



People. Technology. Growth.

Modern Slavery Statement 2020

This statement covers the activities of Integral Diagnostics Limited ABN 55 130 832 816 and its controlled entities to understand and implement actions to minimise the risk of modern slavery and human trafficking in our operations and supply chain.

We have a responsibility to our key stakeholders to ensure that we thoroughly assess and understand our supply chain to identify areas of risk of modern slavery.



CONTENTS

- 01 1. The Reporting Entity
- 01 2. Reporting Entities Structure, Operations and Supply Chains
- 03 3. Description of Risks of Modern Slavery
- 05 4. Actions Taken to Assess and Address Modern Slavery Risks
- 06 5. Assessing Effectiveness of Actions
- 06 6. Group Consultation
- 06 7. Other Relevant Information

1. THE REPORTING ENTITY

Introduction

Integral Diagnostics' (IDX) Board and management are committed to the management of modern slavery risks within IDX's supply chain. IDX's vision of providing a healthier world by delivering the best health outcomes for our patients is strongly aligned to our beliefs. We have a responsibility to our key stakeholders to ensure that we thoroughly assess and understand our supply chain to identify areas of risk of modern slavery. We also have a responsibility to work with our suppliers over time to evaluate those risks and how best they can be mitigated against. This is to mitigate the risk of modern slavery within our supply chains, and, if identified, remove modern slavery from our supply chain.

Our Business

IDX is a healthcare group providing diagnostic imaging services to patients and referrers including general practitioners, medical specialists and allied health professionals across Australia and New Zealand. We provide our services through a network of clinics, including multiple hospital sites, and operate under various brands in the different geographic areas.

In FY20 we engaged with 30,300 referrers and saw over 660,000 patients. Our combined clinical group is one of the largest radiology providers across Australia and New Zealand. Our team of approximately 1,292* radiologists and qualified technical, nursing and support staff are committed to providing the highest level of diagnostic imaging and patient care.

2. REPORTING ENTITIES STRUCTURE, OPERATIONS AND SUPPLY CHAINS

a) Structure

Integral Diagnostics Limited is an Australian Public Company, Limited by Shares, listed on the Australian Stock Exchange (ASX) with the ASX code IDX, ACN 130 832 816.

IDX has a number of subsidiaries in Australia and New Zealand and operates as a single economic entity.

IDX is headquartered in Melbourne, Victoria, Australia, the registered address is Suite 9.02, Level 9, 45 William Street Melbourne 3000. The Board of IDX is supported by a unified management team that has oversight and manages the operations of IDX. Shareholders of IDX have economic and voting rights with respect to the group as a whole.

Subsidiary Entities

The following entities are covered by this Modern Slavery Statement:

- Lake Imaging Pty Ltd Australia
- Radploy Pty Ltd Australia
- Radploy 2 Pty Ltd Australia
- Radploy 3 Pty Ltd Australia
- Radploy 4 Pty Ltd Australia
- Global Diagnostics (Australia) Pty Ltd Australia
- SCR Corporate Pty Ltd Australia
- RAD Corporate Pty Ltd Australia
- Integral Diagnostics No. 1 Pty Ltd Australia
- Imaging Queensland Pty Ltd Australia
- Queensland Nuclear Medicine Pty Ltd Australia
- Advanced Women's Imaging Pty Ltd Australia
- Imaging Queensland IP Pty Ltd Australia
- Radiology 24/7 Pty Ltd Australia
- Sunshine Coast Radiology Pty Ltd Australia
- SC Radiology Pty Ltd Australia

- Central Queensland Radiology Pty Ltd Australia
- CQ Radiology Pty Ltd Australia
- IQ Radiology Pty Ltd Australia
- IQ Radiology Services Pty Ltd Australia
- Integrated Pain Management Pty Ltd Australia
- Bodyscreen Pty Ltd Australia
- Specialist Radiology Group Limited New Zealand
- Trinity MRI Limited New Zealand
- Cavendish Radiology Limited New Zealand
- Integral Diagnostics New Zealand Limited

b) Operations

As at 30th June 2020 IDX operated across 64 locations in four Australian states and in Auckland New Zealand.

IDX's operations include the following key areas:

1. The provision of diagnostic imaging services and healthcare to patients in Australia and New Zealand.
2. The direct employment of workers in the provision of healthcare and support functions.
3. Leasing and fit-out of locations used for clinical services and corporate functions, including ongoing repairs and maintenance.
4. The purchase, maintenance and repair of medical equipment used in diagnostic imaging.
5. The purchasing of medical consumables and equipment, including uniforms, personal protective equipment and pharmaceuticals.
6. The engagement of business-related and professional services such as the use of cleaning contractors and professional advice providers.

IDX's operations, its locations, core markets and structure are outlined in detail in our Annual Report. The table below summarises our operations across our major brands and the data is current 30 June 2020.

* As at 30th June 2020.

As at 30th June 2020 IDX Operated in Key Geographical Markets



	Lake Imaging	South Coast Radiology	Global Diagnostics	Specialist Radiology Group Trinity MRI	Imaging Queensland	Total IDX
Geographic Market	Victoria	Queensland	Western Australia	New Zealand	Queensland	
Core markets	Ballarat, Geelong, Warrnambool and outer western areas of Melbourne	Gold Coast, Toowoomba and Mackay	South West Western Australia	Auckland	Sunshine Coast, Rockhampton and Gladstone	
Sites (includes hospital sites)	22	14	5	4	19	64
Hospital sites	6	2	4	-	8	20
MRI machines	7	7	2	3	6	28
MRI Licences	4 full 0 partial	4 full 2 partial	2 full 0 partial	N/A	3 full 2 partial	13 full 4 partial
Employed Radiologists¹	39	31	13	11 ²	16	110
Employees³	369	387	163	84	289	1,292 ⁴

Note: Reflects current data as at 30th June 2020.

1. Relates to employed radiologists only. In addition IDX has a number of contractor radiologists (~46 currently).
2. Consistent with the NZ private radiology model, all Doctors work across the public and private sector and meet the criteria to be classified as contractors but are on terms and conditions similar to IDX employed Radiologists.
3. This number represents the number of employees on employment contracts on either part time or full-time arrangements. It does not represent the number of full-time equivalent employees or individual casual/contract arrangements.
4. In addition, there are 49 employees in the Corporate Office, totalling 1,341 employees across IDX.

IDX's centralised shared services function supports the overall business in areas such as finance, risk management, health and safety, privacy, assurance, human resources, technology, commercial development, procurement, governance, strategy and compliance.

Further to the above, IDX's shared services function has enabled the centralisation of key vendor relationships and procurement activities. This ensures a consistent relationship with the key vendors and enables the group to negotiate better qualitative and quantitative outcomes for the organisation. These activities cover operational expenditures such as medical consumables and IT equipment and services, as well as our larger capital procurement activities.

In FY20, IDX established an Environmental, Social and Governance (ESG) Committee to formalise our approach to our ESG responsibilities and subsequent action plans. The committee comprises an executive, members of the senior management team and operational personnel. The committee provides strategic oversight of our ESG approach, including on Modern Slavery. IDX's ESG Statement can be found via the IDX website (www.integraldiagnostics.com.au).

c) Supply Chain

IDX's supply chain includes the provision of goods and services from companies across various countries.

These include:

- Australia >95%
- New Zealand <1%
- UK <1%
- Canada <1%
- USA <1%
- Israel <1%
- Philippines <1%

Products provided to IDX by suppliers

The key products in IDX's supply chain sourced directly from suppliers include:

- The purchase and maintenance of medical/diagnostic imaging equipment such as Positron Emission Tomography (PET), Magnetic Resonance Imaging (MRI), Computed Tomography (CT), Ultrasound and X-ray equipment.
- The purchase of medical consumables, including personal protective equipment, cleaning products, needles, syringes, contrast and radiopharmaceuticals.
- The purchase of uniforms and patient gowns.
- The purchase of electronic equipment other than medical equipment, such as computers and equipment for office staff, network infrastructure, office furniture and stationery.

Services provided to IDX by suppliers

The key services provided to IDX sourced directly from suppliers include:

- Repair and maintenance of medical and other equipment.
- Fit-out, repair and maintenance of IDX clinics and offices.
- Outsourced services such as IT support and typing.
- The use of professional services firms for accounting, transactional and other operational advice.
- Cleaning services.

Products and Services used by indirect suppliers in IDX's supply chains

IDX's suppliers provide products with components and material sourced from multiple countries in the production of their goods. For example, in the production of diagnostic imaging equipment, the following materials are used:

- Plastics
- Metals
- Computer components

Other examples of products sourced from components or materials sourced further down IDX's supplier's production chains include:

- Textiles used in uniforms, gowns and personal protective equipment.
- Chemical substances used in pharmaceuticals and other consumables.
- Plastic products and other materials used in the production of products and stationery.

3. DESCRIPTION OF RISKS OF MODERN SLAVERY PRACTICES IN OUR OPERATIONS AND SUPPLY CHAINS

IDX's Operations

During the FY20 financial year IDX has not directly caused or contributed to modern slavery risks through its operations.

IDX is committed to ensuring that all of its labour practices are consistent with Australian and New Zealand legislation and regulatory requirements and reviews its policies regularly to ensure compliance. IDX's own review of its practices are further supported by the engagement of independent experts on human resources and labour law matters as well as through the engagement of professional internal and external audit providers.

IDX's Supply Chain

IDX's procurement and supply chain activities can be broken down into two broad categories when assessing modern slavery risks:

1. Direct onshore and on-site activities – where IDX's engagement of vendors for goods and services may present risks of labour rights violations.
2. Supply chain activities – where IDX's procurement of goods in certain categories are at risk from being sourced from countries or regions with histories of poor labour rights, human rights or legal system issues and corruption.

The inherent risks across those categories, relevant to IDX include:

1. Underpayment and exploitation of migrant workers in service subcontracting.
2. Labour conditions and child labour in the supply chain of manufactured goods.
3. Labour rights in offshored financial and business services.
4. Underpayment, indentured workers and exploitation of migrants in the supply of travel hospitality and entertainment services.

Further to the above, without active consideration of these risks in IDX's procurement activities, there exists the risk that IDX may inadvertently incentivise modern slavery practices by making decisions based solely on the lowest cost of goods.

IDX's analysis of the risks against each vendor category, using the methodology outlined in section 4 below, determined that our 14 vendor categories with the highest likelihood of a link to modern slavery risks in FY20 were:

Direct onshore

Category name	Type of risk
Cleaning	Lower skilled labour using irregular or migrant workers particularly vulnerable to exploitation.
Film Delivery/Couriers	Lower skilled labour using irregular or migrant workers particularly vulnerable to exploitation.
Laundry and Dry Cleaning	Lower skilled labour using irregular or migrant workers particularly vulnerable to exploitation.

Supply chain

Category name	Type of risk
Consumables	Labour rights and governance in the overseas supply chain of chemical products.
Radiopharmaceuticals	Labour rights and health and safety and governance in the overseas supply chain of chemical, plastic and metal products.
Contrast	Labour rights and governance in the overseas supply chain of chemical products.
Needles and Syringes	Labour rights and health and safety and governance in the overseas supply chain of chemical, plastic and metal products.
Pharmaceuticals	Labour rights and governance in the overseas supply chain of chemical products.
Film	Labour rights and health and safety and governance in the overseas supply chain of chemical, plastic and metal products.
Freight	Low skilled labour vulnerable to exploitation.
Medical Equipment	Labour rights and health and safety in electronics and medical equipment supply chains.
Staff gifts	Risks from manufacturing of metal and plastic products and the extraction of raw materials in high likelihood countries.
Contractors/ Labour Supply – Typists	Risk of unfair working conditions for people when operations are outsourced, potentially offshore.
Computer Expenses	Labour rights and health and safety and governance in electronics supply chains.

4. ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

IDX has undertaken a risk assessment of its supply chain to understand where risks of modern slavery practices may exist.

The risk assessment process undertaken included an analysis of 77 procurement categories across 107 suppliers, representing the top 80% of IDX's FY20 financial year vendor spend. The assessment gave consideration to:

- The type of goods and services being procured.
- The geographical locations in which those vendors operate.
- The size and volume of transactions with vendors.
- The distance from the risk or control that IDX can have over the supply chain.
- Approaching identified vendors to proactively seek assurances on how they were managing the risk of modern slavery within their own supply chains.

To assist in this process IDX engaged external experts with experience in assessing modern slavery risks, specifically drawing on their expertise and research into industries and sectors as well as countries and regions with demonstrated histories of modern slavery issues in the past.

Actions taken in FY20

During the FY20 financial year, several practices by IDX have reduced the likelihood of modern slavery risks within our operations and supply chains.

IDX has a risk framework and governance structure that endeavours to ensure decision making at all levels of the organisation considers risks. Through our centralised commercial management function, a number of high value and material supplier relationships have been centralised to ensure that they can be managed in a diligent and consistent manner.

IDX's modern slavery analysis activities considered key parts of its supply chain in FY20 including higher risk areas of medical and IT consumables, equipment and outsourced labour. This included engaging external consultants to undertake an analysis of our vendors, categorising them by product/service, country of origin and spend. Detailed analysis was then undertaken to categorise each vendor in relation to its likelihood of contributing to modern slavery risks. Considerations included:

- The geographical area in which the entity operated, and that area's history of modern slavery/labour rights abuses.
- Whether the component parts of products purchased through vendors were likely to include materials sourced from countries identified above.
- The sector/industry the supplier operated in and whether that industry had a history of modern slavery/labour rights abuses.
- Whether that industry had a history of outsourcing/offshoring work to less well-regulated labour environments.

IDX then applied its own knowledge of the products and services provided by vendors and our knowledge of their operations to further adjust our risk assessment of each vendor and category.

Direct engagement with top suppliers

As a result of our supply chain assessment, IDX directly engaged with all vendors that were assessed to have "very high likelihood" of inherent risks of modern slavery practices, as well as our 10 largest suppliers to understand how they were managing modern slavery risks within their supply chain. Several opportunities to work more closely with suppliers on modern slavery risk assurance were identified.

It was clear that some suppliers were more advanced than others and there was scope for IDX to take a positive influencing role to improve practices

of others. IDX considers this a constructive benchmark setting exercise which has formed the basis of conversations with suppliers going forward.

As part of these discussions IDX has communicated expectations of ongoing continued improvement in management of modern slavery risks in supply chains.

This direct engagement with suppliers also allowed us to further refine our risk assessment of vendors based on the information and controls, or otherwise, that they were able to demonstrate through the engagement process.

Other actions taken in response to analysis

IDX has identified additional actions that will further reduce the risk of modern slavery within our operations and supply chain which either have been or will be actioned over FY21, these include:

- Developed a publicly available ethical supply chain policy that outlines our expectations on the management of modern slavery risks within our organisation and through our supply chain.
- Strengthened our business case process for new investment and contract approval/renewal processes to include consideration of modern slavery and other vendor risks in our decision making on allocation of resources.
- Guidance material has been developed for staff and management to ensure due diligence is occurring during procurement activities. Training modules on modern slavery risks have been identified for front line staff and management.
- Guidance material will be updated to ensure that existing controls such as whistleblowing avenues specifically address modern slavery as an area of concern.

5. ASSESSING EFFECTIVENESS OF ACTIONS

IDX is committed to continual improvement of its modern slavery risk processes. IDX will continue to build on its approach each year by:

- Undertaking an annual review of our supply chain to identify modern slavery risks and practices.
- Updating our rolling modern slavery action plan.
- Performing an annual review of key policies to ensure modern slavery risk management remains appropriate.
- Continuing to work with suppliers to encourage improvement in practices.

Annual Review Cycle

IDX's Annual review Cycle for assessing modern slavery practices includes:



In addition to the annual review cycle described above, The Board is proactively engaged with any material Modern Slavery risks or issues.

6. GROUP CONSULTATION

IDX has consulted with key stakeholders and management, from across the group on our approach to identifying and managing modern slavery risks. A modern slavery working group was established as a subcommittee of the Group ESG committee and includes representation from key roles such as risk, strategy, operations, commercial management and procurement.

The draft modern slavery statement and action plan were tested with key roles across the group including senior management, and following consultation and direction from IDX's Audit Risk and Compliance Committee (ARCC) and Board.

7. ANY OTHER RELEVANT INFORMATION

COVID-19

During COVID-19, like many organisations IDX's faced supply chain interruptions and the need to consider alternative suppliers for items such as Personal Protective Equipment (PPE), Medical Consumables and in some cases IT equipment. IDX reduced the likelihood that modern slavery risks within its supply chain would be exacerbated during this period by ensuring that in all cases only reputable suppliers were engaged. To accomplish this, we ensured that all suppliers of PPE and medical consumables held Therapeutic Goods Administration (TGA) or equivalent certification. Procurement of medical consumables during COVID-19 was centralised and coordinated through a single point to ensure that processes and quality were maintained. To manage risks associated with IT equipment, only reputable national/international brands were used.

LOOKING FORWARD

As part of IDX's continual improvement activities for Modern Slavery, a number of key initiatives have been identified for FY21 and beyond. IDX is committed to building the maturity of our ESG program including our Modern Slavery and Ethical Supply Chain activities.

Key actions for FY21 outlined in our statement include:

- Ongoing collaborative work with suppliers to understand and manage modern slavery risks.
- Enhanced training and guidance for staff.
- Improvements to our vendor screening and approval processes.

Performance against our modern slavery plan, will be integrated into our risk management profile and reporting to ensure these actions become an integrated way of doing business at IDX.

Helen Kurincic
Board Chair

For and on behalf of the Integral Diagnostics Limited Board

24 March 2021



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