

FY21 Environment, Social and Governance (ESG) Report

27 August 2021, Melbourne

Integral Diagnostics Limited (ASX: IDX) attaches its FY21 Environment, Social and Governance Report.

Authorised for lodgement by the Integral Diagnostics Board of Directors

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About IDX:

Integral Diagnostics (IDX) is a leading provider of medical imaging services across Australia and New Zealand. The Company provides state of the art diagnostic services to patients and their referrers at 67 radiology clinics, including 27 comprehensive sites. IDX employs some of Australasia's leading radiologists and nuclear medicine specialists in a unique medical leadership model that ensures quality patient care, service and access. Good medicine is good business. For more information, please visit www.integraldiagnostics.com.au/.

DELIVERING SUSTAINABLE VALUE TO STAKEHOLDERS



Environment, Social and
Governance (ESG) Report
2021



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INTEGRAL DIAGNOSTICS (ASX:IDX) BOARD AND MANAGEMENT RECOGNISE THE IMPORTANCE OF ROBUST ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) PRACTICES AS PART OF OUR RESPONSIBILITY TO KEY STAKEHOLDERS, THE COMMUNITIES IN WHICH WE OPERATE AND OUR PURPOSE TO DELIVER THE BEST HEALTH OUTCOMES FOR OUR PATIENTS.

This report presents our Group's second standalone report on ESG performance, which covers the 2021 financial year (FY21).





A MESSAGE FROM OUR CHAIR AND CEO

We are pleased to present our 2021 (FY21) ESG Report, our second stand-alone report on sustainability and our first report prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option.

Integral Diagnostics (IDX) is proud to be a specialist healthcare company dedicated to diagnostic imaging. Diagnostic imaging is the branch of medicine that utilises a range of non-invasive imaging technology to create images of bones, tissues and organs within the human body in order to diagnose and treat illness and injury.

With a network of clinics and comprehensive sites across Australia and New Zealand, it is vital that we maintain clear visibility on the impact we have on the communities and environments we operate in to demonstrate our commitment to creating a healthier world. IDX is committed to the creation of both financial and non-financial value for its stakeholders, including our patients, referrers, employees, investors, regulators, suppliers and the wider community. Achieving a continuous, positive impact for each of these stakeholders is important for the long-term sustainability of the organisation.

Governance

The Board has responsibility for the governance approval and oversight of our ESG Strategy and is responsible for the approval of this Report. ESG is integrated within the responsibilities of the Board's Audit, Risk and Compliance Committee (ARCC) and the Board's People and Remuneration Committee (PRC). A dedicated ESG Committee, comprising Executive, Senior Management and operational team members, develops our ESG approach with oversight from the ARCC and Board.

Strategy

During the current period we conducted a stakeholder survey and interviews with over 554 stakeholders involved, asking our stakeholders what was important to them, including which ESG areas we should prioritise. We also measured our baseline carbon emissions for FY20 & FY21 so we can measure and monitor the environmental impact of the organisation's operations and supply chain. We continue to drive performance across ESG (see FY21 highlights opposite) and took significant steps forward in developing our ESG Strategy. Developed by IDX's ESG Committee, the ESG Strategy gives us a formal roadmap for addressing key identified areas of importance, developing associated targets and identifying opportunities for the period FY22-FY26.

Highlights

This year, we have focused on identifying and analysing the status of significant ESG areas for IDX.

The following is a snapshot of key highlights of the ESG Report, the outcome of the commitment of our people to create a healthier world in line with our vision, purpose and values.

In FY21 IDX:

- completed our first stakeholder survey;
- developed our ESG Strategy, which aligns with the United Nations Sustainable Development Goals (SDGs);
- completed our first carbon footprint review;
- completed our first supplier screening risk rating review;
- completed and submitted our first Modern Slavery Report;
- reviewed our waste management processes and initiated an Operational Waste Management Plan;
- reporting in accordance with the Global Reporting Initiative (GRI) for the first time;
- served over 797,000 patients, performed over two million examinations and engaged with 35,264 referrers;
- developed a Performance and Development Framework; and
- implemented a Leadership Development Strategy.

The Scorecard in this Report details our ESG performance against specified key categories for FY21.

We look forward to your feedback on our ESG Report. Take care and stay safe.



Helen Kurincic
Chair



Dr Ian Kadish
Managing Director &
Chief Executive Officer

27th August 2021



PATIENTS FIRST

2 million

examinations for over
797,000 patients and
35,264 referrers



MEDICAL LEADERSHIP

206

reporting
radiologists



EVERYONE COUNTS

554

stakeholders
consulted in our
materiality assessment

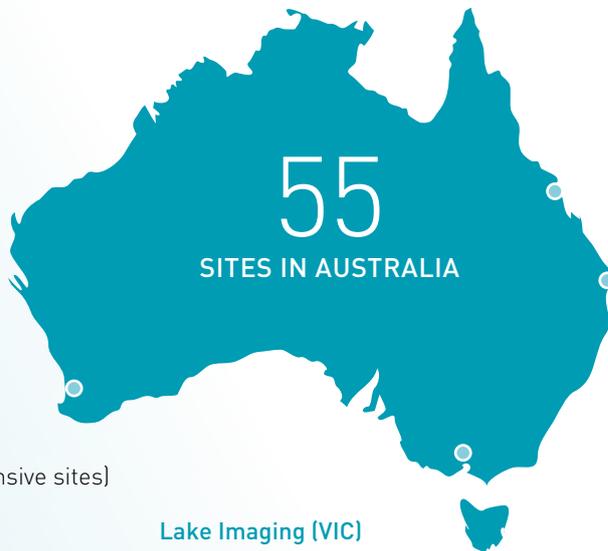
ABOUT US

Who we are

Integral Diagnostics (IDX) is a healthcare group providing diagnostic imaging services to patients and referrers, including general practitioners, medical specialists and allied health professionals across Australia and New Zealand. We provide our services through a network of clinics, including multiple comprehensive sites and operate under various brands in the different geographic areas. In FY21 we engaged with 35,264 referrers and served over 797,000 patients. IDX is further supported by our internally developed teleradiology service – ID Xt, which provides 24/7

after-hours emergency reporting in addition to overflow reporting services. ID Xt reporting services are available to external radiology practices and health organisations.

Our combined corporate group is one of the largest radiology providers across Australia and New Zealand. Our team of 1,524 radiologists and qualified technical, nursing and support staff is committed to providing the highest level of diagnostic imaging and patient care.



Apex Radiology (WA)

- > Established 1997
- > 5 locations (2 comprehensive sites)
- > 164 employees

Lake Imaging (VIC)

- > Established 2002
- > 19 locations (6 comprehensive sites)
- > 389 employees

Imaging Queensland (QLD)

- > Established 2007
- > 17 locations (7 comprehensive sites)
- > 310 employees

South Coast Radiology (QLD)

- > Established 1967
- > 14 locations (7 comprehensive sites)
- > 403 employees



12
SITES IN
NEW ZEALAND

SRG/Trinity MRI/Ascot Radiology

- > Established 1999 (Ascot Radiology), 2007 (SRG/Trinity MRI)
- > 12 locations (5 comprehensive sites)
- > 172 employees

Services we offer

Diagnostic imaging is the branch of medicine that uses non-invasive imaging technology to create images of bones, tissue 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.

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

The images produced by diagnostic imaging are a critical tool for referrers in reaching a diagnosis and deciding on the most efficient and effective form of treatment for patients. In this way, appropriate use of diagnostic imaging can significantly enhance medical outcomes for patients while at the same time reducing the overall cost of healthcare.

Teleradiology

This year we have increased our focus on teleradiology with the establishment of IDXT.

Teleradiology is a way for underserved areas to access timely reporting that would otherwise not be available. It expands our service area beyond our practices to other areas in Australia, New Zealand and the UK. The nature of remote reporting allows our subspecialists to reach a far greater geographic area for the benefit of all our patients and patients of our referrers. This aligns with our Values of 'Patients First' and 'Everyone Counts'.

Teleradiology also allows our business to balance work loads better, which in turn means utilising our resources in the best way possible. Finally, teleradiology reduces travel significantly while maintaining our high level of service delivery.

Diagnostic imaging technologies include:

			
X-RAY	ULTRASOUND	CT	MAMMOGRAPHY
			
NUCLEAR MEDICINE	BONE MINERAL DENSITOMETRY	MRI	EOS IMAGING SYSTEM
			
INTERVENTIONAL RADIOLOGY	FLUOROSCOPY	PET/CT	DENTAL



OUR VISION, PURPOSE AND VALUES

Our vision of providing a healthier world by delivering the best health outcomes for our patients is at the heart of our ESG approach. To achieve this we focus on five key Values that support our vision: Patients First, Medical Leadership, Everyone Counts, Create Value and Embrace Change.

OUR VISION
a healthier world

OUR PURPOSE
deliver the best health outcomes for our patients

OUR VALUES

				
patients first <small>PATIENTS ARE AT THE HEART OF EVERYTHING WE DO</small>	medical leadership <small>IMPROVING OUTCOMES WITH EVIDENCE BASED CARE</small>	everyone counts <small>WE WORK SAFELY, INCLUSIVELY AND RESPECT EACH OTHER</small>	create value <small>DELIVER SUSTAINABLE VALUE TO ALL STAKEHOLDERS</small>	embrace change <small>STRIVE FOR EXCELLENCE, HAVE THE COURAGE TO INNOVATE</small>

The IDX Values also shape our culture, influence our organisational decision making and help set the expectation of how we care for our patients and work with each other. They are carefully and deliberately woven throughout our business and actively reinforced through employee recognition.

The annual IDX CEO Awards recognise individuals who consistently live our Values and make an outstanding contribution to achieving our purpose of delivering the best health outcomes for patients.

As frontline healthcare workers or those supporting the front line, our employees have been granted multiple Healthcare Hero Awards throughout FY21, in recognition

of the extraordinary commitment, compassion and resilience our employees demonstrated throughout the ongoing COVID-19 pandemic. Our Values have taken on even greater significance over the past year, as our people have demonstrated a 'Patients First' and 'Everyone Counts' approach in responding to the crisis and adjusting to rapidly changing requirements. Medical Leadership has been instrumental throughout.

We have an enormous sense of gratitude to our teams, which have remained focused on living our Values every day in delivering high-quality patient care during these challenging times.

STAKEHOLDERS AND MATERIALITY – DEVELOPMENT OF ESG STRATEGY

We aim to deliver sustainable value to all stakeholders, and to have regard for, and balance our stakeholders needs, which include:

- patients who need us to provide the best health outcomes for them;
- referrers who need us to provide the best health outcomes for their patients;
- employees who need us to provide a work environment in which they can achieve, thrive and feel safe and included;
- shareholders who need us to manage our business to create sustainable value over the long term;
- governments and regulators that need us to comply with laws and regulations and to contribute our expertise to the development of well-designed and effective regulations;
- suppliers who need us to work with them closely to deliver the products and services we require, ensuring that scarce resources are used appropriately, while treating suppliers fairly; and
- the wider community that needs us to provide support to ensure we contribute to society in a positive way.

We engage with our stakeholders in various ways, including inviting feedback via surveys, participating in regular meetings and communicating expectations.

This year we completed our first materiality assessment involving interviews, workshops and stakeholder surveys with 554 representatives from our wide external stakeholder group and all layers of our organisation, including at radiologist, Executive and Board level.

A materiality assessment is a standard process within international reporting standards, which involves formally consulting with our identified stakeholders on which issues matter most to them. Based on the results of the materiality assessment, multiple workshops were held with representatives from radiologist management, Executive and Senior Management, clinical operations, the ESG Committee and other employees.

The insights gained through the materiality assessment were further considered in the context of our core strategy and where we believed we could have the greatest impact implementing initiatives. This has assisted us with developing our ESG Strategy, which is aligned to the IDX Values as set out below.



patients first

PATIENTS ARE AT THE HEART OF EVERYTHING WE DO

- Improving access to radiology services
- Climate action



medical leadership

IMPROVING OUTCOMES WITH EVIDENCE BASED CARE

- Driving public health outcomes
- Advocacy



everyone counts

WE WORK SAFELY, INCLUSIVELY AND RESPECT EACH OTHER

- Diversity and inclusion
- Employee engagement, development and wellbeing



create value

DELIVER SUSTAINABLE VALUE TO ALL STAKEHOLDERS

- Engaging with the local community
- Environmental and ethical supply change



embrace change

STRIVE FOR EXCELLENCE, HAVE THE COURAGE TO INNOVATE

- Driving technology and innovation
- Resource efficiency



STAKEHOLDERS AND MATERIALITY – DEVELOPMENT OF ESG STRATEGY

Continued

Alignment with GRI and SDG

IDX’s ESG Report for this year has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option. Please refer to our GRI Content Index at: www.integraldiagnostics.com.au/environment-social-and-governance-esg for a comprehensive list of disclosures.

In accordance with GRI reporting standards, the internal boundary is IDX and all subsidiaries including all staff. The external boundaries are all external stakeholders. The focus is on how we can reduce our negative impact globally and how we can improve our influence within the health community.

We have also measured and applied Greenhouse Gas Protocol to measure our greenhouse gas emissions.

The United Nations Sustainable Development Goals (SDGs) seek to address the world’s most significant development challenges. The SDGs are a set of 17 goals that are based on human rights and define global sustainable development priorities and aspirations for 2030. As part of our development of our ESG Strategy, an assessment was made as to which SDGs we would align with implementing our strategy over the period of FY22-FY26.

In FY22 we will look to commence planning to implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

IDX VALUES

SDGs ALIGNED WITH STRATEGY FY22-FY26



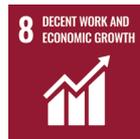
Patients First



Medical Leadership



Everyone Counts



Create Value



Embrace Change



ESG SCORECARD

	FY21		FY20		FY19		FY18	
Stakeholders								
Donations and sponsorships (\$'000)	253		348		299		215	
Taxes paid (\$'000) ¹	24,305		14,872		13,916		11,327	
Salaries and related expenses paid to employees (\$'000)	184,492		146,765		113,613		95,712	
Statutory NPAT (\$'000)	31,268		23,033		20,983		15,079	
Dividends paid (\$'000)	18,558		18,648		14,025		11,603	
Market capitalisation (\$'000) ²	1,032,869		759,268		496,328		438,033	
People								
Headcount	1,524		1,341		1,021		890	
Staff turnover % ³	23.29		15.56		18.84		18.33	
Training and development (\$'000)	1,077		1,082		816		640	
Employee Net Promoter Score	-11.5		25.5		N/A		N/A	
Safety								
Lost time injuries per million hours worked (LTIFR) ⁴	6.36		6.73		14.70		14.89	
Fatalities	Nil		Nil		Nil		Nil	
Patients								
Total exams (million)	2.059		1.725		1.459		1.375	
Patient incidents as a % of exams ⁵	0.044%		0.031%		0.032%		0.039%	
Gender								
	F	M	F	M	F	M	F	M
% Total workforce	75	25	76	24	75	25	75	25
% Senior Management ⁶	43	57	30	70	33	67	17	83
% Executive ⁷	33	67	50	50	50	50	50	50
% Board	43	57	43	57	43	57	43	57
Age diversity								
% Employees under 30	21		23		21		22	
% Employees 30 – 50	54		51		49		46	
% Employees over 50	25		26		30		32	
Years of service								
			0-2 years		2-5 years		5+ years	
% Employees under 2 years of service	36		33		35		33	
% Employees between 2 and 5 years of service	26		28		28		28	
% Employees over 5 years of service	38		39		37		39	
Environment								
Scope 1 greenhouse gas emissions (Co2-e tonnes) ⁸	508.2		432.7		N/A		N/A	
Scope 2 greenhouse gas emissions (Co2-e tonnes) ^{8,9}	7,028.8		6,716.5		N/A		N/A	

1. Direct and indirect taxes, levies and duties including employment-related taxes, but excluding taxes paid on behalf of employees and GST/VAT.
2. Calculated using the 30 June closing share price.
3. Please refer to section on People on page 13 of this Report.
4. LTIFR has been calculated using Safework Australia's methodology of basing lost time injuries on workers' compensation claims less needle stick injuries. The number excludes Ascot Radiology, which was acquired 1st September 2020.
5. Imaging Queensland and our New Zealand businesses have been included from FY21. Excludes Ascot Radiology, which was acquired 1st September 2020. Reporting standardisation continues as part of the integration of businesses.
6. Chief People Officer (CPO), Chief Information Officer (CIO), Chief Medical Officer (CMO), General Managers, Group Commercial Manager, Group Strategy and Integration Manager, Group Business Development Manager, Group Risk Manager and Group Finance Manager.
7. Executive includes the following positions: Chief Executive Officer (CEO), Chief Financial & Commercial Officer (CFCO) and Chief Operating Officer (COO).
8. The increase in Scope 1 and Scope 2 emissions are due to the full year effect of Imaging Queensland and the 10 months effect of Ascot Radiology.
9. In lieu of actual data for Scope 2 emissions for FY20 Imaging Queensland, this figure has been calculated by applying Imaging Queensland's FY21 intensity to FY20's examinations.

ENVIRONMENT

Environmental plan and initiatives

This year we completed our first external carbon footprint review for both FY20 and FY21, with FY20 being the baseline year. We now have a better understanding of the environmental footprint of our operations. We are committed to investigating how we mitigate the environmental impact via changes in our own operations as well as our supply chain.

The ESG Committee has been instrumental in establishing the strategic direction and supporting the key initiatives. Via our materiality assessment, it has been identified that climate action was a material issue to focus on. We are committed to reducing the environmental impacts across our organisation and will engage an external consultant to help develop a roadmap for this.

In FY21, we established a Waste Management Committee.

We are evaluating new technologies that reduce consumables waste and establishing practices that minimise our overall impact on patients.



Reducing greenhouse gas emissions

Reducing our greenhouse gas emissions was identified as material to our stakeholders and IDX.

During the year we engaged an independent external provider to conduct a comprehensive assessment of our greenhouse gas emissions for both FY20 and FY21. This work provided us with a greater understanding of the environmental impact of our business operations and established a baseline for us to measure the success of our future endeavours to reduce and offset our greenhouse gas emissions. This year we have disclosed our Scope 1 and 2 emissions. In FY22 we will work towards a better understanding of our Scope 3 emissions and how we can influence our suppliers to work towards a reduction of their emissions.

We are committed to reducing the environmental impacts of our organisation. In FY22 we will engage an external consultant and will examine and evaluate how we can improve our sustainability profile. During FY22 we will develop a roadmap to reduce our carbon emissions and set clear targets and milestones.



Waste management

Waste management was identified as a material issue to our stakeholders.

The Waste Management Committee will give structure to the initiatives mentioned in our FY20 ESG report. We have gained an understanding of our usage of our consumables across our business and are developing a formal operational Waste Management Plan to ensure that we are maximising the effective use of these consumables and minimising waste, as far as practicable. We intend to launch a campaign that is designed to increase awareness and improve the uptake of proper and consistent use of waste management facilities.

The disposal of healthcare waste and consumables is undertaken by qualified third-party contractors to ensure compliance with applicable legislation and that the waste is disposed of ethically.

All radioactive waste is treated and disposed of by licensed third-party providers that meet strict licensing requirements as set by authorised state and national bodies.

IDX encourages our shareholders to access communications electronically and to reduce the energy and water resources associated with paper and print production. Less than 2% of IDX's shareholders now opt to receive a printed version of the Annual Report, with all other shareholders receiving an electronic version of the Annual Report or viewing it online.

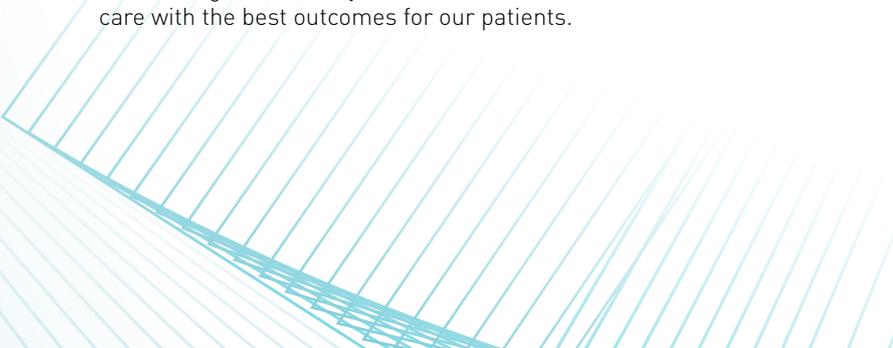
We continue to work with referring clinicians and patients to replace hard copy film images with quality digital alternatives.

Most of our imaging equipment is traded in when we buy new equipment. These vendors reuse component parts where possible.



Reducing diagnostic imaging radiation doses

At IDX we employ state-of-the-art technology and image acquisition techniques to deliver a quality diagnostic image to referrers while using the lowest possible radiation dose on our patients. Our practitioners strictly adhere to As Low As Reasonably Achievable (ALARA) principles in compliance with the highest industry standards to deliver the safest care with the best outcomes for our patients.



SOCIAL

People

One of our key Values is: 'Everyone Counts' – we work safely, inclusively and respect each other. This enables us to create a work environment where our people can belong, thrive and achieve together in an inclusive and safe workplace.

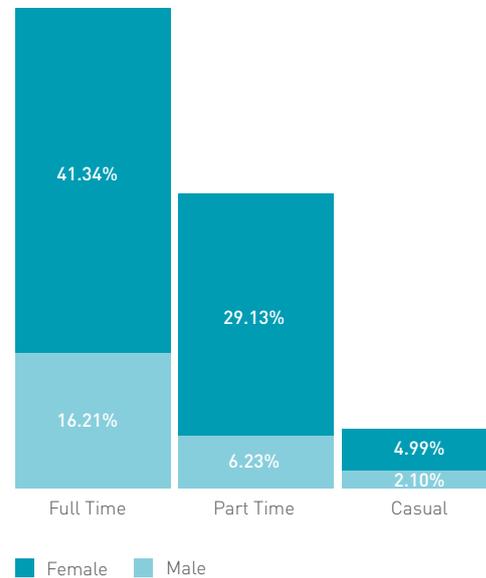
Employee relations

The relationship we have with our people is based on respect and aligned to our value that 'Everyone Counts'. We have a broad group of people working with us across Australia and New Zealand with wide-ranging skills.

We are committed to compliance with legislative workplace requirements in the jurisdictions in which we operate in accordance with good corporate governance. Our employees' remuneration is governed by various arrangements, including enterprise agreements, modern awards and common law contract arrangements.

IDX engages a further 103 independent contractors to support our businesses.

Employee Relations



The source data is compiled from the people management system. The headcount only includes employees, not independent contractors or Non-Executive Directors

Employment Coverage/Employment Status	Female	Male
Enterprise agreement	235	74
Full time	123	60
Part time	95	8
Casual	17	6
Modern award	765	260
Full time	418	169
Part time	294	75
Casual	53	16
Contract Employment	150	40
Full time	89	18
Part time	55	12
Casual	6	10
	1,150	374

Employment Coverage/Employment Status	Australia	New Zealand
Enterprise agreement	309	-
Female	235	-
Male	74	-
Modern award	1,025	-
Female	765	-
Male	260	-
Contract Employment	18	172
Female	7	143
Male	11	29
	1,352	172

SOCIAL

Continued

Professional development

Attracting, recruiting and retaining talent, both clinical and non-clinical, is fundamental to our culture, engaging our people and sustaining our business.

We are committed to the ongoing clinical and professional development of our people and building leadership capability. In addition to the development opportunities provided locally within each business, IDX hosts an annual conference where employees from all businesses come together for clinical, professional and personal development. The FY21 IDX Annual Conference took place in May 2021 on the Gold Coast, with streaming provided across the Company to ensure that those who were unable to travel to the Gold Coast were still able to participate, providing a diverse series of development sessions for our people.

In addition to internal development opportunities, our radiologists attend industry-leading conferences and placements, ensuring they remain up to date with the latest technological and medical advances in diagnostic imaging.

In FY21 we also implemented two key initiatives designed to support the development of our people:

Performance and Development Framework

The IDX Performance and Development Framework was designed using insights from extensive consultation across the IDX employee group and in reviewing current market best practice. Launching in early 2021, the Framework provides a fair, transparent and consistent approach to performance planning, development and feedback across our business. Aligned with the IDX Values and Leadership Capability Framework, it includes a contextualised process, tools and training to enable achievement of both individual and strategic organisational objectives.

Leadership development

In FY21 IDX developed and commenced the implementation of a Company-wide Leadership Development Strategy, designed to ensure future capability of leaders equipped to drive quality and performance and an aligned, engaged Company culture. The Strategy includes a new Leadership Capability Framework, a suite of aligned leadership development programs for different leaders levels and a customised 360-degree leadership feedback tool.

Culture

Across our businesses and locations, our people are united by the IDX Values and purpose to deliver the best outcomes for our patients.



FY21's group-wide culture survey was completed just before the release of this Report. It has been a challenging year, which is reflected in our NPS score of -11.5. The results from the survey are still being analysed. Addressing the survey results is a priority for our management.

Gender Pay Equality

At IDX we are committed to ensuring our workplace is inclusive and to promoting gender pay equity. In FY21 we introduced a Gender Pay Equity Analysis with a review across all categories based on the FY21 WGEA¹ submission. The review identified that when comparing equivalent roles, there is generally pay equity across IDX.

We are proud that 60% of the wider IDX leadership and management roles (including those from each of our businesses) are occupied by females. In FY21, 67% of internal promotion placements and 78% of new external appointments were female. These figures were included in our FY21 WGEA submission.

Turnover of staff

In FY21 we had a higher than usual turnover of staff. One of our newly opened call centres was forced to decentralise to working from home due to lockdowns in Victoria. The direct supervision and training became more challenging, resulting in a high turnover of staff. Over 50% of our turnover was from the staffing groups: Booking centres and receptionists. This will be a key focus for improvement.

Flexible work arrangements

We provide a range of support mechanisms including flexible working arrangements to enable our employees to manage their work and life preferences. In our 2021 Workplace Gender Equality Agency (WGEA) submission, which deals with our Australian workforce, 3.2% of our workforce took parental leave (up from 2.3% in the WGEA reporting period, 1 April 2019 to March 31 2020), with 90% then returning to work (up from 75% in the same reporting period). 67% of our employees who were promoted were female, with many also working flexibly in their roles.

The COVID-19 pandemic and the introduction of restrictions mandated some of our workforce to work remotely where this was possible. While restrictions have now lifted, a hybrid model of shared time between working from home and the office is still in place by mutual agreement between employees and their local business. Looking to the future, we expect that we will see a mix of people working from home and from the office for some time to come.

Health and safety

The safety of our people is a key priority. To improve our safety performance we focus on hazard identification, risk management, incident reporting and investigation.

IDX monitors our health and safety performance via incident reporting and active consultation and engagement processes

with staff through representative committees.

During FY21, there was a pleasing drop in our lost time injuries per million hours worked (LTIFR), which has been more than halved since FY18. Our LTIFR of 6.36 is well below the SafeWork Australia average of 8 for "Health general".

We will continue to invest in injury prevention programs targeting our key risks, provide specific training to build knowledge and capability within our workforce and ensure early intervention programs are in place to deliver return to work outcomes. There were no WorkSafe or regulatory visits to our workplaces in FY21 and no fines or penalties were issued.

We recognise that sometimes people may need additional support and it's for this reason we provide free, confidential counselling to our employees and their immediate family members through our Employee Assistance Program.

Healthcare Hero Awards

The COVID-19 pandemic impacted all at IDX, with restrictions and lockdowns imposed at some time across both Australia and New Zealand throughout FY21. At different times, the impact of the pandemic forced IDX to change the way we worked as we navigated the pandemic.

Our employees, either as frontline healthcare workers or as someone supporting a frontline worker, showed commitment, professionalism and compassion to our communities by putting our patients first and demonstrating that everyone counts, a true demonstration of living our IDX Values.

As a token of our appreciation and gratitude for stepping up and supporting our patients and communities, we provided all employees with Healthcare Hero Awards in August 2020 and again in June 2021 to say thank you.

Diversity and inclusion

IDX is committed to creating a culture where people feel included and where they are treated equitably and with respect. Our people are encouraged to bring all of their unique and diverse perspectives and talents to work. Our systems and processes support fair treatment and we do not tolerate any form of unlawful discrimination, bullying or harassment. This is supported through a range of supportive policies, practices and employment conditions addressing equal employment opportunity, harassment and discrimination, recruitment and selection, parental leave, carer's leave and domestic violence leave.

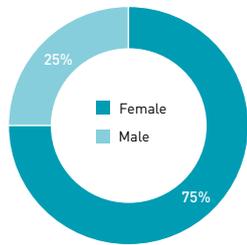
We acknowledge our First Nations communities. Our Chief Medical Officer, Dr Lisa Sorger was recently published in the *Journal of Medical Imaging and Radiation Oncology (JMIR)* the seminal work on CT Chest in Australian Indigenous Communities.

1. WGEA reporting period is from 1 April 2020 to 31 March 2021.

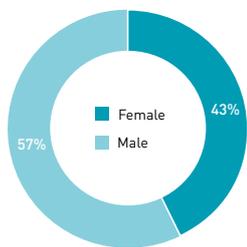
SOCIAL

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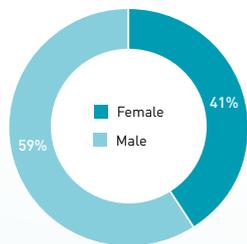
Company Gender Profile



Board Gender Profile



Senior Management and Executive Employees Gender Profile



The Board continues its commitment to the measurable objectives for gender diversity for 2021. Those objectives were:

- i. a minimum of 30% of each gender representation on the Board;
- ii. a minimum of 30% of each gender representation to be achieved at the Executive level¹;
- iii. a minimum of 30% of each gender representation to be achieved at Senior Management level²;
- iv. a minimum of 30% of each gender representation to be achieved at Executive and Senior Management levels;
- v. at least one of each gender to be included as shortlisted candidates for Board, Executive and Senior Management positions; and
- vi. IDX's gender percentages of employees Company-wide should remain within 10% of industry levels as measured by WGEA (Pathology and Diagnostic Imaging Services within Medical and Other Health Care Services Industry Subdivision).

¹ Executive includes the following positions: Chief Executive Officer (CEO), Chief Financial & Commercial Officer (CFCO) and Chief Operating Officer (COO).

² Senior Management includes the following positions: Chief People Officer (CPO), Chief Information Officer (CIO), Chief Medical Officer (CMO), General Managers, Group Commercial Manager, Group Strategy and Integration Manager, Group Business Development Manager, Group Risk Manager and Group Finance Manager.

In FY21 we continued to satisfy our target gender representation for Board, Executive and Senior Management.

30%

TARGET ACHIEVED

A minimum of 30% of each gender representation on the Board – achieved

30%

TARGET ACHIEVED

A minimum of 30% of each gender representation at Executive and Senior Management levels – achieved

IDX also has a target of one of each gender for all shortlisted candidates for Board, Executive and Senior Management positions. In FY21, 67% of the Executive and Senior Management appointments were female.

Our Board has reviewed and updated the following objectives:

- i. a minimum of 40% of each gender representation on the Board by 2026;
- ii. a minimum of 30% of each gender representation at the Executive level by 2026;
- iii. a minimum of 40% of each gender representation at Senior Management level by 2026; and
- iv. a minimum of 40% of each gender representation at Executive and Senior Management levels by 2026;
- v. percentage of females employed across the Company should remain within 10% of industry levels as measured by WGEA (Pathology and Diagnostic Imaging Services within Medical and Other Health Care Services Industry Subdivision); and
- vi. continued improvement in the female participation rate of radiologists across IDX and within 10% range of Royal Australian and New Zealand College of Radiologists (RANZCR) gender membership data by 2026.

As part of our ongoing commitment to fostering a diverse and inclusive culture, in FY21 IDX also engaged the support of an external specialist partner in developing a Diversity and Inclusion Strategy and action plan. Our Diversity and Inclusion Strategy will be designed to ensure that we continue to support an inclusive and diverse culture that attracts, retains and engages employees from diverse backgrounds, with identified actions being implemented from 2022.

PATIENTS AND REFERRERS

At IDX, patients and referrers are the two key groups that we service:

- Patients referred by their healthcare professional attend our clinics to undertake the exams required to complete their diagnoses. We aim to ensure that the patient experience exceeds the expectations of both patients and their referrers by providing a streamlined, comforting and quality service. In FY21 we saw over 797,000 patients and performed over two million exams.
- Referrers, including specialists, general practitioners, allied health providers and other healthcare professionals, choose to use our quality diagnostics services to complete their patients' diagnosis. In FY21 we engaged with 35,264 referrers and attended to 1.5 million referrals.

Patients

Patients First: Patients are at the heart of everything we do. Our aim is to produce the best possible health outcomes for each patient, every time. Patient safety is monitored through reporting of clinical incidents. IDX's Integral Clinical Leadership Committee (ICLC) reviews incident data and trends to identify improvements across all businesses, and aims to share learnings to prevent recurrence and improve patient outcomes.

Staff interactions with patients are important to us and the IDX Code of Conduct covers the behaviour of all employees during their work. It includes requirements for personal integrity and compliance with all laws and regulations and IDX's policies and processes including, but not limited to, privacy, conflicts of interest, diversity and anti-discrimination, fraud and corruption, improper benefits and confidentiality of information. The Code is supported by a range of policies and other documents covering ethical and behavioural issues. The Code outlines the process for dealing with breaches of the Code, which are taken very seriously, with all material breaches being reported to the Board. The requirement for employees to report any breaches is reinforced by our Whistleblower code. All employees must undertake multiple Code of Conduct training courses that cover key aspects of the policy when they begin employment and on an ongoing intermittent basis throughout their employment.

Ensuring that patients are satisfied with the services we provide to them is of importance to us. We are beginning to measure patient satisfaction via a Net Promoter Score (NPS). This system provides an avenue for our patients to communicate directly with us, providing feedback and enabling process improvement where required.

Privacy

Our patients entrust us with personal and sensitive information and their privacy is important to us. We employ robust controls and systems to protect patient information and allocate time and resources to continuously improve processes. Our staff, our referring doctors and hospitals are also required to accept our privacy terms and conditions to ensure they understand and acknowledge compliance with the standards required to protect our patients' privacy.

A privacy maturity control environment assessment has been completed. To ensure the security of patient information, our IT security infrastructure and processes have been strengthened through vulnerability exercises, implementation of improvement recommendations and benchmarking against industry standards such as National Institute of Standards and Technology (NIST) and the Australian Signals Directorate essential 8. Data security and privacy are subject to continuous review by IDX to further identify opportunities for improvement.

Referrers

Retaining and increasing the number of healthcare professionals who refer patients to our diagnostic services is a key component to our success. Current initiatives include ongoing investments in technology platforms, education and improved reporting technologies. We have introduced enhancements to our online referrer portal to allow access to imaging online through a single click and are working to enable e-referrals to be sent directly from a referrer to our operating systems.

We provide education to referrers in our regions about new technologies such as artificial intelligence, new imaging equipment and the benefits new technology in equipment can have on assessing patients. We also collaborate with referrers in our local areas to provide multidisciplinary meetings and workshops on specific topics such as urology and oncology.

SUPPLIERS

IDX has established Company-wide supply contracts with trusted suppliers who have undergone a vetting process for items such as medical consumables, equipment, office supplies and IT software and hardware. These supply contracts are to ensure quality of supply over these critical products but also to ensure economies of scale can be taken advantage of to ensure best outcomes for IDX. Our suppliers supply medical equipment, medical consumables, equipment service, office supplies, IT software and hardware, electricity, insurance, cleaning and consultancy.

IDX is committed to treating our suppliers fairly and paying invoices within reasonable requested payment terms. We have a Code of Conduct that outlines how IDX expects its representatives to behave and conduct business.

IDX aims to maintain a high standard of ethical behaviour in conducting business and to behave with integrity in all dealings with suppliers.

As part of our ESG Strategy, we will establish partnerships with specific providers. We will work on how their sustainability roadmap can be improved and share our learnings from our own sustainability journey. In FY21 we have reached out to our top suppliers to understand what their current baseline is. We have worked cooperatively with certain suppliers to ensure they understand what our expectations are now and in the future. IDX has developed an Ethical Supply Chain Policy, which outlines how we ensure engagement with suppliers and management of supply chain risks is done in line with stakeholder expectations. IDX also has a Whistleblower Policy and the purpose of this Policy is to establish a framework to detect improper conduct and to encourage individuals to report improper conduct in a protected manner.

These policies can be found on the IDX website.

Modern slavery update

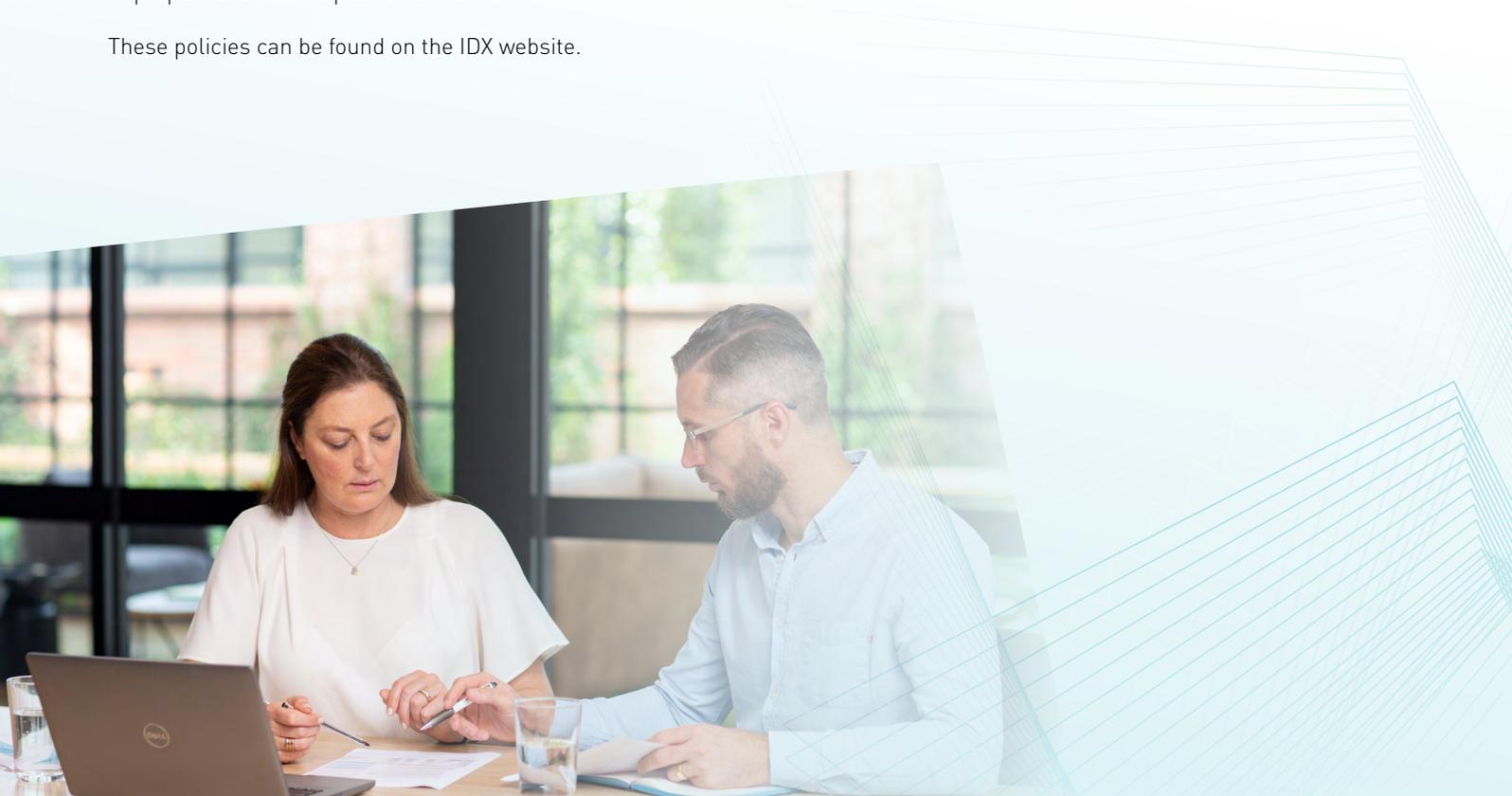
In March 2021, the Group submitted its first Modern Slavery Statement in accordance with the requirements of the *Modern Slavery Act (2018) (MS Act)*.

As part of IDX's continual review and improvements in our approach to combatting modern slavery, IDX continues to review the risks of, and mitigate the impacts of, modern slavery in its operations and supply chain. IDX only directly employs personnel in Australia and New Zealand and complies with all employment laws and regulations in those countries.

Our FY20 Modern Slavery Statement, supported by a detailed analysis of our supply chain, including equipment, medical consumables, information technology hardware and contracted typists, identified areas for risk assessment as a result of equipment, consumables and services being manufactured or provided from offshore.

We continue to work with our suppliers to further understand their downstream supply chains and controls and monitoring they have in place to ensure compliance with the MS Act.

Our second Modern Slavery Statement, including updates on actions and approaches to manage this risk, will be submitted to the Department of Home Affairs by end of December 2021.



COMMUNITY

At IDX, we value the contributions we make to the various communities in which we operate. The activities we focus on include sponsorships, fundraising, donations and volunteering to organisations with causes that fit with our Values. During the year we supported a range of organisations, causes and events with the aim of making a difference to the things that matter in our communities. Some of the community initiatives we have undertaken are as follows:

Integral Diagnostics community contributions

IDX was again a major sponsor of Radiologists Across Borders (RAB) and contributed to the development of an International Certificate of Radiology Fundamentals (ICRF) in partnership with RAB and the University of British Columbia (UBC). The project was the first of its kind globally, designed specifically for improving radiology skills in developing countries and supports the IDX vision of creating a healthier world.

IDX radiologists provided video tutorials to make the ICRF as interactive as possible and to assist students in obtaining a thorough understanding of fundamental radiology principles needed to support their communities in developing nations.

STEPtember – Everyone Counts

IDX once again took part in STEPtember, raising funds for the Cerebral Palsy Alliance. STEPtember challenges participants to take 10,000 steps per day and raise funds throughout the month of September. In FY21, both Australia and New Zealand joined forces with 135 IDX people participating and contributing to fundraising for the Cerebral Palsy Alliance. By participating in STEPtember and raising funds, we are creating a healthier world by helping people living with cerebral palsy get the specialised support services and equipment they need to build their independence, enhance their wellbeing and live their best lives.

Currumbin Wildlife Hospital – Embrace Change

The Currumbin Wildlife Hospital Foundation treats, rehabilitates and releases over 11,500 sick, injured and orphaned native wildlife each year. This is a service that is provided free of charge to the community and the Foundation's mission is to save as many native Australian animal patients as possible to preserve our wildlife for future generations to enjoy. South Coast Radiology's (SCR) Corporate Partnership allows the Currumbin Wildlife Hospital to continue the amazing work it does.

Lishman Health – Create Value

Apex Radiology was proud to sponsor the South West Health Research Forum for another year running, held on Thursday 26 November at ECU South West. The Forum was well attended with approximately 90 guests on the day and included presentations from key health professionals. Participants then engaged in group discussions around aged care, early investigators, paediatrics, mental health, cancer/palliative care,

Indigenous health, chronic disease and community/consumer engagement involvement. The Forum aims to identify health research priorities specific to the south west region of Western Australia and to build a rural and regional health research capacity for 2021 and beyond. The Lishman Foundation Fellowship Program is a collaborative partnership between the Foundation and the Rural Clinical School of Western Australia (RCSWA) that supports well-designed and supervised research projects among rural-based medical students.

St John of God Foundation – Patients First

Over the last year Apex Radiology provided a financial donation as well as sponsorship of 'free diagnostics imaging' to the Gifts of Hope recipients. The St John of God Foundation – Gifts of Hope initiative is a gift of financial support provided to in-need Australians suffering from life-threatening conditions, such as cancer. New medical discoveries, including medicines, can help patients to live longer and to experience less pain or other debilitating symptoms. However, these treatments can often be costly and out of reach of many Australians. A Gift of Hope can directly support a person to access potentially life-changing treatment during their time of greatest need.

Teenage Adventure Camps – Everyone Counts

Over the year SCR supported the Teenage Adventure Camps QLD, a registered charity, non-profit, all-volunteer organisation, that has been operating for over 10 years and caters for teenagers with life-threatening illnesses. The highlight of every year is the week-long adventure camp that brings the teenagers together to experience an adventure of a lifetime. It is arranged for teenagers suffering from cystic fibrosis, muscular dystrophy, cerebral palsy, various forms of cancer and other illnesses and provides them with the experience of living with their peers, establishing friendships and the realisation they are not alone.

Tonga Twinning Program – Medical Leadership

Lake Imaging are part of the Tonga Twinning Program. Due to COVID-19, the local Lake Imaging staff were unable to participate in the exchange this year but have provided remote support in Tonga. Lake Imaging have also donated medical consumables and an ultrasound machine to the program this year.

IQ Staff participating in the Capricorn Community Games – Everyone Counts

The Capricorn Community Games is a community-based fundraising event to help raise money for the Multiple Sclerosis Swimathon. The funds raised contribute to vital services and support for people in the local communities living with Multiple Sclerosis.

It is part of the IDX ESG strategy to continue to expand on initiatives within local and developing communities.

GOVERNMENT

In Australia IDX continues to monitor, assess and help shape the regulatory landscape through its participation in the executive of the Australian Diagnostic Imaging Association (ADIA) and radiologist’s membership in the Royal Australian and New Zealand College of Radiologists (RANZCR), including our CMO Dr Lisa Sorger who is on the RANZCR Faculty Council, the Diagnostic Economics Committee and the Theranostics Working Group and Dr Sally Sojan who is the Treasurer of the Australasian Musculoskeletal Imaging Group (AMSIG) and a member of the Diagnostic Imaging Accreditation Scheme Advisory Committee. In New Zealand

Dr Quentin Reeves’ is the president of AMSIG and a New Zealand committee member of the New Zealand branch of RANZCR. Please refer to GRI Index list for other memberships.

Political donations

We do not make direct or indirect contributions to any political party. Our Anti-Bribery, Fraud and Corruption Policy prohibits donations to political parties.

GOVERNANCE

IDX recognises that corporate governance is key to creating, protecting and enhancing value for our stakeholders. Our Board is committed to maintaining high standards of corporate governance and has adopted a system of internal controls, risk management processes and corporate governance policies and practices to support and promote the responsible management and conduct of our business.

We comply with the ASX Corporate Governance Council’s Principles and Recommendations (4th Edition). Certain details of our Corporate Governance framework are laid out in our Corporate Governance Statement. For more information on our corporate governance practices, please see our Corporate Governance Statement and related key governance documents, at www.integraldiagnostics.com.au/corporate-governance

In FY20, IDX established an ESG Committee to formalise our approach to our ESG responsibilities and subsequent action plans. The Committee comprises an Executive, members of Senior Management and operational personnel team. The Committee provides strategic direction and oversight of our ESG approach. Our Board has oversight of our ESG development and our ESG Committee.

The Board formalised its commitment to the social and environmental impacts of the Company’s activities by including the consideration of the social and environmental impacts of the Company’s activities, and approve, the Company’s policies on these matters and evaluates the effectiveness of and compliance with these policies in its key responsibilities in the Board Charter. In line with this, the Audit Risk and Compliance Committee Charter was

also updated to include responsibilities relating to the environment and social considerations and to reflect the Company’s adopted practice.

ESG Governance structure within IDX

IDX Board	Responsible for ESG including relevant corporate governance policies and risk management framework. Approve the ESG Strategy and the ESG Report.
Audit, Risk and Compliance Committee	Guides IDX’ ESG approach and development of Strategic Initiatives. Oversees reporting requirements and management of ESG risks.
People and Remuneration Committee	Oversees and guides our people, culture and remuneration strategy.
Senior Management and Executives	Approves and is responsible for actioning our specific ESG initiatives.
ESG Committee	Develops our ESG approach.

Remuneration in context of ESG

Part of our 360-degree leadership assessment is focused on our leaders’ ability to align to our core Values, which form the foundation of our ESG Strategy. The leadership assessment forms part of the annual remuneration review.

RISK MANAGEMENT FRAMEWORK

IDX's Risk Management Framework¹ identifies our risk profile and sets out the way key risks are assessed, managed, monitored, measured and reported. The Group's core financial and non-financial risks are described in the Operating and Financial Review in the Annual Report. These risks are continuously assessed by management and reported to the ARCC and Board. A copy of the Annual Report is available on our website.

During FY21 we continued to review and assess our procedures, processes and controls in relation to health and safety, business continuity, clinical excellence, privacy and confidentiality and cyber security to ensure we are adopting best practices in line with our industry profile, and to assess that we are managing these risks appropriately to ensure the best outcomes for all stakeholders. FY21 has also seen an increased focus on staff and management training on the integration of risk into key decision-making at all levels, with the launch of a dedicated program of risk training and identification for each Business Unit. We will continue this review in FY22, as well as implement identified actions and improvements.

Tax transparency

We are committed to meeting all tax compliance obligations and to providing our stakeholders with information about the taxes we pay and the taxation policies we employ. IDX has adopted a taxation policy to ensure that all taxes are paid in line with the relevant requirements of the Group's tax jurisdictions. The policy covers both direct and indirect taxes and the use of advisors.

Clinical governance

A key component of the Group's risk management is clinical governance, which is managed through the ICLC and Business Unit/Subsidiary Clinical Leadership Committees (Business Unit CLCs), under the ICLC Charter, which is available in the Corporate Governance section of our website.

The Charter provides a framework for the ICLC and Business Unit CLCs to work together to develop and implement policies and work practices to enable clinical best practice. The responsibilities of the ICLC include reviewing any recommendations arising from any adverse incidents from the Business Unit CLCs, reviewing Group-wide incident data and trends to identify improvements, and to share learnings to prevent recurrence.

Breakdown of Tax Paid

Unaudited breakdown of all tax payments for year ended 30 June 2021 (\$million)	Corporate income tax	PAYG paid on behalf of our employees	Employee payroll tax	Other tax	Total tax payments borne
	16.7	50.2	6.7	0.9	74.5

¹ The framework is consistent with ISO 31000:2018 Risk Management.



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Contact

We welcome feedback on our ESG Report as part of our commitment to continuous improvement. If you have any questions or feedback in relation to this report, please email IDX at: info@integraldiagnostics.com.au

External assurance

PKF Australia has conducted limited assurance over selected information in this Report and the associated data tables. A copy of PKF's assurance statement is available on our website.