reading "Colin Goldschmidt". The signature is fluid and cursive.

**Dr Colin Goldschmidt**  
CEO – Sonic Healthcare  
September 2017



# About Sonic

Sonic Healthcare is an internationally renowned healthcare provider with a demonstrated track record of medical excellence. Headquartered in Sydney, Sonic has grown to become one of the world's leading healthcare providers, specialising in laboratory medicine/pathology, diagnostic imaging and primary care medical centres.

Sonic's success stems from our core belief that we exist to provide quality medical diagnostic services to medical practitioners and the patients they serve. This belief informs every aspect of our company, from Medical Leadership through to the people-focused culture that views our 33,000 staff as our most valuable asset.

Sonic Healthcare has operations in Australia, the USA, Germany, Belgium, Switzerland, the United Kingdom, Ireland and New Zealand. We employ more than 800 pathologists and radiologists, thousands of medical scientists, radiographers, sonographers, together with technicians and nurses, all of whom are led by medical personnel, from Board level to the day-to-day management of our local practices.

Our staff are supported by an ongoing investment in the latest state-of-the-art medical technology, proprietary information systems that are customised to meet the specific needs of our organisation and its stakeholders. This is backed by a firm commitment to maintaining uncompromising ethical standards in the areas of both business management and medical practice.

Sonic Healthcare is an ASX top 50 company on the Australian Securities Exchange (ASX) with annual revenues of more than A\$5 billion.

## FY 2017 Snapshot

|                       |                |
|-----------------------|----------------|
| Revenue               | A\$5.1 billion |
| Patient consultations | 108 million    |
| Employees             | 33,000         |

# Sonic at a Glance

| Operations   | FY2017  | FY2016  | FY2015  |
|--|---------|---------|---------|
| Countries of operation   | 8       | 8       | 8       |
| Countries where we are ranked No 1 (market share)              | 4       | 4       | 3       |
| Patients consultations (millions)                              | 108     | 105     | 97      |
| Economic   | FY2017  | FY2016  | FY2015  |
| Revenue (A\$M)   | 5,122   | 5,052   | 4,201   |
| Net profit (A\$M)  | 428     | 451     | 348     |
| Total assets (A\$M)  | 7,878   | 7,371   | 6,349   |
| Debt cover (times)   | 2.7     | 2.6     | 2.7     |
| Total payments to staff (A\$M) <sup>1</sup>                    | 2,226   |         |         |
| Total taxes paid (A\$M) <sup>2</sup>                           | 282     |         |         |
| Employment   | FY2017  | FY2016  | FY2015  |
| Total employees  | 33,636  | 31,298  | 29,523  |
| Women in workforce   | 75.3%   | 76.4%   | 76.6%   |
| Women in senior leadership positions                           | 52.7%   | 50.5%   | 50.3%   |
| Temporary staff and contractors engaged within total workforce | 2.4%    | 2.7%    | 2.7%    |
| Annual employee turnover                                       | 16.5%   | 16.5%   | 16.9%   |
| Annual senior leadership turnover                              | 6.7%    | 5.9%    | 6.8%    |
| Workforce availability   | 97.5%   |         |         |
| Lost time injuries per million hours worked (LTIFR)            | 5.1     | 4.1     |         |
| Fatalities   | Nil     | Nil     | Nil     |
| Environmental  | FY2017  | FY2016  | FY2015  |
| Energy consumed (GJ) <sup>3</sup>                              | 388,569 | 386,780 | 381,618 |
| Motor vehicles in the fleet                                    | 2,732   |         |         |
| Kilometres travelled by the fleet (million kms)                | 116.4   |         |         |
| Electric or hybrid motor vehicles in the fleet                 | 1.7%    |         |         |
| Vehicles in the fleet with a four cylinder engine or less      | 95.5%   |         |         |
| Environmental fines or sanctions                               | Nil     | Nil     | Nil     |

<sup>1</sup> Total remuneration including superannuation and pension contributions

<sup>2</sup> Direct and indirect taxes, levies and duties including employment related taxes but excluding taxes paid on behalf of employees and GST/VAT

<sup>3</sup> Australia only



## Medical Leadership

Sonic's global success has been achieved through a combination of strong organic growth, targeted strategic acquisitions and the continuous delivery of quality medicine. More than anything, however, our success has been driven by an unwavering commitment to Medical Leadership.

Medical Leadership is enshrined in Sonic's corporate culture. It sits above everything we do.

We see medicine as a profession rather than a business, and believe that doctors and patients are best served by medical practices that are led by people who possess a deep understanding and respect for the complexities, obligations and privileges of practising medicine.

Our businesses are all led by healthcare professionals. In most instances, they are medical doctors, but occasionally they are professionals from other parts of our practices who have many years of experience within the healthcare sector. Collectively, they make decisions that are focused on optimal clinical and patient outcomes. This is reinforced by our commitment to ongoing education and research, ensuring that medical knowledge remains at the forefront of our increasingly complex practices.

In an age of corporatised medicine, Sonic's Medical Leadership provides peace of mind to doctors and patients, as well as Sonic's dedicated staff, who know that decisions are always made within the optimal medical framework.

## Our Values

Sonic's global network of companies is united by a set of core values that reflect the care and expertise required to consistently deliver exceptional medical services.

Our Values were established in early 2000, after broad consultation with 5,000 employees across all of our practices. Their collective responses were distilled into a set of core values that act as a roadmap of how we want to behave as a company. These values apply to every single Sonic employee, regardless of their role or their country of operation.

Our values remain as relevant today as they did at the turn of the millennium, and act as a unified point of reference for Sonic Healthcare in all its internal and external dealings.



## FOUNDATION PRINCIPLES

Medicine is a complex discipline that requires insight, sensitivity and a lifelong commitment to learning in order to provide the best possible patient care and patient outcomes.

Sonic believes that Medical Leadership facilitates the highest standards of clinical and operational excellence for the doctors and patients that we serve. It also reflects a deep understanding of the special complexities, obligations and privileges of medical practice.

Medical Leadership is enshrined in our Foundation Principles, which are designed to provide all Sonic staff with clear

guidelines about the interaction between Sonic's people and its external stakeholders — doctors, patients, other customers and our local and global communities.

This commitment to quality for its own sake is what makes Sonic unique. It is something that we are incredibly proud of and something that we continue to celebrate. It has also been instrumental in our successful expansion into the UK, continental Europe and the USA, where like-minded diagnostic companies have actively chosen to join with Sonic to further their medically-oriented and profession-based operations.





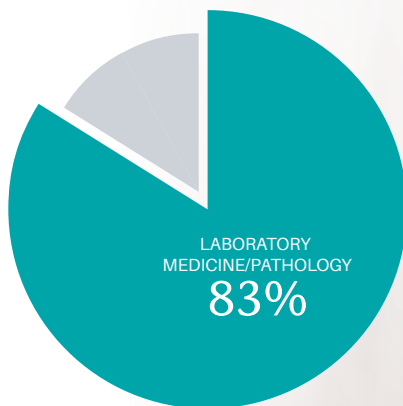
# Laboratory Medicine/Pathology

## What is laboratory medicine/pathology?

Laboratory medicine/pathology is the branch of medicine that studies samples of blood, urine, tissue and bodily fluids to identify patients at risk of disease, to determine the cause and nature of disease, and to guide and monitor treatment and progress.

Laboratory medicine provides clinicians with the information that they need to manage patients in a timely and appropriate way, providing the foundation for optimal health outcomes for both the individual as well as the community as a whole.

FY 2017 Revenue





## Why is it important?

Laboratory medicine informs almost every aspect of modern medicine and are necessary in 70% of all medical diagnoses and in every single cancer diagnosis. They provide doctors with vital information about what is affecting the patient, so they can determine the best course of action. This can range from understanding which type of antibiotics to prescribe for a particular infection, through to guiding the surgeon to ensure complete removal of a tumour, as well as the follow-up treatment that is required.

## How does it contribute to the community?

Laboratory medicine/pathology is often referred to as the engine room of medicine. Without it, we would still be treating patients based on 'best guesses'. It is impossible to imagine modern medicine without the insights provided by this vital diagnostic service.

Laboratory medicine/pathology tests allow for earlier and more accurate diagnosis of disease, allowing earlier treatment that usually leads to a much greater chance of survival. This has obvious positive social and economic outcomes.

Laboratory medicine/pathology also allows for monitoring of conditions to see whether treatment is being effective.

More than that, advances in molecular and genetic pathology now give us much more targeted information about how to best treat different forms of cancer and other diseases.



## A LABORATORY MEDICINE CASE STUDY

Sometimes good medicine comes down to old-fashioned observation — doctors being alert to symptoms that patients aren't even aware of. This was certainly the case for one 13-year-old girl in East Providence, Rhode Island, who was diagnosed with a potentially deadly but curable condition, thanks to the combination of an observant paediatrician and a skilled and dedicated pathology/laboratory medicine team.

Merryl\* hadn't planned on seeing her paediatrician in March, 2016. Her sister was being checked out for her sore throat, and Merryl was simply accompanying her mother to the appointment. But her observant paediatrician noticed bruising on Merryl's skin that couldn't be attributed to any specific trauma, so he ordered some blood tests that arrived at Sonic's East Side Clinical Laboratory late on Friday afternoon.

The results showed the presence of abnormal cells, which were then shown to laboratory director Dr Walter M Pfeifer. He suspected acute promyelocytic leukaemia, a rare but curable form of acute myeloid leukaemia that is also known for its life-threatening bleeding complications.

It was almost 6pm on Friday night when Dr Pfeifer contacted Merryl's doctor. She was admitted to hospital an hour later however, Dr Pfeifer had already arranged for additional specialist testing, including STAT flow cytometry and FISH testing to be performed at Rye Brook, New York, a Sonic sister laboratory that offers specialised testing for haematologic disorders. Due to the gravity of the condition, Merryl's doctor and Dr Pfeifer exchanged cell phone numbers so they could discuss any incoming test results over the weekend.

By Saturday morning, less than 24 hours after Merryl's initial presentation, the pathologists at CBL Path confirmed the diagnosis of an acute promyelocytic leukaemia. An emergency bone marrow biopsy had been performed at the hospital and results were still pending. However, based on the Sonic laboratory results, treatment specifically targeting the patient's acute promyelocytic leukaemia was initiated without further delay, minimising the risk of deadly complications and increasing her chances of cure.

Upon follow-up with Merryl's paediatrician one year later, she is in complete remission and doing well.

\*Not her real name.

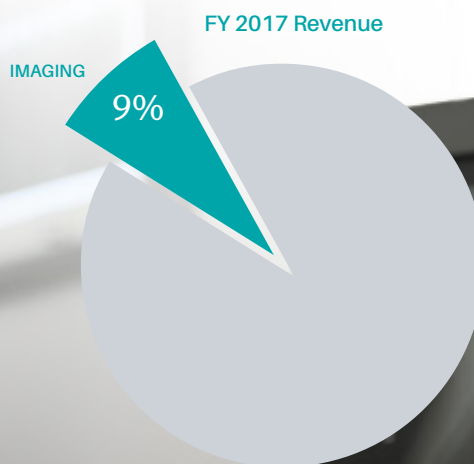
# Diagnostic Imaging

## What is diagnostic imaging?

Diagnostic imaging or radiology is the branch of medicine that uses non-invasive technology to create images of the bones, tissues and organs within the human body. These images are interpreted by a radiologist or nuclear medicine physician to identify or monitor diseases or injuries. The findings are then included in a written report to the referring doctor.

Diagnostic imaging technologies include X-rays, computed tomography (CT), magnetic resonance imaging (MRI), ultrasounds, nuclear medicine, positron emission tomography (PET) and more.

Imaging methods are also used to help radiologists to perform procedures, such as biopsies, fine needle aspirations and image-guided treatments known as interventional radiology.



## Why is it important?

Diagnostic imaging is a core feature of modern medicine. It is used for the diagnosis of many serious and life-threatening conditions, including cancer, neurological disorders and orthopaedic soft tissue injuries. The information contained in the image and radiologist's report expands the referring doctor's knowledge of the disease process and guides the treatment of the patient.



## How does it contribute to the community?

Diagnostic imaging allows many diseases and conditions to be detected at a treatable stage (for example, CT now provides data that assists in the earlier detection and treatment of colon cancer). This allows for earlier and less intensive treatment. Diagnostic imaging also helps to target treatments to where they are most needed.

Diagnostic imaging is also used to monitor progress during treatments, to determine if the treatment is working effectively. If the treatment is not working as planned, it can be adjusted, changed or stopped. After effective treatment has concluded, diagnostic imaging can help to monitor for any disease recurrence over the ensuing years. This results in cost savings for our health system, and helps patients return to work and family sooner.

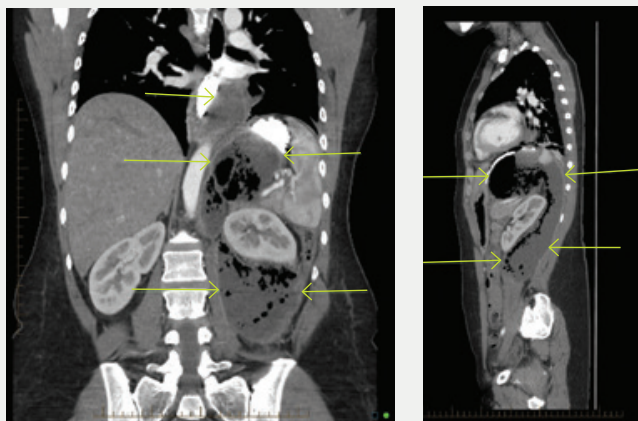
### A DIAGNOSTIC IMAGING CASE STUDY

The humble lamb chop is a favourite meal for many Australian, but one Queensland X-Ray patient got more than she bargained for when she consumed a lamb cutlet for dinner one evening.

After two weeks of back pain and generally feeling unwell, the 35-year-old patient decided to see her doctor for a check-up. A series of x-rays revealed a surprising diagnosis — the patient had unknowingly consumed a lamb bone fragment, which had made its way down to the junction of her oesophagus and stomach, piercing a hole in her oesophagus near her spine.

Animal bones dry out during the cooking process, making them more susceptible to shattering when eaten. Accidental consumption occurs more frequently than most people realise, however, in this instance, bacteria had started growing on the bone shard, forming an abscess, which filled with three litres of pus, extending through the chest cavity adjacent to the heart and into the abdominal cavity where it encased the kidney.

Immediate and complicated surgery was thought to be required to rectify the problem, however, the radiologists at QXR were able to offer an alternative course of treatment, inserting two very large drains under CT guidance to remove the fluid from the abscess.



The patient only required one week's hospitalisation, and a subsequent endoscopy revealed that the hole had closed over.

Through the use of advanced imaging techniques, a major surgical event with an extended recovery was replaced by a straightforward procedure that only resulted in a few small scars.

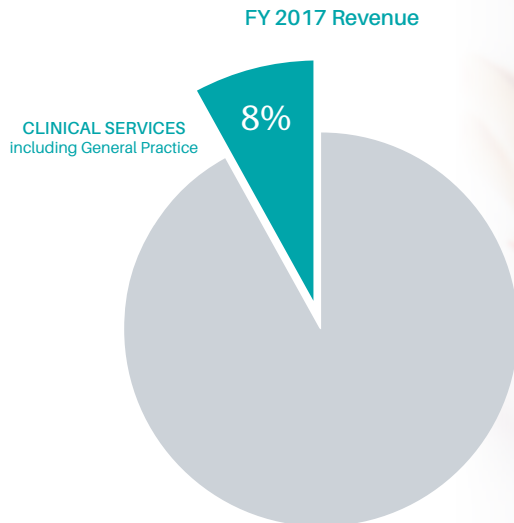


# General Practice

## What is General Practice?

General Practice is the medical discipline that delivers primary health care in the community. General Practice is usually the first point of call for patients, and deals with everything from colds and flu through to acute and chronic illnesses. General practitioners also provide preventive care and health education to patients.

The holistic approach of General Practice aims to take into consideration the biological, psychological and social factors relevant to the care of each patient's illness. The discipline is not confined to specific organs of the body and involves treating people with multiple health issues.



## Why is it important?

General Practice deals with patients who may present with a wide variety of illnesses. It is the primary point of care for most people who become unwell both when they are unwell, and also as through preventative healthcare that combines the physical, psychological and social aspects of care. The patient's general practitioner is the person the patient will always return to for navigation of their care.

## How does it contribute to the community?

General Practice is firmly embedded in the community. A General Practice not only serves to deliver immediate and chronic care to its patients but also serves to educate patients and safeguard the health of entire families and communities.



### A GENERAL PRACTICE CASE STUDY

On November 21, 2016, a dramatic weather event occurred that triggered a population health crisis in Melbourne, Australia. Until that day, 'thunderstorm asthma' was a largely unknown condition. Twenty-four hours later, nine people would be dead, and hundreds more hospitalised.

It had already been a horrendous spring for hay fever sufferers. And on that November day, the pollen load was at its highest. The weather was also unseasonably hot — a humid 35 °C (95 °F) at a time of year when the average temperature is 22 °C (72 °F).

The heatwave was broken by a thunderstorm that included 60 km/hr winds. The combination of warm weather, moisture and strong winds created the perfect conditions for the ensuing medical dramas.

Most pollens lodge in nasal passages. But the atmospheric conditions of that November day caused the pollen to shatter, creating minute particles that made their way into the airways of thousands of people.

The effects were immediate and catastrophic. Melbourne and Geelong were plunged into a medical emergency. Calls to the emergency operator peaked at one every 4.2 seconds. The entire ambulance fleet was on the road. Hospital emergency departments were overrun with patients with acute asthma and medical supplies were running low.

By the end of the night, eight people would be dead, with scores more in intensive care. One person died on her front lawn, waiting for an ambulance that never came. A further fatality would be registered several weeks later.

More than 10,000 people would seek treatment, and at least half of them had never had an asthma attack before.

Sonic's IPN medical clinics played a major role in the incident management on that evening and in subsequent days, weeks and months.

Many clinics stayed open into the early hours of the morning, treating hundreds of patients who were desperately seeking medical help and sourcing increasingly scarce supplies of medication.

The tragedy of this event had a significant impact on the psyche of all Melbournians, and multiple reviews were conducted to determine how the city could have acted more appropriately.

The subsequent analysis of data by IPN clearly showed a spike in the number of patients presenting with asthma and related conditions during the period of the event, compared to previous years, demonstrating the magnitude of the demand placed on primary healthcare services and the importance of General Practice in dealing with public health crises.

# Sonic as a Leader & Educator

Medicine is a continually evolving discipline. As scientific and technological breakthroughs expand the boundaries of our medical knowledge, so too do the educational needs of the current and future generations of doctors. Sonic recognises the importance of our role as both a leader and educator, and places great emphasis on supporting and providing teaching in the fields of pathology/laboratory medicine, diagnostic imaging and General Practice. We are actively involved in four broad areas of medical education:

- Improving the knowledge of our referrers
- Professional development of our own medical staff
- Contributing to publications, craft groups, steering committee, boards and other professional organisations
- Training the next generation of medical professionals





Participants at Dermpath on the Harbour 2016, Sydney, Australia

## Improving the knowledge of our referrers

Throughout the world, Sonic practices provide referring doctors with a variety of educational opportunities.

From seminars and newsletters, through to surgical audits and conference presentations, Sonic's medical experts are continually looking for ways to share their knowledge with other medical professionals.

### DERMPATH ON THE HARBOUR

In October, 2016, 450 kg of glass microscopic slides were imported into Sydney, Australia, for the biennial 'Dermpath on the Harbour'— an intensive, week-long educational experience for local and international dermatopathologists and dermatologists looking to expand their understanding of both neoplastic and inflammatory diseases of the skin.

Hosted by Douglass Hanly Moir Pathology, Sonic's laboratory in NSW, Australia, and organised by well-known dermatopathologist, Dr Vicki Howard, using the slide collection provided by Hammersmith Hospital in London.

The 2016 course was at full capacity, with 48 dermatopathologists in attendance. The key speakers were Dr Eduardo Calonje, (Director of Dermatopathology, St John's Institute of Dermatology, London), Dr Bostjan Luzar, (University of Ljubljana, Slovenia) and Dr Thomas Brenn, (University of Edinburgh, UK).

The biennial conference is an important part of Sonic's commitment to ongoing education. It is extremely well-received by attendees, with many dermatopathologists returning for successive conferences.

## Professional development of our own medical staff

As part of our strong commitment to continuous professional development, Sonic has established its own Sonic Pathologist Academic Meeting and Sonic Imaging Conference in Australia. These regular conferences have been created to provide a forum for our pathologists, radiologists and other medical staff to meet in a collegiate environment and to exchange ideas and best practices between Sonic's global operations. The conferences are recognised as premier events of their kind in Australia, and attract hundreds of Sonic doctors and other medical staff per meeting, along with international and national guest speakers. Sonic also holds a pathologists' academic conference in Germany each year.

Our medical staff are also given conference leave and allowances each year to ensure that they remain at the forefront of their medical specialties.

Sonic also provides ongoing training for staff across all divisions and disciplines. This can range from sonographer or pathology collector training through to workshops on emotional intelligence and conflict management.



Dr Bev Rowbotham, Sonic Pathologists' Academic Meeting, Australia



Rebecca Gorton, Senior Clinical Scientist at Health Services Laboratories, UK

## HSL RESEARCH & INNOVATIONS SYMPOSIUM

Research and innovation are an integral part of any quality diagnostic laboratory, and Sonic's UK practice Health Services Laboratories (HSL) in the UK — the joint venture organisation between The Doctors Laboratory, University College Hospital and the Royal Free London NHS Trusts — has developed a formal infrastructure and educational forum to ensure that medical staff and scientists remain at the forefront of these areas.

HSL now has more than 100 registered clinical projects or clinical trials in place, all of which conform to two overriding research principles: the research must be carried out in a way that does not compromise the diagnostic accreditation in their laboratories, and the project must be adequately funded and ethically approved. The laboratory is also working closely with the UCL Research Office to develop other research links.

The joint venture laboratory conducts the annual HSL Research & Innovations Symposium, a forum that allows clinicians and scientists from all partner organisations to showcase their research and development activities with the aim of integrating them into routine clinical practice.

Hosted by the Wellcome Collection, the symposium aims to showcase research studies, share problem-solving techniques across different disciplines, and share technology solutions. The participation of medical, scientific and technical staff from all three joint venture partners also helps to foster a more cohesive and collegiate partnership, and allows HSL technical staff who are undertaking academic studies as part of their career development, to discuss their work.

More than 120 people attended the 2016 symposium. In addition to a program of noted speakers, the meeting also offered scientific poster sessions where staff could discuss their work with laboratory colleagues, as well as experts from the surrounding academic campuses of University College London and University of Westminster.



## Contributing to publications, craft groups, steering committee, boards and other professional organisations

Sonic's medical, technical and scientific staff regularly contribute to the broader medical community, through their involvement in craft groups, steering committees, boards and other professional organisations. This involvement helps to promote the practice of good medicine within local communities, while also raising the standards nationally and globally.

Sonic's medical and scientific staff regularly publish articles in medical journals and texts as another way of sharing their unique knowledge and experiences.

## AUSTRALIA DAY MEDAL HONOURS

Adjunct Professor Fiona Bonar, a well-loved histopathologist from Douglass Hanly Moir Pathology, Sonic's laboratory in NSW, Australia, has been awarded the prestigious Medal of the Order of Australia (OAM) in this year's Australia Day Honours List. The award acknowledges Fiona's service to medicine, particularly in the field of orthopaedic pathology, and adds to her 2014 Sonic Healthcare Distinguished Pathologist Award.

Having worked at Douglass Hanly Moir Pathology since 1993, Fiona is internationally renowned for her expertise in bone and soft tissue pathology, as well as head and neck pathology. She has written chapters in a number of seminal pathology texts, and has authored 75 journal articles and published papers. Originally from Ireland, Fiona also spent time in New York at Cornell Medical Center and at the Hospital for Joint Diseases, before her move to Sydney. Fiona is on the editorial board of several journals and has spoken at many international conferences.

Fiona's award reflects the calibre of Sonic's outstanding medical professionals, and the valuable contribution they make to the communities they serve.



Adjunct Professor Fiona Bonar with His Excellency General The Honourable David Hurley AC DSC (Ret'd), Governor of New South Wales, Sydney, Australia

## Training the next generation of medical professionals

Sonic Healthcare and its medical staff are heavily involved in graduate and postgraduate medical training in many parts of the world. As part of our commitment to medical excellence and Medical Leadership, we recognise the importance of ensuring that the next generation of doctors, scientists, radiographers, sonographers, technicians and nurses are well-trained in medical diagnostics and General Practice, both current and emerging.

Sonic has a proud history of involvement with academic training facilities and has links with many universities, including University College London, University of Heidelberg Medical School, University of Texas, Austin Community College, University of Tennessee, University of Notre Dame, University of Sydney, Queensland University of Technology and James Cook University.

Many of our pathologists, radiologists and general practitioners are also university and lecturers, helping to train the next generation in their particular speciality or subspecialty. We also provide vocational training positions for pathologists, radiologists and general practitioners, helping to ensure the future supply of these important medical practitioners in the community.

### SEE ONE, DO ONE, TRAIN ONE.

Sharing knowledge has always been a key foundation of medical practice, often expressed as the time-honoured concept of 'see one, do one, teach one'.

Sonic takes the responsibility for teaching the next generation of doctors very seriously. Throughout our practices, we have teaching and internship programs to help educate medical students in the practicalities of medical practice. In 2016/17, more than 650 students, registrars and fellows received formal training at various Sonic practices. In total, more than 1,500 graduate and postgraduate students attended our facilities as part of their coursework.



Radiologist Dr Nick Kanakis and student from Notre Dame University, Perth, Western Australia

SKG Radiology in Perth, Australia, is one of the Sonic practices that formally hosts medical students. In partnership with Notre Dame University, Fremantle, 109 second year postgraduate medical students attended 14 SKG Radiology branches during a four-month rotation in 2017. Radiology lends itself well to learning anatomy and basic pathology, as shown on x-rays, ultrasound and other imaging studies. The students at Notre Dame have a case-based approach to learning and SKG assists by giving students an opportunity to interact with patients in live clinical settings. The students spend time with specialist radiologists, sonographers, technical staff and nurses in various SKG locations, including large private hospitals and community outpatient centres, observing imaging-guided procedures and diagnostic imaging studies being performed and reported.

# Quality is in our DNA

The provision of quality healthcare requires an adherence to the highest medical standards. Sonic Healthcare not only meets these standards, but also strives to continually improve them. This commitment to quality is inherent in everything that we do. In fact, it is embedded in our corporate motto 'Quality is in our DNA', and is applied to the clinical, operational and workforce processes and systems throughout our global organisation.

All Sonic practices have external quality assurance certifications and are fully accredited by the relevant regulatory bodies in the corresponding jurisdictions. This compliance is overseen by quality management teams that include medical, scientific, quality and administrative personnel within each business. These quality teams work objectively to ensure our medical facilities and supporting operations comply with the standards set down by relevant regulations and reflect good management and clinical practice at all times. The quality teams also perform an ongoing 'checks and balances' function that contributes to policy-making, planning, regular peer reviews and continuing professional development.

To assist in the ongoing quality improvement process, a customised quality management software system, SmartLab, has been by Sonic, and enables collaboration and benchmarking for quality improvement across the global group.

In 2016/17, more than 400 formal quality accreditations and audits were performed by external quality agencies. A further 2,000 internal quality audits or reviews were carried out by qualified staff across the Sonic group.

## Accreditation

### Laboratory medicine/pathology

The majority of the pathology laboratories in the Sonic Healthcare group are accredited to ISO 15189:2012 Medical Laboratories – Requirements for Quality and Competence (ISO 15189).

ISO 15189 is the internationally recognised standard used by medical laboratories, regulatory authorities and accreditation bodies to ensure competence. It seeks to give global recognition to laboratory accreditation bodies through a single peer review evaluation against an internationally agreed standard, and promotes global harmonisation of clinical practices. It also protects the health and safety of patients and staff, and improves the overall quality of care.

#### Australia and New Zealand

Sonic's Australian laboratories are accredited by the National Association of Testing Authorities (NATA) in conjunction with the Royal College of Pathologists (RCPA), while our New Zealand laboratories are accredited by the International Accreditation New Zealand (IANZ). The accreditation process includes onsite peer reviews, as well as online assessments. Laboratories are fully assessed every four years, with additional activity each year. All laboratories are also accredited to ISO 15189.

#### Germany

Sonic's German laboratories are accredited by Deutsche Akkreditierungsstelle (DAKKS). They are also accredited to ISO 15189.

Some of our larger German laboratories are also accredited by the College of American Pathologists (CAP) in order to fulfil requirements for testing on behalf of US clients and the US Food and Drug Administration (FDA).

#### Switzerland

Whilst it is not mandatory to be accredited to ISO 15189, all Sonic Swiss laboratories are either accredited to this standard by Swiss Accreditation Service (SAS), or are working towards it. In addition, all our Swiss laboratories are required to meet the authorisation from the Office Fédéral de la Santé Publique (OFSP) if they wish to perform microbiology or genetic testing.

#### Belgium

Our large central laboratory in Antwerp is ISO 15189-accredited by the Belgian Accreditation Body (BELAC).

#### UK and Ireland

Sonic Healthcare laboratories in the UK are accredited to ISO 15189 by the United Kingdom Accreditation Service (UKAS), and are inspected by the Care Quality Commission (CQC). They are also accredited to the College of American Pathologists (CAP) requirements. The Blood Transfusion departments are also inspected by the MHRA (Medicines and Healthcare products Regulatory Authority) and comply with the HTA (Human Tissue Act) and all relevant Royal College of Pathologists (RCPATH) guidelines.

Sonic Healthcare's laboratory in Ireland is accredited to ISO 15189 by the Irish National Accreditation Board (INAB).

#### USA

Sonic's USA laboratories are accredited by Clinical Laboratory Improvement Amendments (CLIA) and the College of American Pathologists (CAP) to specific technical requirements. Although ISO 15189 is not yet mandatory in the USA, Sonic laboratories in the USA are working towards ISO 15189 accreditation.



## Radiology

Sonic's diagnostic imaging practices are independently accredited by the Diagnostic Imaging Accreditation Scheme (DIAS), guided by the Royal Australian and New Zealand College of Radiologists (RANZCR) Standards of Practice.

## General Practice

Every Sonic primary care medical centre is accredited by the Royal Australian College of General Practitioners (RACGP). The accreditation process is based on a three-year audit cycle, and is conducted by external provider, GPA Accreditation Plus. This process ensures that our practices meet the requirement of government industry standards set by the RACGP.

In addition, accreditation demonstrates a practice's dedication to delivering high-quality care and the commitment to continuous quality improvement via systems, processes, policies, culture, risk management and staff training.



## Supplier selection and management

To ensure that Sonic maintains its global reputation for quality, safety and service excellence, Sonic expects all of its major suppliers, service providers and any other agents or contracted third parties to adopt an ethical and sustainable approach to business that is consistent with Sonic's high standards. These expectations are outlined in the Sonic Supplier Policy, which all suppliers are required to read, understand and accept before they enter into contracts with us. Sonic's Supplier Policy has been implemented to ensure that, as far as possible, Sonic's suppliers will:

- › comply with all relevant laws, regulations and governmental requirements and directions
- › conduct their business in an ethically appropriate manner
- › seek to pursue environmentally sustainable business practices
- › treat all individuals, including employees and customers, with respect and dignity, including observing all relevant laws and regulations regarding discrimination, equal opportunity and individual and human rights
- › abide by the procedures of customer organisations

Suppliers are rigorously researched to ensure their compliance to Sonic Healthcare's Supplier Policy, and all products are tested by technical experts within Sonic for quality and efficacy before acceptance.

Sonic draws from an international supply chain to ensure the best-quality components and supplies available for an acceptable price. Where possible and feasible, Sonic chooses suppliers from local economies, as long as they can deliver equal quality.

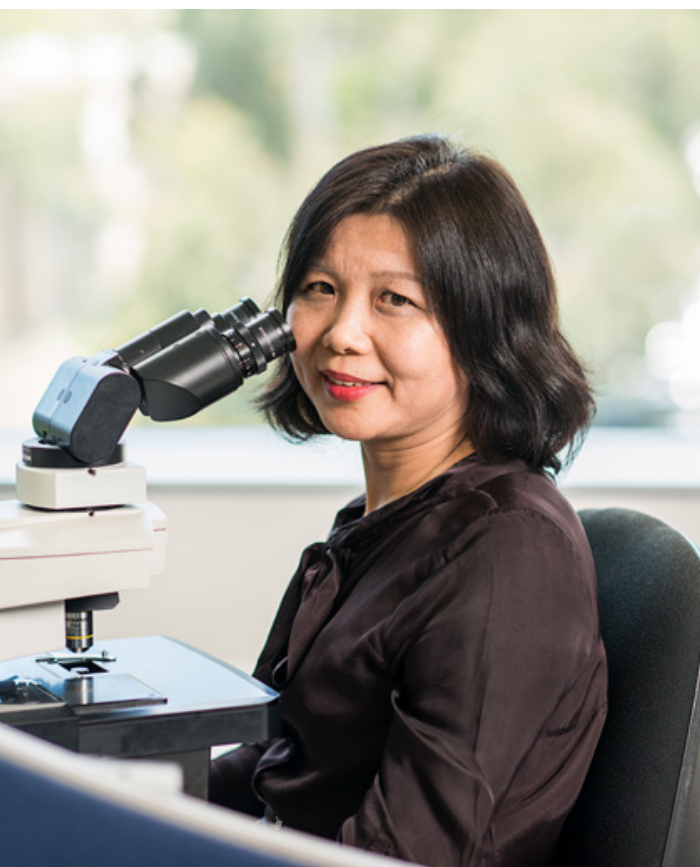
Sonic endeavours to develop and maintain long-term relationships with suppliers to understand future developments in the industry and to aid in Sonic's forward planning. These relationships also enable joint development of future benefits to the industry. To maintain these relationships, Sonic has developed a formal supplier relationship management system which involves structured regular formal reviews of quality, supply, costs, ongoing support mechanisms and cost containment. Sonic has a well-developed quality management system that records on-the-ground supplier interactions and these are also part of the formal review process.

# Sonic as an Employer

## Creating a fulfilling work environment

Sonic recognises the need to be more than just an employer. We employ more than 33,000 people in an environment of professionalism, ethical behaviour, equal opportunity and reward based on merit. Our culture is built on the strength of our people, and we strive to create workplaces that are secure and fulfilling. Our people focus is embedded in our Foundation Principles, which lists Respect for Our People as one of the key pillars.

| Employees by country of operation at 30 June |        |        |        |        |
|--|--------|--------|--------|--------|
|  | 2017   |        | 2016   | 2015   |
| Australia                                    | 48.1%  | 16,197 | 15,877 | 15,310 |
| New Zealand                                  | 0.5%   | 183    | 183    | 231    |
| United Kingdom                               | 5.4%   | 1,812  | 1,597  | 1,479  |
| Ireland                                      | 0.2%   | 70     | 59     | 56     |
| Germany                                      | 20.6%  | 6,923  | 5,565  | 5,386  |
| Switzerland                                  | 3.1%   | 1,029  | 987    | 237    |
| Belgium                                      | 1.5%   | 497    | 502    | 454    |
| USA  | 20.6%  | 6,925  | 6,528  | 6,370  |
| Total  | 100.0% | 33,636 | 31,298 | 29,523 |
| Increase year on year                        |        | 7.5%   | 6.0%   | 6.1%   |

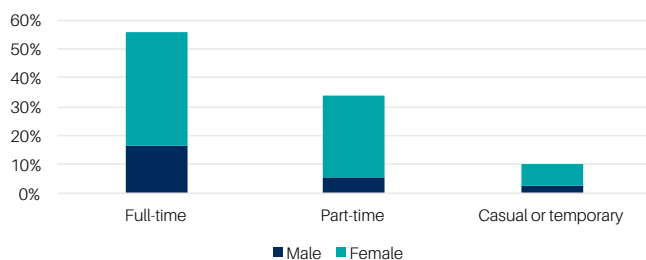


Sophie Zuo, Cytologist at Douglass Hanly Moir Pathology, Sydney, Australia

## Values and philosophies

Sonic's Core Values set out a unifying code of conduct for our people. These are complemented by a range of policies which ensure that our diverse workforce operates in safe, legally compliant workplaces that meet all operating requirements. The philosophy of treating each other with respect and honesty is further encouraged by our Diversity Policy, Labour Standards and Human Rights Policy, and Code of Ethics.

Status of employment



## Employee turnover

Sonic is considered an 'employer of choice' due to our professional and reputational standing within the communities in which we operate. Our commitment to Medical Leadership, as well as the respect we show our staff, is reflected in our low employee turnover rate, especially at more senior levels of staff, which includes executive managers, line managers, pathologists and radiologists, who represent 7.1% of the Sonic's global workforce.

Employee turnover for our global workforce

|                                 | 2017  | 2016  | 2015  |
|---------------------------------|-------|-------|-------|
| Senior leadership turnover rate | 6.7%  | 5.9%  | 6.8%  |
| Total employee turnover rate    | 16.5% | 16.5% | 16.9% |

## Employee diversity

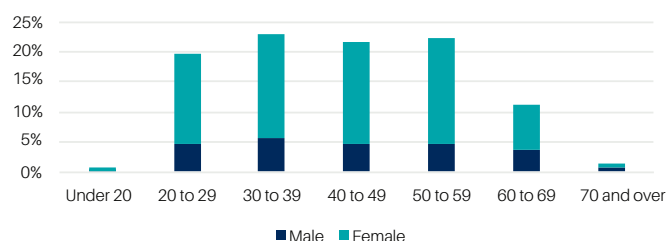
Our Diversity Policy outlines the principles that ensure we have a broad range of experiences, talents and viewpoints in our businesses, across age, gender and ethnicity. Women continue to represent the majority of the overall workforce at 75.3%, and represent 52.7% of senior leadership, which is defined as manager level and above. The rate has improved over prior years.

Employees by gender diversity

|                                      | 2017  | 2016  | 2015  |
|--------------------------------------|-------|-------|-------|
| Women on the Board of Directors      | 28.6% | 28.6% | 22.2% |
| Women in senior leadership positions | 52.7% | 50.5% | 50.3% |
| Women within the total workforce     | 75.3% | 76.4% | 76.6% |

Although we don't collect specific figures on ethnicity, we also enjoy an ethnically diverse and harmonious workforce.

Employees by age bracket



## Health and safety

Sonic is committed to the health, safety and wellbeing of our staff, contractors and visitors. Our Workplace Health and Safety Policy recognises our responsibility to ensure that staff enjoy a work-life balance, are provided with opportunities to develop professionally and are assured of Sonic's concern in promoting their health and safety. Our commitment to a positive safety culture and proactive safety management is reflected in the SonicSAFE Improvement Program, which aims to achieve a zero-harm workplace.

SonicSAFE helps to maintain low levels of workplace injuries. No work-related fatalities occurred during the year across Sonic, and our lost-time injury frequency rate (LTIFR) for the 2017 financial year was 5.1 per one million hours worked.

Sonic's workforce availability during the year was 97.5%. Sonic supports and invests in a number of wellness and other programs across its operations to improve the health and happiness of its employees, which contribute to low absenteeism rates. Additionally, Sonic's proactive approach to improving employee engagement is a key factor in the high availability rate.

## Parental leave

During 2016/17, 2.3% of staff took parental leave, with 87% subsequently returning to work. Sonic recognises the importance of family and that, following parental leave, staff may need to adjust their work patterns to assist them in handling their family responsibilities. To this end, Sonic promotes flexibility in both job functionality and hours of work, where possible, to assist staff returning from parental leave.

## Workplace reporting

Sonic encourages all staff to report any incidents, misconduct, illegal acts or other behaviours that could adversely impact the reputation of Sonic Healthcare.

Consistent training for both supervisors and staff ensures that this culture is fostered throughout the organisation. The culture of no-blame also encourages an increased level of reporting, which means that errors and problems are likely to be captured more quickly.

As an organisation, we are committed to maintaining high ethical standards and conducting business with honesty and integrity. We adhere to a zero-tolerance approach to bribery and corruption. Sonic seeks this commitment from all staff, as outlined in our Anti-Bribery and Corruption Policy.

## Working with employee representatives

Sonic engages with unions and other employee representative groups in a positive manner, and hasn't experienced any significant industrial action in our 30-year history. We accept the right of freedom of association for all of our employees, including their right to join trade unions and to be represented by those unions for the purpose of collective bargaining. Sonic does not discriminate against, or deny access to, workers' representatives in the workplace, and a significant proportion of our global workforce are currently members of unions or other employee representative groups.

## Retaining staff from new acquisitions

Sonic has a long and successful history of growth through the acquisition of other practices. When achieving synergies from these acquisitions, our general approach is to rely on natural staff turnover to generate savings over time, rather than wide-scale redundancy programs. This preserves staff morale and helps to maintain the goodwill of the businesses that we have acquired.







Virginia Re, Head of Sonic Connect

## BRINGING TOGETHER THE OLD AND THE NEW

Sonic Healthcare's growth has always been powered by a successful acquisition strategy, together with organic growth in existing practices. Throughout our history, we have understood the importance of focusing on staff to make sure they are empowered and motivated to provide the medical excellence we are known for. We often say 'happy staff leads to happy customers'.

The acquisition of existing practices, as well as the creation of new joint venture businesses, can often be a time of stress and uncertainty for new and existing staff — processes change, reporting structures may be different, and the myriad tiny things that go to make up a corporate culture may feel under threat.

Enter Sonic Connect, the global learning and development arm of Sonic Healthcare. Sonic Connect is responsible for culture, learning and development, and helps to connect people within different Sonic companies and trains them in the skills that help to create a more harmonious and motivated workplace.

In early 2017, Sonic Healthcare added a new acquisition to the Western Division of Sonic Healthcare USA — West Pacific Medical Laboratory (WPML), which services Los Angeles, San Diego, San Jose and San Francisco.

WPML joined our Western Division's existing Californian laboratories — Physician's Automated Laboratory (PAL) in Bakersville, and Central Coast Pathology Laboratory in San Luis Obispo.

Shortly after the acquisition, Virginia Re, Head of Sonic Connect, together with Global Chief Medical Officer Dr Stephen Fairy, headed to Los Angeles to conduct a full-day cultural integration workshop with 49 of the key leaders from each of the three Californian laboratories.

The aim was to provide powerful leadership and life skills to help facilitate a productive and non-threatening assimilation with a unifying culture. The session started with an outline of Sonic's history and core values, and was followed by training in emotional intelligence to help equip staff with the life skills that would help them to lead their staff during times of change.

Stephen and Virginia then travelled to Tennessee to conduct a change management session for the new Memphis joint venture with Baptist Memorial Health Care, for the creation of a standalone state-of-the-art, 24/7 bacteriology laboratory that will serve Baptist's 17 hospitals in Tennessee, Mississippi and Arkansas.

# Sonic & the Environment

Sonic Healthcare is committed to operating in a sustainable, ethical and responsible way across all facets of its organisation — medically, financially, organisationally and environmentally. We have a variety of programs and policies in place, locally and globally, which are aimed at fostering a sustainable working environment for our staff, suppliers, customers and communities. This is consistent with our Sonic Values of Demonstrating Responsibility and Accountability and Enthusiasm for Continuous Improvement.



Sonic is committed to meeting all environmental regulations and legislation that apply to the locations in which we operate, and our Environmental Policy actively seeks to minimise the negative impacts our businesses may have on their surroundings. Fortunately, healthcare is not a significant polluter or energy consumer, however, we recognise the need to continually minimise our environmental footprint, and to explore opportunities that deliver long-term environmental benefits. We achieve this through:

- identifying opportunities for energy efficiency initiatives, including the use of renewable energy systems or low environmental impact vehicles
- providing education and training for our staff on environmental practices, including reducing water use, clinical waste and resource consumption
- recycling programs for environmentally sensitive chemicals, to reduce our contaminated waste volumes
- partnering with our suppliers to reduce packaging and transport emissions
- using digital solutions to minimise resource waste across our customer and supply chain
- responsibly procuring products and services through understanding and evaluating the environmental management practices of our suppliers

Sonic Healthcare recognises the Intergovernmental Panel on Climate Change's finding that warming of the climate system has been significantly influenced by human activity. We understand that the impacts of climate change could present physical, natural and human risks for our federated network of service providers, our key suppliers, or the availability of resources for products that are integral to our business.

We monitor our exposure to these risks on an ongoing basis, and continue to ensure our service offerings are aligned to meet any emerging needs.

Our commitment to minimising our environmental impact is monitored by the Board's Risk Management Committee, which is responsible for providing oversight on Sonic's identification and response to key environmental issues, as well as monitoring our climate change preparedness. The Board has assessed the impact of climate change on key areas of our business and has concluded there are no substantive risks to our operations.



Foyer of the new Bioscientia laboratory, Ingelheim, Germany

Sonic reports the following data under the Australian National Greenhouse and Energy Reporting Act 2007:

| Australian greenhouse gas emissions (tonnes CO <sub>2</sub> -e) |         |         |         |
|---|---------|---------|---------|
|   | 2017    | 2016    | 2015    |
| Scope 1 (mainly fuel and natural gas usage)                     | 8,124   | 8,386   | 8,326   |
| Scope 2 (mainly electricity usage)                              | 59,156  | 59,022  | 59,645  |
| Energy consumed (GJ)  | 388,569 | 386,780 | 381,618 |
| Reduction in energy consumed per patient                        | 1.0%    | 4.2%    | 1.2%    |

Whilst energy consumed has increased by 0.5% in 2016/17, this is below the growth in patient volumes of Sonic's Australian businesses.

## Our facilities

In recent years, Sonic has relocated several laboratories into purpose-built or refurbished premises. Environmental efficiency has been a cornerstone of our design briefs, as reflected by some of the key features of our new facilities.

| USA  |   |   |  |
|--|---|---|--|
| Features   |   |   |  |
| <b>Hawaii, 2017</b>  | <ul style="list-style-type: none"> <li>Clinical Labs of Hawaii</li> <li>Refurbishment of existing building</li> </ul>                                 | <ul style="list-style-type: none"> <li>Removal of all asbestos, trapped moisture and lead from the building</li> <li>Waste water filtration system</li> <li>Installation of LED lighting with movement sensors to save on power usage</li> <li>New VAV air-conditioning system controlled by a Building Management System to save power</li> <li>New reflective film placed on all windows to stop heat load on the building</li> </ul>   |  |
| UNITED KINGDOM   |   |   |  |
|  |   | Energy rating   | Features   |
| <b>London, 2016</b>  | <ul style="list-style-type: none"> <li>The Doctors Laboratory and Health Services Laboratories</li> <li>Refurbishment of existing building</li> </ul> | <b>Very Good</b><br>BREEAM score <sup>^</sup>   | <ul style="list-style-type: none"> <li>Series of 'green roofs' that contribute towards the creation of a nature corridor across central London</li> <li>Provision of approximately 60 bicycle spaces and associated shower facilities on site to encourage staff to cycle to work</li> </ul> |
| <sup>^</sup> BREEAM sets the standards for best practice in sustainable building design, construction and operation and has become one of the most comprehensive and widely recognised measures of a building's environmental performance. |   |   |  |
| GERMANY  |   |   |  |
| Features   |   |   |  |
| <b>Ingelheim, 2016</b>   | <ul style="list-style-type: none"> <li>Bioscientia</li> <li>New purpose-built laboratory extension to the existing laboratory</li> </ul>              | <ul style="list-style-type: none"> <li>New thermal power station to efficiently cover and manage the base load of the new building</li> <li>Installation of LED lighting</li> <li>Implementation of other efficient facility engineering features</li> </ul>  |  |
| <b>Berlin, 2014</b>  | <ul style="list-style-type: none"> <li>Labor28</li> <li>New purpose-built laboratory</li> </ul>   | <ul style="list-style-type: none"> <li>Installation of solar panels producing an output of 33,750 kWh p.a. (saving 22,463 kilograms of CO<sub>2</sub> p.a.)</li> <li>Installation of LED lighting</li> <li>Air-conditioning, ventilation and heating systems controlled by a Building Management System that optimises the interaction of these three components</li> <li>New efficient heat extraction system for laboratory equipment in the clinical chemistry department, resulting in a saving of 54,600 kWh p.a.</li> </ul> |  |

## AUSTRALIA

|                       |   | Energy rating   | Features  |
|-----------------------|---|---|---|
| <b>Brisbane, 2016</b> | <ul style="list-style-type: none"> <li>Sullivan Nicolaides Pathology</li> <li>New purpose-built laboratory</li> </ul>         | ★★★★★<br>4.5+ stars   | <ul style="list-style-type: none"> <li>Motion sensor LED lighting</li> <li>Computer-modelled exterior sun shading</li> <li>Tinted double-glazed windows to reduce the load on the air-conditioning system</li> <li>End-of-trip facilities accommodating 94 bicycles and change rooms, to encourage staff to use transport systems other than private motor vehicles</li> <li>Rainwater harvesting and a building management system</li> </ul> |
| <b>Canberra, 2015</b> | <ul style="list-style-type: none"> <li>Capital Pathology</li> <li>New purpose-built laboratory</li> </ul>                     | ★★★★★<br>5.0 star NABERS Energy Rating*   | <ul style="list-style-type: none"> <li>DALI lighting system</li> <li>Double-glazed windows</li> <li>Optimal use of natural light reducing the need for artificial lighting</li> <li>Recycled rainwater in toilets and showers</li> <li>Efficient heating, ventilation and cooling (HVAC) system</li> </ul>  |
| <b>Brisbane, 2014</b> | <ul style="list-style-type: none"> <li>Australian IT data centre</li> <li>Refurbishment of existing building</li> </ul>       | ★★★★★<br>5.0 star NABERS Energy Rating*   | <ul style="list-style-type: none"> <li>Free-cooling chillers that use the outside ambient air temperature to cool the data centre when the outside temperature is below the chilled water set-point, without needing the assistance of compressors</li> <li>Estimated annual electricity savings 25,000 kWh</li> </ul>  |
| <b>Sydney, 2007</b>   | <ul style="list-style-type: none"> <li>Sonic's corporate headquarters and Douglass Hanly Moir Pathology laboratory</li> </ul> | ★★★★★<br>Designed to achieve a 4–4.5 star Australian Building Greenhouse Rating | <ul style="list-style-type: none"> <li>Designed to reduce power consumption</li> <li>Harvest rainwater</li> <li>Filter waste water</li> <li>Solar panels installed on roof</li> </ul>   |

\*NABERS is an Australian national rating system that measures the energy efficiency, water usage, waste management and indoor environment quality of a building, and its impact on the environment.

## Other environmental considerations

Medical waste is often identified as a potential environmental hazard resulting from our services. Sonic minimises this risk by contracting with reputable, licensed businesses that specialise in this field. This waste handling is subject to regular review by external parties as part of our laboratory accreditation processes. In its 30-year history, Sonic is not aware of a single issue of note arising in relation to medical waste.

Sonic does not undertake animal testing, other than veterinary pathology (which tests for the health of the animal) in some markets.

When purchasing equipment, Sonic formally assesses water usage, power requirements and consumables packaging, while the selection of significant suppliers is subject to a formal assessment of their environmental policies and credentials, in accordance with Sonic's Supplier Policy.



Exterior of Sullivan Nicolaides Pathology laboratory, Brisbane, Australia

### GOING GREEN IN THE SUNSHINE STATE

When the team at Sullivan Nicolaides Pathology in Queensland, Australia, put together the design brief for their new laboratory in Bowen Hills, energy efficiency was high on the list of 'must haves'.

The resultant building not only meets all of the functional design specs to make it a state-of-the-art laboratory, it also incorporates a range of features that reduce energy consumption, improve waste water quality, and encourage staff to commute to and from work using sustainable transport methods.

The seven-level building comprises a three-level podium with parking, courier base, purchasing department and store, together with four levels of laboratory and administration. The whole building is fitted with low-energy LED lighting and motion sensors to ensure that lights don't remain active when no one is occupying a room.

Sun-shading for the exterior of the building has been computer modelled to reduce the solar load on the air-conditioning system, which is critical for the sub-tropical Queensland climate.

An end-of-trip facility can accommodate 94 bicycles and has change rooms to encourage staff to reduce their dependency on private car use.

Proximity to public transport was also taken into consideration when determining the location of the new facility.

On the water management front, rainwater is collected and used to irrigate the landscaping, while liquid waste is collected in tanks and monitored before being discharged to the sewer to ensure compliance with local council guidelines.

A building management system has also been installed to facilitate ongoing monitoring of all major building systems and to enable further fine-tuning of energy usage.



## Other energy saving and waste reduction initiatives

Ongoing campaigns and initiatives continue around the Sonic network to reduce energy usage and waste, and increase recycling, including education and the provision of recycling facilities. Communication and training on environmental policies and procedures are an important part of these campaigns and initiatives. A few examples of these initiatives are described below.

### Reduction in film usage

Over the last several years, Sonic's diagnostic imaging division has worked with referring clinicians and patients to replace hard copy film images with quality digital alternatives. Images and reports can now be accessed, streamed, downloaded and archived efficiently in a variety of formats, resulting in a decrease in film usage by more than 50% in the past five years, with benefits accruing from the reduction in manufacturing, transporting, processing, delivering, storing and disposing of the film products. Sonic will continue to target a further 10% reduction of film use over the next two years.

### Shareholder communication

Sonic encourages its shareholders to access all their communications electronically to reduce the energy and water resources associated with paper and print production. Ninety-seven per cent of Sonic shareholders now opt to receive an electronic version of the Annual Report, or have the option to view it online. More than 38% of shareholders also receive communications electronically.

### Solar power

The commercial-scale solar power systems at our Macquarie Park campus in Sydney have a combined power capacity of 196kW. The systems generate more than 250,000 kWh of clean energy each year, reducing greenhouse gas emissions by an average of 175,000 tonnes equivalent of CO<sub>2</sub> annually. Over the 25-year operational life, this amounts to 4.4 million tonnes equivalent of CO<sub>2</sub> abatement.



Exterior of Bioscientia laboratory, Ingelheim, Germany

# Sonic Helping Others

Helping others has always been an integral facet of Sonic's corporate culture. Over many years, we have been in the fortunate position of being able to help people near and far with our local and global philanthropic activities.

We see this support as part of the responsibilities and obligations that come with medical practice. We know that improving healthcare availability and access can literally change people's lives.

The cornerstone of Sonic's giving project is known as the Catalyst Program, where we are directly involved in helping to create medical self-sufficiency in communities in dire need. Over the past 10 years, we have had incredible success in several countries, making a meaningful difference to the lives of thousands of people.

We also support many local charities and, in 2016/17, donated more than \$2.5 million in cash and in-kind donations. This included donations supporting research into medical treatments for many different types of cancer, as well as other medical conditions and causes, such as post-traumatic stress disorder. We also place particular importance in supporting children and families, with donations to many paediatric-related causes, such as autism and learning difficulties, as well as food drives and fundraisers for countries ravaged by natural disasters. In addition to this figure, we also provided a significant investment in external education, research and sponsorship of medical events.



## Catalyst Program

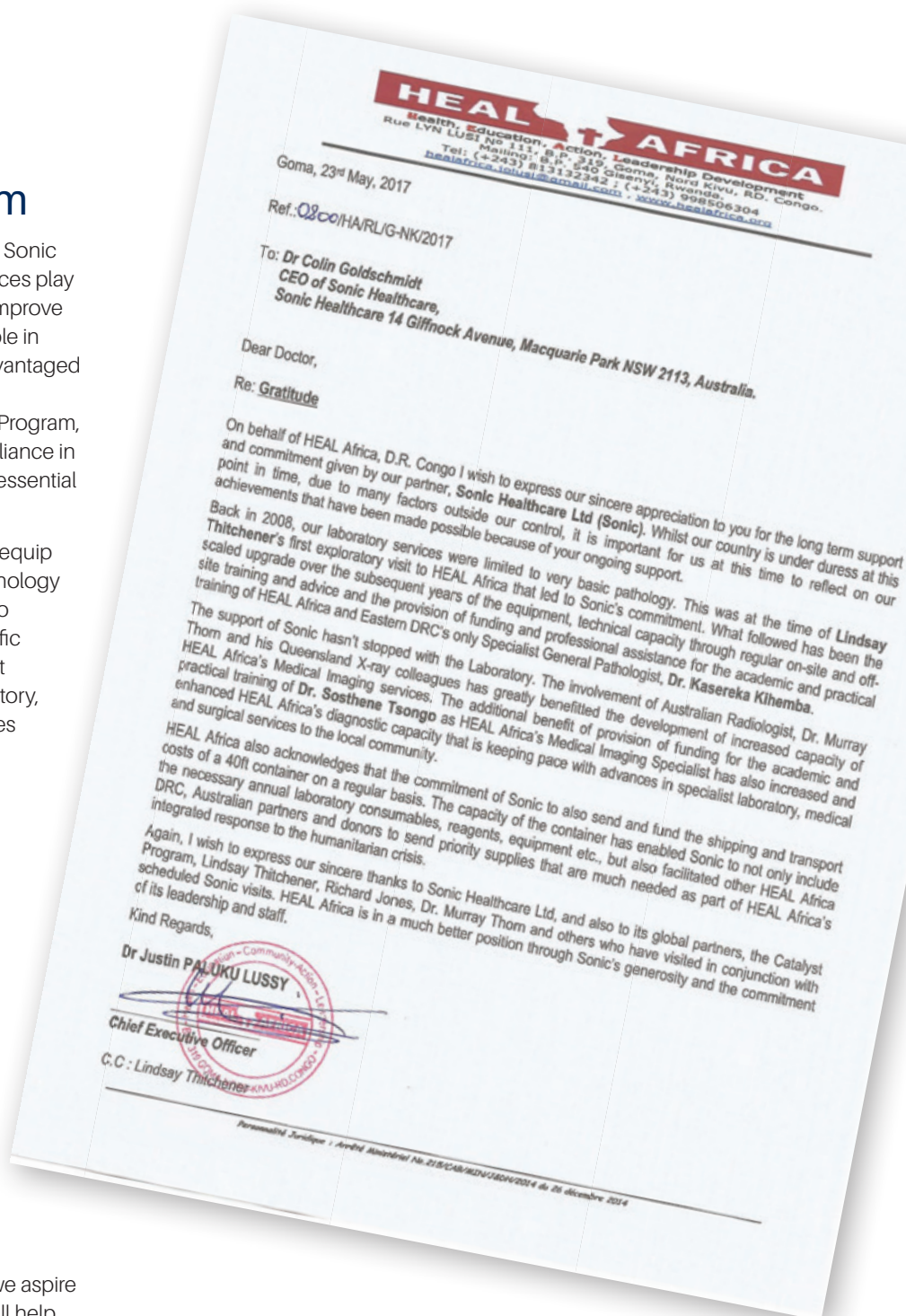
As a medically-led organisation, Sonic knows that good medical practices play an important role in helping to improve the healthcare and lives of people in some of the world's most disadvantaged areas. We have created a global initiative, known as the Catalyst Program, to help develop localised self-reliance in pathology, radiology and other essential services.

We have made it our mission to equip local hospitals with modern pathology and radiology equipment, and to train their staff in modern scientific methods and techniques so that they can provide the vital laboratory, pathology and radiology services that underscore modern medicine. We also provide funding, materials and support for community projects. These additional projects include school and orphanage supplies and donations, refugee support, community training and upskilling, and the transportation of containers of equipment and supplies.

Most of our projects have been aligned with hospitals that treat women and children – two community subsets that are vital to the future success of any nation. Our support is known as the Catalyst Program because we aspire to be one of the catalysts that will help these hospitals, and the communities that they serve, to self-sufficiency.

The Catalyst Program is supported by Sonic Healthcare staff across the world, including a team of healthcare professionals who visit the projects at least once a year for several weeks at a time.

In the last nine years, we have sent more than a dozen shipping containers to our African aid projects. These containers are filled with laboratory consumables (blood collection items, gloves, specimen containers, reagents), supplies for the hospital, and laboratory, radiology and computer equipment. They also include equipment for the schools and staff donations of clothes and shoes. Other charitable groups have also taken advantage of space in our containers to send physiotherapy and surgical equipment.



## The unpredictability of war



Richard Jones (far left) and Lindsay Thitchener (far right), Yei, South Sudan

In the grounds of His House of Hope Hospital, an NGO in the south-west city of Yei, South Sudan, a shipping container filled with vital and expensive medical equipment lies buried deep underground. It is a symbol of hope that the civil war in South Sudan will end, and that the hospital will be able to return to its core mission of helping to treat women and children for preventable diseases and better pregnancy outcomes. It is also a sign of the real risks associated with trying to establish aid programs in developing countries.

South Sudan is the world's newest country, gaining independence from Sudan in 2011. It also boasts the dubious honour of having the world's highest maternal mortality rate, with one in seven women dying during childbirth.

NGOs like His House of Hope provide a vital role in caring for these women and children, with the 50-bed hospital treating more than 6,000 patients each year.

Unfortunately, South Sudan has been engaged in a brutal civil war since December, 2013, with soldiers loyal to the President and soldiers supporting the former Vice-President — both of whom come from different tribes — engaged in a bloody and protracted conflict along tribal lines.

Despite the real dangers posed by this war, two Sonic laboratory scientists from Australia made the dangerous trek to South Sudan in 2015 to install a desperately needed microbiology laboratory at the hospital, as part of Sonic's Catalyst Program.

Cholera, typhoid and various parasitic infections are rampant in Africa. Treatment is enhanced with access to accurate and reliable diagnostic tests provided by medical laboratories.

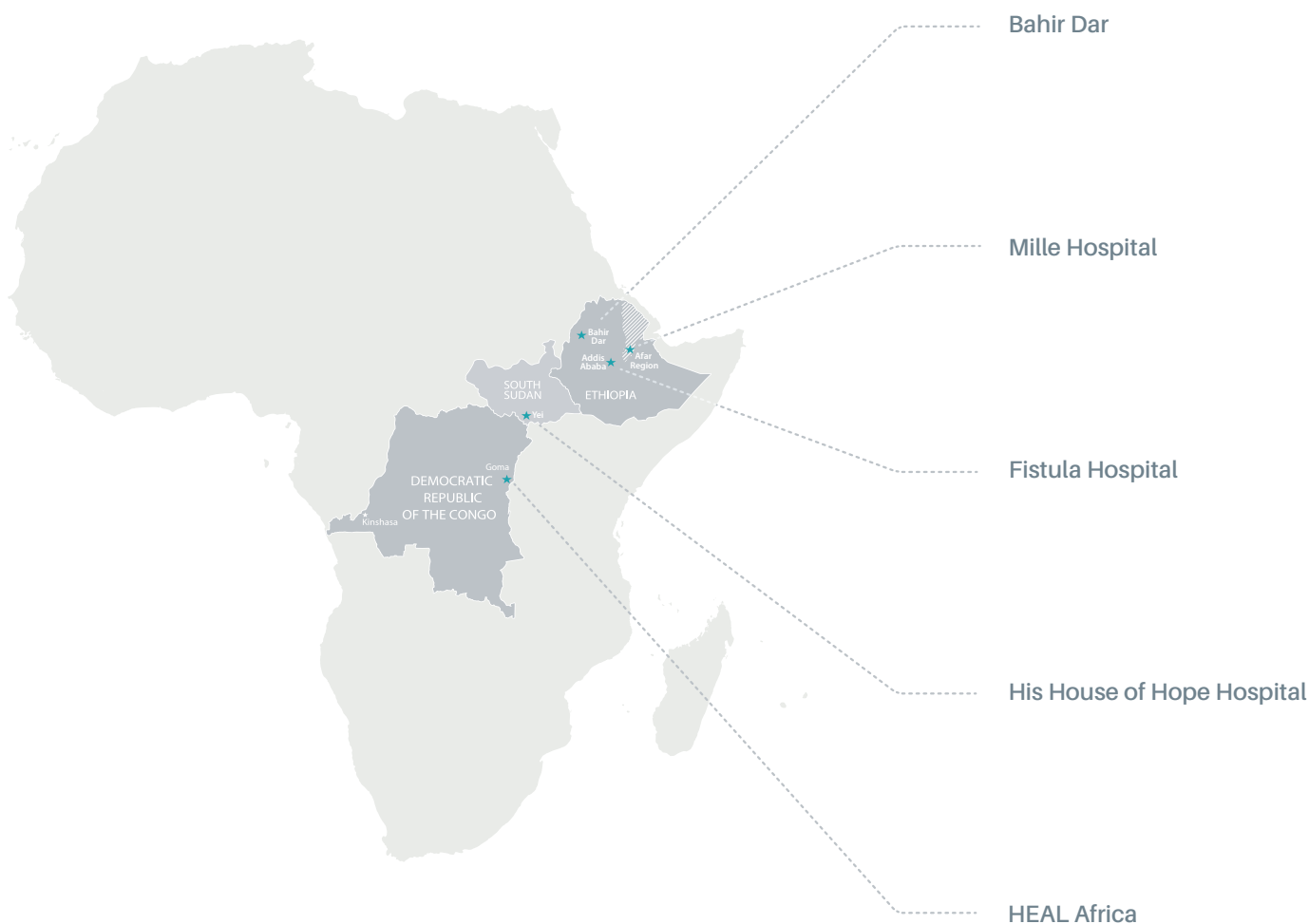
The installation of a modern, well-supplied laboratory was literally a life-saving initiative that made an enormous difference to the treatment and survival of affected patients.

However, by 2016, the UN Special Advisor on the Prevention of Genocide declared that what started as a political war in South Sudan was at risk of transforming into an ethnic war, with the potential for genocide. He made special mention of the situation in Yei, with 'reports of violence that included targeted killings, assault, maiming, mutilation, rape and the barbarous use of machetes to hack families to death.' This 'grave humanitarian situation and the alarming targeting of civilians' has led to the closure of His House of Hope Hospital. The NGO's doctors and nurses have left the region, along with many residents who can't find food, and who live in an environment that is studded with landmines and the ever-present threat of rape and mutilation as a weapon of war.

Sonic's donated diagnostic equipment has been welded shut into a shipping container and buried underground to protect it from looters. We remain hopeful that pathology services can be re-established in Yei, and will reassess it on an ongoing basis, with the hope of re-commissioning the laboratory at some point in the future.



His House of Hope Hospital, Yei, South Sudan



## CATALYST PROGRAM

| Hospital   | Region                             |  |
|--|------------------------------------|--|
| <b>HEAL Africa</b>                               | Goma, Democratic Republic of Congo | <ul style="list-style-type: none"> <li>Installation of pathology laboratory and radiology department</li> <li>Ongoing supplies</li> <li>Training of staff, including training of the first fully qualified pathologist</li> <li>Provision of teaching and other non-medical items</li> </ul> |
| <b>Fistula Hospital</b>                          | Addis Ababa, Ethiopia              | <ul style="list-style-type: none"> <li>Installation of pathology laboratory</li> <li>Training of staff</li> <li>Ongoing support</li> </ul>   |
| <b>Barbara May Foundation Maternity Hospital</b> | Mille, Ethiopia                    | <ul style="list-style-type: none"> <li>Medical and surgical equipment</li> <li>Planned installation of pathology laboratory (equipment and supplies)</li> <li>Staff training</li> </ul>  |
| <b>Vision Maternity Centre</b>                   | Bahir Dar, Ethiopia                | <ul style="list-style-type: none"> <li>Medical and surgical equipment</li> <li>Planned installation of pathology laboratory (equipment and supplies)</li> <li>Staff training</li> </ul>  |
| <b>His House of Hope Hospital</b>                | Yei, South Sudan                   | <ul style="list-style-type: none"> <li>Medical and surgical equipment</li> <li>Planned installation of pathology laboratory is now on hold due to the civil war</li> </ul>   |



# Personal connections help to improve screening for cervical cancer



Nina Emzin and Bernadette Aruhuri, Vanuatu

Sometimes life's meandering experiences can lead to unexpected outcomes that benefit whole communities. This was certainly the case for scientist Nina Emzin from Sullivan Nicolaides Pathology (Queensland, Australia) when she travelled to Vanuatu in search of her long-lost family. Nina's great grandfather, Sam, was a Pacific Islander who was taken from the Vanuatu island of Tanna in the 1880s to work as a 'sugar slave' on the cane farms in the Tweed Heads area in northern New South Wales, Australia.

In 2005, Nina, together with her siblings, cousins and an aunt, decided to spend 10 days in Port Vila and on Tanna Island to track down any remaining relatives. Their search was fruitless until a last minute quirk of fate reunited the Emzin family. Sitting in a cab on the way to Tanna airport, her brothers recited the family story they had shared so many times before, but this time, instead of the usual response — a sad shake of the head — the cab driver took out his driver's licence to show that he shared the same name!

The Australian travellers were wholeheartedly welcomed into the Emzin fold and strong bonds were formed, with a custom ceremony being performed and each family member given an island name.

## Right person, right place, right time

Vanuatu is a spectacular place, but it is also very poor. Nina returned to Australia with a determination to contribute what she could to island life.

As a scientist at Sullivan Nicolaides's Cytology department, Nina's days are spent reading Pap smears to detect cervical cancer in women. Her Head of Department put her in touch with Brisbane-based GP, Dr Margaret Macadam, who was trialling an iodine staining-based screening process that could be easily used in remote locations. This developed into a cervical cancer screening program for the women of Vanuatu, using locally trained nurses and supplemented by volunteer Australian doctors. Nina's skills were a perfect match for the program, allowing her to provide practical and much-needed help.

The following year, Nina returned to Vanuatu, but this time, along with her toothbrush and gifts for the family, she packed testing equipment and stains.

## Getting involved

"(Sullivan Nicolaides Pathology) was terrific," says Nina. "Our CEO, Dr Michael Harrison and our Head of Cytology, Dr David Papadimos, got behind it wholeheartedly. They sent equipment and consumables — stains and chemicals — and it was agreed we would test samples in the Brisbane laboratory."

A key job was to train up local staff. The scientist at the Port Vila Hospital, Bernadette Aruhuri, was keen to be trained in cytology. Bernadette was brought to Australia to do a six-week intensive training program. After that, Nina returned to Vanuatu every three months for 18 months to do back-up training with Bernadette and to help set up the lab. Bernadette has also continued her education through a cytology course in Melbourne.

Nina admits she was 'pretty shameless' in tapping into the expertise of the entire Sullivan Nicolaides cytology department — but her colleagues didn't need much persuading. "When I brought slides back, colleagues would be only too happy to look at them and help with quality control.

"When we first started, there was a high rate of frank malignancies and Margaret arranged for patients to come over and have treatment in Australia. These women are now healthy and what's really great is, I'm still screening the Pap smears for them," she said.

## AN EFFECTIVE SCREENING PROGRAM

More than 10 years on, the screening program is now well established. A network of Australian-trained local nurses operates throughout the islands, performing Pap smears and other health checks.

"The nurses are great," says Nina. "An important component is accurate identification. In this, the nurses are indispensable — they know everyone and word of mouth is very important in small villages."

Sullivan Nicolaides Pathology has also provided access to the Sonic Dx online system that delivers results electronically to everyone who needs them, as soon as they are ready. This also helped to provide alerts when follow-up tests are required.

Sullivan Nicolaides Pathology continues to play an active role, testing biopsies and sending laboratory consumables.

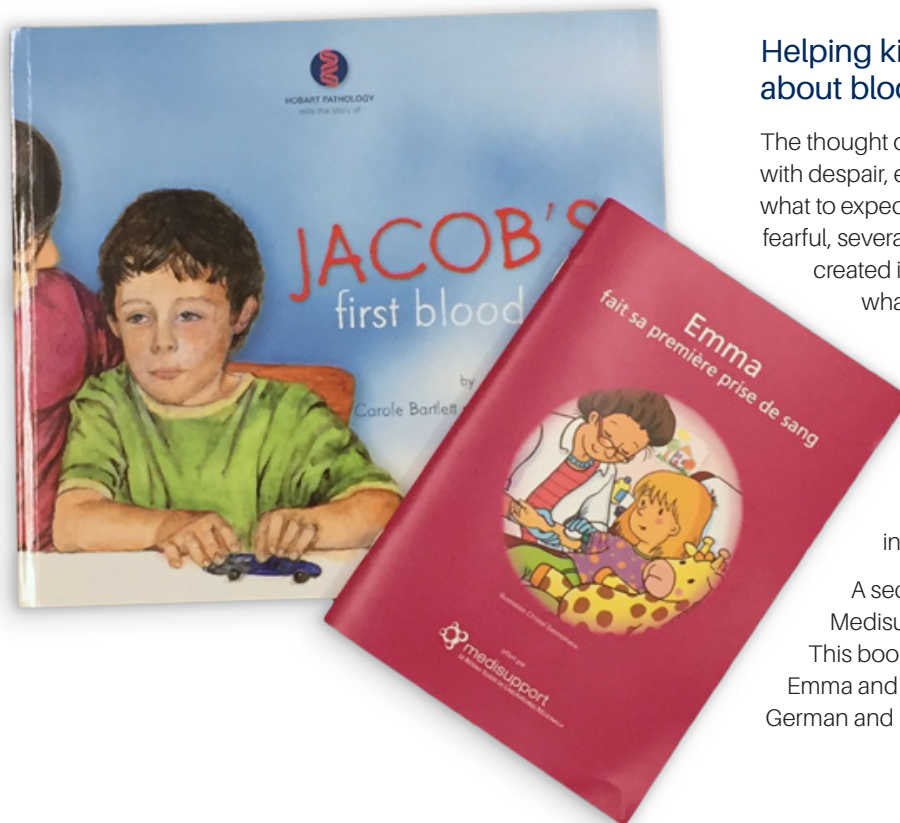
## RUNNING FOR THE KIDS

On July 1, 2017, 94 staff members from Sonic's four Hamburg laboratories donned some eye-catching running tops and took to the streets of Hafen City to participate in the annual HSH-Nordbank Run.

The staff members from Laboratory Lademannbogen, Laboratory Dr. von Foreich – Bioscientia, Laboratory MVZ Hamburg – Lübeck and Labor Staber joined more than 24,000 starters from 831 teams who braved the rain to participate in the 4-km event.

Billed as 'Children helping children', the run raised 155,000 euros for the 'Kids in the Clubs' campaign — a great initiative that helps disadvantaged children and young people to participate in sport.

After the run, the Sonic team members came together for some well-earned food and drink and, in the post-run euphoria, agreed that they should all get together next year to participate in this fun and worthwhile event.



## Helping kids feel better about blood tests

The thought of having a blood test fills some people with despair, especially children, who may not know what to expect. To help make the experience less fearful, several Sonic Healthcare laboratories have created illustrated children's books explaining what to expect and why.

Jacob's First Blood test was created by a pair of Sonic employees in Hobart, Australia, the southernmost Sonic laboratory in the world. Since then, their story has gone global, even appearing as a German translation in our German laboratories.

A second book has also been produced by Medisupport, one of Sonic's Swiss laboratories. This book follows similar themes and focuses on Emma and her first blood test. It is available in both German and French.





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