

People. Technology. Growth.



Environment, Social and
Governance (ESG) Report
2020



Integral's approach to ESG practices focuses on aspects considered to be material to our business and our overarching vision to make the world a healthier place.



CONTENTS

- 02 Introduction
- 03 **ABOUT US**
- 03 Who we are
- 05 Our vision, purpose and values
- 06 Strategy and focus
- 07 **ESG SCORE CARD**
- 08 **ENVIRONMENT**
- 08 Environmental plan
- 08 Environmental initiatives
- 10 **SOCIAL**
- 10 People
- 12 Patients and Referrers
- 13 Suppliers
- 14 Community
- 15 Government
- 16 **GOVERNANCE**
- 16 Governance framework
- 17 Risk management framework
- 17 Tax transparency
- BC **CONTACT US**

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 which support our vision: patients first, medical leadership, everyone counts, create value and embrace change.



INTRODUCTION

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 first standalone report on ESG performance which covers the 2020 financial year (FY20).

In FY20 Integral Diagnostics established an ESG Committee to formalise our approach to our ESG responsibilities and subsequent action plans. The Committee comprises an executive, members of the senior management team and operational personnel. The Committee provides strategic direction and oversight of our ESG approach.

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.

Highlights

The Scorecard in this report details our ESG performance against specified key categories for FY20. The following is a snapshot of key highlights of the ESG report, the outcome of the commitment of our people to making a difference in healthcare in line with our vision, purpose and values.

In FY20 Integral Diagnostics:

- Provided a service to over 660,000 patients, performed over 1.7 million examinations and engaged with 30,300 referrers.
- Contributed to Radiology Across Borders to create a Film Bank, an educational program on interesting and important radiological findings, assisting local doctors in developing nations.
- Received an Employee Net Promoter Score of +25.5 recommending Integral Diagnostics as a good place to work, higher than the medical imaging norm of +15.7 (June 2020 Pulse survey).

- Reduced by 54% lost time injuries per million hours worked (LTIFR) to 6.73 (FY19: 14.7).
- Reduced staff turnover to 15.56% (FY19: 18.84%).
- Maintained consistent high quality with patient incidents as a percentage of exams of 0.031% (FY19: 0.032%).
- Supported gender equality at every level. 43% of our Board and 33% of our Executive and Senior Management team are female. 75% of our workforce who were promoted were female consistent with the gender profile of our workforce. 75% of our workforce who took parental leave returned to the workplace.
- Achieved a reduction of 450,000 pieces of paper in Victoria through the implementation of digital applications.

Due to the COVID-19 pandemic, several scheduled initiatives for FY20 were not able to be undertaken. These initiatives included the measurement of our carbon footprint which has now re-commenced and will be reported on in FY21.

ABOUT US

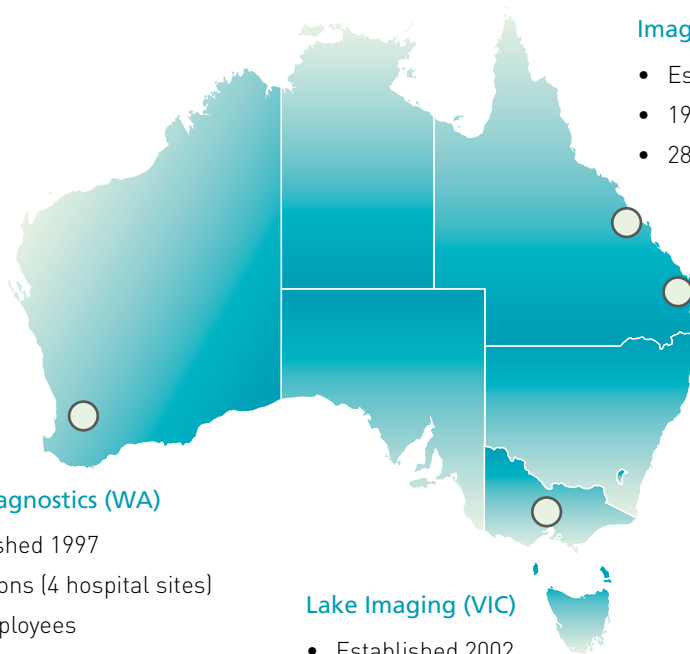
Who we are

Integral Diagnostics 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 hospital sites, and operate

under various brands in the different geographic areas. In FY20 we engaged with 30,300 referrers and saw over 660,000 patients.

Our combined clinical Group is one of the largest radiology providers across Australia and New Zealand. Our team of 1,341 radiologists

and qualified technical, nursing and support staff are committed to providing the highest level of diagnostic imaging and patient care.



Global Diagnostics (WA)

- Established 1997
- 5 locations (4 hospital sites)
- 163 employees

Lake Imaging (VIC)

- Established 2002
- 22 locations (6 hospital sites)
- 369 employees

Imaging Queensland (QLD)

- Established 2007
- 19 locations (8 hospital sites)
- 289 employees

South Coast Radiology (QLD)

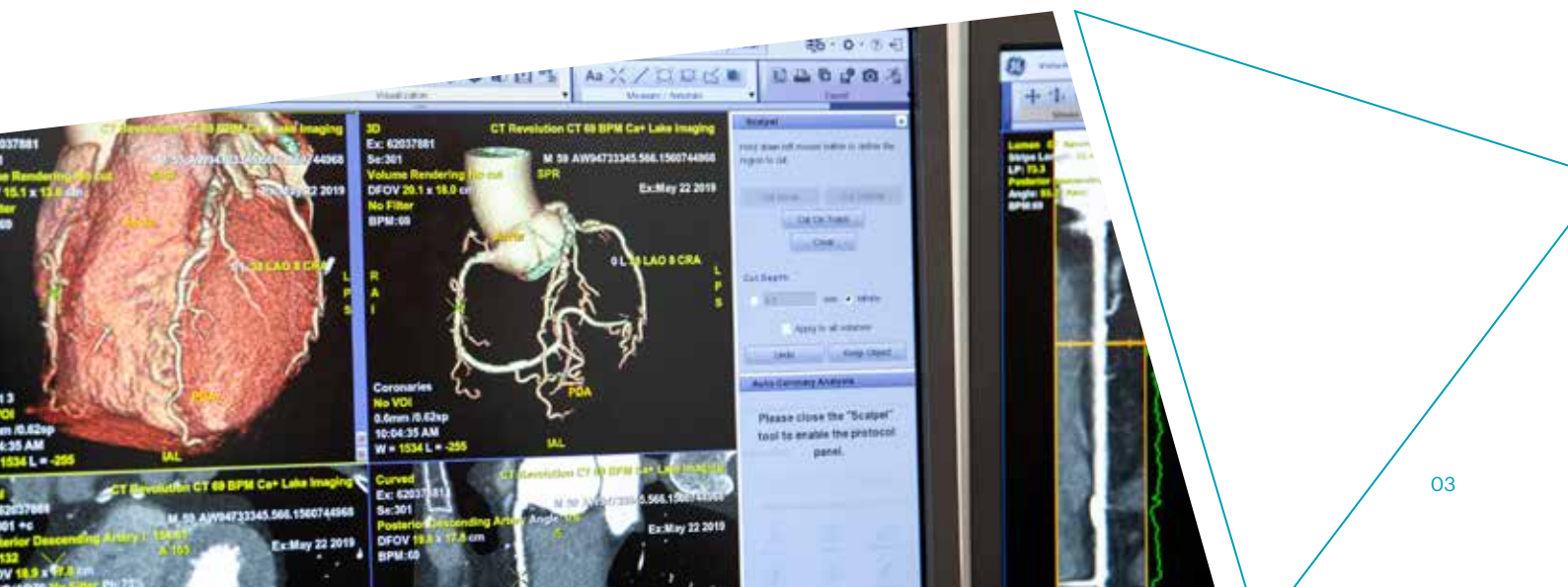
- Established 1967
- 14 locations (2 hospital sites)
- 387 employees

SRG/Trinity MRI (NZ)

- 4 locations
- 84 employees



All information in this diagram is current as at 30 June 2020.



ABOUT US CONTINUED




Services we offer

Diagnostic imaging is the branch of medicine that uses non-invasive 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 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 reduce the overall cost of healthcare.

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

In FY20 Integral Diagnostics conducted a review of our vision, purpose and values. As a result we refined our vision and purpose in line with the agreed strategy, whilst preserving our underlying 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 which support our vision: patients first, medical leadership, everyone counts, create value and embrace change.

Vision

A healthier world

Purpose

Deliver the best health outcomes for our patients

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 and inclusively and respect each other



Create Value

Deliver sustainable value to all stakeholders



Embrace Change

Strive for excellence, have courage to innovate

Our IDX culture revolves around around the tenet that 'Good Medicine is Good Business'.



ABOUT US CONTINUED

Strategy and focus

We aim to deliver sustainable value to all stakeholders. To provide a sustainable business for our stakeholders and build a successful company we focus on a number of key areas:

- Putting our patients first to provide them with the highest quality care through the use of our systems and processes, the use of technology and the care and knowledge of our people.
- Supporting our people and creating a work environment where our people can belong, thrive and achieve together in an inclusive and safe workplace.
- Minimise our use of resources and impact on the environment.
- Invest in technology that will improve patient outcomes, improve the efficiency of business practices and limit the use of natural resources.
- Give back to the communities in which we operate by providing assistance in a variety of ways.

We aim to have regard for and balance our stakeholders needs which include:

- Patients that need us to provide the best health outcomes for them.
- Referrers that need us to provide the best health outcomes for their patients.

- Employees that need us to provide a work environment in which they can achieve, thrive and feel safe and included.
- Shareholders that 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 that 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.
- The wider community that needs us to provide support to ensure we contribute to society in a positive way.

All of these stakeholder groups benefit from us building a sustainable, successful company that strives for continuous improvement in how we do business. By focusing on governance, risk management and sustainable business practices, we aim to provide a framework to deliver the best outcomes for all stakeholders. In our report we have reported on environmental initiatives, our people, patients and referrers, suppliers and our interactions with the community.

During FY21 the Group plans to undertake a formal materiality assessment. 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 and what should be of most strategic importance to Integral Diagnostics in delivery of our ESG strategy.

The insights gained through the materiality assessment will assist us with further improvements and development of our ESG strategy and focus as well as enhancement of our reporting including the consideration of alternative metrics and targets. We will also consider our alignment with relevant United Nation's Sustainable Development Goals (SDG).



ESG SCORE CARD

	FY20	FY19	FY18			
Stakeholders						
Donations and sponsorships (\$'000)	348	299	215			
Taxes paid (\$'000) ¹	14,872	13,916	11,327			
Salaries and related expenses paid to employees (\$'000)	146,765	113,613	95,712			
Statutory NPAT (\$'000)	23,033	20,983	15,079			
Dividends paid (\$'000)	18,648	14,025	11,603			
Market capitalisation (\$'000) ²	759,268	496,328	438,033			
People						
Headcount	1,341	1,021	890			
Staff turnover %	15.56	18.84	18.33			
Training and development (\$'000)	1,082	816	640			
Employee Net Promoter Score ³	25.5	No survey	No survey			
Safety						
Lost time injuries per million hours worked (LTIFR) ⁴	6.73	14.70	14.89			
Fatalities	Nil	Nil	Nil			
Patients						
Total exams (per million)	1.725	1.459	1.375			
Patient incidents as a % of exams ⁵	0.031%	0.032%	0.039%			
Gender						
	F	M	F	M	F	M
% Total workforce	76	24	75	25	75	25
% Senior management ⁶	30	70	33	67	17	83
% Executive ⁷	50	50	50	50	50	50
% Board	43	57	43	57	43	57
Age Diversity						
% Employees under 30	23	21	22			
% Employees 30 – 50	51	49	46			
% Employees over 50	26	30	32			
Years of Service						
	0-2 years	2-5 years	5+ years			
% Employees under 2 years of service	33	35	33			
% Employees between 2 and 5 years of service	28	28	28			
% Employees over 5 years of service	39	37	39			

All figures in this table are as at 30 June or for the FY year unless otherwise indicated.

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. First year Employee Engagement Survey was undertaken.
4. LTIFR has been calculated using Safe Work Australia's methodology of basing lost time injuries on workers compensation claims less needlestick injuries.
5. Patient incidents reflect Australian operations that have been part of the IDX Group for 12 months or more.
6. Senior Management is defined as the Senior Management Group and includes Group Commercial Manager, General Managers, Group Financial Manager, Human Resources Director, Chief Information Officer and Group Risk and Compliance Manager.
7. Executive is defined as Chief Executive Officer (CEO) and Chief Finance and Commercial Officer (CFCO).

ENVIRONMENT

We are committed to using natural resources responsibly, protecting and respecting our environment, and minimising the impact of our operations. While healthcare is not a significant polluter or energy consumer, we recognise the need to minimise our environmental footprint and to explore opportunities that deliver long-term environmental benefits.

Integral Diagnostics recognises the findings of the Intergovernmental Panel on Climate Change, that warming of the climate system has been significantly influenced by human activity. We understand that the impacts of climate change could present physical, natural and human risks for our operations, our key suppliers, or the availability of resources for products that are required for our business.

The operations of our Group are not subject to any site-specific environmental licenses or permits which would constitute a particular or significant environmental regulation under the laws of the Australian and New Zealand Governments.

Environmental plan

We are currently in the process of completing an environmental plan. An ESG Committee has been established to monitor and oversee this environmental plan at a Group level and is supported by both head office and localised initiatives in the organisation. The key priorities identified include a reduction of carbon emissions, waste management, unnecessary travel and the contribution to meaningful environmental activities in the communities in which we operate.

Environmental initiatives

We encourage the reduction of energy usage and waste, via education and the provision of recycling facilities at the majority of our sites. Communication and training in environmental policies and procedures are an important part of these campaigns and initiatives. A few examples of these initiatives are described below.



Reduce greenhouse gas emissions

In the current year, Integral Diagnostics planned to measure our Greenhouse Gas (GHG) emissions for the first time. This would provide a baseline from which to measure the Group's performance of various initiatives to reduce our GHG emissions. Due to COVID-19, the measurement of GHG emissions was deferred. This has now commenced and is expected to be completed in October 2020. Alongside the measurement of GHG emissions we have been running a project investigating the use of our electricity and the ability to reduce our GHG emissions via the use of carbon neutral electricity. It is expected that this project will be completed in FY21.

As low as reasonably achievable radiation and radioactive waste

At Integral Diagnostics we employ the latest technology to deliver the lowest possible radiation dose to patients whilst still meeting the required medical outcomes as requested by their referrer. Our practitioners use the As Low as Reasonably Achievable (ALARA) principles and adhere to industry standards such as the Royal Australian and New Zealand and College of Radiology (RANZCR) quality and safety standards of practice for clinical radiology.

Nuclear medicine is a medical specialty that uses low level radioactive tracers (radiopharmaceuticals) to assess, diagnose and treat disease. We engage qualified registered third-party suppliers of radioactive tracers for the delivery and disposal of radioactive

waste. The radioactive tracers used in medicine are very low level and have short half-lives. Our practitioners employ the strict principles of 'delay and decay' to ensure the radioactive levels in the waste generated are undetectable before considering their disposal.

A key consideration when purchasing imaging assets is the preference for low dose radiation emission assets.



Reduce medical waste

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. In FY21 we will investigate the usage of medical consumables across our business to ensure we are maximising the effective use of these consumables and minimising waste, as far as practicable.



Reduce film usage

We have worked with referring clinicians and patients to replace hard copy film images with quality digital alternatives. Images and reports can now be accessed, streamed, downloaded and archived efficiently in a variety of formats, resulting in a significant decrease in film usage. There are many environmental benefits accruing from the reduction in manufacturing, transporting, processing, delivering, storing and disposing of the film products. Analysis of spending has shown a 58% reduction in the use of film since 2018.

In FY20 we introduced the MyPatient App which is a mobile solution that eradicates the need to export images onto discs for patients. Integral Diagnostics implemented the MyPatient App across our Australian business units to follow a 'film free' model where we only print essential film for specialist referrers on request.



Promote paperless systems

Traditional medical workflows have relied on numerous paper-based forms including patient information, referrals and privacy and consent forms. Integral Diagnostics is using various technological solutions to reduce the need for paper and improve the patient experience.

Patients have the ability to request appointments either through our websites or mobile applications. Throughout the Group, we are moving towards completing consent, privacy and all other forms digitally. This initiative has resulted in a reduction of 450,000 pieces of paper being used in our Victorian clinics in the current year. This program will be implemented across all clinics within the next financial year. Integral Diagnostics is also working with our referring doctors to develop an electronic based referral system. As a result of COVID-19, the Government has made a concession around the requirement for paper-based referrals by allowing electronic referrals. If this rule was permanently changed, we could see a reduction in printing of over 1 million referrals each year.



Shareholder communication

Integral Diagnostics encourages our shareholders to access communications electronically, to reduce the energy and water resources associated with paper and print production. Only 2% of Integral Diagnostics'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 view it online.



Energy efficient office buildings

During the year the Group relocated it's Geelong corporate office into a purpose-built corporate office location. Efficiency and sustainability were main considerations in the project scope and design brief, not only to improve our impact on the environment but to improve the wellbeing of our staff and visitors. Our new office had a 5 Star NABERS¹ Energy Rating.



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

SOCIAL

People

One of our key values is: ‘everyone counts’ – we work safely and 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. We are compliant with workplace legislative requirements. Our employees’ remuneration is governed by various arrangements including Minimum Wage, Enterprise Agreements (EA), Modern Awards (Award) and Employment/Contractor Agreements.

	Australia	New Zealand	Total
People covered by EA	24%	0%	23%
People covered by Modern Award Employment/Contractor Agreements	75%	0%	70%
	1%	100%	7%

Professional development

Attracting, recruiting and retaining talent, both clinical and non-clinical, is fundamental to sustaining our business. We are also committed to developing our people and building leadership capability. This is an important aspect of our culture. In addition to the development opportunities provided locally within each business unit, each year we hold an annual conference where employees from all business units come together for clinical, professional and personal development. In FY20 the annual conference was cancelled due to the health risks associated with COVID-19. Face to face learning has been replaced with online learning where possible, during this time.

Our radiologists staff receive a conference allowance which enables them to attend conferences around the world to ensure they are kept up to date with the latest global technological and medical advances relating to diagnostic imaging.

Engagement survey

In FY20 we conducted our first culture survey, providing an opportunity for the voice of everyone to count towards influencing their work experience. We had 56% of our employees provide confidential feedback about what they value and where we can improve

to make Integral Diagnostics a truly great place to work. We learnt that our culture was particularly strong in some areas and identified there was room to improve in other areas. Overall, 43.5% of our employees were experiencing their working life in an engagement cycle, which is slightly lower than the health sector average of 46%. The feedback received from this survey influenced our commitment to a refresh of our vision and purpose.

During the COVID-19 pandemic we committed to communicating and supporting our employees through this time. Our values, and the impact on our employees and culture, remained central to our decision-making process. In June 2020 we conducted a Pulse Survey of our employees with the aim of adopting a learning mindset, we aimed to understand how connected and supported our people felt during the pandemic. Pleasingly, 60% of our employees provided feedback, with 68% responding that Integral Diagnostics is truly a great place to work. The results were a notable improvement on the pre COVID-19 survey, giving management confidence that we were living and demonstrating our ‘everyone counts’ value to our people when it counted.

As part of the Engagement survey we asked employees if they would recommend Integral Diagnostics as a good place to work. A Net Promoter Score (NPS) was calculated based on employees’ responses. In June 2020 our employee NPS was +25.5 which is ahead of both the health and community services NPS of +18.8 and the medical imaging NPS of +15.7.

Flexible work arrangements

We provide a range of support mechanisms including flexible working arrangements to enable our employees to manage their work preferences. In our 2020 Workplace Gender Equality Agency (WGEA) submission, which deals with our Australian workforce, 2.3% of our workforce took parental leave with 75% then returning to work. 75% of our employees who were promoted were female with many also working flexibly in their roles.

Health and wellbeing

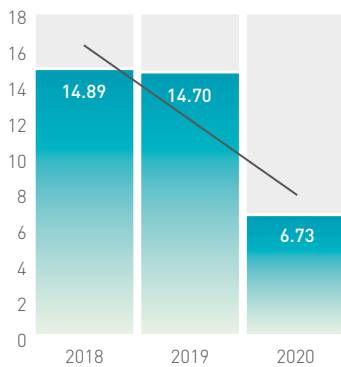
We recognise that sometimes people may need additional support and it's for this reason we provide free, confidential counselling to our employees and their immediate family members through our Employee Assistance Program.

Health and safety

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

The Group monitors our health and safety performance via incident reporting. During FY21, there was a pleasing drop in our lost time injuries per million hours worked (LTIFR) as depicted in the graph below.

Lost Time Injuries Per Million Hours Worked

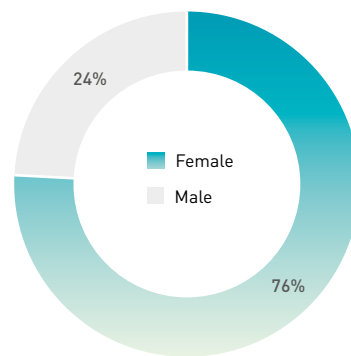


We will continue to invest in injury prevention programs targeting our key risks, provide specific training to build knowledge and capability within our workforce, and ensure early intervention programs are in place to deliver return to work outcomes. Worksafe Victoria conducted site visits to our premises in FY20 and no fines or penalties were issued.

Diversity and Inclusion

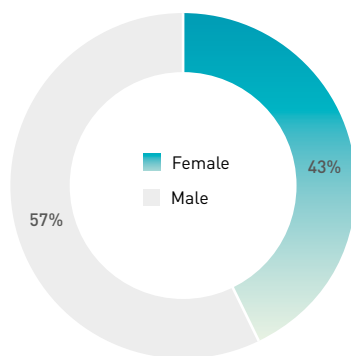
We encourage our people to bring all of their diverse perspectives and talents to work. Our systems and processes support fair treatment and we do not tolerate any form of unlawful discrimination, bullying or harassment. This is supported through a range of supportive policies, practices and employment conditions addressing equal employment opportunity, harassment and discrimination, recruitment and selection, parental leave, carers' leave and domestic violence leave.

Company Gender Profile



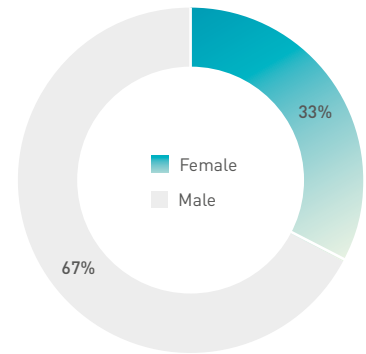
The Board has set measurable objectives in relation to gender diversity.

Board Gender Profile



Target: Board to comprise at least 30% females – achieved

Senior Management and Executive Employees Gender Profile



Target: Senior Management and Executives to comprise at least 30% females – achieved

The Group also has a target of at least 50% women for shortlisted candidates for Board, and executive and senior management positions. In FY20, 33% of all shortlisted candidates for senior management roles were female, and of the two appointments made for the Board executive and senior management, 50% were female.

In FY20 the Board, via the People and Remuneration Committee (PRC) reviewed its measurable objectives in the current year and has adopted the following objectives for 2021:

- A minimum of 30% of each gender representation on the Board.
- A minimum of 30% of each gender representation to be achieved at the Executive Level.¹
- A minimum of 30% of each gender representation to be achieved at Senior Management Level.²
- A minimum of 30% of each gender representation to be achieved at executive and senior management levels.

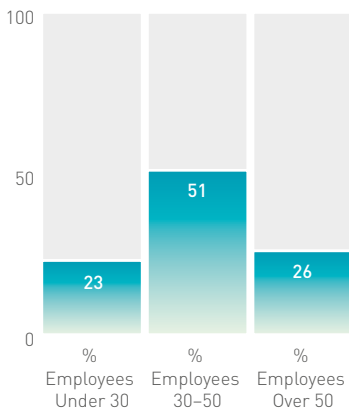
1. Executive is defined as Chief Executive Officer (CEO) and Chief Finance and Commercial Officer (CFCO).
 2. Senior Management is defined as the Senior Management Group and includes Group Commercial Manager, General Managers, Group Financial Manager, Human Resources Director, Chief Information Officer and Group Risk and Compliance Manager.

SOCIAL CONTINUED

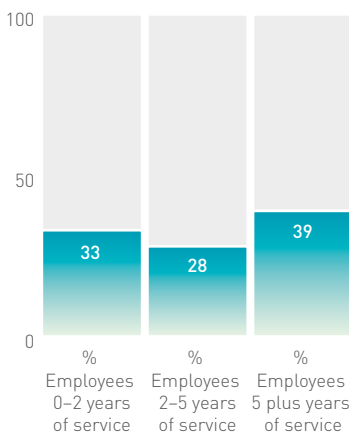
- At least one of each gender are to be included as shortlisted candidates for Board, executive and senior management positions.
- Integral Diagnostics’s gender percentages of employees Group-wide should remain within 10% of the industry as measured by Workplace Gender Equality Agency (WGEA), Pathology and Diagnostic Imaging Services within Medical and Other Health Care Services industry Subdivision.

Our employees are a very diverse group of individuals from a range of cultural backgrounds, across broad age groups and a significant number of employees have been at Integral Diagnostics longer than 5 years.

Age Group



Years of Service



Remuneration

To ensure we maintain a competitive value proposition for our employees, we benchmark our remuneration to available industry and/or role specific peer groups to ensure we attract and retain talent.

The Remuneration Report within our Annual Report outlines the Remuneration Policy for our Key Management Personnel (Executives). The objective of the Executive reward framework is to align Executive reward with the achievement of strategic objectives, the Company’s values, risk appetite, the creation of value for shareholders and ensure the reward for performance is competitive and appropriate for the results delivered.

Patients and Referrers

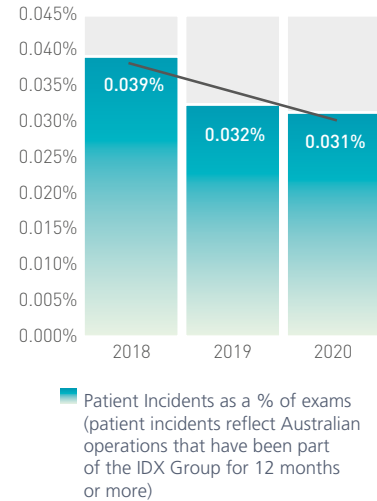
At Integral Diagnostics, we have two key groups that we service:

- Patients who come to our centres, hospitals or diagnostic facilities and experience the quality of our facilities and services and, through their referrers, the quality of our diagnoses. In FY20 we saw over 660,000 patients and performed over 1.7 million exams.
- Referrers/healthcare professionals including general practitioners, allied health providers and specialists who we deliver diagnostic services. In FY20 we engaged with 30,300 referrers and attended to 1.1 million referrals.

Patients

Patients are at the heart of everything we do and we aim to produce the best possible health outcomes for them every time. Patient Safety is monitored by the Group through reporting of clinical incidents. The Group has established the Integral Clinical Leadership Committee (ICLC) who reviews group wide incident data and trends to identify improvements, and to share learnings to prevent recurrence.

Patient Safety



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 patient’s 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 Directory. Data security and privacy is subject to continuous review by Integral Diagnostics to further identify opportunities for improvement.

Staff interactions with patients are important to us and the Group’s Code of Conduct covers the behavior of all employees during their work. It includes requirements for personal integrity and compliance, with all

laws and regulations and Integral Diagnostic'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 multiple Code of Conduct training courses that cover key aspects of the policy when they begin employment and on an on-going intermittent basis throughout their employment.

Referrers

Retaining and increasing the number of healthcare referrers to whom we deliver our diagnostic services is a key component to our success. Current initiatives include ongoing investments in technology platforms. We have introduced enhancements to our online referrer portal to allow access to imaging online through a single click.

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 or oncology. An example is a workshop that focussed on the management of breast cancer and covered breast diagnosis through radiology practices, surgical techniques and oncological management. Integral Diagnostics is currently setting up an online learning platform for our referrers and the first topic will be cardiovascular risk assessment.

Suppliers

Integral Diagnostics has established Group-wide supply contracts with trusted suppliers who have undergone a vetting process for items such as medical consumables, equipment, office supplies, 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 Integral Diagnostics. Integral Diagnostics is committed to treating our suppliers fairly and paying invoices within reasonable, requested payment terms. We have a Conduct of Conduct which outlines how the Group expects its representatives to behave and conduct business. The Group aims to maintain a high standard of ethical behaviour in conducting business and to behave with integrity in all dealings with suppliers. The Group 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 when they genuinely believe it has occurred. This policy extends to our suppliers and can be found on the Group's website.

Modern slavery update

In accordance with the requirements of the Federal Modern Slavery Act 2018 the Group is undertaking a review of the Group's supply chain for compliance with the Modern Slavery Act. The review includes understanding the risks of, and mitigating the impacts of, modern slavery in its operations and supply chain in the first instance. It will also examine the ongoing monitoring and measurement of modern slavery performance. Integral Diagnostics only directly employs personnel in Australian and New Zealand and complies with all employment laws and regulations in those countries. In FY20 a detailed analysis was undertaken of our supply chains including equipment, medical consumables, information technology hardware and contracted typists. Our review did identify areas for risk assessment as a result of equipment and consumables being manufactured offshore. We are working with our suppliers to further understand their down-stream supply chains and controls and monitoring they have in place to ensure compliance with the Modern Slavery Act. Our review of our supply chain is expected to be completed in FY21 prior to our first reporting under the Act in March 2021.



SOCIAL CONTINUED

Community

At Integral Diagnostics, we value highly 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 Integral Diagnostic’s 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 regional communities. Some of the community initiatives we have undertaken are as follows.

Integral Diagnostics community contributions



STEPTember Value: Patients First

This year Integral Diagnostics took part in STEPTember once again, raising vital funds for the Cerebral Palsy Alliance. STEPTember challenges participants to take 10,000 steps per day and raise funds throughout the month of September. This year both Australia and New Zealand joined forces and 93 people contributed to fundraising for the Cerebral Palsy Alliance. By participating in STEPTember and raising funds, we are 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.



Bushfire Relief Value: Create Value

As an Australian/New Zealand business operating in many regional communities, we were heartbroken over the devastating impact the bushfires had on individuals, communities and wildlife. Integral Diagnostics contributed to the Australian Red Cross bushfire disaster relief and recovery fund. These funds directly helped the many communities affected by the fires by assisting those in relief and evacuation centres, to develop longer term recovery programs and to provide psychological first aid to reduce trauma. In addition, we provided bulk billing services for chest X-rays and CT scans for those affected by the bushfires. Further donations were also made to Australia Zoo and Currumbin Wildlife Hospital Foundation, located in South East Queensland that is treating the sick and injured wildlife admitted from both Queensland and those evacuated from southern states.



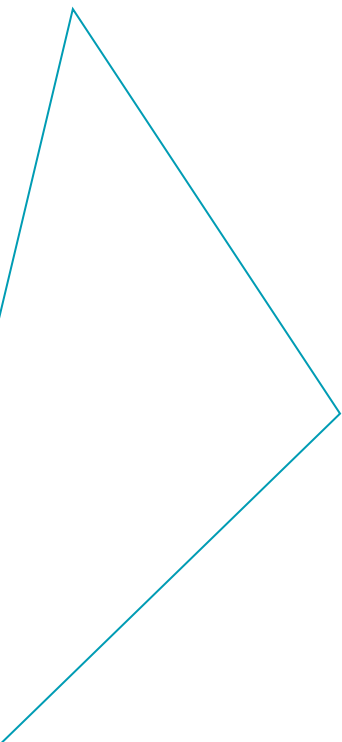
Warming up the South West’s people in need Value: Everyone Counts

In July 2019, Integral Diagnostics donated over 100 blankets to various charities all over the South West. Over 80 blankets have been donated to the Vinnies Winter Appeal in Mandurah, Bunbury and Busselton. The appeal provides emergency relief to people at risk and/or who are experiencing homelessness. Blankets are a way of helping people to not only stay warm during winter, but to help their volunteers to rebuild lives. Other blankets have been distributed to the Halo Team, a not-for-profit organisation that helps look after the homeless in Mandurah. The blankets will go a long way in their transitional homeless shelter to help restore hope and dignity in our Community. Blankets were also donated to the Wanslea foster care program to support children in care, adding the comfort of a warm blanket can really help as the nights get cold.



The Living Classroom Value: Embrace Change

Imaging Queensland was a financial sponsor and supporter of The Living Classroom. As a healthcare provider we are dedicated to providing the best possible patient care within our practices, and also helping to foster a proactive approach to health and wellbeing. We are very pleased to have the opportunity to partner with and support local health programs, particularly for families and children. The Living Classroom is a great initiative which engages and builds the capacity of school students to plan, design, establish and manage living classroom gardens – focused on healthy eating and sustainability.



Students at Monkland State School have become 'garden ambassadors' who develop the culture of the program and support and engage new students and teachers into the program. The program aims to enrich student learning environments with outdoor learning spaces, while bringing a focus to practical food education through permaculture gardening principals and wholefood cooking techniques. After only a few short months, students at Monkland State School in Gympie were true ambassadors for the program, with the ability to share what they have learnt with others and continue to implement their newfound skills at school and at home.



Radiology Across Borders Value: Medical Leadership

Radiology Across Borders (RAB) has collaborated with Integral Diagnostics and Radiopaedia.org to create a Film Bank which is an educational program aimed at presenting interesting and/or important radiological findings. The program covers a broad range of body systems via online presentations and case based learning questions. Victoria Bailey, one of our MRI Services Managers at Global Diagnostics gave a CT brain trauma presentation in 2019 and was invited back to present again in 2020; this time about CT cervical spine trauma. The presentations are held online and are about 1 hour long. They are recorded and then uploaded to the RAB website so they are easily accessible for those that can't attend the live presentation. It's a great opportunity for our experienced staff at Integral Diagnostics to share their knowledge with colleagues from other countries and improve the imaging quality in places where education is not

so easily accessible. The RAB webinars are a great forum to help provide support and practical tips throughout the case studies for imaging technologists in developing nations. The webinar provides participants an opportunity to ask questions and feedback about particular techniques at the end of the session.

Government

Across Australia and New Zealand, the Government's healthcare policy settings point to a relatively stable regulatory environment in the near-term for both countries. However, with healthcare costs on the increase, funding pressures will always exist, and private sector providers must be agile in adapting to changes in Government funding as they arise and in diversifying their revenue base. Integral Diagnostics will continue to ensure the best policy outcomes in the countries in which we operate, through regular dialogue with, and active engagement of, the Government and the Opposition.

Integral Diagnostics is a member of the Australian Diagnostics Imaging Association (ADIA) which exists to help ensure all Australians have ongoing access to comprehensive and high-quality diagnostic imaging services; access both geographically and financially. ADIA regularly consults with government ministers, senior departmental officials, and a wide range of relevant stakeholders to promote access, quality and funding which is both reasonable and fair. Our Group's CFCO is a member of the executive of the association.

Dr Sally Sojan, previous Executive Director and current member of the Group's Integral Clinical Leadership Committee (ICLC) has been appointed to the Diagnostic Imaging Accreditation Scheme (DIAS) Advisory Committee. This Committee has been established to ensure that appropriate quality and safety standards of practice are applied to Medicare funded diagnostic imaging.

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.



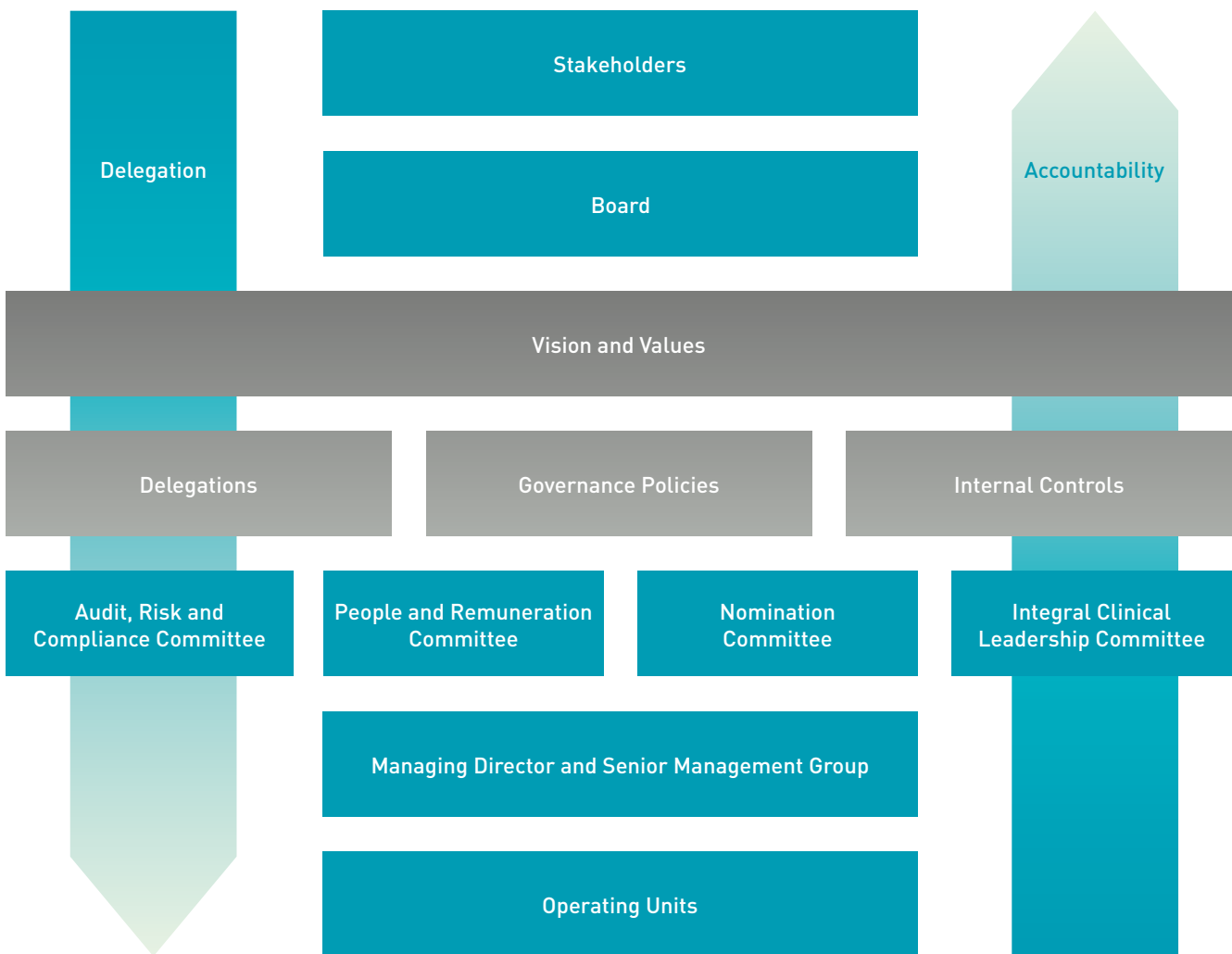
GOVERNANCE

The Group 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.

Governance framework

Governance structure

The diagram below depicts the operation of the Group’s Governance Framework across all operational and commercial aspects of the business.



The Board's role includes providing leadership and guiding the Group's strategic direction, driving our performance, and overseeing the activities of management and the operations of the Group. A key part of the Board's responsibilities is to implement and oversee an effective corporate governance structure. The Board has adopted a framework for managing Integral Diagnostics. The framework includes internal controls, risk management processes and corporate governance policies to promote responsible management and conduct. Separate Board committees for audit, risk and compliance, nomination, and people and remuneration assist the Board in carrying out its role by providing detailed oversight in these areas and comprise members who are independent Directors and each Board Committee has an independent Director as its Chair.

The Board has also established the Integral Clinical Leadership Committee (ICLC) which manages the clinical risks inherent in our industry. The ICLC is made up of Executive Directors and radiologists and the outcomes of its meetings are reported to the Board.

The MD/CEO has been granted authority for matters not reserved for the Board or a Board Committee.

Corporate Governance Statement, governance documents and governance activities

Further details of our Governance Framework are laid out in our Corporate Governance Statement, which is available on our website at <https://www.integraldiagnostics.com.au/page/for-investors/corporate-governance/>

The Group benchmarks our corporate governance practices against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th edition. Integral Diagnostics confirms that we have complied with all the ASX Governance Recommendations for the period 1 July 2019 to 30 June 2020 as outlined in our Corporate Governance Statement and Appendix 4G. The Corporate Governance Statement is current as at 25 August 2020 and has been approved by the Board.

Risk management framework

Integral Diagnostics's risk management framework identifies our risk profile, setting out the way key risks are assessed, managed, monitored, measured and reported. The Group's core risks are described in the Operating and Financial Review in the Annual Report, and these risks are continuously assessed by management and reported to the ARCC.

A copy of the Annual Report is available on our website.

During FY20 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. We will continue this review in FY21 as well as implement identified actions and improvements.

Clinical governance

A key component of the Group's risk management is clinical governance which is managed through the ICLC and State and NZ Clinical Leadership Committees (State and NZ 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 State and NZ 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 State and NZ CLCs, reviewing Group wide incident data and trends to identify improvements, and to share learnings to prevent recurrence.

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. Integral Diagnostics 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.

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 the Group at:

info@integraldiagnostics.com.au



Suite 9.02 Level 9, 45 William Street
Melbourne, Victoria 3000
T +61 3 5339 0704