



T | +61 3 5339 0704
E | info@idxgroup.com.au

Suite 9.02, Level 9,
45 William Street
Melbourne Vic 3000

www.integraldiagnostics.com.au

FY22 Environment, Social and Governance (ESG) Report

29 August 2022, Melbourne

Integral Diagnostics Limited (ASX:IDX) attaches its FY22 ESG Report.

For further details contact

Integral Diagnostics
Kirsty Lally
Company Secretary
Tel: +61 3 9321 4918
Email: klally@idxgroup.com.au

Authorised for lodgement by the Integral Diagnostics Board of Directors.

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 91 radiology clinics, including 31 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/.



Environment, Social & Governance [ESG] Report

2022





Acknowledgement of Country

Integral Diagnostics (IDX) acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. We proudly recognise Elders past, present and emerging as the Traditional Owners of the lands on which we work and live.

We're committed to supporting Indigenous self-determination and envision a future where all Australians embrace Aboriginal and Torres Strait Islander histories, cultures and rights as a central part of our Australian identity.

IDX recognises the status of Māori as Tangata Whenua and embraces the guiding Principles of Te Tiriti o Waitangi. We seek to grow our understanding of Kaupapa Māori, Tikanga Māori and Te Ao Māori in order to uphold our Te Tiriti responsibilities.

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A MESSAGE FROM OUR CHAIR AND CEO



We are pleased to present our 2022 (FY22) ESG Report, demonstrating our ongoing commitment to sustainability reporting, aligned to 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 have cemented our strategy developed in FY21 and sought to extend our commitments. The development in our ongoing commitment to understanding our emissions and how we can make ongoing reductions has been a key focus for IDX. We continue to drive performance across ESG areas (see FY22 highlights) and took significant steps forward in implementing 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 developing and implementing our strategy and highlighting 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 FY22 IDX:

- Cemented and implemented our ESG Strategy, which aligns with the United Nation's Sustainable Development Goals (SDGs);
- Extended our carbon footprint review, incorporating a full review of our Scope 3 emissions;
- Completed our first supplier screening risk rating review;
- Completed and submitted our second Modern Slavery Report;
- Reviewed our waste management processes and initiated an Operational Waste Management Plan;
- Continued reporting in accordance with the Global Reporting Initiative (GRI);
- Served 800,000 patients, performed over two million examinations and engaged with 37,000 referrers;
- Conducted a cyber attack simulation exercise;
- Developed a Performance and Development Framework;
- Extended our Leadership Development Strategy;
- Conducted Diversity and Inclusion Training for our Leadership group;
- Conducted Mental Health First Aid training for our leadership group.

The Scorecard in this Report details our ESG performance against specified key categories for FY22.

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



Helen Kurincic

Chair

29th August 2022



Dr Ian Kadish

Managing Director &
Chief Executive Officer



2 million

Patients First

examinations for 800,000 patients and
37,000 referrers



245

Medical Leadership

Reporting radiologists



+82

Everyone Counts

IDX patient NPS score from more
than 7,500 responses

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.

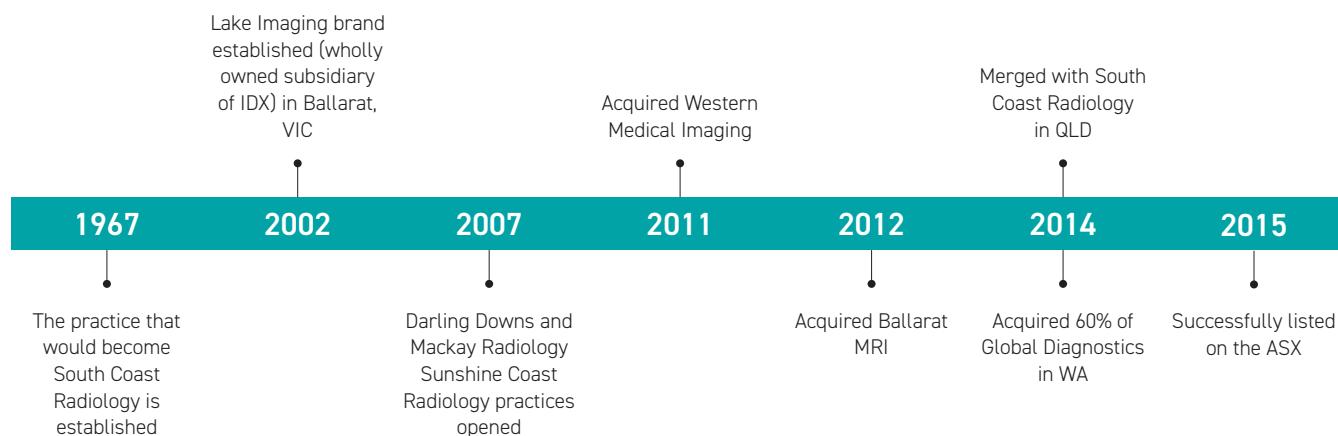
We provide our services through a network of clinics, including multiple comprehensive sites and operate under various brands in the different geographic areas.

In FY22 we engaged with 37,000 referrers and served 800,000 patients. IDX is further supported by our internally developed teleradiology service – IDXt, which provides 24/7 after-hours emergency reporting in addition to overflow reporting services. IDXt 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 1,641 radiologists and qualified technical, nursing and support staff is committed to providing the highest level of diagnostic imaging and patient care.



Company history





Announced acquisition of Geelong Medical Imaging

2018

Announced acquisition of Specialist Radiology Group, Trinity MRI and Cavendish Radiology in Auckland, NZ

2019

Acquired Imaging Queensland

IDxt established - Specialist overflow and after hours teleradiology provider

2020

Acquired Ascot Radiology, NZ
Integral Diagnostics has been included in the ASX Top 300

Acquired X-Ray Group, NSW & VIC

2021

Medx established - Joint venture with Medica (UK) and IDx

Acquired Horizon Radiology, NZ

FY2022-2023

Acquired Exact Radiology, QLD
Acquired Peloton Radiology group, QLD

ABOUT US

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

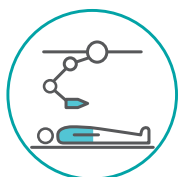
This year we have increased our focus on teleradiology with IDXt.

Teleradiology is a way for under serviced 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.

In 2021 IDX and Medica, the UKs largest telereporting organisation came together to form a joint venture, Medx, with an ambition to provide teleradiology services in new geographies.

Diagnostic imaging technologies include:



xray



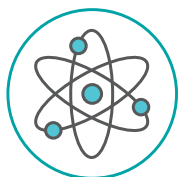
ultrasound



ct



mammography



nuclear
medicine



bone mineral
densitometry



mri



eos imaging
system



interventional
radiology



fluroscopy



pet/ct



dental

OUR VISION, PURPOSE AND VALUES

At IDX our vision is a healthier world and we achieve this by delivering on our purpose of providing the best health outcomes for our patients.

Our organisation is dedicated to putting our patients first, to demonstrating medical leadership, ensuring that everyone counts, creating value for all our stakeholders, and embracing change. These are our five values and together they shape the IDX culture and set the expectation of how we work together and care for our patients.

In FY22 our Values guided us through a series of new challenges as we saw colleagues, friends, family and patients impacted by COVID-19. Our IDX 'Healthcare Heroes' across Australia and New Zealand responded with dedication and compassion, delivering on our vision by providing the best possible care and specialist imaging to our patients. We are enormously grateful to our teams who have lived our values by supporting each other and caring for our patients through another challenging year.

OUR VISION

a healthier world

OUR VALUES



patients first

PATIENTS ARE AT THE HEART OF EVERYTHING WE DO



medical leadership

IMPROVING OUTCOMES WITH EVIDENCE BASED CARE



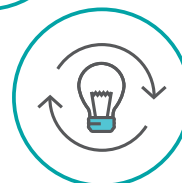
everyone counts

WE WORK SAFELY, INCLUSIVELY AND RESPECT EACH OTHER



create value

DELIVER SUSTAINABLE VALUE TO ALL STAKEHOLDERS



embrace change

STRIVE FOR EXCELLENCE, HAVE THE COURAGE TO INNOVATE

OUR PURPOSE

deliver the best health outcomes for our patients

STAKEHOLDERS AND MATERIALITY – DEVELOPMENT OF ESG STRATEGY

We aim to deliver sustainable value to all stakeholders, and to have regard for, and balance the needs of our stakeholders, 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 commenced our patient NPS surveys and will commence a referrer NPS survey in 2023. The feedback we received from our referrer and patients is imperative to improved services and better patient outcomes.

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.

We continue to work with our stakeholder groups to ensure our ESG strategy aligns with the expectations of the communities in which we operate. This ongoing engagement has assisted us with developing our ESG Strategy, which is aligned to the IDX Values as set out below.

Our Values

Our Strategies



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
- Environment and ethical supply chain



embrace change

STRIVE FOR EXCELLENCE, HAVE THE COURAGE TO INNOVATE

- Driving technology and innovation
- Resource efficiency

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 acknowledged internal boundary is IDX itself 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 FY23 we will look to further implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Our Values

SDGs aligned with strategy FY22-FY26

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

ESG SCORECARD

| Stakeholders | FY22 | | FY21 | | FY20 | | FY19 | | FY18 | |
|--|----------|----|-----------|----|-----------|----|----------|----|---------|----|
| Donations and sponsorships (\$'000) | 291 | | 253 | | 348 | | 299 | | 215 | |
| Taxes paid (\$'000) ¹ | 19,353 | | 24,305 | | 14,872 | | 13,916 | | 11,327 | |
| Salaries and related expenses paid to employees (\$'000) | 189,148 | | 184,492 | | 146,765 | | 113,613 | | 95,712 | |
| Statutory NPAT (\$'000) | 14,603 | | 31,268 | | 23,033 | | 20,983 | | 15,079 | |
| Dividends paid (\$'000) | 21,850 | | 18,558 | | 18,648 | | 14,025 | | 11,603 | |
| Market capitalisation (\$'000) ² | 694,085 | | 1,032,869 | | 759,268 | | 496,328 | | 438,033 | |
| People | | | | | | | | | | |
| Headcount | 1,641 | | 1,524 | | 1,341 | | 1,021 | | 890 | |
| Staff turnover % ³ | 29.25% | | 23.29 | | 15.56 | | 18.84 | | 18.33 | |
| Training and development (\$'000) | 1,491 | | 1,077 | | 1,082 | | 816 | | 640 | |
| Employee Net Promoter Score | -14.2 | | -11.5 | | 25.5 | | N/A | | N/A | |
| Safety | | | | | | | | | | |
| Lost time injuries per million hours worked (LTIFR) ⁴ | 1.43 | | 6.36 | | 6.73 | | 14.7 | | 14.89 | |
| Fatalities | Nil | | Nil | | Nil | | Nil | | Nil | |
| Patients | 800,000 | | 797,000 | | | | | | | |
| Total exams (million) | 2.001 | | 2.059 | | 1.725 | | 1.459 | | 1.375 | |
| Patient incidents as a % of exams ⁵ | 0.04% | | 0.04% | | 0.03% | | 0.03% | | 0.04% | |
| Gender | | | F | M | F | M | F | M | F | M |
| % Total workforce | 75 | 25 | 75 | 25 | 76 | 24 | 75 | 25 | 75 | 25 |
| % Senior Management ⁶ | 50 | 50 | 43 | 57 | 30 | 70 | 33 | 67 | 17 | 83 |
| % Executive ⁷ | 33 | 67 | 33 | 67 | 50 | 50 | 50 | 50 | 50 | 50 |
| % Board | 50 | 50 | 43 | 57 | 43 | 57 | 43 | 57 | 43 | 57 |
| Age diversity | | | | | | | | | | |
| % Employees under 30 | 24 | | 21 | | 23 | | 21 | | 22 | |
| % Employees 30 – 50 | 50 | | 54 | | 51 | | 49 | | 46 | |
| % Employees over 50 | 26 | | 25 | | 26 | | 30 | | 32 | |
| Years of service | | | 0-2 years | | 2-5 years | | 5+ years | | | |
| % Employees under 2 years of service | 40 | | 36 | | 33 | | 35 | | 33 | |
| % Employees between 2 and 5 years of service | 24 | | 26 | | 28 | | 28 | | 28 | |
| % Employees over 5 years of service | 37 | | 38 | | 39 | | 37 | | 39 | |
| Environment | | | | | | | | | | |
| Scope 1 greenhouse gas emissions (Co2-e tonnes) ⁸ | 588.1 | | 508.2 | | 432.7 | | N/A | | N/A | |
| Scope 2 greenhouse gas emissions (Co2-e tonnes) ⁸ | 9,109.50 | | 7,028.80 | | 6,716.50 | | 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 in 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 businesses acquired that have not been part of the Group for the full 12 months.

5. Excludes businesses acquired that have not been part of the Group for the full 12 months.

6. Senior Management includes the following positions: General Managers, Group Commercial Manager, Group Strategy and Integration Manager, Group Business Development Manager, Group Risk Manager, Group Finance Manager, Group IT Projects and Operations Manager, Group People and Culture Manager.

7. Executive includes the following positions: Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Operating Officer (COO), Chief People Officer (CPO), Chief Information Officer (CIO), and Chief Medical Officer (CMO).

8. The increase in Scope 1 and Scope 2 emissions are due to the full year effect of acquired businesses in FY22 and a calculation methodology which incorporates best practice assumptions as recommended by an external consultant.

ENVIRONMENT

Environmental plan and initiatives

This year we extended our previous assessment of our carbon footprint, by continuing to assess our Scope 1, 2 and 3 emissions. 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. We identified via our materiality assessment that, climate action was a key area of focus. We are committed to reducing the environmental impacts of our organisation and have engaged an external consultant to help develop a roadmap for this.

In FY22, our Waste Management Committee undertook a organisation-wide survey to understand where operational improvements in waste reduction can be made. Our teams were clear in their desire to do more to reduce waste, both within the business and at home.



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 Scope 1, 2 and 3 greenhouse gas emissions.

This work provided us with a greater understanding of the environmental impact of our business operations. This year we have disclosed our Scope 1 and 2 emissions and fully assessed our Scope 3 emission to begin to work towards a Net Zero pathway. In FY23 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, while focusing on the development of a strategy to align with the Science Based Target Initiative (SBTi) for a Net Zero commitment.

We are committed to reducing the environmental impacts of our organisation. In FY22 we engaged an external consultant to examine and evaluate how we can improve our greenhouse gas emissions and environmental impact. This activity has provided IDX a proposed framework and pathway for a carbon neutral and Net Zero commitment. During FY23 we will focus on the development of 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 meets monthly and gives structure to the initiatives mentioned in our previous ESG reports. We have gained an understanding of our usage of consumables across our business and are developing a formal operational Waste Management Plan to maximise the effective use of these consumables and minimise waste. This year we commenced a regular Waste Management newsletter designed to encourage our teams to minimise their waste and to increase awareness and use of waste management facilities.

The Waste Management committee procured recyclable single use products for all sites to decrease our waste going to landfill. This included paper water cups in our waiting rooms and recyclable gowns used for PPE.

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. This year we engaged with a third party to provide guidance in assessing our waste diverted from landfill to establish benchmark data so that further reductions can be initiated in FY23. Our waste management team intends to work with our operational teams on waste management strategies in FY23

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.

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

In our commitment to developing a sustainable circular economy, most of our imaging equipment is traded in when we buy new equipment. These vendors reuse component parts where possible. We will continue to engage with our vendors and suppliers to promote circular economy initiatives.

ENVIRONMENT

Digital transformation

IDX's digital transformation strategy, will see forms digitised, process optimisations and new digital tools developed. These optimisations and enhancements will result in a reduced use of paper, while maintaining patient data accuracy and safety.

IDX encourages our shareholders to access communications electronically and to reduce the energy and water resources needed for 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.



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 adhere to As Low As Reasonably Achievable (ALARA) principles in compliance with the industry standards to deliver the safest care with the best outcomes for our patients.



SOCIAL

People

Our people are a talented, dedicated, and compassionate team of healthcare professionals. They are the heart of our business and work every day to provide the best possible health outcomes to every patient so we can realise our vision of building a healthier world.

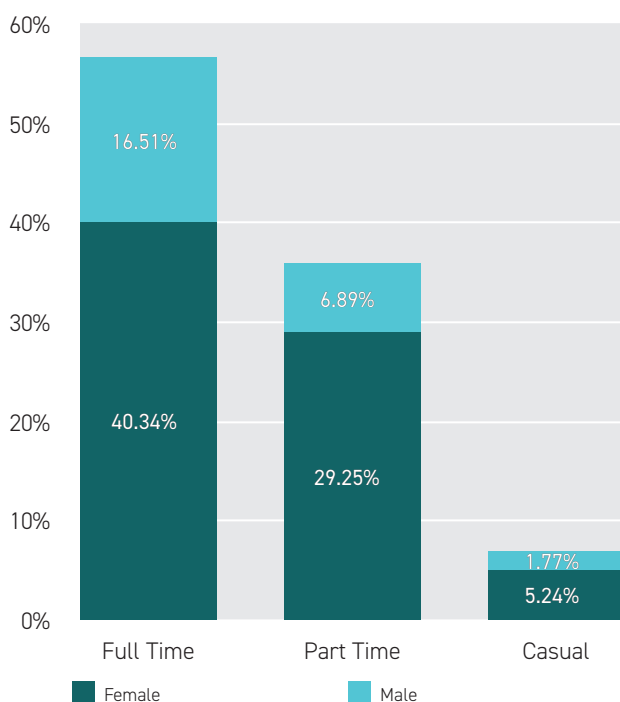
Employee relations

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 arrangements.

IDX engages a further 116 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.

Professional development

We are committed to the ongoing clinical and professional development of our people and provide a range of opportunities to support their current and future needs and ensure they have the right capabilities to thrive.

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.

Our radiologists attend industry-leading conferences and placements, ensuring they remain up to date with the latest technological and medical advances in diagnostic imaging.

Our leaders play an important role in shaping the culture of our workplace and the engagement and performance of our people. In FY22 we expanded support for our leaders with new intakes of our leadership development programs, and the implementation of a new externally accredited leadership development program for our radiologists.

Our performance and development review process supports us in achieving our individual, team, and organisational level objectives. In FY22 we implemented a new digital performance review platform, which facilitates effective goal-setting, performance feedback and development conversations between our employees and people leaders.

Culture

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

In June 2022 IDX's engagement score (our primary culture measure) was 42%, an increase of 4 percentage points from 38% in June 2021. The survey results highlighted the dedication of our people as healthcare professionals, and the care and connection they have with each other as colleagues, as key strengths of our culture. Ongoing COVID-related pressures have also impacted our teams over the past year, and we saw a dip in our internal NPS result from -11.5 to -14.2 in the 12 months to June 2022.

We will continue listen to the feedback in our culture surveys to implement positive action to create the best culture for everyone at IDX. We know that when our people are heard our patients benefit and we realise our Purpose of delivering the best health outcomes.

SOCIAL

Employee Recognition

In FY22 we implemented two new employee recognition programs to celebrate the talents and achievements of our people. The High Five and Live Our Values Everyday (LOVE) Award recognition programs complement our existing annual CEO Award program and provide our staff with more opportunities to connect with their peers, recognise achievement and celebrate living our values. In the first 10 months of the program, over 1000 peer-to-peer High Five awards were sent, and over 400 LOVE Awards were submitted, each one helping to cement connection to our values and a culture of recognition.



Gender Pay Equality

At IDX we are committed to ensuring our workplace is inclusive and to promoting gender pay equity. In FY22 we conducted our second Gender Pay Equity Analysis with a review across all categories based on the current WGEA submission. The review identified that when comparing equivalent roles, there is generally pay equity across IDX. Pay equity refers to equal pay for work of equal or comparable value. Equal pay is not just about equal wages. Equal pay takes into account discretionary pay, allowances, performance payments, merit payments, bonus payments and superannuation.

| Total remuneration ¹ | | |
|---------------------------------|------|------|
| Pay Equity % | FY22 | FY21 |
| Clinical ² | 97% | 97% |
| Clerical | 103% | 106% |
| Radiologists | 94% | 95% |

1. Total Remuneration is the annualised cash salary for males and females in each group, including, overtime, allowances, cash bonus payments and on call.
2. Excludes Radiologist cohort

We are proud that 62% of the wider IDX leadership and management roles (including those from each of our businesses) are occupied by females. In FY22, 74% of internal



promotion placements and 78% of new external appointments were female.

Gender Pay Gap

The Company calculated its gender pay gap for the whole IDX workforce (excluding the CEO) using the WGEA Pay Gap Calculator¹. The gender pay gap is 55%, which represents the difference between the remuneration of women and men across the organisation irrespective of role. Available WGEA data shows that the gender pay gap for our industry sector (Pathology and Diagnostic Imaging Services within Medical and Other Health Care Services Industry Subdivision) is 40.7%. This gender pay gap is driven by the majority of highly paid specialist medical professionals, who have undertaken significant amounts of study to be registered specialist medical professionals such as radiologists, being male.

IDX's gender pay gap reflects the fact that the majority of the highest paid cohort of our workforce, our radiologists, are men. Only 27% of our radiologist cohort are female. For comparison, the RANZCR membership data shows that 31.7% of its members are female.

Improvements in our gender pay gap will be driven by an increase in the number of female radiologists employed in our business. In 2022 IDX introduced a diversity objective to see improvement in the female participation rate of radiologists across IDX and within 10% range of RANZCR gender membership data by 2026.

Within other cohorts of our organisation as noted above there is general pay equity.

Turnover of staff

Last year was another challenging period for IDX as Covid-19 outbreaks, isolation requirements, government-imposed lockdowns and border closures all took their toll. Our total FY22 turnover increased by 5.96%, 1.94% of this was unplanned, and the remainder was planned turnover related to the conclusion of fixed-term contracts. With demand for healthcare professionals at an all-time high, talent attraction and retention continue to be a strategic priority, with a focus on wellbeing, rewards and benefits, and development.

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 FY22 Workplace Gender Equality Agency (WGEA) submission, which deals with our Australian workforce, 2.7% of our Australian workforce took parental leave, with 88% returning to work. In FY22, 74% of our employees who were promoted were female, up from 67% in FY21. Many also work 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, plus investigation.

IDX monitors our health and safety performance via incident reporting and active consultation and engagement processes with staff through representative committees. During FY22, 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 1.43 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 FY22 and no fines or penalties were issued.

Wellbeing

As our employees continue to rise to the challenge of extraordinary COVID-related pressures, supporting their wellbeing and helping them to thrive is more important than ever.

All IDX employees and their family members have access to fully funded wellbeing support through our Employee Assistance Program (EAP) aimed at supporting both their personal and professional wellbeing. Our EAP partner provides confidential and solution-focussed counselling services, together with financial coaching, nutritional coaching and a digital wellbeing platform of support tools and resources.

In FY22 we developed a Wellbeing Framework, which incorporated strategies, action, and support across four key pillars of health and wellbeing – physical, emotional, social, and financial. In FY23 we will continue to expand wellbeing support for our people, through our Mental Health First Aid program and Inclusive Leadership training more broadly across IDX to support a psychologically safe workplace. In addition to continuing to support physical and mental health, we will support the financial wellbeing of our people with new salary packaging and novated leasing benefits, as well as introducing a financial education and resources series, as we recognise the correlation between financial health and wellbeing.

¹ WGEA measures Australian Pay Gap data only. Only Australian IDX data was used in these calculations.

SOCIAL

We continue to review our benefits offering to ensure our people have access to benefits that are meaningful to them and deliver personal value.

Acknowledgement of First Nations People

We acknowledge our First Nations people in the communities in which we operate. We will seek to explore ways in which we can engage with our local communities and enhance our engagement in to the future.

Our Chief Medical Officer, Dr Lisa Sorger, was recently published in the Journal of Medical Imaging and Radiation Oncology (JMIRO) with a seminal work on CT Chest in Australian Indigenous Communities.

Diversity and inclusion

At IDX we are committed to an inclusive culture that values diversity and where everyone feels safe, welcome and valued. We acknowledge that our employees, patients, referrers, and the communities we operate in share a diverse range of backgrounds, lived experiences and identities and we support an inclusive and respectful workplace. IDX does not tolerate discrimination, harassment, vilification, or victimisation and is committed to providing an environment where people are treated with respect. We achieve this through a range of supportive policies, practices, training, and employment conditions that address equal employment opportunity, harassment, and discrimination.

In FY22 we developed an IDX Diversity & Inclusion Strategy in partnership with a specialist external consultant. The strategy includes a three-year action plan which gives structure to our diversity agenda and sees us prioritising four key focus areas - inclusive culture, careers, leadership, and care.

To support our focus on inclusive culture and careers, in FY23 IDX will be taking part in the Career Revive Program, an Australian Government initiative aimed at increasing organisational inclusion to improve attraction and retention of skilled women in the workplace. While a key focus of the program is boosting support to female returners to the workplace, insights and actions are expected to benefit the broader workforce.

Paid Parental Leave

One of our first priority actions as part of our Diversity & Inclusion strategy was to introduce paid parental leave. From 1 July 2022, IDX has introduced 6 weeks paid parental leave for primary care givers, and 1 week for non-primary care givers for eligible employees in Australia. At IDX everyone counts and our paid parental leave benefit is designed to increase inclusion, and support our people to better balance work and family priorities.

Autism Spectrum Training

To better understand Autism and learn how we could collectively welcome and support a more diverse working environment within our business, the IDX Shared Services team undertook Autism Awareness training in FY22. This training assisted the team to support a new team member with autism.

Becoming an integral part of the team – Wade's story.

Wade loved his job as an Administration Assistant with the Procurement Team at Deakin University where he had worked from 2017. But when COVID hit in April 2020, Wade, like so many others, was made redundant.

With the dedicated assistance of Disability Employment Consultant, Ebony, Wade set about gaining new employment with enthusiasm. He had glowing references from his previous employers, yet opportunities were hard to come by.

Wade's dedication was impressive and in addition to continued job searching, he undertook several measures to improve his employability. He worked on improving his physical fitness and engaged in sessions with Mia, our experienced health and wellbeing professional. He participated in MatchWorks programs such as KickStart, 5 Steps Forward and Destination Work for tailored support and mentoring. Wade also completed the CAFÉ Hospitality course and attended multiple mock interviews to improve his interview technique.

Finding an inclusive employer

In August 2021, Integral Diagnostics People and Culture Business Partner, Stephanie Bartley contacted MatchWorks to assist with recruitment and disability training for the team. After watching a program on SBS, she had realised the benefits of employing someone with disability and committed to do something about it.

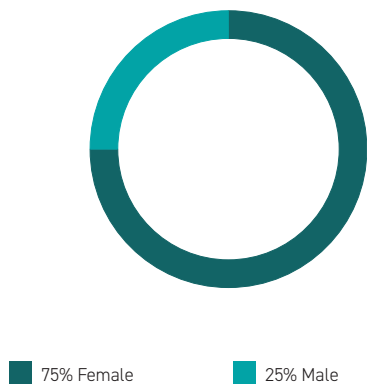
"I learned that 1 in 5 people have some type of disability in the community and realised that the workforce needed to reflect this," Stephanie said.

After creating the right role, the MatchWorks team in Geelong supported Stephanie to find the best person for the job. Wade was the perfect match and in September 2021, he was offered an ongoing position as Administrative Assistant.

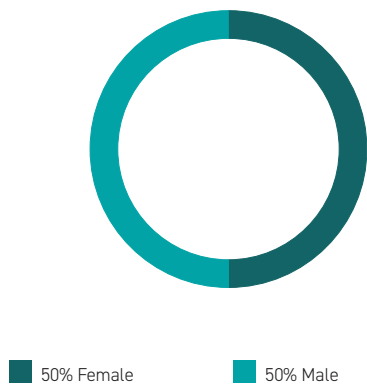
"Suddenly I had a job and a new daily routine," Wade said. "I was meeting new people which was great after the lockdowns as they were socially isolating. I feel more calm and stable now." *Credit: Matchworks*

Equality

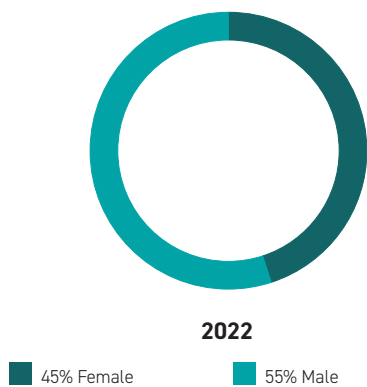
Company Gender Profile



Board Gender Profile



Senior Management and Executive Employees Gender Profile

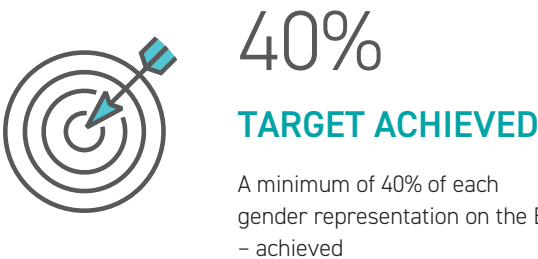


The Board continues its commitment to the measurable objectives for gender diversity. For 2022, those objectives were:

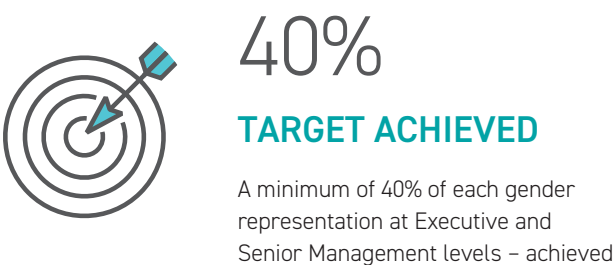
- i. a minimum of 30% of each gender representation to be achieved at the Executive level by 2026¹;
- ii. a minimum of 40% of each gender representation on the Board by 2026;
- iii. a minimum of 40% of each gender representation to be achieved at Senior Management level by 2026²;
- iv. a minimum of 40% of each gender representation to be achieved at Executive and Senior Management levels by 2026;
- v. at least one of each of each gender to be included as shortlisted candidates for Board, Executive and Senior Management positions;
- vi. 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
- vii. 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.

In 2022, the Company achieved its target female representation for Board, Executive and Senior Management levels. During the year, six appointments were made at the Executive and Senior Management levels, with four of those appointments being female.

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¹. Executives include the following positions: CEO, CFO, COO, CPO, CIO and CMO.
². Senior Management includes the following positions: General Managers, Group Commercial Manager, Group Strategy and Integration Manager, Group Business Development Manager, Group Risk Manager Group Finance Manager, Group IT Projects and Operations Manager, Group People and Culture Manager.

SOCIAL

The Company's performance against its objectives are listed below:

| Objective | Achievement |
|--|--|
| a minimum of 40% of each gender representation on the Board by 2026 | 50% of Board members were female. |
| a minimum of 30% of each gender representation to be achieved at the Executive level by 2026 ¹ | 33% of the Executive were female. |
| a minimum of 40% of each gender representation to be achieved at Senior Management level by 2026 ² | 50% of the Senior Management level were female. |
| a minimum of 40% of each gender representation to be achieved at Executive and Senior Management levels by 2026 | 45% of the Executive and Senior Management levels were female. |
| At least one of each gender are to be included as shortlisted candidates for Board, Executive and Senior Management positions | The following positions were recruited during the period – CFO, 2 General Managers (Apex and IQ). Of the three positions all processes had at least one of each gender shortlisted. The process for recruiting a Board member commenced in FY22 and a least one of each gender was shortlisted for the position. |
| 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) | Female employees IDX: 74.8% Female employees WGEA: 76.7% |
| 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 | Female Radiologists IDX: 27.0% ³ RANZCR female members: 31.7% ⁴ |

1. Executives include the following positions: CEO, CFO, COO, CPO, CIO and CMO.

2. Senior Management includes the following positions: General Managers, Group Commercial Manager, Group Strategy and Integration Manager, Group Business Development Manager, Group Risk Manager, Group Finance Manager, Group IT Projects and Operations Manager, Group People and Culture Manager.

3. This includes employed radiologists in Australia and consistent with the NZ private radiology model, all doctors work across the public and private sector and meet the criteria to be classified as contractors but are on terms and conditions similar to IDX employed radiologists.

4. Source RANZCR 20/21 Annual Report

In FY22, 67% of the Executive and Senior Management appointments were female. IDX requires gender diversity in all shortlisted candidates for Board, Executive and Senior Management positions.

The Board via the PRC reviewed its measurable objectives in the current year and has adopted the following objectives for 2023:

- a minimum of 40% of each gender representation on the Board by 2026;
- a minimum of 40% of each gender representation to be achieved at the Executive level by 2026¹;
- a minimum of 40% of each gender representation to be achieved at Senior Management level by 2026²;
- a minimum of 40% of each gender representation to be achieved at Executive and Senior Management levels by 2026;
- at least one of each of each gender to be included as shortlisted candidates for Board, Executive and Senior Management positions;
- 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
vii. 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.

¹. Executives include the following positions: CEO, CFO, COO, CPO, CIO and CMO.

². Senior Management includes the following positions: General Managers, Group Commercial Manager, Group Strategy and Integration Manager, Group Business Development Manager, Group Risk Manager, Group Finance Manager, Group IT Projects and Operations Manager, Group People and Culture Manager.

Remuneration in Context of ESG

During FY22, the Board conducted a review of the Company's executive remuneration framework.

The framework adopted in FY22 and prior years had not been reviewed since 2017. In conducting the review, the Board considered feedback it had received from investors and management over the years, the increasing maturity of the business and the strategic priorities of the Company.

Changes were implemented to the non-financial award portion of the Short Term Incentive (STI). The non-financial award portion of the STI now includes a mix of strategic goals and sustainability goals, which have been introduced to support the Group's ongoing achievements of its ESG strategy and to recognise that our patients, people, culture and risk management are integral to our ongoing success and ability to differentiate in an increasingly competitive market.

Sustainability goals include measures related to patient satisfaction, employee engagement, safety and injury prevention, employee turnover and environmental impact.

To further emphasise the importance of sustainability, the Company has also introduced a risk, compliance and conduct gateway as a condition of granting of any STI award in FY23.



PATIENTS AND REFERRERS

At IDX, patients and referrers are at the centre of everything we do. The two key groups that we service are:

- 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 FY22 we saw over 800,000 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 FY22 we engaged with 37,000 referrers and attended to over 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 as well as 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 policy. All employees must undertake 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 is of importance to us. During 2022, we commenced organisational wide measurement of 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. We are proud of our patient NPS score of +82. We aim to maintain this level of patient satisfaction and will use the 2022 group score as our benchmark for 2023.

We are continually seeking to improve the our patients' experience when visiting our clinics and interacting with our teams. Enabling every patient to control their healthcare journey is a key focus for our ongoing digital development strategy. Patients want to be able locate, contact and book their imaging,

at a time convenient to their needs. Enabling patients to take control of their health care journey will drive key activities in the coming year.

Privacy and Data Security

As a health company, we take seriously our responsibility to manage and protect our customers' and employees' information and privacy, working to ensure the security of our services and operations.

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.

Our commitment to privacy

We aim for strong, effective and contemporary privacy management practices and systems that will enhance trust and confidence in the way that we do business. Our Privacy Framework guides our approach, focused on these key principles:

- creating a culture of privacy awareness;
- recognising that we handle sensitive information and manage diverse operations across our business, and we take a responsible approach to ensuring that privacy is respected;
- integrating privacy into our enterprise risk, compliance and incident management systems;
- applying a risk-based approach to privacy and encouraging open, proactive conversations about privacy risk;
- embedding privacy practices; and
- expecting a high degree of best practice privacy compliance from our employees and our systems.

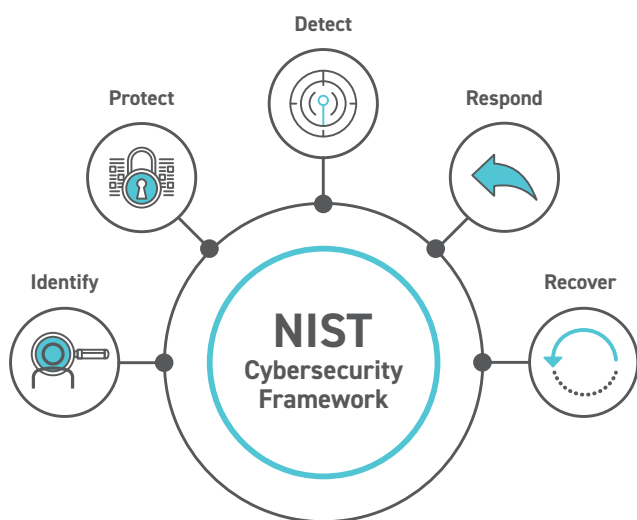
We are committed to providing our customers with transparency in relation to how we collect, store and use their data. Our Privacy Policy is available online and provides details on:

- our collection, use and disclosure of information;
- how customers can access their personal information; and
- when and how we dispose of personal information.

Keeping information secure

From the way we manage our mobile devices to our malware protection, security monitoring and incident responses, our risk-based approach ensures that information security and privacy practices are part of our day-to-day activity. Our approach is strongly embedded across our business processes, policies, systems and frameworks. We conduct privacy impact assessments when needed on services, projects or procurement of services that involve personal and sensitive information. We also have disaster recovery plans in place, which detail the response and recovery steps and timeframes required, should an incident occur.

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.



Testing our readiness and resilience

Each year we test our readiness for managing cybersecurity incidents, running a number of simulation exercises to assess our resilience, across the business involving staff members with skills in clinical, technology and operations, legal, privacy, compliance, risk management, external affairs, marketing and members of our senior leadership team. Each simulation aims to review our plans and procedures when responding to a significant cybersecurity event – how we deal with the threat, recover from any loss and/or damage to our systems and services and manage reputational damage. This year, our simulations included common ransomware attacks impacting on our local businesses. Outcomes from these exercises are then integrated into our response training program, to support the continued improvement of our security capabilities.

Referrers

Retaining and increasing the number of healthcare professionals who refer patients to our diagnostic services is a key component of 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 are seeking to extend these optimisations for our referrers to ensure that they have access to the latest medical information and can engage with our Radiologists and clinical teams as required.

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.

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



Radiologists Across Borders (RAB) - Medical Leadership

IDX was again a sponsor of Radiologists Across Borders (RAB) who provide resources to Radiologists in developing nations to increase knowledge and promote improved patient care. IDX have 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.

IDX also partnered with RAB to provide one on one mentoring and practical support services to those in developing nations. IDX will continue to support this program in to FY23.

Tonga Twinning Program – Medical Leadership

Lake Imaging is 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 has also donated medical consumables and an ultrasound machine to the program this year.



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 of September. In FY22, both Australia and New Zealand teams participated and contributed 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 to get the specialised support services and equipment they need to build their independence, enhance their wellbeing and live their best lives.

Supporting Our Communities - Red Cross - Everyone Counts

We are committed to supporting the communities we operate in, so in March 2022 IDX made a significant financial donation to the Red Cross to help those impacted by the Queensland and New South Wales flood disaster. A number of our staff, their families and friends were personally impacted by the floods and we were also incredibly proud of the individual support, financial donations and recovery efforts our people contributed personally to the flood disaster.

Whitsunday Voices Youth Literature Festival – Everyone Counts

Mackay Radiology (part of the South Coast Radiology group) supported the Whitsunday Voices Youth Literature Festival, which provides a unique opportunity for students and educators in the local area to meet and learn from some of Australia's most acclaimed children and young adult authors, presenters, and performers. This fun-based cultural event is not normally available in regional areas, and its reach extends to over 65 schools and 5000 participants.

Winter Warmers – Everyone Counts

Apex Radiology has a long standing community program to support those in need within their community. This programme provides sleeping bags to the St Patrick's Community Support Centre - Willetton, Salvation Army - South West, and St Vincent de Paul - South West to ensure those in need have some comfort over the winter months.

Zontas House Women's Refuge - Everyone Counts

Apex Radiology support the Zontas House Women's refuge by providing winter pyjamas, warm dressing gowns, socks and underwear for women who have experienced, or are at risk of experiencing, family and domestic violence.

IQ Staff participating in the Capricorn Community Games - Everyone Counts

The Capricorn Community Games is a community-based fundraising event to 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.



Lishman Health - Create Value

Apex Radiology was proud to sponsor the South West Health Research Forum. The Forum was well attended with approximately 90 guests 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 provides 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 for many Australians. A Gift of Hope can directly support a person to access potentially life-changing treatment during their time of greatest need.



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 of these critical products and also to ensure economies of scale can be taken advantage of to secure the 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 aims to maintain a high standard of ethical behaviour in conducting business and to behave with integrity in all dealings with suppliers.

Buying with impact

As part of our ESG Strategy, we are establishing partnerships with key providers to understand their sustainability roadmap and share our learnings from our own sustainability journey. We have worked cooperatively with many of our suppliers to ensure they understand our expectations now and into the future. IDX will seek to extend this activity in FY23 by incorporating our supplier emissions information, in relation to the equipment we purchase into our procurement matrix along with circular economy initiatives generated by our suppliers. We are committed to working with our supplier to ensure all Scope 3 emissions are reduced.

Ethical Supply Chain

IDX has developed an Ethical Supply Chain Policy, which outlines how we ensure engagement with suppliers and management of supply chain risks is conducted 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.

Paying bills promptly

As part of our commitment to be a good business partner, we work to pay our suppliers and partners on time. Our on-time payment report represents our performance in paying all of our suppliers against agreed terms. We have also started reporting on our payment times for small businesses. We have a Code of Conduct that outlines how IDX expects its representatives to behave and conduct business.

Modern slavery update

In December 2021, the Group submitted its second 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 directly employs personnel in Australia and New Zealand and complies with all employment laws and regulations in those countries.

Our FY21 Modern Slavery Statement is supported by a detailed analysis of our supply chain, including equipment, medical consumables, information technology hardware and contracted typists. Analysis of IDX's supply chain and associated risks identified similar risks to the previous year, in that our greatest risk relating to modern slavery is being directly linked to it through our supplier relationships.

Accordingly, the Group engaged directly with suppliers assessed as very high risk plus our 10 largest suppliers, to gain a better understanding of their approaches to managing modern slavery risks and to convey IDX's expectations in this regard.

Our FY21 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 supplies 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.

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.

IDX has established an ESG Committee to formalise our approach to our ESG responsibilities and subsequent action plans. The Committee comprises Executives, members of Senior Management and operational personnel. The Committee provides strategic direction and oversight of our ESG approach. The Audit Risk and Compliance Committee guides and monitors the ESG Committee's activities, which are reported to the Board.

The Board formalised in its charter, its commitment to the social and environmental impacts of the Company's activities by including the consideration of these matters, in its charter. The Board approved the Company's policies and evaluates the effectiveness of and compliance with these policies. The Audit Risk and Compliance Committee Charter, includes responsibilities relating to the environment and social considerations.

ESG Governance structure within IDX

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's 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 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 Framework identifies our risk profile and sets out the way key risks are assessed, managed, monitored, escalated 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 FY22 we continued to review and assess our 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. An update of IDX's risk profile resulted in the inclusion of a risk focused on meeting stakeholder ESG related expectations. FY22 has also seen the rollout of a risk management application designed to efficiently produce risk reporting for senior management and ARCC/Board consumption and to drive accountability regarding management of risks and achieving agreed actions.

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.

Summary of tax paid

| | |
|---|--------|
| Unaudited breakdown of all tax payments for year ended 30 June 2022 (\$million) | |
| Corporate income tax | 11,914 |
| PAYG paid on behalf of our employees | 56,226 |
| Employee payroll tax | 7,439 |
| Total tax payments borne | 75,579 |

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.

This financial year, IDX has added a new group wide quality manager role to work collaboratively across all IDX Business Units and Shared Services Teams to foster a culture of continual improvement, clinical excellence, and quality at all levels of the organisation. This initiative will help drive clinical process improvements and drive efficiencies by maximising best practice information sharing between Group and Business Unit functions.

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). Our CMO Dr Lisa Sorger is on the RANZCR Faculty Council, the Diagnostic Economics Committee and the Theranostics Working Group, while 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.

CONTACT US

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.

Suite 9.02 Level 9, 45 William Street
Melbourne, Victoria 3000
T +61 3 5339 0704
ABN 55 130 832 816



