


2023 Sustainability Report

Diagnostics for life

Contents



1	Business overview	
	Chair & CEO Letter	2
	About us	4
	Our strategy	7
2	Our sustainability journey	
	Highlights	8
	Sustainability aspiration and priority areas	10
3	Our customers	
	Our Customer Experience Roadmap	12
	Connected healthcare	13
	Voice of the customer	16
	Government relations	18
	Data privacy and information security	19
4	Our planet	
	Emission Reduction Roadmap	21
	Scope 1 and 2 initiatives	23
	Scope 3 emissions and resource consumption	25
	Climate change risk	28
5	Our people	
	Our Workforce Roadmap	29
	Our team at Healius	30
	Working at Healius	32
	Helping our people thrive	36
6	Our communities	
	Our Community Involvement Roadmap	38
	Better together	39
	Supporting our local, regional and Indigenous communities	41
	University partnership, medical student placements, and training and research activities	43
	Respecting human rights	45
7	Our shareholders	
	Our Shareholder Reporting Roadmap	48
	United Nations Sustainable Development Goals	49
	Risk management	50
	Tax transparency	52
	Progressing our sustainability reporting	53
8	Appendix	
	Appendix 1 – SDG analysis	57
	Appendix 2 – Governance framework	59
	Appendix 3 – Tax Transparency Report	61



We remain focused on improving health outcomes through diagnostic services, supporting clinical decisions with personalised insights and superior customer service.

18M+

Pathology samples tested in our laboratories

3.3M+

Radiology examinations

healius

Chair & CEO letter

Dear shareholders

At Healius, we play a pivotal role in ensuring Australians have access to the diagnostic health services they need and at the time they need them. We also continually strive to be sustainable in key areas such as carbon emissions and waste management, customer and employee value proposition and diversity and inclusion.

In FY 2021, our Board and leadership team identified our ambition to be a leading socially-responsible healthcare company and established five priority areas and underlying roadmaps which would be integral to our future success.

Our five priority areas are:

- **Our Customers** – For our referrers, hospital customers, and patients alike we aim to become the easiest diagnostic company to deal with, permanently changing for the better how consumers access diagnostic care in Australia.
- **Our Planet** – We have developed a roadmap to progressively reduce our carbon footprint with the ambition to become carbon neutral for our Scope 1 and 2 emissions.
- **Our People** – We recognise our sustainability is underpinned by our ability to attract and retain the right talent and we are focused on enhancing employee value proposition in all areas.
- **Our Communities** – Our commitment and contribution to Australian communities goes beyond our core role as a diagnostic provider, to a range of local initiatives to support the more vulnerable people within our society.
- **Our Shareholders** – We understand shareholder expectations for more comprehensive, consistent and transparent sustainability reporting.

In the FY 2023 year:

- We progressed a suite of external facing digital products including electronic customer referrals, an online booking system for Imaging customers, and a clinician results portal which provides a contemporary experience for our referrers. We also invested in safeguarding the security of consumer information in our systems.

- We agreed an eight-year contract with a global renewable energy leader to supply 100% electricity in our large markets from various wind and solar farms located in NSW, Victoria and South Australia. This will reduce Healius' Scope 2 emissions by ~70% compared to our FY 2021 baseline from January 2024.
- We improved our employee value proposition with particular success in the recruitment of radiologists spearheaded by our Lumus Imaging Group Executive Dr Phil Lucas.
- We received a 'Prime' rating from ISS and an 'AA' rating from MSCI in ESG.

We recognise that there is always more work to be done, for example in FY 2024 we will review sourcing options for green electricity supply to our small market sites. We will also continue to work towards meeting the likely reporting requirements under the Australian Government's proposed mandatory climate reporting framework.

Importantly, we remain keen to support health equity and accessibility in Australia through bulk-billing our services where possible, but this has to be underpinned by Government policy and funding. With no indexation in Medicare Benefits for pathology for over 25 years, this ethos is currently at risk and we are working with the Government to review their funding support of the pathology sector. With some 70% of all medical decisions dependent on pathology, it is a crucial part of the healthcare ecosystem and one where we believe access should be available irrespective of personal circumstances.

In summary, we are pleased to present our FY 2023 Sustainability Report as we strive to develop the foundations for a sustainable future.



Jenny Macdonald
Chair



Maxine Jaquet
CEO



Professor Alexander Pitman, Director of Imaging, Northern Beaches Medical Imaging, Lumus Imaging

About us

Overview

As one of Australia's leading healthcare companies, Healius provides quality, comprehensive, accessible and cost-efficient diagnostic services through our Pathology and Imaging businesses.

At Healius, our focus is on supporting clinical decisions through personalised insights and superior customer service, enabled by our unique footprint of more than 2,200 locations and 10,500+ employees.

We are building a digital future for diagnostics, transforming the service experience for our patients and referrers.





Florens Dy Lead Registered Nurse, Northern Beaches Hospital, Lumus Imaging

Pathology



Healius Pathology is one of Australia's leading providers of private medical laboratory and pathology services.

Healius Pathology operates 95 medical laboratories and approximately 2,000 patient collection centres across metropolitan, regional and remote Australia. It employs around 170 specialist pathologists and around 6,000 full-time equivalent staff (FTEs) being scientists, technicians, collectors and team members.

Through a variety of established state-based and specialty brands, Healius Pathology provides leading medical laboratory and pathology services across key diagnostic activities. These include anatomical pathology (histopathology and cytology), clinical pathology (biochemistry, haematology, immunology and microbiology), genomic diagnostics and veterinary pathology.

With presence in every state and territory across Australia, Healius Pathology brands include QML, Laverty, Dorevitch, Western Diagnostic Pathology, TML and Abbott Pathology which operate in Queensland, New South Wales (including Australian Capital Territory), Victoria, Western Australia and Northern Territory, Tasmania, and South Australia respectively.

Key specialty brands include:

- **Genomic Diagnostics**, one of Australia's leading non-government diagnostic genetic sequencing facilities
- **Kossard**, leader in dermatopathology with an established reputation in the specialist community
- **Agilex Biolabs**, Australia's largest, most experienced and scientifically advanced bioanalytical laboratory with over 25 years' experience in clinical trials and providing bioanalytical services for therapeutics, immunoassay bioanalysis of large molecules, biologics and vaccine development
- **Specialist Veterinary Services**, a network of veterinary pathology laboratories with recognisable state-based brands

Each year, Healius Pathology provides approximately one in three Medicare-funded pathology tests in Australia. Its services extend from exclusively servicing some of Australia's largest and most complex private and public hospitals to regional areas and remote Australian Indigenous communities.

Imaging



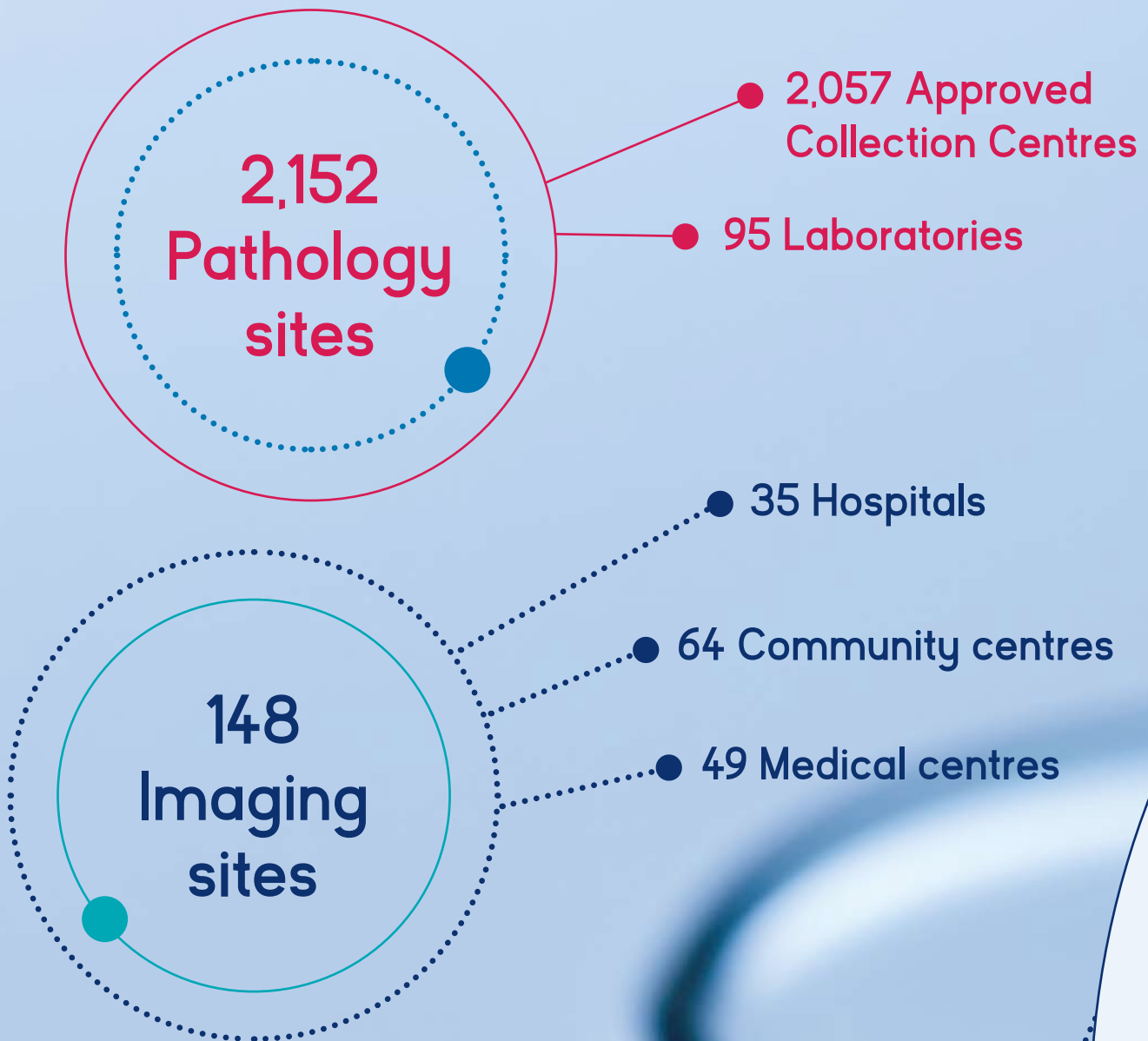
Lumus Imaging operates a network of 148 sites across the country, comprising stand-alone community imaging centres, and imaging facilities located within private and public hospitals and in medical centres.

With a highly-trained team of over 160 radiologists, together with radiographers, sonographers, nuclear medicine technologists, nurses, centre support and corporate teams, Lumus Imaging offers a full suite of modalities and services which include X-ray, ultrasound, computerised tomography (CT), mammography, magnetic resonance imaging (MRI), nuclear medicine, positron emission tomography (PET) and interventional radiology (including treatment by spinal and joint injections).

Radiologists undertake a range of imaging services including specialist women's health, cardiac, neurology, vascular, musculoskeletal and dental imaging. Over three million radiography examinations are conducted in Lumus Imaging's sites each year.

Our network

Sites as at June 2023



Our strategy

Diagnostics for life

Our purpose is “Diagnostics for life”, with a vision to become the pre-eminent comprehensive diagnostics business in Australia. This means that we support clinical decisions across the healthcare system through the provision of personalised insights and superior customer experience.

There are four strategic pillars on which our purpose is founded:



Service

Serving accessible and high-quality healthcare experiences to our clinician referrers, patients, customers and payors



Insights

Delivering precise and comprehensive diagnostic insights to realise better health outcomes for individuals and the healthcare system



Operating leverage

Extracting maximum value and growth from our networks in general pathology, medical imaging, clinical trials bioanalysis and veterinary pathology



People

Providing the best culture and a fulfilling career in healthcare for healthcare industry professionals and for support and corporate staff

We are transforming the service experience for diagnostics, taking an end-to-end approach to deliver a single leading platform that connects our clinicians, patients, pathologists, radiologists, scientists, and technicians.

To complement our refined vision and focused portfolio, Healius has reset its fixed cost base with a new operating model consolidating several corporate support functions.

Our capital management framework is aligned to our vision, is disciplined and focused on organic growth.

Our sustainability journey

Highlights

Our Customers

Our digital agenda is approximately **50% complete**

Digital Pathology launched nationally in our Veterinary Pathology business

78
Net Promoter Score

Our Planet

30.6 kt carbon emissions (Scope 1 and 2)

108 hybrids (10% of fleet)

Solar installed at our QML Murarrie Lab

Our People

10,824 onshore employees with **73%** female participation

First female Chair and MD and CEO appointed

Successful recruitment of radiologists



Our Communities

Enabling access to critical diagnostic care in rural and remote areas

Strategic partnerships with **Children's Cancer Institute, Street Side Medics and Radiology Across Borders**

Our Shareholders

Prime
ISS ESG Rating

AA
MSCI ESG Rating

Progressing reporting to align with **internationally recognised frameworks**





Sustainability aspiration and priority areas

Our aspiration

Healius aspires to be a socially responsible company that creates value for all stakeholders including consumers, employees and investors through its core values of care, compassion and quality.

Our priority focus areas



Our Customers

Through digitisation, automation and advanced applications, improve the way diagnosis is delivered to referrers and patients

Refine and progress embedded customer feedback mechanisms into operations

Constantly monitor and enhance privacy and cyber security controls



Our Planet

Refine and progress pathway to carbon neutrality for Scope 1 and 2 emissions through hybrid fleet, LED's, solar power and green power purchasing

Continually improve the use of resources and the handling of waste including medical waste and single-use plastic

Refine and progress other Scope 3 emission reduction opportunities



Our People

Improve employee recognition and benefits

Foster diversity and inclusion

Foster employee talent training and career pathways



Our Communities

Continue involvement with local charities and local communities

Support and enhance the national charity partnership aligned to Healius' brand and vision

Support university partnerships and student placements

Expand work on human rights with supply chains with a focus on reducing risks of modern slavery



Our Shareholders

Grow the business, improve efficiency and increase returns

Report against sustainability roadmaps

Report against UN SDGs and other global reporting frameworks

Prepare for assurance of sustainability data

We have identified seven Sustainable Development Goals (SDGs) that our sustainability strategy is most aligned to:



Dr Parastoo Irandoost MD, FRCPA, FIAC
Anatomical Pathologist,
Head of Cytology, Lavery Pathology

Our Customers

Connecting with our patients and referrers to deliver better health outcomes through digital innovation.

Our value-based diagnostic care is focused on the provision of effective and efficient clinical diagnosis delivered through a great customer experience.

In the current challenging cost environment and as consumer expectations grow, the transition to more digitally-enabled healthcare is inevitable.

At Healius, we are investing in a digital agenda to deliver an end-to-end customer-centric platform serving both pathology and imaging business, that reimagines patient and referrer interactions and experiences, and also improves our own operating leverage.

Our Customer Experience Roadmap

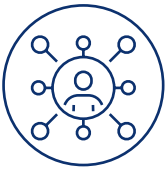
Initiatives	FY 2022	FY 2023	FY 2024
Referrals Hub	[Progress bar from FY 2022 to FY 2024]		
Collections Portal (Pathology only)	[Progress bar from FY 2022 to FY 2024]		
Appointment Bookings (Booking Portal)	[Progress bar from FY 2022 to FY 2024]		
Results Portal (or Doctors Portal)	[Progress bar from FY 2022 to FY 2024] ✓		
Lab Portal (Pathology only)	[Progress bar from FY 2022 to FY 2024]		
Develop feedback mechanism	[Progress bar from FY 2022 to FY 2024] ✓		
Set feedback targets and address any concerns	[Progress bar from FY 2022 to FY 2024]		
Enhance privacy and cyber security controls, and data platform modernisation	[Progress bar from FY 2022 to FY 2024]		



Connected healthcare

As part of a broad digital agenda, Healius is successfully developing a suite of digital products across pathology and imaging to improve referrer and patient proposition and enhance operating leverage. In FY 2023, we have made significant progress on this agenda. We have built a cloud-based data platform and migrated historical patient, referrer and results data. We have developed real-time advanced analytics to gain insights from this data and to support our referrers in their clinical decision-making and patient care. We are progressing our front and back-end digital portals to enable a seamless and clinically-excellent experience for all. With these enablers, Healius will be well positioned to permanently change the way we interact with referrers and patients, while optimising the value of its digital products.

What we have achieved to-date:



Referrals Hub

Digitised referral experience for clinicians and patients, telehealth-enabled



Collection Portal

Enhanced specimen tracking, collector efficiency and reduced upstream errors



Results Portal

Modernised the results experience enabling self-service and informed decision-making



Data Platform

Developed a database to drive clinical insights



Lab Portal

Migrated to future-proofed laboratory workflows

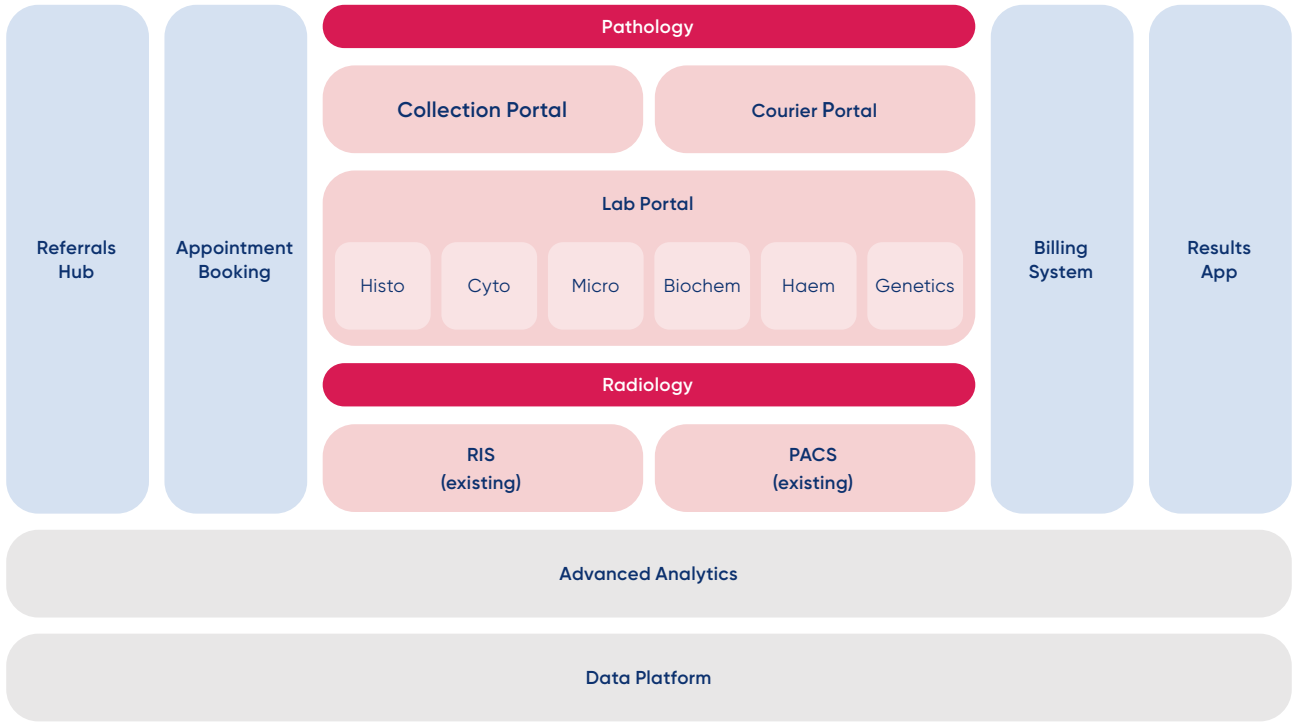
We are advanced with the deployment of:

- **Referrals Hub** – This hub makes it easy for doctors to electronically order pathology and radiology tests and for us to engage patients directly with a mobile web experience. Our electronic referrals also have wayfinding capabilities, enabling patients to obtain live information on opening hours and directions to their nearest centre. As patient preferences shift from traditional face-to-face interactions, our solution offers added convenience, complementing the delivery of telehealth by referrers. It eliminates downstream data entry processes improving efficiency and productivity at Healius, as well as being better for the environment as we reduce the use of paper-based forms.
- **Appointment Bookings** – This application helps patients make bookings for radiology and pathology tests with self-service capabilities from websites or from electronic referrals.
- **Results Portal** – The portal provides a modern digital self-service experience for doctors to view results, check history, share reports, request tests, and obtain clinical support from pathologists and radiologists. With improved clinical insights, it reduces the need for back-office queries and handling of paper reports.

In order to improve processes within our clinical operations and workflows for our people, Healius has completed development and build of the **Collections Portal**, as well as the Histology and Cytology modules of the **Lab Portal**. The Collections Portal has digitised the workflow in collection centres for registering patients, protocoling tests, managing specimens, taking payments and ensuring quality assurance. Through this portal we are able to increase efficiency and accuracy rates, reduce manual processes, and offer a better service experience to our patients. Our Collections Portal also enables increased laboratory automation downstream with less manual specimen handling.

We are also progressing well with the Lab Portal, with two modules completed, another three in development and one in design phase. The solution looks to digitise workflows in the laboratories with nationally standardised tests, catalogues, resulting rules and instrument configurations, improving our employee experience. It will also reduce clinical and operational maintenance efforts across laboratory processes.

Our digital agenda is a key part of our strategic intent to grow our diagnostic services in support of clinical decision-making across Australia.



Customer Engagement Clinical Workflows Data Platform

Innovation in real-time diagnostics

The Healius Digital Team were recognised with a prestigious Graphie Award for their work on the development of our Electronic Referrals, Collections Portal and Results Portal. The annual Graphie Awards honour organisations that demonstrate excellence in innovation and implementation of Neo4j graph technology.



Puneet Nagi, General Manager, Digital (left) and Maxine Jaquet, Managing Director and CEO (right) with Neo4j Graphie Award

Accelerating Digital Pathology and AI

As we continue to innovate and modernise diagnostic systems to make life easier for clinicians and patients, we are incorporating artificial intelligence (AI) to power clinical insights supported by end-to-end digital workflows.

Digital work flows

In July 2022, veterinary digital pathology went live nationally. Our Specialist Veterinary Services (SVS) Pathology Network in partnership with Philips, revolutionised the way pathology is performed by digitising workflows using Philips' Intellisite solution. Our laboratories are equipped with digital ultra-fast scanners and new image management system, allowing our anatomical pathologists to review high-quality slide images from virtually anywhere.

Through digitisation our pathologists can gain new insights from real-time collaboration. Slides and cases can be shared with ease, enabling second opinions to be sought and improved turnaround times, helping to streamline diagnostic and clinical decision making.

In addition to improving the service experience for our veterinary clinic customers, digitisation has also reimagined the pathologists' experience and improved operational efficiency for our people.

With the foundation in place, we have completed pilot studies covering a broad range of human tissue types.

We will continue to explore digital capabilities for human diagnostics across our medical pathology businesses.

Leveraging AI driven insights

Artificial intelligence has the potential to significantly improve productivity, accuracy, efficiency and turnaround times in diagnostics. Healius is well positioned to leverage advancements in AI with our data platform. We have several global partnerships in train to deploy best of breed AI, focussing on areas with material productivity or clinical benefits.

Our approach is not only cost-effective but also provides us access to a global solution set and enables faster speed to market, as we partner with vendors with proven AI algorithms. We have a pipeline of clinical use cases where we see a clear role for the use of AI, such as blood morphology studies in Haematology, and prostate and gastric cancer detection in Histopathology.

We will continue to invest in data infrastructure and digital workflows for radiologists and pathologists to seamlessly access AI tools.

Our customers



Dr David Taylor Vetnostics Anatomical Veterinary Pathologist, next to our new digital ultra-fast scanner at our Laverly laboratory (NSW)

Voice of the customer

As we continue to transform the service experience through the development of digital products, customer centricity is critical to ensuring we are providing healthcare services that meet the needs of our customers. In FY 2022, we successfully deployed a customer feedback platform, which has been instrumental in helping us to better understand our patients and referrers with over 660,000 pieces of feedback received to date.

Net Promoter Score (NPS) is a key metric used in customer experience programs, which measures the loyalty of customers to a business as well as how likely they are to recommend their products or services to friends and family. NPS scores range from -100 to +100, where scores above 70 are considered exceptional. At Healius, we are committed to delivering excellence in healthcare and hold ourselves to high standards. To ensure quality care an annual average NPS target of 75 was set, which has been achieved throughout the business.

Leveraging data-driven customer insights, we are focused on making meaningful improvements in areas where we will have the greatest impact and ensure we continue to deliver high-quality, accessible and cost-efficient healthcare services.

Tactical improvements we have implemented to date include:

- **Alternative language translations** – Operating within a multicultural society, we have been translating our surveys and other key patient facing material to broaden our reach and to make our patients feel more comfortable by using a language familiar to them.
- **SMS surveys** – As an added convenience, we have implemented SMS surveys to allow our customers to provide their feedback on the go on and at a time that suits them.
- **Educational pathology posters** – To help improve the patient experience while waiting at our centres, we have introduced informative posters about the pathology process.
- **Way finding tool** – Our Digital team are developing a tool to assist patients with locating our collection centres, as well as proactively monitoring our locations within Google Maps.

How we scored:



What our patients are saying:

- Short waiting times
- Quality clinical care and service
- Convenience of location and hours

What our referrers are saying:

- Fast turnaround times
- Good range of tests on offer
- Collection centre/clinic opening hours

The feedback and insights gathered will also inform Healius' overall technology modernisation program, enabling us to provide a more tailored experience and ensure any new product or service we deliver will meet customer needs and expectations.

Patient feedback and complaints

With the feedback tool, we can identify opportunities and problem areas in real-time, enabling us to address issues and implement operational improvements in a timely manner. Any more serious patient concerns, and complaints are also captured within Healius' incident management system and then assigned to relevant team members for action and response. Our underlying philosophy is to empower patients by giving them multiple channels to provide feedback, and to empower our people by giving them the authority and the tools they need to resolve issues with patients. We encourage the resolution of complaints at the front line where possible. If required, patients can escalate complaints from front line to Head Office level. Importantly, we also ensure patients have the ability to leave compliments and other positive feedback.

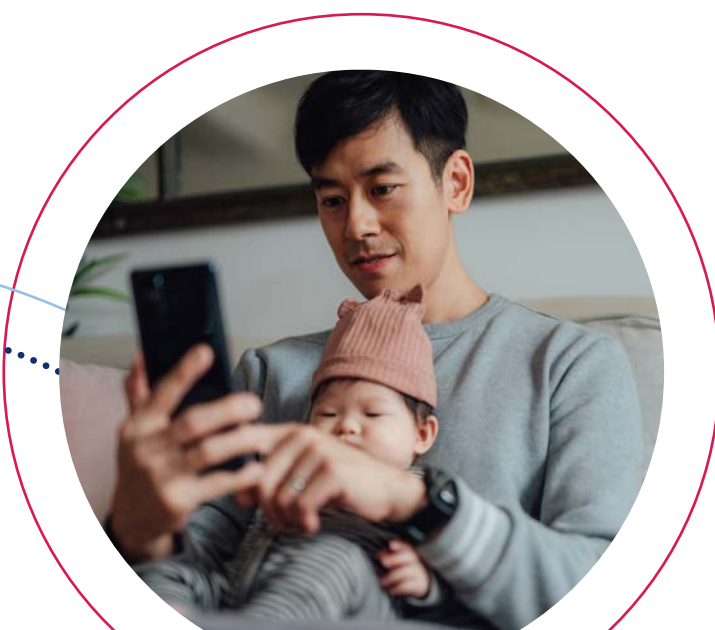
Patients are advised of their right to complain to external bodies such as the various state-based Healthcare Complaints Commissions or Health Ombudsmen. Feedback data including numbers and trends are reported up to the Board through the Executive Risk Committee and the Risk Management Committee. Each division's senior management team is included in reporting so that they can address trends and take remedial action. Healius continues to work on broadening the focus of feedback and complaints to the entire patient journey with us.

Patient complaints

	FY 2023	FY 2022	FY 2021
Total patient complaints from continuing operations	1,139	835	597
Patient complaints per 100,000 patient services	5.31	2.92	2.48

The impact of COVID restrictions and lockdowns throughout FY 2021 saw a significant decline in patient complaints on an aggregate basis in line with reduced activity. Following the end of COVID restrictions and the resumption of diagnostic activity, the number of patient complaints has increased over time.

The new feedback tool has improved accessibility and ease for our patients to provide feedback to us, contributing to the increase in total volume received in FY 2023. Resourcing challenges have also impacted services levels within our Imaging business and are the key drivers of the increase in patient complaints during the year.



Government relations

A well-supported and funded frontline health system is instrumental to delivering value-based healthcare, allowing for early disease diagnosis and intervention and improving health outcomes for all Australians. With rising healthcare costs, funding pressures will always exist, and private sector providers must be agile in both adapting to changes in Government funding as they arise and in diversifying their own revenue base.

At Healius one of our founding principles is to offer quality and affordable healthcare, enabling Australians to access the care they need irrespective of their circumstances. We receive reimbursement for services provided to patients through the Federal Government's Medicare Benefits Schedule (MBS) and this represents a substantial proportion of the Group's revenue, with the Government being our largest customer or payor. Healius drives diversification of its revenue stream, targeting non-MBS services through its specialty pathology services, commercial diagnostic contracts and other initiatives.

Healius undertakes regular dialogue and active engagement with the Government and the Opposition in order to ensure the best policy outcomes for Australia.

Australian Pathology

Healius has been a founding member of Australian Pathology since June 2018, the national peak body that speaks with one voice for the private pathology industry. Australian Pathology represents more than 95 percent of private pathology in Australia and is committed to the provision of high quality, affordable, safe and accessible pathology services to all Australians.

Healius, in conjunction with Australian Pathology, has helped deliver for the sector and for patients. Our strong response to the COVID pandemic and ability to rapidly scale testing capability in collaboration with both public and private healthcare providers made a significant contribution to the country's containment strategy, leading to Australia having one of the lowest fatality rates in the world. Australian Pathology, working in partnership with the Government, was able to put in place mitigation strategies and plans to deal with the expected, then actual, global shortage of personal protective equipment, supplies, equipment, tests and reagent.

In a post-pandemic world, the ongoing challenges facing modern healthcare, pathology will be fundamental in supporting improved diagnostics, personalised wellness management, genomic-based therapies and public health protection. Australian Pathology is now focused on medium to long-term goals of investment into the Medicare Schedule, new tests for patients and working with the Minister to make genomics an integral part of the Australian healthcare system.

Australian Diagnostic Imaging Association

Lumus Imaging has been a member of the Australian Diagnostic Imaging Association (ADIA) since 2022 after several years of co-operation. Since its inception in 1999, ADIA has been representing private radiology practices across Australia and is focused on securing long-term policy and funding to ensure patients have access to high quality and affordable diagnostic imaging services.

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 equitable.

Membership of ADIA will further enhance Healius' advocacy and engagement with Government and other key stakeholders on policy and regulatory matters in radiology.

Political donations

Under Healius' Political Donations Policy, staff members are unable to make political donations on behalf of Healius without prior approval. Healius also complies with the laws regulating the offering of personal gifts, entertainment or bribes to Government Officials.

Healius is a non-partisan company and aims to donate similar amounts to the Coalition and Labor Party over the parliamentary cycle.

Donations made to (\$)	FY 2023	FY 2022	FY 2021
Coalition	16,390	89,400	101,800
Labor	52,900	67,300	43,350
Total	69,290	156,700	145,150

Members of Healius' executive team attend several events, corporate dinners and business conferences organised by Labor, Liberals and Nationals. This is an important part of our government relations strategy.

Payment for these events are publicly disclosable as political donations. Healius' political donations are publicly disclosed annually through the relevant Commonwealth and State electoral authorities.

Data privacy and information security

Data privacy, confidentiality, integrity and availability of medical records is of utmost importance in healthcare.

At Healius, we manage large volumes of personal health data in delivering diagnostic services to our referrers and patients. We understand that protecting the privacy of individual data and personal information is paramount.

With an established framework, controls and processes in place, we have an ongoing program to protect clinical and financial data within our systems and to strengthen our defences against unauthorised access. We work with intelligence provided by the Australian Cyber Security Centre (ACSC) to continuously update our approach and investment. In summary, we have:

- established the Healius Cyber Security Framework aligned to ACSC Information Security Manual,
- developed a cyber risk controls program with board and management oversight and KPI reporting,
- appointed a Head of Cyber Security, and
- fast tracked a program of risk mitigations.

Healius' security program is founded on a process to Identify, Protect, Detect, Respond and Recover with respect to data management and security issues.

Identify

Programs have been established around identifying risks, prioritising controls, allocating adequate resources, and meeting regulatory obligations.

Protect

A comprehensive set of risk mitigation tools and processes have been put in place to reduce the risk of succumbing to cyber-attacks, which includes (but is not limited to) firewalls, network segmentation, website security, user access controls, end point protection, data loss prevention, training and penetration testing.

Detect

A Security Operations Centre has been established to continuously monitor IT systems and some Operational Technology (OT) assets.

Respond and Recover

A Cyber Incident Response Plan has been developed for both IT and OT assets. Healius' information security strategy is communicated to the Board, security risk management activities are reported to the Board Risk Committee, and information security metrics are reported to the Executive Risk Committee.

Security awareness

Cyber security training and awareness programs have been rolled out to all employees with mandatory training undertaken at least annually. Training is tailored to relevant current topics such as how to handle sensitive medical information, and how to identify and respond to phishing emails. A new program of training will be rolled out in FY 2024 to uplift cyber skills and capabilities. IT policies regarding use of technology and social media are included in all employees' on-boarding and a training module provides additional policy awareness and affirmation for all existing staff.

Privacy and data breaches

Our websites contain privacy statements that outline why Healius needs personal information, what is done with it, and what a patient needs to do to make a complaint about a breach of the Australian Privacy Principles under the *Privacy Act 1988* (Cth). Following the Notifiable Data Breach scheme inclusion in the 2017 Privacy Act amendment, Healius implemented Notifiable Data Breach Handling procedures and communicated procedures to its staff for reporting potential privacy breaches to the Healius Privacy Officer.

Our Planet

“Further climate change is inevitable, with the rate and magnitude largely dependent on the emission pathway.”

IPCC Sixth Assessment Report, Chapter 11, Australasia

The purpose of the 2015 Paris Agreement was to elicit a collaborative global response to the threat of climate change by limiting global warming to less than two degrees Celsius compared to pre-industrial levels, and preferably to 1.5 degrees Celsius. Despite global efforts to date, we are likely to fall short of this target with some regions likely to breach that threshold much earlier and experience an increase in the frequency and intensity of extreme weather events¹.

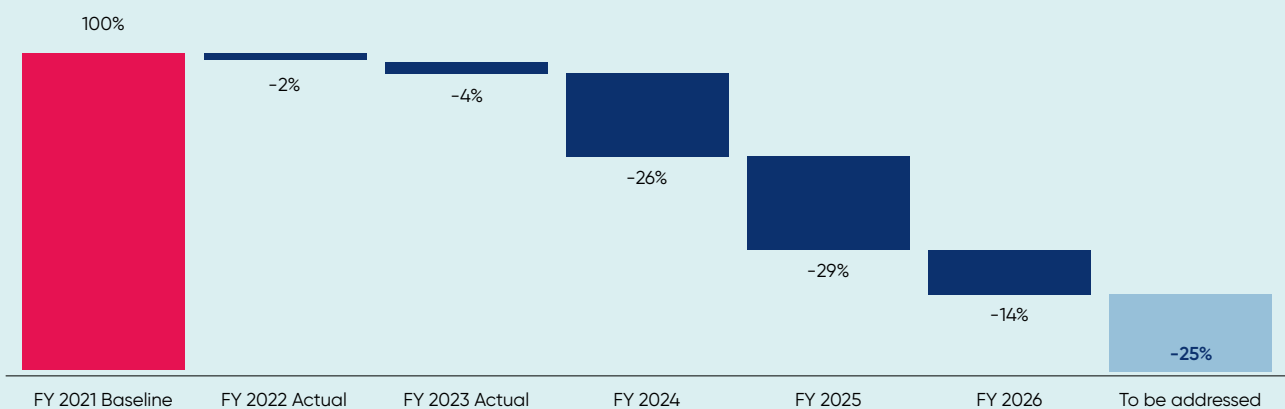
Healius believes every person, business, community and government has a role and a responsibility to reduce their carbon footprint and consumption of the world’s finite natural resources, and through our collective efforts and co-operation ensure that our planet remains sustainable into the future.

At Healius, we are committed to becoming a carbon neutral business and to reduce our identified Scope 1 and 2 carbon emissions by 100% against our FY 2021 baseline.

Based on our current pipeline of initiatives, we believe that we will be able to reduce our Scope 1 and 2 carbon footprint by approximately 75% by FY 2026 compared to our FY 2021 baseline as shown in the graph below.

As part of this program, we expect to achieve our Scope 2 target by FY 2026, primarily due to the introduction of green purchasing power agreement in 2H 2024 for all our large market sites (see page 24 below).

As the ecosystem for reducing carbon emissions (such as electric and hybrid cars) is continually evolving, we will explore opportunities to address remaining emissions and endeavour to achieve our Scope 1 target by FY 2030.



We are committed to managing our operations in an environmentally sustainable manner. [Our Environmental Policy](#) seeks to minimise the environmental impact of our operations through reducing consumption, emissions and wastage, leveraging advancements in technology

to deliver our services and information more efficiently, continually monitoring and assessing risks and potential impacts, and embedding environmental considerations into our work practices to promote awareness and environmentally conscious decision making.

¹ ‘Climate change widespread, rapid, and intensifying’, IPCC, 9 August 2021.

Emissions reduction roadmap

Scope 1 and 2

Initiatives	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
LED upgrade complete for all feasible sites	[Progress bar from FY 2022 to FY 2025]				
Solar installed at all feasible sites	[Progress bar from FY 2023 to FY 2026]				
Replace courier fleet with hybrid vehicles	[Progress bar from FY 2023 to FY 2026]				
Corporate head office relocation	[Progress bar from FY 2022 to FY 2022 with checkmark]				
Convert to renewable energy at all independent sites	[Progress bar from FY 2024 to FY 2026]				

Our planet

Achievements in FY 2023



LED upgrades

18 sites

updated with LED with 3,093 lights changed



Solar

QML Murarrie

installation complete



Hybrids

108

hybrids on the road



Corporate HO relocation

Liberty Place

a sustainable and 100% carbon neutral building



Environmental Metrics ¹	FY 2023	FY 2022	FY 2021	% Chg v FY 2022	% Chg v FY 2021
Energy					
Total electricity purchased and consumed (MWh) ²	33,188	30,704	31,106	8.0%	6.7%
Total energy consumed (GJ) ³	212,503	208,527	n/a	1.9%	n/a
Carbon Emissions (tonnes)					
Scope 1	6,189	6,521	6,585	(5.1%)	(6.0%)
Scope 2	24,414	25,211	25,881	(3.2%)	(5.7%)
Total Scope 1 and 2 emissions	30,603	31,732	32,466	(3.6%)	(5.7%)
Intensity Ratios					
Energy intensity (MWh/employee)	3.07	2.71	n/a	13.3%	n/a
Energy intensity (GJ/employee)	19.63	18.42	n/a	6.6%	n/a
Scope 1 and 2 emissions intensity (CO ₂ e t/employee)	2.83	2.80	n/a	1.1%	n/a

Energy

During the year, Healius continued to improve the completeness of its sustainability data and implemented enhancements to our property management system. This has enabled us to capture and collect consumption data from our landlords on more of our sites. This in turn, has contributed to the increase in energy purchased and consumed in FY 2023 as the changes can only be applied prospectively. It is now expected that energy consumption will drop as a more comprehensive baseline has been established.

Carbon emissions

In FY 2023, we were able to reduce our carbon footprint by 1,129 tonnes, representing a 3.6% reduction on FY 2022. However, we fell short of our original target of 7% reduction against our FY 2021 baseline. The shortfall was primarily driven by supply chain constraints with securing stock of hybrid vehicles.

Intensity ratios

Since FY 2021, Healius has undergone a number of portfolio changes including the divestment of its Day Hospitals business as well as the acquisition of Agilex Biolabs. Now operating as a pure diagnostics service provider, new performance metrics have been introduced to track progress against our emission reduction roadmaps, such as energy and carbon intensity ratios on a per employee basis.

As noted above, Healius improved the completeness of its energy consumption data which has contributed to the increase in energy intensity year on year, while Scope 1 and 2 emissions intensity has been broadly flat predominately due to our emission reduction initiatives and an increase in available renewable energy from the grid.

1 Metrics presented represent the Healius consolidated group from a continuing operations perspective and is consistent with its approach to financial consolidation. Base year emissions have been recalculated in accordance with the GHG Protocol Corporate Standard.
 2 Represents electricity purchased from the energy network and consumed by the business.
 3 Represents energy consumed including fuel consumption from fleet and purchased electricity.

Scope 1 and 2 initiatives

LED upgrades

Target: 100% of feasible sites within portfolio upgraded with LEDs by FY 2025

As we focus on becoming a more sustainable and environmentally aware business, the priority has been on driving energy efficiency and finding ways to reduce overall consumption. Building on work already undertaken, this year Healius successfully upgraded an additional 18 sites across NSW, VIC and QLD with LEDs which will reduce our carbon emissions by 485 tonnes annually going forward.

Since the start of the initiative, we have:

- Upgraded 29 sites, representing ~12% of our portfolio excluding pathology collection centres
- Changed 4,956 lights
- Annualised carbon abatement of 868 tonnes
- Reduced energy consumption by 661,700 kWh
- 100% optimised lighting at all four major pathology laboratories¹

Healius will continue to identify and upgrade feasible sites within its portfolio as a part of this multi-year program.

For our existing light fittings, Healius is committed to responsible waste management and globes are recycled using certified fluorescent globe recyclers to ensure any mercury bearing waste is appropriately treated and recycled, reducing the amount of waste that ends up in landfills. All salvageable metal is also recycled where possible.

Solar

Target: Install solar systems on all major sites where feasible by FY 2026

Despite having over 2,200 sites nationally, only six sites are suitable for solar installation after assessing minimum requirements for unobstructed rooftop space, minimum lease tenure and landlord consent and approval. The majority of our property portfolio consists of small lease pathology collection centres which are unsuitable.

During FY 2023, we completed the solar installation at our QML Murarrie laboratory after delays caused by COVID lockdowns, supply chain constraints and extreme weather events. The site has been fitted with a system with 450 kWp solar capacity and is expected to supply up to 30% of the laboratory's energy consumption.

Healius has now completed solar installations at two of our large sites².

LED upgrade at QML Murarrie laboratory in QLD



Our planet

Solar upgrade at QML's Murarrie laboratory in QLD



Healius – Sustainability Report 2023

¹ Laboratories included are North Ryde NSW, Murarrie QLD, Heidelberg VIC and Jandakot WA.

² Lumus Imaging's Port Macquarie centre and QML Pathology's Murarrie laboratory.

Hybrid fleet

Target: Convert 50% of fleet to hybrid vehicles by FY 2026

At Healius, our fleet is the primary source of all Scope 1 emissions, generated by our couriers as they collect and transport pathology samples across the country from our collection centres to our laboratories for testing. With over 1,000 vehicles across the business and in recognition that further development and infrastructure is needed to support zero-emission vehicles, we have decided to convert 50% of our fleet to hybrid vehicle by FY 2026 as the first step in Scope 1 emissions reduction.

In FY 2023, 108 hybrid cars were rolled out, bringing the total number of hybrids within our fleet to 120 cars. We were impacted by supply constraints as our supplier was unable to deliver all cars on order during the year and some were deferred to FY 2024 for delivery.

Since the start of the initiative, we have noted a marked improvement in our fuel economy reducing to 7.5L per 100 kilometres travelled as well as a 6% reduction in Scope 1 emissions against our FY 2021 baseline.

Fleet Metrics	FY 2023	FY 2022	FY 2021
Cars in fleet	1,145	1,112	1,056
Hybrid cars in fleet	120	12	10
Fuel consumption from fleet (kL)	2,720	2,868	2,892
Fuel economy (L/100km)	7.5	8.1	n/a
% of hybrids within fleet	10.5%	1.1%	1.0%

In collaboration with Origin Energy, Healius is trialling four electric cars within our fleet at Laverty NSW, to assess the operational and commercial effectiveness of zero emission vehicles. As a part of the trial, charging stations have been installed at three locations across NSW including our main laboratory. We may look to extend the trial to additional locations and couriers.

While the range on electric cars has improved, there are still limited models available in Australia that are economically viable and would meet our operational requirements. With additional public and private investment in fast-charging infrastructure and as more models become available, we expect that it may become possible to adopt electric vehicles in our fleet in the medium-term and we will continually monitor relevant market conditions.



Norrie Arabit Communication Room Operator, Laverty Pathology

Renewable energy

Target: 100% renewable energy at all independent sites by FY 2026

Our suite of initiatives aims to deliver meaningful change to reduce our energy consumption and carbon emissions. This is why, we are committed to transitioning all our independent sites (where possible) to renewable energy by FY 2026.

However, we also recognise the effectiveness of making changes to our sourcing of power. In March 2023, Healius engaged the market for a long-term, competitively priced power purchasing agreement (PPA) with a full renewable energy solution. After a lengthy tender process, Healius is pleased to announce that we have agreed to a significant PPA with a global renewable energy leader, to supply 100% electricity from Australian-based renewable sources across all our large market sites.

The eight-year PPA will provide approximately 20GWh of power annually from various wind and solar farms located in NSW, Victoria and South Australia. This will reduce Healius' Scope 2 emissions by ~70% (compared to our FY 2021 baseline) when we transition starting January 2024.

In 1H 2024, Healius will commence sourcing activities for new electricity supply to all our small market sites, which represents ~8 GWh in energy consumption. Healius will consider whether to migrate these sites to renewable sources, depending on merits and commerciality of the proposals, noting that this may also influence the timing of when we achieve our renewable energy target.

We will look to reassess our remaining property portfolio to determine the feasibility of transitioning our remaining independent sites and will continue to roll out rooftop solar solutions where this is commercially feasible.

We hope that our investment in procurement of renewable electricity will assist Australia's transition to a low carbon economy and accelerate the industry's growth and potential to secure new and improved renewable technologies.



Scope 3 emissions and resource consumption

Scope 3 and resource use

Initiatives	FY 2022	FY 2023	FY 2024
Improve the use of resources (e.g. film, paper and water)	[Progress bar spanning all three years]		
Improve disposal, processing and recycling of medical waste	[Progress bar spanning all three years]		
Develop waste reduction roadmap	[Progress bar spanning all three years]		
Identify and implement other Scope 3 emission reduction opportunities	[Progress bar spanning all three years]		

Healius continues to focus on initiatives targeted at reducing resource consumption and waste disposal.

We have also made progress in collating our Scope 3 emissions data for our material categories and have included this in our reporting for FY 2023. However, we recognise that this data collation process should improve over time and drive better quality metrics from our upstream and downstream activities.

Scope 3 emissions and resource consumption

FY 2023

Scope 3 emissions (tonnes)	FY 2023
Emissions from purchased fuel and electricity consumed ¹	4,310.9
Emissions from waste generated in operations to landfill ²	1,050.4
Emissions from business travel ³	1,160.2
Total Scope 3 emissions (tonnes)	6,521.5
Other consumption metrics	
Water consumption at Pathology main labs (kL) ⁴	48,161
Water intensity for Pathology main labs (kL/sqm)	1.7
Reduction of film usage in Lumus Imaging (% YoY)	28%

1 Based on available energy usage data, calculated in accordance with the GHG Protocol Corporate Reporting Standard for Scope 3 emissions (Fuel and Energy Related Activities – Not in Scope 1 and 2) using emission factors published in the National Greenhouse Accounts for 2023.

2 Based on available waste data provided by our waste service provider, calculated in accordance with the GHG Protocol Corporate Reporting Standard for Scope 3 emissions (Waste Generated in Operations) using emission factors published in the National Greenhouse Accounts for 2023.

3 Method and calculation derived from DEFRA Conversion Factors, which is based on the GHG Protocol Corporate Reporting Standard for Scope 3 emissions (Business Travel).

4 Reflects water consumption at our four large scale pathology laboratories only, which is separately metered.

Digital delivery to reduce consumption

Film usage

Reducing the use of film in our operations is important because it lessens the impact on the environment, as production, exposure, development and disposal of film uses both hazardous chemicals and valuable resources. Since the deployment of Imaging Core Application Refresh (ICAR), we have continually reduced the volume of imaging results printed on film by replacing it with digital images of scans. To date, we have reduced the volume of film used by 66% compared to FY 2020. We will continue to drive digital adoption as a part of our business-as-usual processes.

Paper and printing

Our digital program not only aims to create a single leading diagnostics platform, improving the experience for our clinicians, patients and our people, but also provides a sustainable way forward within our operations. Initiatives such as Collectors Portal, Electronic Referrals, and Results Portal all effectively reduce the need for paper and printing by offering a digital solution.

On the corporate side, Healius encourages its shareholders to access communication electronically. Improving over the past year, currently only 2% of Healius shareholders have opted to receive a physical copy of the Annual Report through post, while over 60% of shareholders have opted to receive the notice of meetings electronically.

Water consumption

We recognise that water is a valuable and scarce resource and only ~3% of the world's water is freshwater. Water is largely used:

- In our pathology analysers within our laboratories as it is required for testing purposes, and
- Generally by our people and patients.

We have focused on water consumption within our four main laboratories in Pathology as they have the largest physical footprint and usage. Having established a baseline, the focus will turn to what we can do to conserve this resource and ensure it is available in the future.

Waste management

At Healius, we have two main streams of waste generated through our operations, clinical waste and general waste.

This year, the focus for Healius was to collate, review and assess waste data to establish a baseline across the business, with the intention of informing our waste reduction roadmap. Through this process, we discovered that there was significant variability in the availability, completeness and consistency of data captured by our waste management service providers. Healius will continue to proactively work with our waste management service providers to identify opportunities to reduce waste within our operations and to improve the quality and availability of the data.

Clinical waste

As a healthcare business, a significant portion of our waste relates to medical, clinical by-products, and single use items that may be contaminated by blood and other human fluids. Correct disposal of clinical waste items is paramount, and we use reputable, licensed businesses who specialise in dealing with these effluents.

Given the nature of clinical waste, and the need for it to be disposed of in a sterile manner, there are very limited opportunities for recycling and reuse. Nevertheless, Healius is exploring alternatives to the current treatment of incinerating clinical waste. We are looking to assess targeted opportunities to reduce this waste as well as alternative treatment methods that are less harmful for the environment. Ideally, we aim to change our treatment of clinical waste from a linear to a circular economy.

General waste

General waste encompasses all other types of solid waste that is not contaminated (i.e. non clinical waste), such as packaging, and general office supplies. Currently, our waste data only represents sites serviced by our group-preferred general waste provider.

General waste ¹	FY 2023
Waste generated through operations (tonnes)	1,280.5
% landfill	63%
% incinerated	4%
% recycled	33%

We will continue to progress with establishing our waste baseline and development of our waste reduction roadmap throughout FY 2024.

¹ These metrics are for information only and will subsequently form a part of Healius' baseline position that is being developed.

Summary of key Healius facilities:

Sydney, NSW

Facility Type

Corporate head office at Liberty Place

Features

- Relocated September 2022
- Liberty Place is a certified carbon neutral building, with a 6 Star Green Star rating, 6 Star NABERS Indoor Environment rating and 4.5 Stars NABERS Water rating
- The architectural design allows for more natural light, reducing need for artificial lighting and also generates power on-site

North Ryde, NSW

Facility Type

Lavery Pathology laboratory

Features

- LED upgrade of site completed in FY 2021
- Under assessment for solar installation

Murarie, QLD

Facility Type

QML Pathology laboratory

Features

- LED upgrade completed in FY 2023
- Solar installation in FY 2023

Heidelberg, VIC

Facility Type

Dorevitch Pathology laboratory

Features

- LED upgrade completed in FY 2023

Jandakot, WA

Facility Type

Western Diagnostics Pathology and Vetpath laboratory

Features

- Automated lighting control and motion sensor LED lighting
- Energy efficient air-cooled chillers
- Double glazed windows to prevent thermal transfer and reduce HVAC load
- Instant hot water system on continuous flow ring



Our planet

Climate change risk

Climate-related risks and opportunities are identified through Healius' Risk Management Framework (RMF) which formalises the management of risk and provides Healius with a consistent methodology to be applied to strategic, operational and contractual objectives. Climate change has been identified as a material business risk and has been included in our Group Risk Register. Healius has detailed business continuity plans (including contingent services, alternative courier routes) in place for key sites, so as to minimise disruption to operations and ensure our ability to service patients and referrers.

In line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD),

in FY 2023 Healius conducted a high-level risk and opportunity assessment, to identify a range of climate-related risks and opportunities which may impact the diagnostic care industry in Australia in general and Healius in particular. Climate vulnerability of sites and facilities within the business was considered with reference to globally recognised climate scenarios published by the Intergovernmental Panel on Climate Change (IPCC). As Healius has 2,300 sites, the focus of our initial assessment was on key sites based on revenue contribution and physical footprint. The outcomes of the assessment will help us to identify and prioritise areas that need more detailed analysis and we will build on our disclosures as we progress our sustainability journey.

Our preliminary analysis identified the following key climate-related risks and opportunities:

Category	Risks	Opportunities
Physical – Operations	<p>Facilities and infrastructure assets</p> <ul style="list-style-type: none"> Our key sites have been assessed as not in high flood or fire prone areas. However, any physical damage to sites and assets during an extreme weather event could lead to business disruption, contributing to loss of revenue and/or additional costs of repair. Higher temperatures and more frequent heatwaves are likely to increase energy consumption for heating, ventilation, and air conditioning (HVAC) purposes, increasing running costs, decreasing productivity, or requiring building upgrades such as improved HVAC equipment <p>Supply chain and workforce</p> <ul style="list-style-type: none"> Availability and stability of key services such as energy and telecommunications during an extreme weather event are outside our control and could lead to loss or delays in services. Accessibility to the site may be restricted by extreme weather events, with employees unable to commute to their work location, couriers unable to collect specimens from pathology collection centres, and/or patients unable to attend for testing. This could lead to business disruption, contributing to loss of revenue and services. 	<ul style="list-style-type: none"> Improving the climate resiliency of facilities and infrastructure assets, including at site selection, will reduce any vulnerability to extreme weather events and to consequent loss of services and revenue. Transitioning to renewable energy sources through investment in solar at our larger facilities and electrification of our courier fleet will reduce emissions and running costs. Optimisation of our courier routes will improve fuel efficiency, reduce emissions and reduce operating costs. Engaging with suppliers in our supply chain could identify better sourcing opportunities leading to reduced emissions intensity and/or cost savings.
Transition – Policy and Legal	<ul style="list-style-type: none"> Regulation on energy efficiency standards may require upgrades to existing equipment and infrastructure and/or early retirement of assets, leading to additional costs. The introduction of mandatory climate reporting with enhanced disclosures could lead to additional reporting costs. 	<ul style="list-style-type: none"> Engaging with our stakeholders to improve sustainability disclosures and reporting.
Transition – Technology	<ul style="list-style-type: none"> Early transitioning to lower emission technologies, including lower emission hybrids/electric cars, could add additional costs to running our operations until cheaper models become more readily available. 	<ul style="list-style-type: none"> Timely substitution of existing cars in our fleet to lower emission hybrids/electric cars could reduce running costs and reduce our emissions intensity.
Transition – Market	<ul style="list-style-type: none"> Increased expectations by the stock market on disclosure of climate risk and emissions could lead to additional compliance requirements and costs. 	<ul style="list-style-type: none"> Transitioning to 100% green energy purchasing arrangements will lead to zero Scope 2 emissions. As a result, Healius could gain increased access to capital including better access to ESG funds, and/or to preferential interest rates via sustainability-linked loans.
Transition – Reputation	<ul style="list-style-type: none"> Loss of existing commercial or Government contracts or reduced competitiveness in tenders could occur due to any perceived slow progress on climate change, leading to reduced revenue growth. 	<ul style="list-style-type: none"> Reputational benefits could deliver a positive shift in customer preferences for our services, if Healius is perceived positively on climate change initiatives (for example in the achievement of zero Scope 2 emissions).

Our People

Our Workforce Roadmap

Initiatives	FY 2022	FY 2023	FY 2024
Remuneration: Implement single integrated remuneration policy. Undertake gender parity analysis. Expand variable remuneration plans.			
Recognition and reward: Implement improved non-financial employee recognition. Enhance leave offerings. Target further support of mental health.			
Diversity: Implement Diversity, Equity, Inclusion and Belonging Policy, set targets, initiatives and training.			
Talent and succession: Implement succession plans, continue to embed transparent KPI performance review framework. Implement e-learning pathways and graduate programs.			

Together, we are united by our common purpose – caring for the health and wellbeing of Australians at every stage of life.

In FY 2023 we transitioned to a post-pandemic era, focused on right-sizing and positioning the business for future growth and success. The new operating model introduced changes to group and support functions which have now been consolidated. By bringing our non-frontline people together, we can better support the businesses and ensure they are well positioned to deliver great service and quality care to our patients and customers.

Guiano Punzalan Collector, Lavery Pathology



Our team at Healius

Overall

Employment	FY 2023	FY 2022	FY 2021 ¹
Total team members in Australia	10,824	11,322	11,215
Women in workforce	7,938	7,821	9,674
Women in managerial positions	399	260	300
Team members engaged in full-time employment	4,377	4,378	2,607
Team members engaged in part-time employment	5,173	5,114	6,468
Temporary team members and contractors engaged	1,274	1,830	2,140
Team members with more than 10 years of service	2,902	2,727	3,219
Annual turnover (voluntary) rate	22%	22%	17%
Team members that took parental leave during the year	428	547	373
Proportion of team members that returned after taking parental leave	98%	96%	93%
Lost time injuries per million hours worked (LTIFR), excluding COVID	7.3	4.2	5.2
Lost time injuries per million hours worked (LTIFR), including COVID	15.9	18.2	5.8
Average number of hours lost per workers compensation claim lodged	29.7	29.8	29.4
Fatalities	0	0	0
Total team members in India ²	585	500	553

Turnover

FY 2023 has been a year of reset after an extraordinary period with the COVID pandemic, when our Pathology business scaled up to handle unprecedented volumes of PCR testing, while our Lumus Imaging business suffered various lockdowns and restrictions to elective surgeries.

This year we implemented a new operating model which consolidated several group and support functions. We are looking to further embed the model within the business as we support our people during a period of reset.

Current employment market conditions across Australia include low unemployment rates which are predicted to continue into FY 2024. Pathology and Imaging, experienced voluntary turnover of 24% and 15% respectively which reflected the ongoing competition for talent experienced in key roles, with the most common reasons cited for resignation being personal reasons or a more attractive opportunity.

Voluntary turnover rates	Pathology	Imaging	Corporate	Group Average
FY 2023	24%	15%	9%	22%
FY 2022	22%	16%	25%	22%
FY 2021	16%	13%	20%	17%

¹ FY 2021 figures are inclusive of Day Hospitals as data was not available for disaggregation across all reported metrics.

² These team members are employed by our wholly owned subsidiary, Healius Pathology India Private Limited, and managed exclusively through a third-party payroll partner. The entity provides data entry services to our Pathology business.

Turnover reasons FY 2023	Pathology	Imaging	Corporate	Group Average
Voluntary turnover¹	24%	15%	9%	22%
Involuntary turnover				
Redundancy	2%	1%	7%	2%
Terminated	3%	2%	1%	2%
Other ²	4%	2%	2%	4%
Total involuntary turnover	9%	5%	10%	8%
Total turnover	33%	20%	19%	30%

Employment mix

Casual and other types of employment

Healius is committed to offering permanent and long-term roles to the majority of our people and is only using contractors for project-based initiatives or to gain specialist skill sets.

During the pandemic, casuals were employed in Pathology to help manage surge requirements for COVID screening and testing, but this has now reverted to more normalised levels.

Casual employees	Pathology	Imaging	Corporate	Group Average
FY 2023	8%	18%	0%	10%
FY 2022	16%	19%	0%	17%

For all types of employment, compensation is in line with comparable permanent employees.



- 1 From FY 2023 retirements have been included as a part of voluntary turnover.
- 2 Other reasons for involuntary turnover include end of contract where the employee was on a fixed term contract and in the event of death.

Working at Healius

Remuneration

At Healius, we are committed to equitable remuneration. Our [Group Remuneration Policy Statement](#) outlines the core principles we follow to ensure we can attract and retain talent to deliver on business objectives and create value.

Across the Group we have a broad group of over 10,500 people working with us from independent healthcare professionals, pathologists, radiologists, scientists, technical professionals and general staff. Terms and conditions range from Modern Awards and Enterprise Agreements (EA) to Common Law contracts.

Our industrial instrument coverage, including Modern Awards (Award) and Enterprise Agreements across the Group, is shown below:

	Pathology	Imaging	Corporate	Group
People covered by an EA or Award	89%	95%	2%	87%
People not covered by EA or Award	11%	5%	98%	13%

Freedom of association

Healius respects and supports the rights of our people to join and participate in union activity connected with the workplace, noting that we have a broad number of unions with whom we engage across our sites. We provide our people with access to Union information on site and abide by all associated obligations under the *Fair Work Act 2009*.

Performance based pay

Healius operates a number of incentive schemes to motivate and reward superior performance from our people. The Short-Term Incentive Plan (STIP) recognises achievement over the course of a single financial year, measured against an individual's scorecard which includes relevant and tailored financial, operational, and strategic KPIs.

Our Long-Term Incentive Plan (LTIP) is aligned with shareholder interests and aims to reward multi-year performance and strategic objective and retain key talent.

Gender pay equity

We aim to provide compensation that focuses on an individual's role, classification, skills and experience, and is not gender-biased. For the majority of our people who are covered by an EA or Award, there is no gender bias in the pay rates as they are based on an individual's role. For the remaining 13% of our workforce who are not covered by an EA or Award, we continually aim to apply a gender lens to our remuneration activities, including appointment to roles, annual remuneration reviews and incentive payments, to ensure that any differences in remuneration are a result of functional specialty, performance and experience, and not related to gender.

Recognition and reward

Parental leave

We recognise the importance of family and the flexibility that is often required in managing family responsibilities. To assist with adjustments in work patterns, where possible, we accommodate changes to job functionality, hours of work and work location.

Healius' Parental Leave Policy provides Primary Carers with six weeks of paid leave and Secondary Carers with two weeks of paid leave, where either can be taken at half pay. We provide the full benefits of the policy in the event of miscarriage or pregnancy loss. We are committed to enhancing the policy over time and will consider other inclusions such as continuity of superannuation contributions for the duration of paid parental leave.

Approximately 98% of team members across the Group who took parental leave to June 2023, returned to work.

Employees who returned after parental leave	Pathology	Imaging	Corporate	Group Average
FY 2023	98%	99%	100%	98%
FY 2022	96%	96%	94%	96%
FY 2021	93%	90%	100%	96%

Benefits portal

Healius' benefits portal allows our people to access a variety of services offerings including:

- Discounts and rewards at leading retailers and service providers
- Access to vehicle novated leasing
- Benestar Employee Assistance Program
- Wellbeing information and resources, including financial wellbeing, fitness programs and mental health tools

These benefits also help to better support our people in managing recent cost of living challenges and the higher interest rate environment.

Katherine Brown, Chief Scientist, Automated Chemistry, Laverly Pathology



Diversity, equity, inclusion and belonging

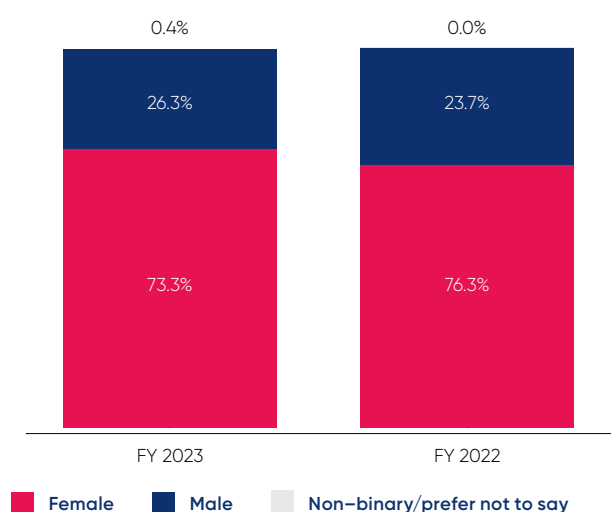
Healius is committed to supporting an inclusive environment that embraces all that makes us different and recognises the benefits that these differences make. [Our Diversity, Equity, Inclusion and Belonging Policy](#), recognises the importance of and commitment to building a workforce that reflects the diversity of the people and communities we serve, delivering responsive and culturally-appropriate services, and to creating welcoming workplaces and teams where people can thrive.

Gender diversity

Healius has pledged its support for 40:40 Vision, an initiative led by superannuation fund HESTA. 40:40 Vision seeks to achieve gender balance – 40% women, 40% men and 20% any gender – across the senior leadership of all ASX200 companies by 2030. To achieve this, Healius is looking at initiatives that will support further gender balance in our leadership roles, including ensuring gender balance in our talent identification and succession planning.

In FY 2023, Healius achieved 40:40 at a Board level with four female directors, and appointed Jenny Macdonald as our first female Chair. Our Executive Leadership Team (ELT) went through a substantial refresh, with Maxine Jaquet appointed as the company's first female Managing Director and CEO, and with new Business Unit leaders in our Pathology and Imaging businesses and a new CFO. Healius remains committed to gender diversity and will continue to work towards our 40:40 ambition across all levels of management.

Workforce composition by gender



Female representation at 30 June 2023

	Pathology	Imaging	Corporate
Board of Directors			50%
Executive Key Management Personnel (KMP)			33%
Executive Leadership Team			20%
Other Executive/General Managers	44%	50%	36%
Senior Managers	61%	52%	65%
Other Managers	77%	74%	54%

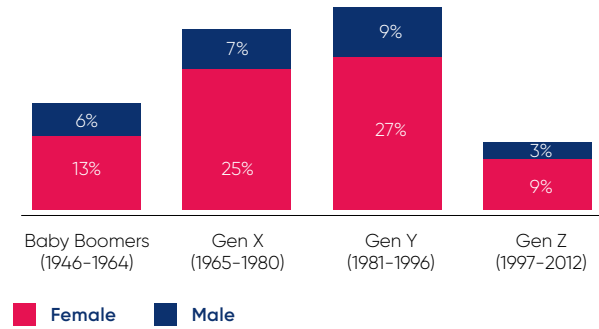
- Board of Directors and Executive Leadership Team is set out in Healius' FY 2023 Annual Report on pages 30 to 33. The Managing Director and CEO role is excluded from the Board and included in KMP in the above table.
- Executive Key Management Personnel is set out in Healius' FY 2023 Annual Report on page 43.
- Other Executive/General Managers are those general managers largely tasked with managing state operations, or functional responsibility, or a direct report of a functional Group Executive.
- Senior Managers are responsible for a function, department within a business unit or function, or outcome. They are more likely to be involved in a balance of strategic and operational aspects of management. Some decision making at this

- level would require approval from either of the two management levels above. They may also be responsible for resourcing a budget.
- Other Managers are those who plan, organise, direct, control and coordinate an operational function. They usually oversee day to day operations, working within and enforcing defined company parameters. These individuals implement, determine, monitor and review strategies, policies and plans to meet business needs relating to their own function/work area. An 'Other Manager' is accountable for a defined business outcome which generally involves the management of resources that also includes time management, coordination of different functions of people, financial resources and other assets. Line managers are also included in this category.

Age diversity

Healius' generational distribution (as shown on the right) is indicative of reasonable age diversity within our workforce across the four generations. The majority of the workforce are from Gen X and Y, while employee numbers reduce for Boomers as our people progress towards retirement. On the other end of the spectrum, we have lower employee numbers in Gen Z as they are still early in their careers or working towards their qualifications.

Generational distribution



Talent and succession

Succession planning

Succession planning is essential to ensure continuity of critical roles within the company and that they are filled by people with the necessary skills, knowledge and experience to perform the role.

Building on our existing succession plans, Healius will be performing a talent review in FY 2024, focused on identifying and developing key talent within the company. Succession mapping will also be performed for key roles.

our their best. MyPulse aims to help our people develop, grow, reach and exceed their potential, creating a high performance culture where our people feel engaged and motivated.

As we work towards building meaning conversations into our way of working, we also use the feedback received during the performance review process to inform themes and topics for our learning and development training modules.

Aspiring people leaders (such as those in senior management roles) may also be nominated for Healius' Executive Readiness Program 'LeAP', which is facilitated by the Australian School of Applied Management (ASAM)¹. The seven month program is aimed at those looking to take the next step into executive management, equipping them with the necessary skills, a transformational mindset and approach to further develop their career aspirations. In FY 2023, 14 team members successfully completed the course.

Performance review and development framework

MyPulse is Healius' performance framework and has a simple purpose – *"being our best, through inspiring conversations"*.

Our performance framework aims to enable our people to have regular and meaningful conversations with their managers, and to provide focus and clarity for the year. At Healius, we recognise that it is not one size fits all, and our framework is tailored to our three core organisational groups being clinical, clerical, and operational, to ensure it best meets the needs of our people leaders and managers.

We are focused on creating a work environment where people thrive, by ensuring they have the right tools, support and opportunities to bring

Learning and development

Management programs

Healius' Manager Foundations Pathway is designed to ensure that all new people managers are equipped with a foundational level of core skills and tools that they need to perform their duties effectively. The Pathway supports and develops our people as they progress their careers and work towards the leadership readiness program. On successful completion of the Pathway, managers may be invited to development programs such as LDP and LeAP.

Leadership programs

Our Leadership Development Program (LDP) recognises that our people may be at different stages of their career, the program comprises of different levels ranging from introductory or refresher courses to those for experienced managers.

Policy and awareness training

Healius is committed to raising awareness and maintaining knowledge in our people through targeted training across the Group. We have delivered a number of Group-wide programs aimed at increasing our baseline knowledge and awareness of key contemporary business topics such as:

- Standards of Behaviour and Conduct Policy training to help people understand the relationship between our WE CARE values and the expectation we have of our people
- Cyber security, to ensure contemporary safety and security standards for the management of data and information, as well as technology usage
- Modern slavery, to increase awareness of ways in which we ensure our value chain does not participate, support or endorse any form of Modern Slavery.

¹ In 2023, ASAM merged with sister brands Women & Leadership Australia (WLA) and National Excellence in School Leadership Institute (NESLI), and is now known as WLA.

Helping our people thrive

Connecting our people across Healius

Healius' internal communications are designed to connect and engage our people across Healius, help facilitate the communication of business-critical information and provide opportunities for two-way communication.

In FY 2023 a key focus of our internal communications was supporting CEO and leadership communications and continuing to build our Healius communications channels, including the introduction of a new internal communications system.

Speaking up

Across Healius we are committed to building and maintaining safe and healthy workplaces that reflect our WE CARE values and create a better working experience for everyone. We want all of our people to feel safe and respected in their workplace and confident to give feedback, suggest an idea or speak up if there is something that's concerning them.

As well as our WE CARE values, there are a number of Healius people policies that guide our approach to building healthy workplaces. Our Healius Group Workplace Complaints, Grievances and Investigations Policy provides our people with guidance in regard to how they can raise a complaint or grievance and how this will be handled across the group. Healius also has a Whistleblower Protection Policy and Whistleblower Hotline which allows our people to make an anonymous disclosure to an external, independent contact centre.

Looking after our people during times of change

From time to time, Healius or its group businesses, will need to make changes to our people structures, to reflect changes in our business.

If people changes are required, we do everything we can to reduce the impact on those people effected and ensure they are treated respectfully.

During a restructure process we communicate the rationale behind the change and outline what the restructure process will look like, including the timeframes and opportunities for consultation and redeployment. We also provide our people with support through local managers, Human Resources and our external Employee Assistance Program.



Working Safely

Healius as a healthcare provider is dedicated to ensuring a safe work environment for our team members, patients, and customers. Healius' Workplace Health and Safety management system (WHSMS) sets out workplace safety standards. It is designed to identify and control safety hazards and risks within the workplace and complies with regulatory standards set by SafeWork bodies at a Federal and State level. Healius continuously reviews and updates the WHSMS to align with its regulatory and operational requirements.

Healius has adopted a range of key performance indicators, encompassing lead and lag indicators, which are used to monitor workplace health and safety performance. The key indicators are as follows:

	FY 2023	FY 2022	FY 2021
Number of WHS prosecutions	0	0	0
Number of sites subject to WHSMS Mini Audit	160	162	218
Number of sites subject to WHSMS Internal Audit	32	33	35
Compliance to the Health and Safety Plan	93%	93%	98%
Compliance to Health and Safety Management System – Mini Audit	96%	97%	97%
Compliance to National Tool Version 3 – Internal Audit	94%	94%	91%
Lost time incidents (LTIFR) per million hours worked, excluding COVID	7.3	4.2	5.2
Lost time incidents (LTIFR) per million hours worked, including COVID exposure incidents	15.9	18.2	5.9

Healius' LTIFR excluding COVID of 7.3 is below the industry standard of 8.5, as published by SafeWork Australia (SWA)¹. SWA defines a 'serious incident' as an injured worker being incapacitated for one week or more, while Healius' WHSMS defines an incident as any time off by a worker as lost time. Given the difference in approach, Healius' LTIFR is significantly lower than standard.

The total number of incidents year-on-year has reduced in FY 2023. The increase in the LTIFR excluding COVID ratio is solely due to the significant reduction in the denominator, with total hours worked declining in line with the significant drop-off in COVID testing and screening in FY 2023.

Healius will look to expand health and safety capability across the business, moving towards a proactive people-focused function dedicated to keeping people mentally and physically well with roadmap underway.

Further information on WHS can also be found on page 38 of the Director's Report in the 2023 Annual Report under Management of safety risks.

¹ The latest statistics was published in December 2022 and covers the period 2020–21.

Our Communities

Our Community Involvement Roadmap

Initiatives	FY 2022	FY 2023	FY 2024
Develop a national charity partnership aligned to Healius' brand and vision			
Continue involvement with local charities			
Support university partnerships and student placements			
Expand work on human rights within supply chains with a focus on reducing risks of Modern Slavery			

As a part of its commitment to enhance wellbeing of all Australians, Healius actively seeks out opportunities to make a difference and to support the local communities in which it operates.



Susan Jaensch Veterinary Clinical Pathologist, VeroNostics

Better together

Children's Cancer Institute

Childhood cancer poses two major health challenges, it has a 20% mortality rate, and those that survive tend to suffer long-term health issues as a result of their treatment.

Research at the Children's Cancer Institute (CCI) takes a multi-pronged approach to tackling childhood cancer. Whether it's investigating causes and prevention, improving diagnosis and monitoring, or developing better treatments, it is all about improving the lives of children and their families.

At Healius, we strive to seek and sustain life-enhancing healthcare, recognising the importance of good health in the earlier stages of life and its role in ensuring on-going well-being in the future. Each day, we provide specialist diagnostic services to cancer patients, improving health outcomes through the delivery of clinical insights.

We have continued to support CCI as a part of our three-year national partnership, participated in fundraising events throughout the year, and contributed over \$240,000 through donations raised by our people, businesses and donation matching.

Healius CEO Dare to Cure team raise more than \$41,000 for Children's Cancer Institute

Healius has raised over \$41,000, in addition to providing \$75,000 in matching, for the CEO Dare to Cure 2022, supporting the Children's Cancer Institute's quest for a cure.

In Sydney, our brave Extreme Fitness Challenge participants were put to the test by fitness legend and F45 co-founder Luke Istomin, raising more than \$36,000!



Pictured above (left to right): **Maxine Jaquet, Janet Payne, Prasad Arav, Dean Lewsam** and **Mark Neeham** took part in the Extreme Fitness Challenge.



Street Side Medics

Street Side Medics (SSM) is a not-for-profit organisation that delivers free and mobile medical services to vulnerable populations, such as those experiencing homelessness in NSW. People who experience homelessness are at a significantly higher risk of suffering from poor health outcomes, including higher morbidity and mortality. This is due to a number of challenging barriers that limit their access to healthcare.

Clinics are run from well-equipped vans with clinically qualified volunteers who give their time freely and are passionate about providing the best evidence-based health care to their patients. As a part of SSM's long-term commitment to their communities, they consistently deliver a clinic from the same location, at the same time, on the same day, every week.

Aside from financial support, SSM works closely with Laverty Pathology and Lumus Imaging, and together our front-line team help provide free pathology testing and medical imaging services to sites across NSW.

Our support teams at Laverty ensure that the results make their way back to the referring doctor in time for the next consult, as well as providing a courier service for SSM's new portable clinic in Wollongong.

Moira Kelly Creating Hope Foundation

Earlier in the year, in partnership with the Moira Kelly Creating Hope Foundation, Lumus Imaging together with Dorevitch Pathology provided free diagnostic services for Angel, an 11 year-old girl from Pakistan undergoing life-changing treatment for CLOVES syndrome, a rare medical condition. The Foundation works to provide comfort, hope, protection and safety to children and displaced women from overseas and locally, including care for children from overseas with medical conditions that local doctors are unable to treat.

Fiona Macnaught Senior Sonographer, Lumus Imaging



Supporting our local, regional and Indigenous communities

True to our values, we believe in working together, striving for excellence in everything we do, from the big goals to the smallest interactions and, when we bring out the best in our people, there is no limit to what we can achieve.

Offering support where it's needed

Healius Pathology

Caring for our Indigenous communities

For over 30 years, Healius Pathology has consistently been the largest provider of pathology services to communities in the Northern Territory. Our services include the supply of consumables, transportation of specimens, testing and results. Over half the pathology testing volume in our Darwin and Alice Springs laboratories is from remote Indigenous communities. Healius also helps Australian communities by providing end-to-end pathology services to remote communities of Western Australia.



Heart of Australia

Heart of Australia provides specialist medical services including cardiology and respiratory medicine to rural and remote communities of Queensland on five purpose-built clinic-on-wheels trailer-trucks. Since the first truck in 2014, Heart of Australia has travelled over 34 million kilometres, saving the lives of hundreds of Australians living in rural areas through diagnosing patients with previously undetected, critical cardiac conditions.

Completely self-sufficient, the trailers provide several private clinic rooms, a testing room and a reception area for patients. HEART 5, the latest truck in the fleet is home to the world's first mobile, battery powered CT scanner. QML, Healius' Queensland pathology service, has been an avid supporter and sponsor since 2016, helping improve health outcomes and achieve equal access to specialist healthcare in rural communities.



Helping out the little guys

Guide Dogs WA

Guide Dogs WA is the only Western Australian based provider of Guide Dog training services. They provide life-changing Guide and Assistance Dogs to our community members who live with low vision, autism, disability or illness, allowing them to achieve independence, inclusion, safety and confidence – with a loyal companion by their side.

Vetpath Laboratory Services in Western Australia continue to provide free veterinary pathology services for Guide Dogs WA, as a part of our three-year partnership. Since March 2022, the Vetpath Laboratory Services team has provided pathology services for 75 dogs, including puppies in training, working guide and assistance dogs, broods, public relations and facility dogs.

A total of 250 pathology test submissions have been processed, including 100 progesterone tests for breeding, 70 annual canine wellness profiles, 30 diagnostic, screening and monitoring blood profiles, and 30 culture and sensitivities including urines.

As part of the new Breeding Program, our SVS Network, Vetpath WA and WDP teams welcomed the first litter of puppies, before they embark on their next chapter of living with their 'Puppy Raising Families'. The puppies will spend 12 months with their volunteer Puppy Raisers before they begin their formal Guide and Assistance Dog training.



Photo (left to right):
Shariel Ho WDP Operations Manager Jandakot,
Rodney Rudling WDP General Manager, **Dr Leanne Twomey** Vetpath Supervising Veterinary Pathologist,
Deanne Broughton National Veterinary Pathology General Manager

University partnerships, medical student placements, and training and research activities

Healius Pathology

Healius Pathology is also committed to supporting training, research and professional development. It hosts educational activities throughout Australia, in collaboration with:

- Educational entities,
- Public hospitals,
- Royal College of Pathologists of Australasia (RCPA), and
- State Health Educational Authorities.

Healius Pathology runs a range of registrar programs throughout the country in support of trainee pathologists. Healius provides specialty training to assist with the attainment of fellowships of the RCPA. In FY 2023, 29 registrars were being trained by Healius Pathology in specialties such as Microbiology and Haematology. These programs are funded either by Healius or by medical colleges where Healius Pathology is the accredited trainer.

In memory of the late Dr Melody Caramins, who was Healius Pathology's National Director of Genetics, Healius Pathology provides an annual grant through the RCPA Foundation to support trainees and early career Fellows in broadening and enhancing their training and experience in Genetic Pathology.

Lumus Imaging

Lumus Imaging has a long-term commitment to supporting training, research and professional development. Lumus hosts educational activities across our geographic footprint, in collaboration with:

- Educational entities,
- Public hospitals,
- Royal Australian and New Zealand College of Radiologists (RANZCR), and
- State Health Educational Authorities.

Lumus Imaging offers:

- registrar training rotations at our accredited public hospital sites along with fellowship training programs, enabling graduate radiologists to continue their clinical career through sub-specialty training in MRI, Interventional and Women's Imaging,
- a training course for our International Medical Graduates (IMG), and
- training for our sonographers and radiographers in specialty areas such as ultrasound and MRI.

We have an annual National Imaging Conference, which is RANZCR accredited and which provides a forum for healthcare professionals to exchange ideas and best industry practices.

In relation to research in FY 2023, Lumus Imaging's Education, Training and Research Team completed an evaluation of our Artificial Intelligence (AI) system in collaboration with the University of Sydney (USYD). This evaluation identified how:

- AI complements our Radiologists' clinical workflow and supports their clinical decision making, and
- the benefits of using AI for improving diagnostic accuracy significantly outweigh any potential limitations.

The team is currently seeking to understand the impact of AI Imaging solutions for a broader set of end-users (clinicians, patients, and organisations) in terms of efficiency, service quality and other performance outcomes. Associate Professor Jin Gun Cho, Chest Physician, Westmead Public Hospital and University of Sydney, is also evaluating the performance of the Lumus Imaging AI solution in patients who had been detected with chest abnormalities by human radiologists.

Other research projects include Professor Ashish Diwan, St George Private Hospital and University of NSW, research in relation to musculoskeletal and spinal MRI.

Creating more learning opportunities

Radiology Across Borders

Since 2022, Lumus Imaging has been a major partner to Radiology Across Borders (RAB), our support goes beyond providing financial assistance, and is an active investment in creating new learning opportunities and bringing our values to life.

The focus of our partnership is on creating learning opportunities and sharing knowledge that matters by people who care. Educational lectures and webinars delivered by medical professionals, including our own Lumus Imaging radiologists, are often shared with the RAB library making it much more accessible and extending these learning opportunities on an international scale. As a part of the program, our sonographers and trainees are able to undertake short internships overseas to further their professional development.

During the year, Registrar Anastasia Munia arrived in Australia from Fiji, for her three-week RAB/Lumus Imaging observership and to attend our annual National Imaging Conference, featuring international-renowned

keynote speaker Dr Martin O'Malley from the Division of Abdominal Imaging at the Joint Department of Medical Imaging, University of Toronto. The trip was co-sponsored by Lumus Imaging and the Fijian Government, providing a valuable learning opportunity.

In support of RAB members in low-resource, emerging nations in the Indo-Pacific region, we awarded the inaugural Lumus Imaging Conference Scholarship to Dr Mark Moshi (Radiologist Registrar from Papua New Guinea) and Dr Duy Ngo (Radiologist from Vietnam) in recognition of their case study research. Both radiologists were invited to attend the National Imaging Conference and take part in the knowledge sharing and further their professional development.

Importantly, we will look to continue to help our colleagues in developing nations, extending our resources and investing time and finances in our social responsibility as an industry leader.

Anastasia's thoughts on her first week:

"It has been a wonderful week of radiology learning here in Sydney. I spent the first few days at Northern Beaches Hospital (NBH), mesmerised by the beautifully equipped radiology department. I slowly got into the flow of a normal workday including learning about a 'triage phone'.

At NBH, I observed numerous Interventional and Fluoroscopy procedures, including facet joint injections, pleural taps, a guided hook wire procedure and barium swallows. I also learned how to get and read Nuclear Imagings, which was very interesting. I learnt a lot from Dr Alex Pitman, who got me to take part in peer reviews – definitely an eye-opening session. I also tagged along to Dr Pitman's lectures on Nuclear Medicine and Cardiac scanning and shadowed him for a number of reportings. I also shadowed Dr Cheung and Dr Siva. They were both happy to teach me on Musculoskeletal, Brain and Cardiac Imaging – answering all of my questions.

I spent a day at Wetherill Park with the very kind Cathy Scott, Dr Collis and team. I had productive learnings on Ultrasound, X-ray and CT imaging that will be helpful for when I get back home. I ended the week at the RANZCR meeting which was exciting and filled with so many wonderful and helpful Paediatric lectures on Renal and Hip Ultrasound and Spine, Chest, Abdomen and Sensorineural Imaging.

Thank you to everyone for being so helpful and accommodating!"



At the National Imaging Conference (left to right):
Dr Mark Moshi Radiologist Registrar, **Dr Anastasia Munia** Radiologist Registrar, **Dr Phil Lucas** Group Executive, Lumus Imaging, **Dr Duy Ngo** Radiologist, **Dr John Pereria** Paediatric Radiologist and Treasurer of RAB



Dr Anastasia Munia, Radiologist Registrar and **Cathy Scott**, Sonographer, Lumus Imaging Wetherill Park

Respecting human rights

At Healius, we are committed to respecting all human rights, including the right to be free from slavery, exploitation, forced labour, forced marriage, debt bondage, domestic servitude, deceptive recruitment for labour, human trafficking, unlawful child labour, and any other form of illegal or unethical labour or human practices, with zero tolerance for modern slavery or abuses of human rights of any kind, whether direct or complicit.

Healius recognises that responsible sourcing is fundamental to ensuring a sustainable ecosystem for the products and services consumed through our operations.

This is reflected in our procurement practices and policies. In evaluating our preferred suppliers and strategic partners, our selection criteria includes understanding the resilience of the supply chain, methods of production, environmental sustainability in manufacture and logistics, labour hire practices and value for money. The evaluation includes detailed assessments of how the supplier addresses the risks of modern slavery both within their control and also upstream from suppliers of input goods and services. It also includes continuously working with suppliers to identify opportunities to reduce the environmental impact of our processes.

Healius procurement framework

Healius' **Procurement Policy** in conjunction with our **Supplier Code of Conduct** forms a framework to ensure that our procurement activities are conducted commercially, ethically and sustainably to generate optimum value with a focus on the whole lifecycle of products.

Modern slavery

Healius acknowledges that modern slavery is a global and systemic issue. The International Labour Organisation estimates more than 40 million people are subject to modern slavery conditions worldwide and up to 15,000 people in Australia.

Healius' commitment to human rights and the eradication of all types of modern slavery is overseen by the Healius Board and the Board's Risk Management Committee and is considered essential to a sustainable future.

To address modern slavery, Healius has:

- Published our 2022 Modern Slavery Statement
- Developed a modern slavery risk questionnaire for Suppliers
- Developed a modern slavery supply chain risk stratification tool
- Added modern slavery risk into the company Risk Registers including any risk associated with our offshore subsidiaries
- Authored and implemented mandatory modern slavery compliance clauses for use in all third-party contracts, and
- Notified our suppliers of their obligations and requirement to comply with our Procurement Policy and Supplier Code of Conduct in relation to modern slavery.

In the event that Healius, its suppliers or other sources (such as media) identify any evidence suggestive of modern slavery in our supply chains, a remediation plan will be developed in conjunction with the relevant party and monitored through successful resolution of the risk or issues.

The key risks to our operations and supply chains, as identified in the latest Modern Slavery Statement, are outlined in the table on the following page.



Category	Inherent Risk Level	Assessment and Mitigation	Risk Rating
Medical consumables 44% spend	Moderate	<p>Healius' medical consumables are sourced from reputable Tier 1 suppliers with manufacturing operations in countries with local modern slavery or human rights legislation.</p> <p>Healius has commenced procurement activities for personal protective equipment (PPE), with a new sourcing agreement in place for gloves. Sourcing activities will be on-going as Healius progresses its review of medical consumables and its sub-categories.</p> <p>Healius' standard tender process requires prospective and incumbent suppliers to be reviewed against our sustainability criteria, which includes an assessment of modern slavery risk. Suppliers that are deemed to be high risk are excluded from further consideration.</p>	Low
Property rental 4% spend	Low	<p>Due to Healius' national property portfolio, the profile of its landlords ranges from institutional to small scale non-professional landlords. Given the nature of the spend, risk of modern slavery is low.</p>	Low
Utilities and property services 7% spend	Moderate	<p>Most utilities and property services are engaged via a third-party facilities management partner with mature management systems that address the risk of modern slavery. Key services within this category include cleaning, security and waste management, all of which were tendered and consolidated to a small number of reputable suppliers within the last two years.</p> <p>Procurement of these services is managed in-house by Healius. As noted above, Healius' standard tender process requires prospective and incumbent suppliers to be reviewed against sustainability criteria, which includes an assessment of modern slavery risk. Any suppliers that are deemed to be high-risk are excluded from further consideration.</p>	Low
Repairs and maintenance 6% spend	Low	<p>Repairs and maintenance are undertaken by local Australian vendors engaged by a third-party facilities management organisation which undertakes modern slavery due diligence.</p>	Low
IT hardware, software and third-party support 9% spend	Moderate	<p>Most IT expenditure is with reputable third-party suppliers. While there is an inherent moderate risk of modern slavery in the electronic components within end-user computing such as laptops, Healius' key suppliers have ethical sourcing processes in place that address the risk of modern slavery within their supply chains.</p> <p>IT support services are outsourced to a provider in India. The agreement has been reinforced with obligations on the vendor to comply with our <i>Modern Slavery Act 2018</i> requirements.</p>	Low
General 30% spend	Low	<p>Healius generally engages top tier providers and service firms with strong corporate governance.</p> <p>As above, select finance support services are outsourced to providers in India. The agreements have been reinforced with obligations on the vendor to comply with our <i>Modern Slavery Act 2018</i> requirements, which includes a self-certification exercise on modern slavery compliance and risk assessment.</p>	Low

Our annual Modern Slavery Questionnaire requires suppliers to provide detailed (self-reported) information on internal practices in the management of modern slavery risk including whether the following criteria are in place:

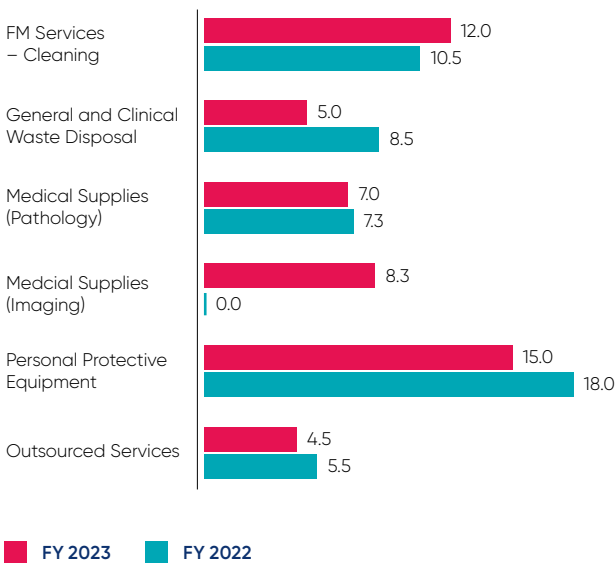
- Full visibility of their upstream supply chain
- Modern slavery policies
- Governance models to address modern slavery risks
- Whistle-blower policies
- Staff training
- Vendor due diligence and screening
- Minimal employment of low-skilled and temporary labour.

Where we identified industries where there were perceived risks that these practices were not in place, Healius subsequently surveyed approximately 50 suppliers to assess whether these companies warranted any or further investigation. Evaluation criteria included the following:

- Employment practices which rely on temporary labour, international student labour, itinerant workers
- Business models which rely on high levels of labour hire, outsourced services or manufacturing in developing countries, franchises, complex supply chains
- Sourcing of goods or services from geographic locations where corruption indices are high, rule of law is poor, displacement of people is high, known State failures in protection of human rights.

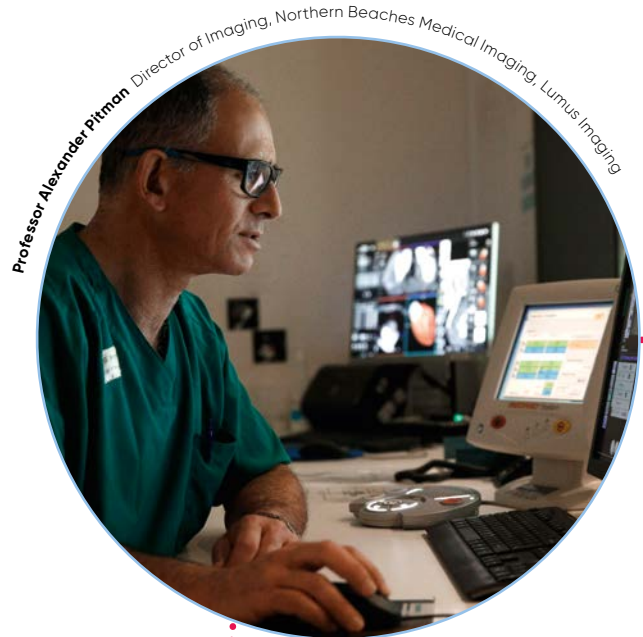
The chart below demonstrates risk assessment scores by supply category. Healius' risk threshold for warranting a more detailed investigation is 20 out of the maximum 58.

Risk assessment scores



Based on the results from the 2023 survey, overall risk assessment scores in each category have decreased on the comparative period, with the exception of Facilities Management Services which remains within our risk threshold). Notwithstanding that survey results are self-reported, there is emerging evidence that our suppliers are taking their obligations seriously and are addressing issues where they exist or where they have the potential for exposure. To strengthen our approach to identifying and managing modern slavery risk, and to improve our sustainable procurement processes, Healius is assessing the use of digital supplier data platforms that demonstrate scale and penetration within the global health supply chain.

In response to recent price inflation, Healius is conducting a tender process for high volume (and low complexity) consumables including personal protective equipment (PPE), blood collection equipment, clinical and lab suppliers, needles and syringes and imaging consumables. This process includes extending the response to international distributors who source from low-cost jurisdictions. All suppliers responding to the tender have been requested to complete the Modern Slavery Risk Assessment Questionnaire. Responses to-date have resulted in the exclusion of five suppliers that did not meet our minimum requirements and obligations to employees.



■ FY 2023 ■ FY 2022

Our Shareholders

Our Shareholder Reporting Roadmap

Initiatives	FY 2022	FY 2023	FY 2024
Report against sustainability roadmaps	→		
Adopt SDG reporting framework	✓		
Continue to ensure good risk management and tax transparency	→		
Consider other global reporting frameworks		→	→
Review and audit of ESG data			→

Independent reviews

Healius' progress to becoming a socially responsible company can be evidenced through the ratings received from independent assessments conducted by third-party agencies and institutions that specialise in environmental, social and governance (ESG) research, analysis and practices. We have now gained an MSCI AA ESG rating (recognising Healius as an industry leader in managing the most significant industry-specific ESG risks and opportunities) to add to our ISS Prime ESG rating, which is granted to companies achieving best in class ESG performance based on sector exposure. Over time as we deliver on our sustainability strategy, these ratings will help inform us on whether we are meeting shareholder expectations.



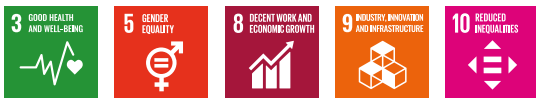
United Nations Sustainable Development Goals

The Sustainable Development Goals (SDGs) were developed by the United Nations (UN) and adopted by all UN Member States in 2015 as a blueprint to achieve a more sustainable and equitable future for all by 2030.

Healius has identified seven SDG's that our Sustainability Strategy is most aligned with based on two key criteria, the first being where we can make the greatest contribution and have a positive impact, and the second is focused on minimising the potential negative impact from our existing activities.

Our positive impacts

Where we can contribute the most



At Healius, our purpose is to provide care for health and wellbeing at every stage of life. Being a market leading diagnostic healthcare company that strives to provide quality, accessible and affordable diagnosis for all, it was clear that 'Good Health and Well-being' and 'Reduced Inequalities' are the goals where we can have the most beneficial impact and contribution to society.

Additionally, our people are core to the delivery and provision of diagnostic healthcare services and as such are an integral part of our value chain. To underpin our sustainability ambition of being a socially responsible company that creates value for all stakeholders, the area of greatest importance in the near to medium term was assessed as being our people and ensuring we create a working environment where they have the right tools, support and opportunities to bring out their best. This underscores our commitment to goals around 'Gender Equality, Decent Work Environment, and Innovation'.

Our negative impacts

Where we want to minimise risk and our potential adverse effects



Our main risk areas within the sustainability landscape relate to responsible consumption of resources and associated environmental impact (predominately carbon emissions from fuel and energy consumption). To facilitate accessibility to diagnostic healthcare services, it is necessary for Healius to operate a diverse property portfolio (largely collection centres) and to manage a courier fleet of over 1,000 vehicles to ensure specimens are collected and brought back to our laboratory for testing in a timely and secure manner. Currently, our fleet is mainly petrol-based and the primary contributor to our Scope 1 emissions. Although essential, Healius aims to limit and reduce the negative impact this activity has on the environment.

Similarly, the other key component is our consumption of energy (mainly electricity purchased from the grid) to ensure our facilities (such as our laboratories and imaging centres) and associated medical equipment continue to run, and this is the primary contributor to our Scope 2 emissions.

Responsible consumption often focuses on what we use and take into our operations, however the other key aspect to be considered is the creation of waste by-products from those processes. At Healius, medical and clinical waste (a common by-product within the healthcare industry) is another focus area where we aim to reduce our negative impact.

Risk management

Clinical quality and accreditation

At Healius, we believe quality underpins the delivery of clinical excellence in healthcare. All of our divisions operate under appropriate quality systems and processes and have Clinical Directors or appropriate managers who are responsible for ensuring clinical governance is maintained within their relevant businesses.

A Clinical Council operates in Imaging established to provide clinical and professional direction in radiology and nuclear medicine and to assist with the clinical review of safety and quality governance initiatives. In our Pathology business Discipline Networks attended by Senior Pathologists and Scientists ensure stringent quality standards are maintained.

All state-based pathology laboratory services are accredited by the National Association of Testing Authorities (NATA) and have a statement on quality and accreditation published on their relevant websites.

The Agilix Bioanalytical and Toxicology business operates under NATA accreditation (17025 and Good Laboratory Practice). The business also complies with global Food and Drug Administration and European Medicines Agency requirements.

Our Imaging practices are accredited under the Diagnostic Imaging Accreditation Scheme (DIAS) on a four-year cycle.

In FY 2023, we established a Clinical Advisory Board, made up of our most senior Radiologists, Pathologists and business leaders. This Board is focused on emerging clinical diagnostic areas and how Healius can best serve the communities of Australia in these emerging areas.

Risk management framework

Healius' operations are highly regulated and subject to a range of State and Commonwealth legislation and accreditation requirements. Risk management is overseen by the Board through its Risk Management Committee and by the Executive Risk Committee which all members of the Executive Leadership Team attend and to which the Group Executive General Affairs and Deputy CFO reports on risk related matters.

A Risk Management Framework has been developed that is both consistent with current best practice and meets the needs of the company and its businesses.

The Risk Management Framework is subject to annual review to ensure it remains 'fit for purpose'. The last review was endorsed by the Board's Risk Management Committee in March 2023. The framework is supported by a Risk Appetite Statement which was endorsed by the same Committee in June 2023. The description of the Risk Management Framework used across the Group, along with a non-exhaustive list of key risks, both specific to Healius and of a more general nature, are set out in the latest Annual Report.

By following the framework, Healius has a uniform risk management methodology that can be applied to all strategic, operational and contractual objectives. An incident notification and response procedure is in place and there is a comprehensive insurance program which is reviewed annually.

Ethical standards

Ethics of Healius people

At Healius, our beliefs and values make us who we are, and living these values is the responsibility of each and every one of us. Our WE CARE values underpin our Standards of Behaviour and Conduct Policy, which promotes ethical and responsible decision-making. This will help us create a safe, open and trusting work environment for all.

Independence of healthcare professionals

As part of the agreement with independent healthcare professionals who use our facilities and support services, Healius does not specify or direct how these independent healthcare professionals perform their services.

Independent healthcare professionals are free to exercise their professional judgment as to the manner in which they perform medical services.

Specifically, within our Imaging business, Radiologists must abide by the Royal Australian and New Zealand College of Radiologists (RANZCR) Code of Ethics, and where Nuclear Medicine Physicians are fellows of the Royal Australasian College of Physicians (RACP) they must also ensure they comply with RACP's 'Clinical Ethics Position Statement'.

Healius also expects healthcare professionals to adhere to their own high ethical standards, including acting in a harmonious way with other practitioners and staff.

Animal testing

The Agilex Biolabs Toxicology facility in Brisbane performs rodent studies through the pre-clinical phase of pharmacological drug development. It is not involved with any cosmetic drug development. All studies are approved by a registered, external and independent Animal Ethics Committee, which has:

- Animal Welfare representatives ensuring animal treatment and all animal handling procedures are global best practice, and
- pharmacologist input on the appropriateness of the species suggested, which species are required, or indeed if the study serves any scientific benefit as there is no previously available global data that has answered the hypothesis.

There is currently no in-vitro substitute to running these pre-clinical studies through animal models. However, Agilex is looking at opportunities to partner in the CSIRO's investigation into the use of artificial tissue and its potential to eliminate animal testing in future clinical tests. Where Agilex Biolabs is unable to carry out a test on rodents, it has a partner in the USA who performs studies on other animals. This partner is accredited under the American Association for Laboratory Animal Science which promotes the humane treatment of animals in science through voluntary accreditation and assessment programs.



Tax transparency

As a sustainable corporate citizen, Healius pays a significant amount of tax, including corporate income tax, indirect tax and employer taxes.

In the financial year ended 30 June 2023, Healius paid a total of \$162.6 million in taxes and remitted a further \$190.6 million to tax authorities on behalf of Healius' employees. Set out below is a summary of Australian and foreign taxes paid and collected by Healius for the financial year ended 30 June 2023. The majority of Healius' taxes are paid in Australia to the Australian Taxation Office (summary excludes property taxes such as land tax and stamp duties).

Tax authority	Corporate income tax A\$M	Employer taxes ¹ A\$M	Direct taxes ² A\$M	Total taxes paid ³ A\$M	Employee PAYG withholding A\$M
Australia (Federal)	70.8	0.7	47.3	118.8	190.6
Australia (State)	–	43.5	–	43.5	–
Foreign jurisdictions ³	0.3	–	–	0.3	–
Total	71.1	44.2	47.3	162.6	190.6

1 Fringe benefits tax and payroll tax.

2 GST net of recoveries is (\$40.1 million).

3 Income taxes paid in India. The subsidiary is treated as a Controlled Foreign Company for Australia income tax purposes and is subject to tax at the Australian corporate tax rate of 30% on any profits generated from activities between Healius and the subsidiary.

The following table shows the reconciliation of the corporate income tax paid in Australia to income tax benefit for the year, the latter representing an effective tax rate of 4.4% in FY 2023 in respect to Healius income tax benefit:

Healius Limited	2023 A\$M
Income tax benefit on loss before income tax	(17.3)
Timing differences recognised in deferred tax	16.3
Under provision in prior years	(0.1)
Current income tax expense as per 2023 financial statements	(1.1)
2022 tax not yet received as at 30 June 2023	6.7
Tax payments and adjustments for prior periods in 2023	65.5
Corporate income tax paid	71.1

The full Tax Transparency Report is set out in Appendix 3.

Progressing our sustainability reporting

We understand the expectation for more comprehensive, consistent and transparent sustainability reporting, and strive to deliver meaningful and insightful reporting to all our stakeholders.

In FY 2022, Healius established its sustainability roadmaps and adopted the United Nations Sustainability Development Goals (SDGs) reporting framework. Our FY 2023 Sustainability Report builds upon our previous reports and captures the progress made in the current financial year on our five priority focus areas and sustainability roadmaps:



Our Customers



Our Planet



Our People



Our Communities



Our Shareholders

In light of recent developments in sustainability reporting both globally and domestically (and expected adoption of the International Financial Reporting Standards Sustainability Disclosure Standards by the Australian Accounting Standards Board), we continue to progress with our data collation exercise and have commenced aligning our reporting to the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). Over the next two years, we will prepare for new reporting requirements and frameworks and update our sustainability reporting accordingly. We will also consider external assurance of our sustainability disclosures as our reporting matures.



Moving towards TCFD

To improve our sustainability reporting, we are progressively adopting the recommendations of the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD). We will build on our disclosures each year, as our understanding of climate related risks and opportunities and its potential impact on our business operations matures over time, and as we progress our initiatives and sustainability journey.

Governance

Board oversight and management’s role in assessing and managing climate-related risks and opportunities is outlined in our governance framework (refer to Appendix 2).

The Sustainability Steering Committee reports to the People & Governance Committee of the Healius Board. This reporting enables visibility of any risks and opportunities, management’s plan to mitigate and address any concerns, and progress on initiatives against our sustainability roadmaps (including our emission reduction and resource consumption roadmaps, which are focused on climate-related issues).

The Sustainability Steering Committee is supported by a working group, working in collaboration with the business, which is responsible for the operational implementation, management and monitoring of initiatives, data collation, and ensuring a sustainability lens is applied to our processes.

Disclosure

2023 Sustainability Report – Appendix 2

Strategy

Our purpose is ‘Diagnostics for life’, with a vision to become the pre-eminent comprehensive diagnostics business in Australia, supporting clinical decisions with personalised insights and superior customer service.

Our sustainability roadmaps and priority focus areas complement and support our four strategic pillars Service, Insights, Operating leverage and People, on which our purpose is founded.

In line with the recommendations of the TCFD, in FY 2023 Healius conducted a high-level risk and opportunity assessment, to identify a range of climate-related risks and opportunities. Climate vulnerability of sites and facilities within the business was considered with reference to globally recognised climate scenarios published by the Intergovernmental Panel on Climate Change (IPCC). As Healius has 2,300 sites, the focus of our initial assessment was on key sites based on revenue contribution and physical footprint. The outcomes of the assessment is set out on page 30.

This assessment will help us to identify and prioritise areas that need more detailed analysis and this will be the focus for FY 2024 and onwards.

Disclosure

2023 Sustainability Report – page 30

Risk Management

Climate change risks are managed within Healius’ Risk Management Framework (RMF), which formalises the approach adopted and provides a consistent methodology to manage risk. Climate change has been identified as a material business risk and has been included in our Group Risk Register. Healius has detailed business continuity plans (including contingent services, alternative courier routes) in place for key sites, so as to minimise disruption to operations and ensure our ability to service patients and referrers.

The Risk Management Committee (RMC) is responsible for approving, reviewing, and monitoring the Healius’ system of risk management and internal controls, and is the primary Board committee that has oversight of the RMF and the Group Risk Register. The RMC is supported by the Executive Risk Committee and the Sustainability Steering Committee for the management of climate change risk.

Disclosure

2023 Annual Report – pages 17 to 21
2023 Sustainability Report – page 30

Metrics & Targets

Disclosure

Metrics

Healius discloses its Scope 1 and 2 emissions from the use of fuel in our fleet and purchased electricity in our facilities, and Scope 3 emissions for key upstream activities where data is available. We will continue to engage with our suppliers across our supply chain to identify emission reduction opportunities and improve our emission data (Scope 3 data in particular) over time.

2023
Sustainability
Report
– pages 22
to 29

In FY 2023, we have introduced new metrics (such as energy and carbon intensity ratios on a per employee basis) to better track progress against our emission reduction roadmaps. As Healius has undergone several portfolio changes since the baseline was established, we believe that this provides a more holistic view of performance, complementing existing disclosures of absolute emissions.

Targets

Targets were set as a part of our sustainability strategy when we established our emission reduction roadmaps, to reduce our greenhouse gas emissions through our initiatives such as LED upgrades, rooftop solar, transitioning to low emission vehicles and transitioning to renewable energy. Healius has a stated ambition of becoming a carbon neutral business for our Scope 1 emissions by FY 2030 and Scope 2 emissions by FY 2026 compared to our FY 2021 baseline. As emissions reduction opportunities continue to evolve and our own maturity increases, we recognise that neither our footprint nor our reduction targets are static.



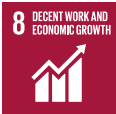
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Appendix



Appendix 1

SDG analysis

Priority SDG	Key Target	How are we contributing
	Target 3.2 End preventable deaths of newborns and children under five years of age	<ul style="list-style-type: none"> National partnership with Children’s Cancer Institute (CCI), an independent medical research institute wholly dedicated to curing childhood cancer and finding safer treatments Healius will support CCI through monetary donations and participating in several fundraising initiatives.
	Target 3.4 Reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	<ul style="list-style-type: none"> Healius offers wellbeing and employee assistance programs and resources through our partner Benestar, to all employees Partnered with Commonwealth Bank to offer financial wellbeing webinars to educate and help our people make better financial decisions Increased awareness and emphasis on the importance of mental health through internal communication channels.
	Target 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	<ul style="list-style-type: none"> Healius offers quality and accessible diagnostics services which are predominately bulk-billed through Medicare to ensure our patients can access our services no matter the circumstances Over the past year we have performed over 18 million pathology samples tested in our laboratory, and approximately 3.3 million radiology examinations.
	Target 5.1 End all forms of discrimination against all women and girls everywhere	<ul style="list-style-type: none"> Healius has a comprehensive governance framework that aims to create a working environment that is free from discrimination and harassment Key governance documents include: <ul style="list-style-type: none"> Standards of Behaviour and Conduct Policy Diversity, Equity, Inclusion and Belonging Policy Workplace Discrimination, Bullying and Harassment Policy Workplace Complaints, Grievances, and Investigations Policy.
	Target 5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	<ul style="list-style-type: none"> Appointed first female Chair and female Managing Director and CEO We are committed to HESTA 40:40 Vision and developing gender diversity targets across our management teams to achieve a more balanced representation for men and women in leadership roles. This has been achieved at the Board level and we will focus on achieving this in other leadership and management roles across the company Continued compliance and reporting to WGEA.
	Target 8.1 Sustain per capita economic growth in accordance with national circumstances	<ul style="list-style-type: none"> In FY 2023, Healius generated \$1.7 billion in revenue, and \$99.0 million in underlying net profits, paid \$162.6 million to tax authorities Healius contributes to broader economic growth by ensuring we pay our fair share of tax timely and responsibly, and by complying with relevant tax laws and regulation.
	Target 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors	<ul style="list-style-type: none"> Currently undertaking a multi-year diagnostics systems and platform upgrade program, which will accelerate our transition away from paper intensive processes We are constantly reviewing the use of AI to improve our clinical processes and free up skilled clinical labour for higher-level diagnosis, for example, in our Lumus Imaging business we use AI to triage x-ray scans and detect tuberculosis.
	Target 8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	<ul style="list-style-type: none"> Healius currently employs 10,824 people in Australia, where 73.3% are female People is one of four strategic pillars to Healius’ Strategy, and is focused on providing the best culture and a fulfilling career in healthcare for healthcare industry professionals and for support and corporate staff We have a clear framework to ensure we maintain a working environment that is free from discrimination.

Priority SDG	Key Target	How are we contributing
	<p>Target 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour</p>	<ul style="list-style-type: none"> Annual release and public reporting under the Australian <i>Modern Slavery Act 2018</i> Zero tolerance for slavery of any kind, or exploitation, forced labour, debt bondage, domestic servitude, deceptive recruiting for labour and illegal forms of child labour Further embed in our procurement practices the continuous monitoring and management of modern slavery risks.
	<p>Target 8.8 Protect labour rights and promote safe and secure working environments for all workers</p>	<ul style="list-style-type: none"> Comprehensive work, health and safety management system, and regular audits to ensure the highest standards of safety are maintained FY 2023 normalised LTIFR of 7.3.
	<p>Target 9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes</p>	<ul style="list-style-type: none"> Purpose-built WDP laboratory completed in FY 2021, incorporating a suite of sustainability features to increase efficiency of resource use Multi-year LED upgrade program underway, ongoing review of property portfolio as new sites identified and included in the program Continued procurement of renewable energy, through rooftop solar installations and power purchasing arrangements Investment in new ultra-fast scanners in our veterinary pathology business, enabling digital pathology.
	<p>Target 10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p>	<ul style="list-style-type: none"> Established Diversity, Equity, Inclusion and Belonging Policy Committed to HESTA 40:40 to drive gender diversity and balance across senior leadership roles. To support health equity, Healius offers bulk-billing where possible, enabling access to crucial diagnostic services irrespective of circumstances.
	<p>Target 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action</p>	<ul style="list-style-type: none"> As above.
	<p>Target 12.2 Achieve the sustainable management and efficient use of natural resources</p>	<ul style="list-style-type: none"> Multi-year courier fleet Hybrid conversion initiative to reduce fuel consumption, target of 50% conversion by FY 2026 LED upgrade program to retrofit existing light fittings to enhance energy efficiency and reduce electricity consumption.
	<p>Target 12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their lifecycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment</p>	<ul style="list-style-type: none"> Management and treatment of medical and clinical waste through licensed and accredited waste management service providers, to ensure compliance with all applicable waste regulations.
	<p>Target 12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse</p>	<ul style="list-style-type: none"> Holistic waste management strategy under development, focused on 'reduce, reuse, and recycle' Proactive engagement with key suppliers to reduce packaging 66% reduction in film usage within our imaging business since FY 2020 Development of education and training program on appropriate waste disposal and management.
	<p>Target 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	<ul style="list-style-type: none"> Regular review and reporting of business risks in accordance with Healius' Risk Management Framework Detailed business continuity plans maintained within Pathology division Completed high-level climate vulnerability assessment of key sites.
	<p>Target 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>	<ul style="list-style-type: none"> Established Environmental Policy Continual focus and delivery of energy efficiency initiatives targeted at reducing consumption and carbon emissions such as LED upgrades, solar installations, and hybrid fleet conversion Strong sponsorship from board and executive leadership team, driving change in behaviours and embedding sustainability into our business processes.

Appendix 2

Governance framework

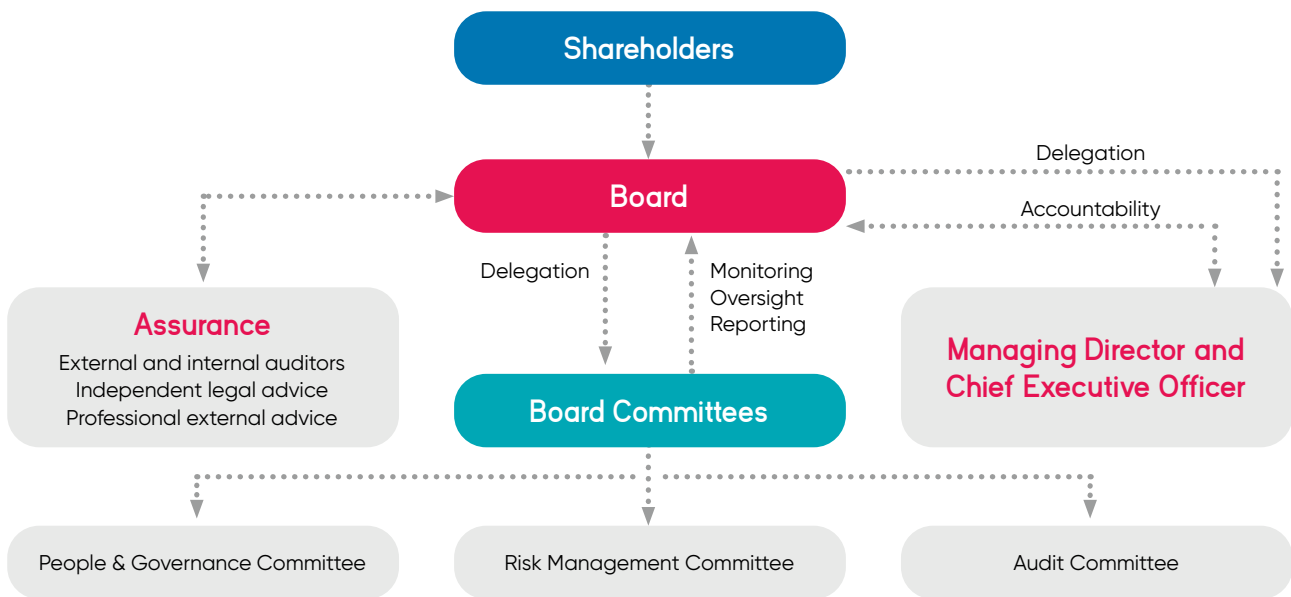
As part of an ongoing commitment to our shareholders, Healius' Board of Directors is dedicated to creating and maintaining high standards of corporate governance. This is a key component of consistently delivering shareholder value.

Healius works within an accountable system that includes corporate governance policies and practices and risk management processes. These are designed to promote and strengthen the company's responsible management and corporate conduct.

The Managing Director and Chief Executive Officer (CEO), in conjunction with the Executive Leadership Team (ELT), are responsible for day-to-day management, and report to the Board on a regular basis. Board Committees have delegated authority to monitor specific issues including but not limited to sustainability (including climate change), remuneration and Board selection, risk management, audit and other regular reporting to the Board.

Healius issues a Corporate Governance Statement on its website as part of its year-end reporting. This can be found at: www.healius.com.au/about-us/corporate-governance.

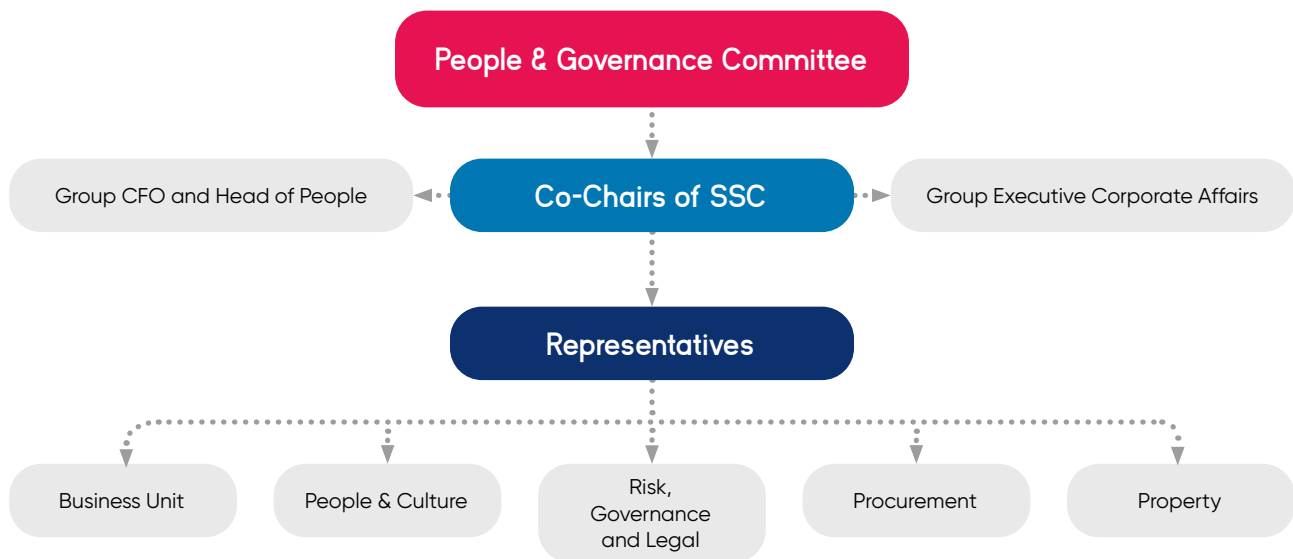
Governance structure



Sustainability Steering Committee

At Healius, we recognise that it is through the concerted efforts of everyone that we are able to build a sustainable future for our business. Healius works within an accountable system that includes corporate governance policies and practices and risk management processes.

The Sustainability Steering Committee (SSC) oversees Healius' Sustainability Strategy, reporting directly to the People & Governance Committee of the Healius Board. The Sustainability Steering Committee is responsible for driving strategy, embedding sustainability throughout the business and providing oversight and management of key environmental, social and governance issues, risks and opportunities. It is co-chaired by two members of the Healius Executive Leadership Team, meets on a regular basis with representation from a wide range of functions as required.



Governance documents

Our key governance documents are the Constitution of Healius Limited, the Charters for the Board and three Board Committees and:

- Anti-bribery and Anti-fraud Policy
- Corporate Governance Statement
- Communication Policy
- Diversity, Equity, Inclusion and Belonging Policy
- Environmental Policy
- Gifts and Entertainment Policy
- Group Remuneration Policy Statement
- Information Security Policy
- Non-Executive Director Remuneration Policy & Procedure
- Political Donations Policy
- Privacy Policy
- Procurement policy
- Risk Management Policy
- Standards of Behaviour and Conduct Policy
- Supplier Code of Conduct
- Trading in Securities Policy
- Work Health & Safety Policy
- Whistleblower Protection Policy

These policies can be found on the Healius website at www.healius.com.au/about-us/corporate-governance/.

Ensuring all our people are aware of our governance requirements is part of the on-boarding process and on-going training within each of the business units.

Appendix 3

Tax Transparency Report Financial year ended 30 June 2023

Message from the Chief Financial Officer

For over 30 years, Healius Limited has been one of Australia's leading healthcare companies committed to supporting quality, affordable and accessible healthcare for all Australians.

Today, Healius has two core diagnostic businesses, pathology and imaging. Through its unique footprint of centres and its 10,500+ employees, Healius provides Australia-wide specialty diagnostic services to consumers and their referring practitioners.

Healius is committed to delivering excellence in healthcare across Australia through accessible, high-quality healthcare services.

Healius' commitment to creating value for investors, customers and employees is underpinned by our regulatory compliance and reporting obligations.

That is why Healius welcomes the opportunity to present this Tax Transparency Report for 2023. In preparing the Tax Transparency Report, Healius has adopted the disclosure recommendations made by the Board of Taxation in the Voluntary Tax Transparency Code.

Consistent with our commitment to strong corporate governance and transparent relations with our stakeholders, we believe the Tax Transparency Report together with the Annual Report for 2023 provide comprehensive detail of Healius' tax matters including our tax strategy and approach to tax risk management.



Paul Anderson

Group Chief Financial Officer



1. Tax strategy and governance

Healius pursues a tax strategy that is governed by the following principles endorsed by its Board of Directors:

- Commitment to ensuring integrity in compliance with all statutory obligations, and full disclosure to Revenue Authorities.
- Maintenance of documented policies and procedures in relation to tax risk management and sustaining constructive and transparent relations with Revenue Authorities.
- Management of tax affairs in a proactive manner that seeks to enhance shareholder value, while operating in accordance with all taxation laws.

The tax strategy is implemented through Healius' Tax Risk Management Framework which is founded on a low-risk appetite to all taxation affairs including tax positions adopted in respect of strategic transactions, tax planning activities and compliance and reporting.

Healius' overarching and systematic approach to the management of tax risk involves the proactive assessment, mitigation, monitoring and reporting of identified risks. Healius' tax risks are regularly considered by its Management and Executive Risk Committees and tax is a regular agenda item for Audit Committee meetings with appropriate tax matters reported to the Board. Where appropriate, Healius engages external advisors on complex transactions and for review of compliance activities.

Healius' Tax Risk Management Framework has been documented and approved by its Audit Committee and is aligned with its overall Risk Management Policy and the Australian Taxation Office's Tax Risk Management and Governance Review Guide.



2. Income tax reported in Healius' 2023 Annual Report

The income tax expense disclosed in the Annual Report for 2023 is calculated based on Australian equivalents to International Financial Reporting Standards. In any year, there are common and typical differences between income tax expense reported in the Annual Report and the amount of cash taxes paid to Revenue Authorities due to factors such as timing differences and other taxes being excluded from income tax expense, such as FBT, payroll tax and employee taxes.

Healius' effective tax rate for the 30 June 2023 year is mainly impacted by the difference in tax and accounting treatment of asset impairment expense and share related costs. These are treated as permanent difference for the purpose of calculating Healius' income tax expense.

2.1 Reconciliation of accounting profit/(loss) to income tax expense/(benefit)

Healius' effective tax rate calculated as income tax benefit divided by accounting loss before tax was 4.4% for 2023.

The following table shows the calculation of income tax (benefit)/expense for Healius and the impact of adjustments to the income tax (benefit)/expense and the effective tax rate.

Healius Limited	2023		2022	
	A\$M	%	A\$M	%
(Loss)/Profit before income tax	(397.3)		414.6	
Tax at the Australian tax rate of 30%	(119.2)	(30.0)	124.4	30.0
Asset impairment expense	104.9	26.4	–	–
Share related (benefit)	(3.5)	(0.9)	(4.2)	(1.0)
Acquisition related expenses	–	–	1.6	0.4
Other items	0.4	0.1	0.3	0.1
Under provision in prior years	0.1	0.0	0.1	0.0
Income tax (benefit)/expense	(17.3)	(4.4)	122.2	29.5

2.2 Reconciliation of income tax expense to cash tax paid

The following table shows the reconciliation of income tax benefit to cash income tax paid.

Healius Limited	2023 A\$M
Income tax benefit on loss before income tax	(17.3)
Timing differences recognised in deferred tax	16.3
Under provision in prior years	(0.1)
Current income tax benefit as per 2023 financial statements	(1.1)
2023 tax not yet received as at 30 June 2023	6.7
Tax payments and adjustments for prior periods in 2023	65.5
Cash taxes paid per cash flow statement	71.1

3. Tax contribution summary

Healius pays a significant amount of tax, including corporate income tax, indirect tax and employer taxes. In the financial year ended 30 June 2023, Healius paid a total of \$162.6 million in taxes and remitted a further \$190.6 million to tax authorities on behalf of Healius' employees.

Set out below is a summary of Australian and foreign taxes paid and collected by Healius for the financial year ended 30 June 2023. The majority of Healius' taxes are paid in Australia to the Australian Taxation Office. The summary excludes property taxes such as land tax and stamp duties.

Tax authority	Corporate income tax A\$M	Employer taxes ¹ A\$M	Indirect taxes ² A\$M	Total taxes paid ³ A\$M	Employee PAYG withholding A\$M
Australia (Federal)	70.8	0.7	47.3	118.8	190.6
Australia (State)	–	43.5	–	43.5	–
Foreign jurisdictions ³	0.3	–	–	0.3	–
Total	71.1	44.2	47.3	162.6	190.6

1 Fringe benefits tax and payroll tax.

2 GST net of recoveries is (\$40.1 million).

3 Income taxes paid in India. The subsidiary is treated as a Controlled Foreign Company for Australian income tax purposes and is subject to tax at the Australian corporate tax rate of 30% on any profits generated from activities between Healius and the subsidiary.

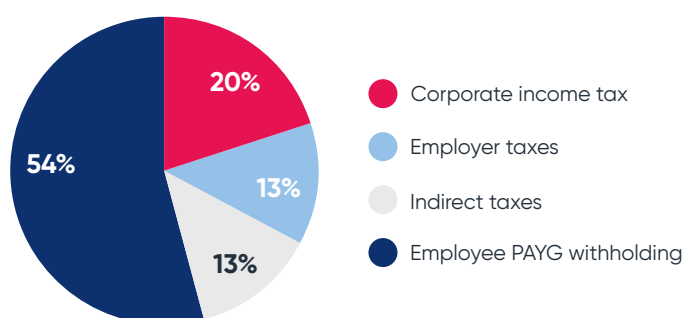
4. International related party dealings

There are limited international related party dealings between Healius and its foreign subsidiaries. These dealings primarily relate to the provision of administrative and data processing services by the Indian subsidiary to Australia. Healius also has presence in the US, UK, the Philippines, Netherlands and Singapore, albeit these subsidiaries were dormant for the financial year ended 30 June 2023.

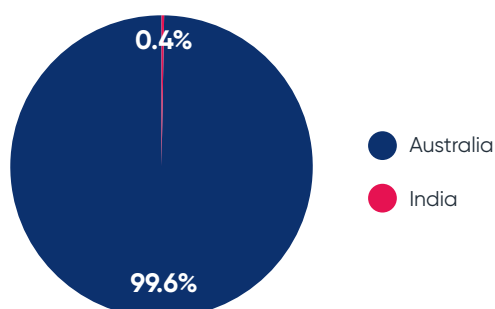
All dealings between related parties reflect the commercial and legal substance of the transactions and are priced on an arm's length basis in accordance with global transfer pricing laws and OECD guidelines. Notably, Healius' international related party dealings do not have a material impact on Healius' Australian tax position. Healius' Australian operations contribute more than 99% of Healius' total income tax paid globally.

The split of income tax contributions by country is illustrated below.

Percentage of taxes paid by tax type



Total income tax contribution by jurisdiction



Total taxes paid in India represents the period between 1 July 2022 to 30 June 2023. No taxes were paid by Healius' dormant subsidiaries in the US, UK, Philippines, Netherlands and Singapore.

Our brands

Healius' businesses operate a number of brands across Australia representing quality, affordability and accessible care. Our current brands are set out below:

Pathology



Imaging



Corporate information

Healius Limited

(Company or Healius)
ACN 064 530 516

Company's Registered Office

Level 22
161 Castlereagh Street,
SYDNEY, NSW 2000
(02) 9432 9400

Share Registry

Computershare Investor Services Pty Ltd
Level 3, 60 Carrington Street,
SYDNEY, NSW 2000
GPO Box 7045
SYDNEY NSW 1115
Sydney Office: (02) 8234 5000
Investor enquiries: 1300 855 080



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