SONIC HEALTHCARE LIMITED

Sustainability Report 2023

Contents

Acknowledgment of Country

Sonic Healthcare acknowledges the Traditional Owners of Country throughout Australia. We pay our respects to Elders past, present and emerging, and extend this recognition and respect to Indigenous peoples around the world.

About this report

Sonic Healthcare's FY2023 Sustainability Report outlines our ongoing commitment to environment, people, communities and good governance.

This Sustainability Report covers the period from 1 July 2022 to 30 June 2023, and complements our Annual Report 2023 and Modern Slavery Statement. It has been endorsed by the Chief Executive Officer of Sonic Healthcare and approved by the Sonic Healthcare Board on 9 November 2023.

Sonic Healthcare's 2023 Sustainability Report has not been independently assured; however, the information and data contained in the report have been subject to various levels of internal review and validation to ensure the disclosures are materially accurate, complete and prepared on a consistent basis.

This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards and applicable Sustainability Accounting Standards Board (SASB) Health Care Delivery Disclosure Topics.

We have also provided a qualitative disclosure aligned with the principles of the Task Force on Climate-related Financial Disclosures (TCFD) and continued to reference relevant United Nations Sustainable Development Goals (UNSDGs).

Independent recognition

Sonic's standing as a socially responsible company is evidenced by the ratings we receive in various independent assessments of environmental, social and governance practices. These include:

ACSI	ISS ESG	FTSE4Good	MSCI
Detailed	Prime	Global Index Australia 30 Index	AA – Leader

Contact us

For further details on Sonic Healthcare's sustainability strategy, please email us at sustainability@sonichealthcare.com.

Sonic Healthcare Limited ACN 004 196 909 (Sonic) is an Australian public company listed on the Australian Securities Exchange (ASX: SHL).

Sonic's registered office is Level 22, Grosvenor Place, 225 George Street, Sydney, NSW, 2000, Australia. For a list of Sonic operating subsidiaries covered by this Report, please refer to Note 29 in Sonic's Annual Report 2023, available at www.sonichealthcare.com/annual-reports.

Introduction

Sonic Healthcare remains committed to operating in a sustainable, ethical and responsible way across all facets of our operations — medical, financial, organisational, social and environmental. Our website[1] provides access to policies and programs that operate locally and globally, aimed at fostering an environment for our staff, suppliers, customers and communities that is consistent with our Foundation Principles of 'Respect for our people', 'Company conscience' and 'Operational excellence'.

1 www.investors.sonichealthcare.com/corporate-governance/?page=policy-and-charters

Sonic Healthcare is committed to playing a proactive role in global sustainability.

CEO's Message

Welcome to the Sonic Healthcare Sustainability Report 2023.

Over the past 12 months, Sonic Healthcare has progressed the goals and targets in our sustainability strategy, as outlined in 2022. I am pleased to advise that we have now completed our first scope 3 emissions inventory and global climate-related risk and opportunity assessment, allowing us to provide a qualitative response to the Task Force on Climate-related Financial Disclosures (TCFD) in this report.

These foundational activities will help us to establish our climate risk and environmental management priorities and strategies for the future, and will support accurate, reproducible and transparent disclosures aligned with existing and future reporting requirements.

During 2023, Sonic Healthcare also made significant advances in securing certified renewably sourced energy. During the second half of FY2023, Sonic commenced procuring 100% of electricity in Germany from certified renewable sources, while 30% of all Australian consumption in FY2023 was sourced from certified renewable suppliers. Our other divisions in the US, UK and Europe are also investigating the best local options to access renewable energy to ensure that we reach our 2030 target of sourcing 80% of our global energy from certified renewable sources.

FY2023 was a landmark year for the Sonic Healthcare Foundation, with the establishment of a new Board which has overseen the funding of several new projects designed to improve the health of individuals and communities in need.

A key focus of the Foundation is to expand our support for poverty-stricken communities in Africa which have poor access to healthcare facilities. Specifically, the Foundation has committed to building, equipping and supporting the ongoing operation of a new 42-bed maternity and obstetric fistula hospital in remote northern Uganda (the 'Sonic Healthcare Foundation – Kworo Hospital'). When completed, this hospital will provide life-saving services to almost one million people. Further information about the activities of the Foundation can be found on pages 60–68 of this report.

The Sonic Healthcare Foundation continued to support many existing programs throughout the year, including the Clontarf Foundation in Australia. In 2023, 11,500 young Aboriginal and Torres Strait Islanders across Australia participated in Clontarf programs, which equip them with the education, training and life skills they may not have had access to ordinarily.

Sonic Healthcare is committed to playing a proactive role in global sustainability. This commitment permeates our entire organisation, from the Board through to our frontline workers. Collectively, we are helping to play our role in supporting the environment, our people and communities near and far.

Dr Colin Goldschmidt
CEO – Sonic Healthcare
9 November 2023

Our 2023 performance highlights

Environment

Net zero
Commitment to net zero by 2050

10%
Reduction in scope 1 & 2 emissions compared with FY2021 base year

1.2 M kWh
Electricity generated from onsite solar panels

17.1%
Hybrid/electric motor vehicles in the fleet

Our people

40,500
Total employees

39.5%
Women in executive senior leadership positions[1]

3.6
LTIFR[2] (vs relevant healthcare benchmark of 4.7)

78.6%
Staff with access to EAP or comparable support program

Communities

126 M
Patient consultations

3,300
Patient access points

$8 M[3]
Donations and sponsorships

$653 M[3]
Taxes paid[4]

1 Includes CEO or head of each reporting business unit and their executive management teams

2 Lost-time injury frequency rate reflects the number of injuries with more than eight hours' lost time per one million hours worked

3 All dollar amounts in this report are in Australian dollars, unless otherwise specified

4 Direct and indirect taxes, levies and duties, including employment-related taxes but excluding taxes paid on behalf of employees and GST/VAT

UNSDGs

Sonic Healthcare recognises the role we play in the global effort to address worldwide sustainability challenges, especially our role as an enabler of good health and wellbeing. In support of the UN Sustainable Development Goals (SDGs), we have identified nine priority goals that align with our role as a global, federated healthcare provider.

Throughout this report we have used the SDG icons to indicate where we believe our activities align with SDG targets. For more information, see pages 109–117.

About Sonic Healthcare

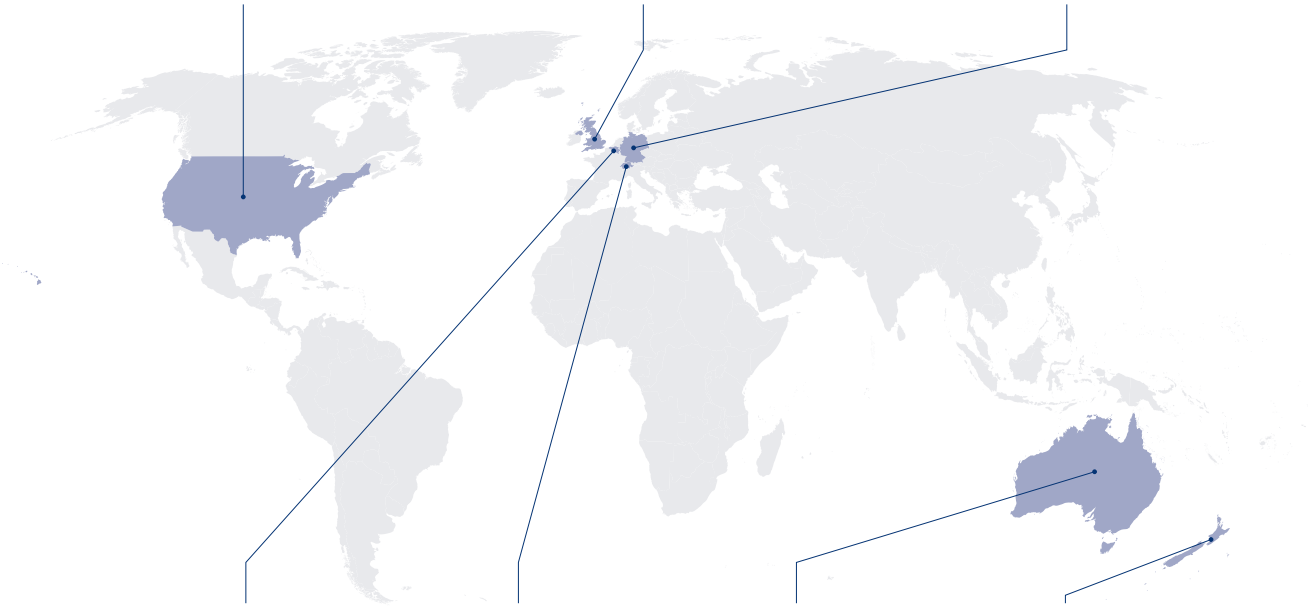
Sonic Healthcare is a leading international healthcare company with specialist operations in pathology/laboratory medicine, radiology, general practice medicine and corporate medical services.

We are committed to clinical and operational excellence in the delivery of medical services to doctors and patients alike.

Headquartered in Sydney, Australia, and listed on the Australian Securities Exchange (ASX), Sonic has grown to become one of the world's leading healthcare providers, with operations in Australasia, Europe, UK and North America.

We employ more than 1,600 pathologists and radiologists, and more than 15,500 medical scientists, radiographers, sonographers, technicians and nurses, all of whom are led by highly experienced medical personnel, from Board level through to the management of our local practices.

Our staff are supported by ongoing investments in state-of-the-art medical technologies and facilities, as well as secure proprietary information systems that are customised to meet the specific needs of our organisation and its stakeholders. This is backed by a firm commitment to maintaining uncompromising ethical standards in the areas of both business management and medical practice.



USA
Laboratory Medicine

Employees	FTEs
8,292	7,750

Revenue: 26%

UK
Laboratory Medicine

Employees	FTEs
2,688	2,566

Revenue: 7%

Germany
Laboratory Medicine

Employees	FTEs
8,036	6,175

Revenue: 19%

Belgium
Laboratory Medicine

Employees	FTEs
499	413

Revenue: 2%

Switzerland
Laboratory Medicine

Employees	FTEs
1,477	1,207

Revenue: 7%

Australia
Laboratory Medicine
Radiology
Clinical Services

Employees	FTEs
19,403	14,889

Revenue: 39%

New Zealand
Laboratory Medicine

Employees	FTEs
199	167

Revenue: <1%

The Sonic Difference

Sonic Healthcare's ongoing success is directly linked to our unique corporate culture, which is defined by three key elements – Medical Leadership, our Core Values and our Federated Model. Collectively, these are known as 'The Sonic Difference'.

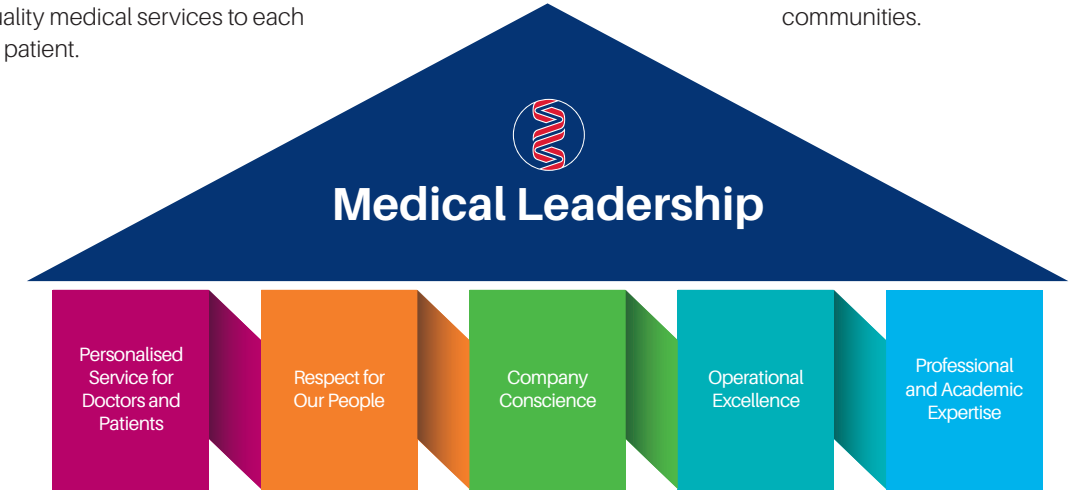
Medical Leadership

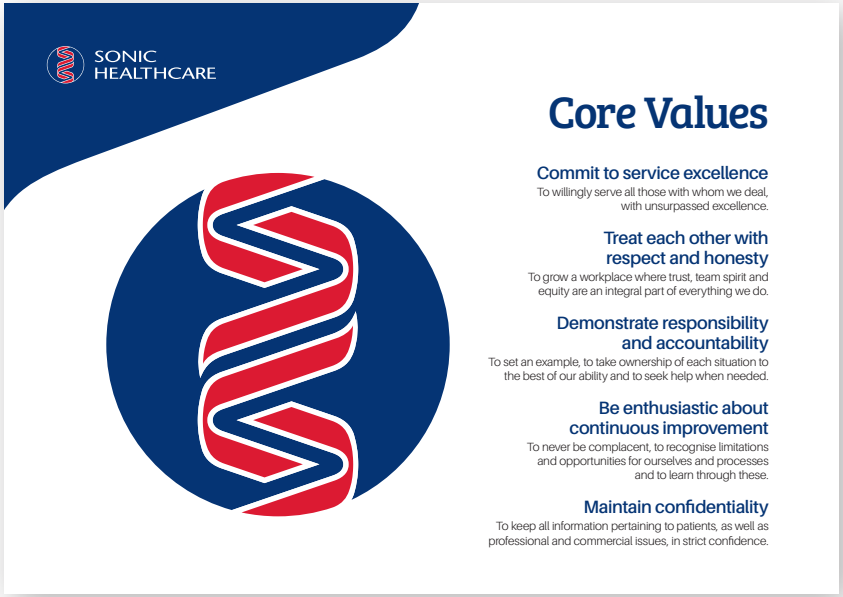
Medicine is a complex profession that requires insight, sensitivity and a lifelong commitment to learning, in order to provide the best possible patient care and clinical outcomes. Sonic's culture of Medical Leadership recognises that the unique expectations and needs of our doctors and patients are best served by including experienced medically and scientifically qualified people as a significant proportion of our senior leadership teams.

Through Medical Leadership, we aim to ensure that every person who is part of Sonic Healthcare understands how vitally important their role is in the delivery of high-quality medical services to each and every patient.

Medical Leadership has always been enshrined in Sonic's corporate culture. It reflects our understanding that medicine is a profession rather than a business, and is responsible for our continued global success. We acknowledge the trust that clinicians place in us and strive to mirror their commitment to medical excellence in everything we do.

Our Medical Leadership Principles are endorsed by the Sonic Board and provide all Sonic staff with clear guidelines about the interaction between Sonic's people and its external stakeholders – doctors, patients, other customers and our local and global communities.





Our Core Values

Sonic's Core Values were developed by Sonic staff in early 2000 to act as guiding principles for how we conduct ourselves as an organisation. They set the standard for the collegiate and supportive way in which we behave towards one another, as well as the professionalism with which we conduct ourselves in our day-to-day duties. Individually, our Core Values articulate our commitment to medical excellence. Collectively, they empower our people to deliver exceptional medical services to doctors and patients.

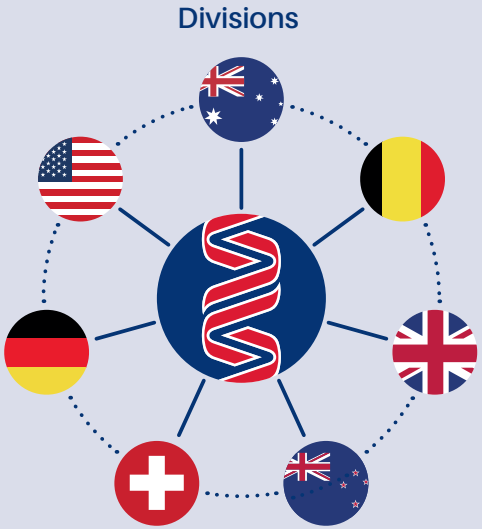
Since their inception, Sonic's Core Values have been embraced by Sonic Healthcare staff around the world. These five key principles form an integral component of our Code of Conduct.

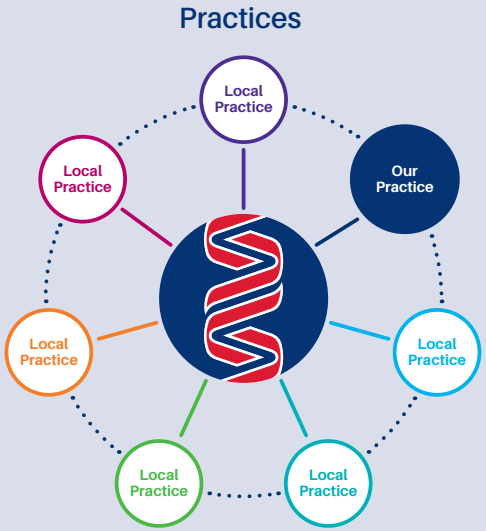
Our Federated Model

Sonic operates under a federated management structure, where individual practices are empowered to deliver personalised services best suited to the needs of clinicians and patients in their local communities. This local autonomy is complemented by the assurance that comes from belonging to a global network of healthcare practices that share a commitment to medical excellence.

Sonic's federated structure creates many opportunities to share knowledge and experiences, allowing us to develop synergies and establish operational, clinical, environmental, social and governance best practices. By identifying and embracing these opportunities for collaboration, and by working together in partnership across regional and national boundaries, we strengthen the foundations for Sonic's continued growth and prosperity into the future.

Sonic's federated approach has been integral to our ongoing success and the preservation of each practice's long-term goodwill.








Our services

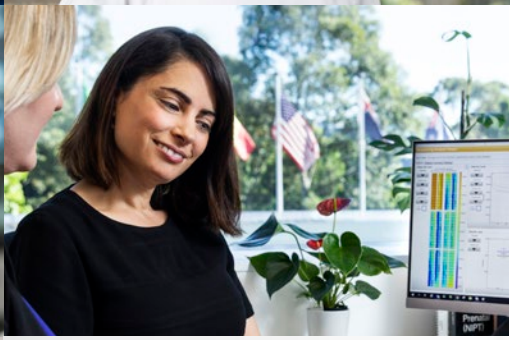
Sonic Healthcare provides high-quality pathology/ laboratory medicine, radiology, general practice and corporate medical services.

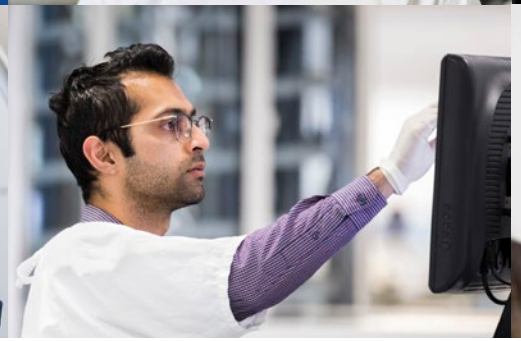
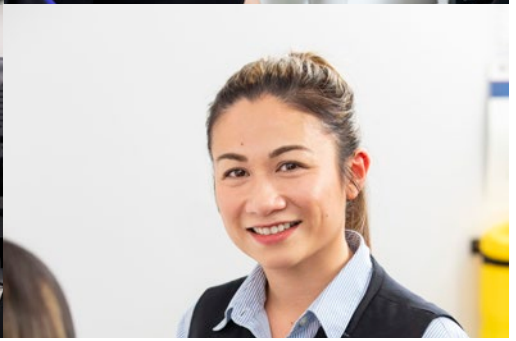
With almost 3,500 locations globally, we deliver accessible, affordable services to more than 100 million patients each year in a professional environment that emphasises accuracy, reliability and safety. We operate within an ethical framework that always focuses on the doctors and the patients we serve.

3 GOOD HEALTH AND WELL-BEING

Target 3.4



Pathology/ laboratory medicine

What is pathology/ laboratory medicine?

Pathology/laboratory medicine is the branch of medicine that studies samples of blood, urine, tissue and bodily fluids to identify the risk, cause and nature of disease, and to guide clinical management and monitor the effectiveness of treatment.

Medical laboratory tests provide clinicians with the information they need to manage patients in a timely and appropriate way, enabling optimal health outcomes for the individual as well as decreasing the burden of acute and chronic disease in the community.

Why is it important?

Pathology/laboratory medicine tests inform almost every aspect of modern medicine and are necessary in 70% of all medical diagnoses, including every cancer diagnosis. The results provide doctors with vital information about the nature and cause of illness, so they can determine the best course of treatment. This can range from understanding which type of antibiotics to prescribe for a particular infection, through to guiding the surgeon to ensure complete removal of a tumour and the required follow-up treatment.

Categories

Biochemistry
The measurement of different chemical substances in the body.

Cytopathology
The study of cells and cell structure to detect cancerous and pre-cancerous changes.

Genetics
The prediction and diagnosis of genetic disorders and cancer using cutting-edge technologies that perform DNA, RNA and chromosome testing.

Haematology
The study of blood cells, blood-producing organs and blood diseases.

Histopathology
The microscopic examination of tissue samples by anatomical pathologists to diagnose cancer and other conditions.

Immunoserology
The measurement of antibody levels and other factors in the blood to assess immune status and diagnose diseases.

Microbiology
The study of disease-causing organisms, including bacteria and fungi.

Molecular pathology
The study of DNA, RNA and proteins for diagnostic and prognostic purposes.

Prenatal testing
Screening for genetic conditions either prior to conception, or during the first and second trimesters of pregnancy.

Toxicology
The testing of bodily fluids to detect the presence of chemicals, drugs or toxins.

Ancillary functions
All technical functions are supported by dedicated staff in Collection Centres, IT, Couriers, Specimen Reception, Data Entry, Stores, Accounts, Results and Communications.

How does it contribute to the community?

Pathology/laboratory medicine is often referred to as the engine room of medicine. Without it, we would still be treating patients based on 'best guesses'. It is impossible to imagine modern medicine without the insights provided by this vital diagnostic service.

Pathology/laboratory medicine tests enable earlier and more accurate diagnosis of disease, allowing for earlier and more effective treatments.

Pathology/laboratory medicine also allows for monitoring of conditions to determine the effectiveness of treatment.

More than that, advances in molecular and genetic pathology now give targeted information about how to best treat different forms of cancer and other diseases.

By screening asymptomatic patients for unknown disease, providing earlier diagnosis in symptomatic patients, and supporting more effective, targeted treatment, pathology/ laboratory medicine plays an important role in reducing health-related social and economic impacts.

Radiology

What is radiology?

Radiology is the branch of medicine that uses non-invasive technologies to create images of the bones, tissues and organs within the human body. These images are interpreted by a radiologist or nuclear medicine physician, to identify or monitor diseases or injuries. The findings are then included in a written report to the referring doctor.

Diagnostic imaging technologies include X-rays, computed tomography (CT), magnetic resonance imaging (MRI), ultrasounds, nuclear medicine, positron emission tomography (PET) and more.

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

Why is it important?

Radiology is central to the practice of modern medicine. It is used for the diagnosis of many serious and life-threatening conditions, including cancer, neurological disorders and orthopaedic soft tissue injuries. The information contained in the image and radiologist's report expands the referring doctor's knowledge of the disease process and guides the treatment of the patient.

Categories

Magnetic resonance imaging (MRI)
Uses a strong magnetic field and radio waves to capture detailed images of the brain, spinal cord, nerves, muscles, ligaments and tendons, and many internal organs of the body.

Computed tomography (CT)
Uses multiple X-ray images to produce detailed cross-sectional slices through the part of the body being investigated. Includes scans of the brain, chest, heart, abdomen, pelvis and spine. CT is especially useful in revealing detailed information about bone fractures in all body regions.

Ultrasound
Uses high-frequency soundwaves to create images of a range of body areas, including the abdomen, pelvis, breasts, heart and blood vessels, and muscles and tendons. Also useful in monitoring the progress of pregnancy.

X-ray
The most common form of medical imaging. Useful for examining bones, joints, some spinal conditions, the teeth and jaws, and aids in the diagnosis of many chest and lung conditions.

Mammography
A specific type of breast imaging that uses low-dose X-rays for the early detection of cancer and other breast disease.

Nuclear medicine
Uses a small amount of radioisotope to pick up abnormalities via a special camera. Used to diagnose and treat disease, such as cancer, and can be used to assess all systems of the body.

PET CT
Combines nuclear medicine using positron emitting isotopes and CT, and is particularly useful in the diagnosis and monitoring of cancers.

Interventional procedures
Performed for various reasons, including pain management and screening for disease. Imaging equipment, such as ultrasound, CT or MRI, is used to guide these procedures.

Bone mineral densitometry (BMD)
Uses dual energy X-ray to detail bone health and density. Also used for assessing a patient's body mass index (BMI).

How does it contribute to the community?

Radiology allows many diseases and conditions to be detected at a treatable stage. For example, CT now provides data that assists in the earlier detection and treatment of colon cancer, allowing for earlier and less intensive treatment.

Radiology also helps to target treatments to where they are most needed. Additionally, radiology is used to monitor the progress of disease and delivery of treatments, and to determine whether those treatments are working effectively. If the treatment is not working as planned, it can be adjusted, changed or stopped.

Once treatment has concluded, radiology can help to monitor for any disease recurrence over the ensuing years. This results in cost savings for our health system, and helps patients return to work and family sooner.

General Practice

What is General Practice?

General Practice is the medical discipline that delivers primary healthcare in the community. General Practice is usually the first port of call for patients, and deals with everything, from colds and flu through to acute and chronic illnesses. General Practitioners also provide preventative care and health education to patients.

The holistic approach of General Practice aims to consider the biological, psychological and social factors relevant to the medical care of each patient. The discipline is not confined to specific organs of the body and involves treating people with multiple health issues.

Why is it important?

General Practice delivers cost-effective, personalised medical care in a community setting. As the primary setting for people seeking medical advice, it also helps to take the pressure off hospital emergency departments. Patients often develop long-term, trusting relationships with their GPs, returning to them for navigation of their care.

Clinical service businesses

IPN Medical Clinics
The largest operator of medical centres across Australia, with nearly 2,000 doctors who run their own clinical practices from one or more of 150 modern, well-established, supported clinics. IPN clinics see more than 7 million patients each year.

Sonic HealthPlus
Occupational healthcare and general medical services, with clinics in metropolitan, regional and remote locations, protecting the health and wellbeing of families and workforces.

Australian Skin Cancer Clinics
Specialised clinics for the early detection, diagnosis, treatment and management of skin cancer in the primary care setting.

Precedence Health Care
Specialised software that allows healthcare professionals to create customised care plans for patients with complex health needs, facilitating seamless, integrated and collaborative care by their entire healthcare team.

How does it contribute to the community?

General Practice is firmly embedded in the community.

It is arguably the most agile and important part of the health system, providing essential care across the complete range of illnesses, including complex chronic conditions, end-of-life care and the increasing prevalence of mental health issues in our society.

General Practice also helps to educate patients, provide vital vaccination services, and safeguard the health of entire families and communities.

Stakeholders

Sonic's operations impact, or have the potential to impact, a large number of stakeholders. Our critical healthcare infrastructure, quality clinical services, employment practices, governance, charitable works, investment in research and development, and financial success have positive impacts on most of our stakeholder groups. However, we also acknowledge the negative impacts of our activities, such as the emissions and waste we produce, natural resources we consume, and the potential impacts on human rights within our supply chain.

Stakeholder engagement is an important element of Sonic's approach to sustainability, allowing us to understand differing expectations and to remain focused on current and evolving environmental, social and governance topics that materially affect our global businesses.

This engagement enables us to better meet the expectations and needs of our stakeholders, together with our legal, regulatory and moral obligations.

Sonic builds stakeholder trust through transparency in our disclosures and accountability for our actions. Our staff are required to abide by our Code of Conduct and engage ethically, honestly and constructively with all stakeholders, wherever they are in the world.

10 REDUCED INEQUALITIES

Target 10.2

Stakeholders

Customers	Employees	Communities, NGOs and charities
Sonic provides a range of channels for customers (patients, healthcare professionals, hospitals, clinics, governments) to engage with us: in person, by telephone and electronically. Patient surveys are conducted periodically at patient access centres. Sonic's specialist pathologists, radiologists, GPs, scientists and managers also facilitate, present and attend professional seminars and courses that provide multiple opportunities for customer feedback.	Sonic promotes a culture of open communication and active staff feedback. This occurs in multiple ways, including local team meetings, engaging with HR and/or management directly or via email and written communications, whistleblower notifications and more. Issues raised by staff through these channels are managed locally and, where appropriate, escalated to entity or divisional management for a broader response.	Sonic engages with local communities on an ongoing basis to expand access to our services and improve service quality. Our involvement is particularly strong during times of crisis, when we help to provide emergency assistance, both clinical and financial. Through the Sonic Heathcare Foundation we engage directly with NGOs, local and international charities to facilitate larger donations and face-to-face clinical support to charitable organisations, such as the Clontarf Foundation and HEAL Africa. During FY2023, this engagement resulted in approval by the Sonic Foundation Board to fund the building of the Sonic Healthcare Foundation – Kworo Hospital in Uganda (see p. 65).

Stakeholders

Shareholders	Governments	Suppliers	Research and academic bodies	The planet
Half-year and full-year results presentations providing information on financial and operational performance are delivered by the Sonic CEO. Feedback from institutional investors, superannuation funds and individual investors – large and small – is welcomed throughout the year and facilitated by our investor relations team. Sonic's AGM also provides an avenue for shareholders to ask questions, voice their suggestions and exercise their voting rights on matters concerning the Board, remuneration, financial and operational performance.	Our healthcare practices are critical elements of the healthcare infrastructure in the countries in which we operate. Ongoing engagement with governments, through advisory committees, professional associations, industry bodies and regulatory bodies, is necessary to ensure policies support services that are safe, properly funded and fit for purpose. Our medical professionals and executives provide advice and support to governments when health imperatives, such as the recent pandemic, require collaboration across the healthcare network.	Sonic's ability to provide services is dependent on a reliable supply chain to deliver the necessary equipment, reagents and consumables, to carry out our diagnostic and clinical services. Operational and procurement teams regularly meet with suppliers to discuss product suitability, supply and pricing. Assessment of the social and environmental credentials of the products supplied is equally important, helping to ensure that any potential environmental or human rights risks to employees in the supply chain are identified and addressed.	Sonic encourages our medical, scientific and technical staff to actively collaborate with external research and academic bodies, to support tertiary education, contribute to publications and promote clinical innovation. This includes membership of professional societies, medical craft groups and advisory committees, facilitating collaboration and research. We actively encourage academic appointments and affiliations with academic institutions. This engagement allows us to remain up to date with emerging research related to our current services and future trends.	Sonic recognises the planet as an important stakeholder, influenced by our actions to address emissions, waste management, biodiversity support and water use. We report data to track our impact in these areas and assess progress against our environmental targets.

Sonic Healthcare's material sustainability topics

Sonic's material sustainability topics were identified following a review into the potential impacts of our services on individuals, society, the environment and the economy. The review was undertaken in FY2022 by the Global Executive Team in conjunction with the Sonic Sustainability Steering Committee.

This team's long-standing relationships with stakeholders, together with broad industry experience, allowed critical examination of the impacts of our services, recognition of risks, and identification of possible negative impacts that may occur. This process resulted in a list of nine material topics.

As an additional 'sense check', the topics identified were compared with the Health Care Delivery disclosure topics described by the Sustainability Accounting Standards Board (SASB now part of IFRS Foundation), and a review of the sustainability risk disclosures of peer companies.

We will continue to conduct targeted engagement with representative stakeholder groups, in order to verify our material topics and ensure they remain relevant, noting this feedback may impact the current list detailed to the right.

	Material topics	Comparison with Sustainability Accounting Standard Healthcare Delivery Disclosure Topics and peer company material topics	Stakeholder groups most impacted
ENVIRONMENT	Climate change	▪ Climate change impacts on human health and infrastructure ▪ Energy management	Employees Governments Communities, NGOs and charities Shareholders The planet
ENVIRONMENT	Circular economy and waste	▪ Waste management	Employees Governments Communities, NGOs and charities Shareholders The planet
OUR PEOPLE	Employee attraction, engagement and development	▪ Employee recruitment, development and retention	Employees Customers
OUR PEOPLE	Workforce health, safety and wellbeing	▪ Employee health and safety	Employees
COMMUNITIES	Service quality and safety	▪ Quality of care and patient satisfaction	Customers Communities, NGOs and charities Governments Employees Suppliers Shareholders
COMMUNITIES	Access and affordability	▪ Access for low-income patients	Customers Communities, NGOs and charities Governments
GOVERNANCE	Ethics, integrity and compliance	▪ Promotion of trust and enhancement of reputation[1]	Customers Communities, NGOs and charities Governments Employees Suppliers Shareholders
GOVERNANCE	Privacy and information security	▪ Patient privacy and electronic health records	Customers Employees Governments
GOVERNANCE	Human rights	▪ Identification and mitigation of human rights risks across our supply chain and philanthropic endeavours[1]	Suppliers Communities, NGOs and charities

1 These are not Sustainability Accounting Standard Healthcare Delivery Disclosure Topics, but are considered material to our sustainability strategy

Sustainability governance

The Sonic Board is responsible for overseeing the Group's sustainability (ESG) strategy and approval of the annual Sustainability Report. The Risk Management Committee (RMC) assists the Board by advising on the identification, monitoring and management of material risks, including sustainability-related risks (see sustainability risk management section, below).

The remuneration of Sonic's Managing Director/CEO and Finance Director/CFO includes a short-term incentive (STI) plan, of which 20% is based on qualitative strategic objectives, including progress with the company's environmental, governance and sustainability objectives. This year it was agreed that half of the qualitative portion of the STI should relate to specific sustainability goals (see the Annual Report 2023 p. 34).

Implementation and management of the sustainability strategy and the relevant policies outlined throughout this report are the responsibility of the Group CEO and the Director of Sustainability, in conjunction with the Sonic Sustainability Steering Committee (SSSC), comprising Sonic's divisional CEOs, together with members of the Global Executive Team.

The diagram below illustrates Sonic Healthcare's sustainability governance structure and shows the relationship between the Board, CEO, Global Sustainability Executive Team and the SSSC.

Global CEO, Managing Director and Sonic Sustainability Steering Committee Chair, Dr Colin Goldschmidt is the Board representative responsible for sustainability issues. Several Non-executive Board members have gained awareness and competence in sustainability-related issues through their involvement in external boards and board-level risk committees tasked with the assessment of sustainability risks and opportunities, such as climate-related risks.

During FY2023, Board members also attended boardroom presentations by external consultants and participated in sustainability-focused personal development activities, such as those provided by the Australian Institute of Company Directors (AICD).

The Sonic Sustainability Steering Committee meets as required to discuss emerging sustainability issues and agree on high-level directives and targets.

This year, SSSC members:

- took part in TCFD qualitative workshops to identify climate-related risks and opportunities exploring high and low emission scenarios over the short, medium and long term
- reviewed and approved our first scope 3 emissions inventory, defining applicable categories for collection of emissions data
- reviewed progress with renewable energy and hybrid/electric (zero-emission) vehicle transition pathways
- discussed return on investment (ROI) thresholds for projects to support sustainability strategy and goals.

Sustainability working groups have been established in each division. These groups are headed by divisional sustainability leads who have been identified as having the necessary skills to drive sustainability initiatives through the entities in each country.

The divisional sustainability leads meet regularly with the Global Sustainability Executive Team, to discuss the implementation of initiatives, highlight operational issues and share expertise.

Target 13.3

Sustainability risk management

The Sonic Risk Management Committee (RMC) comprises four members, three of whom are independent Directors and the fourth member is the Sonic CEO and chair of the SSSC.

The RMC assists the Board in its oversight responsibilities concerning the management of material risks, including environmental, social and governance risks. The RMC is charged with considering whether the company's risk management framework deals adequately with contemporary and emerging risks, such as climate-related risks.

All Directors of Sonic Healthcare are entitled to attend RMC meetings, which occur at least twice per year. In FY2023 two RMC meetings were held with an update on current and emerging sustainability issues, including evolving global disclosure requirements, provided at the May 2023 meeting.

The results of the TCFD-aligned qualitative climate-related risk and opportunity assessment carried out this year can be found on pages 95–98 of this report.

Target 13.1
Target 13.3

Sustainability strategy

Sonic Healthcare's sustainability strategy combines our Medical Leadership Principles, Core Values and deep company conscience, to deliver positive outcomes for the planet and its people.

	ENVIRONMENT	OUR PEOPLE	COMMUNITIES	GOVERNANCE
MATERIAL TOPICS	Climate change Circular economy and waste	Employee attraction, engagement and development Workforce health, safety and wellbeing	Service quality and safety Access and affordability	Ethics, integrity and compliance Privacy and information security Human rights
COMMITMENT	**Minimise our impact on the environment**	**Create supportive and fulfilling workplaces**	**Improve the health of individuals and communities**	**Maintain confidence and trust**
STRATEGY	▪ Reduce global greenhouse gas emissions in line with science-based targets ▪ Reduce, recycle and re-use waste ▪ Embed sustainability criteria into all procurement decisions	▪ Embrace diversity and equality ▪ Attract, engage and develop new and existing staff ▪ Nurture and enrich Sonic's culture of Medical Leadership ▪ Provide healthy and safe places to work	▪ Ensure the safety and quality of our services ▪ Foster medical research and technological innovation ▪ Maintain and improve access to our high-quality healthcare services ▪ Provide support to communities in need	▪ Promote ethical conduct and ensure compliance ▪ Safeguard privacy and protect data ▪ Champion human rights
GOALS	▪ Achieve net-zero greenhouse gas emissions by 30 June 2050 ▪ Reduce global scope 1 and 2 greenhouse gas emissions by 43% by 30 June 2030[1] ▪ Complete scope 3 emissions inventory by 30 June 2023 ▪ Reduce waste to landfill intensity by at least 10% by 30 June 2026 ▪ Include sustainability criteria in all new procurement contracts by 30 June 2023[2]	▪ Achieve 40:40:20 gender diversity target at senior executive level by 30 June 2030 ▪ Average 10 hours' training per employee p.a. by 30 June 2025 ▪ Maintain LTIFR[3] at or below the relevant industry benchmark ▪ Provide all employees with access to employee assistance or comparable support programs by 30 June 2024	▪ Maintain quality accreditation at 100% of facilities ▪ Report key research and educational achievements ▪ By 30 June 2024, ensure charitable donations are equal to at least 5% of the Sonic Healthcare Foundation's annual total funds under management	▪ Train all relevant staff in key policies by 30 June 2025[4] ▪ Achieve annual improvement in independently audited Cybersecurity Framework maturity scores (NIST) ▪ Publish an annual Modern Slavery Statement

1 Baseline year for scope 1 & 2 emissions is FY2021
2 Procurement contracts refers to contracts administered by global or divisional procurement teams
3 Lost time injury frequency rate
4 Code of Conduct, Anti-bribery and Corruption Policy, Whistleblower Policy, Labour Standards and Human Rights Policy, Privacy Policy, Workplace Health and Safety Policy, Supplier Policy

Environment

The Sixth Assessment Report from the Intergovernmental Panel on Climate Change (IPCC) warned that global warming is set to reach the predicted 1.5 °C increase above pre-industrial levels in the next two decades unless immediate measures to drastically cut carbon emissions are undertaken.

Climate-related risks to health, livelihoods, food security, water supply, human security and economic growth are projected to increase with global warming of 1.5 °C and increase further with 2 °C.[1]

Sonic Healthcare remains committed to playing its part in taking action.

1 www.ipcc.ch/sr15/resources/headline-statements/. Sourced 25 October 2023.

Commitment To minimise our impact on the environment

Material topics	Strategy	Goals	FY2023 achievements
Climate change	▪ Reduce global greenhouse gas emissions in line with science-based targets	▪ Achieve net-zero greenhouse gas emissions by 30 June 2050	✓ Scope 1 and 2 emissions reduced against FY2021 base year; initial scope 3 data collected
		▪ Reduce global scope 1 and 2 greenhouse gas emissions by 43% by 30 June 2030[1]	✓ 10% reduction in scope 1 and 2 emissions in FY2023 compared with FY2021
		▪ Complete scope 3 emissions inventory by 30 June 2023	✓ First global scope 3 inventory completed in FY2023
Circular economy and waste	▪ Reduce, recycle and re-use waste	▪ Reduce waste to landfill intensity by at least 10% by 30 June 2026	▪ The FY2023 scope 3 inventory has provided the first global waste estimate and will guide further work improving the data quality to support projects aimed at achieving this target
	▪ Embed sustainability criteria into all procurement decisions	▪ Include sustainability criteria in all new procurement contracts by 30 June 2023[2]	✓ Sustainability criteria included in all new procurement contracts[2]

Related SDGs

Build resilient infrastructure, promote sustainable industrialisation and foster innovation

Make cities inclusive, safe, resilient and sustainable

Ensure sustainable consumption and production

Take urgent action to tackle climate change and its impacts

1 Baseline year for scope 1 & 2 emissions is FY2021
2 Procurement contracts refer to those contracts administered by global and divisional procurement teams

Climate change

Why is it important?

Healthcare activities are estimated to be responsible for 4.4% of the world's total greenhouse gas emissions.[1]

Sonic Healthcare understands that our operations affect the environment through the consumption of resources, production of greenhouse gas emissions and the generation of waste.

We have also experienced the impact that increasingly more frequent and extreme weather events, such as storms, floods, heatwaves and bushfires, can have, not only on our operations, supply chains and wider infrastructure, but also on our customers' health, medical needs and ability to access our services.

Consideration of this dual materiality strengthens the need for organisations such as Sonic to step up efforts to reduce their impact on the environment and promote environmental responsibility across their entire value chain.

1 www.arup.com/-/media/arup/files/publications/h/health-cares-climate-footprint.pdf, sourced 10 October 2023

Our approach

Sonic is committed to reducing our global greenhouse gas emissions, in line with the principles of the Paris Agreement and in accordance with guidance from the Science Based Targets initiative (SBTi), which is working to limit the global temperature increase to 1.5 °C by 2050.

The Sonic Board and Risk Management Committee are responsible for overseeing the Group's climate-related risk exposure and mitigation strategies.

Implementation of the Board-approved environmental strategy and management of environmental initiatives are the responsibility of the Group CEO and the Sustainability Director, in conjunction with the Sonic Sustainability Steering Committee (SSSC). During 2023, all Sonic divisions participated in a qualitative analysis of Sonic's climate-related risks and opportunities in line with the Task Force on Climate Related Financial Disclosures (TCFD) guidelines. For details of the risks and opportunities identified in this exercise, please see the TCFD section on pages 95–98 of this report.

Target 13.1
Target 13.3

As the first step to support the commitment to reduce our greenhouse gas footprint, it was necessary for Sonic to gather the data required to estimate global emissions. Last year Sonic was able to calculate the first estimate of global scope 1 and 2 emissions for FY2021 (base year) and FY2022. After analysing this data, Sonic was able to set an interim target to reduce global scope 1 and 2 emissions by 43% by 2030. We also set a long-term target to be net-zero across all three scopes of emissions by 2050.

This year Sonic has conducted a scope 3 inventory and has expanded data collection to provide the first estimate of our global scope 3 emissions. Analysis of this data will provide the information required for Sonic to set meaningful and achievable scope 3 emission reduction targets which, together with our scope 1 and 2 emissions targets, will form the basis of a net-zero validation submission to the SBTi within the next two years.

Net-zero strategy

Sonic Healthcare has committed to set science-based emissions targets that align with the Paris Agreement to limit global warming to no more than 1.5 ˚C and become net-zero by 2050.

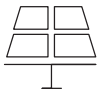
Target 11.6

2023

- Commence transition to renewable energy sources
- Include sustainability criteria in all new procurement contracts by 30 June 2023
- Conduct scope 3 emissions inventory

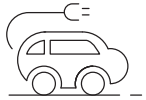
2026

- Engage with key suppliers (80% of spend) to address waste reduction and encourage science-based target setting
- Identify and initiate opportunities to reduce scope 3 emissions



2030

- Reduce global scope 1 and 2 greenhouse gas emissions by 43% (FY2021 baseline)
- 80% of global energy from certified renewable sources



2040

- Complete conversion of global fleet to zero-emissions vehicles

2050

- Achieve net-zero greenhouse gas emissions (scope 1, 2 and 3)

Our ongoing net-zero initiatives include:

- switching to certified sources of renewable energy
- investing in energy efficiency initiatives across our global operations
- optimising onsite energy generation and storage
- accelerating conversion of global fleet to hybrid and zero-emission vehicles
- reducing, recycling and re-using waste from operations
- understanding, measuring and managing material scope 3 emissions

*All years relate to financial years

Scope 1 and 2 greenhouse gas emissions

Sonic has chosen FY2021 as the baseline for scope 1 and 2 greenhouse gas (GHG) emissions globally.[6] Our FY2021, FY2022 and current year FY2023 scope 1 and 2 emissions data are shown below.

Scope 1 emissions

In FY2023, expanded scope 1 data has been collected, which now includes emissions from dry ice usage and an estimate of refrigerant gas emissions.

Global scope 1 greenhouse gas emissions (tCO_2-e)[2,4,5]	FY2023 (Current year)	FY2022[3] (Previous year, restated)	FY2021[3] (Base year, restated)	% change FY23 vs FY22	% change FY23 vs FY21
Fuel, natural gas, other gases[4]	25,335	28,628	27,509	-11.5%	-7.9%
Refrigerant gases[1]	5,607	5,607	5,607	n/a	n/a
Dry ice	1,561	1,561	1,561	n/a	n/a
Total scope 1 emissions[2,4,5]	32,503	35,796	34,677	-9.2%	-6.3%

Footnotes to table can be found on page 24

Scope 2 emissions

This year scope 2 emissions are stated in both location- and market-based terms to reflect the impact of two contracts active in FY2023 sourcing certified renewable electricity; one for 30% of Australian electricity for the full FY2023 period and the other covering 100% of Germany's electricity from 1 January 2023 to 30 June 2023.

Global scope 2 greenhouse gas emissions (tCO_2-e)[2,4,5]	FY2023 (Current year)	FY2022[3] (Previous year, restated)	FY2021[3] (Base year, restated)	% change FY23 vs FY22	% change FY23 vs FY21
Scope 2 emissions[2,4,5] (location-based)	76,633	86,356	86,606	-11.3%	-11.5%
Scope 2 emissions[2,4,5] (market-based)	48,627	n/a	n/a	n/a	n/a

Footnotes to table can be found on page 24

Collector Wind Farm, NSW, Australia

Scope 1 and 2 (location-based) emissions

Global scope 1 and 2 (location-based) greenhouse gas emissions (tCO_2-e)[2,4,5]	FY2023 (Current year)	FY2022[3] (Previous year, restated)	FY2021[3] (Base year, restated)	% change FY23 vs FY22	% change FY23 vs FY21
Scope 1 emissions	32,503	35,796	34,677	-9.2%	-6.3%
Scope 2 emissions (location based)	76,633	86,356	86,606	-11.3%	-11.5%
Total scope 1 and 2 emissions[2,4,5]	109,136	122,152	121,283	-10.7%	-10.0%

1 Fugitive emissions from refrigerant gases were estimated only for sites at which Sonic is responsible for maintenance of HVAC systems

2 Greenhouse gas (GHG) emissions have been calculated in alignment with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

3 FY2021 and FY2022 data has been restated to reflect:
- an estimate of refrigerant gases and dry ice (FY2023 estimates have been used in FY2021 and FY2022 restatements)
- the application of a stricter definition of operational control as applied to FY2023 data
- the influence of material acquisitions

4 The greenhouse gases included in the emissions calculations are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HCFs), perfluorocarbons (PCFs) and sulphur hexafluoride (SF_6)

5 Emissions factors (EFs) used in the calculations are sourced from US Environmental Protection Agency (EPA), the Australian National Greenhouse Accounts (NGA) and National Greenhouse and Energy Reporting (NGER), Department of Climate Change, Energy, the Environment and Water, EU Default Emissions Factors for the Member States, German Federal Environment Agency, German Federal Ministry of Housing, Urban Development and Planning (BMWSB), UK Government and Department for Environment, Food and Rural Affairs (DEFRA) GHG conversion factors, Association of Issuing Bodies (AIB) 2021 and New Zealand Ministry for Environment (NZ MIE) publications. Where country-specific scope 1 EFs were not readily available, NGA EFs were applied as proxy EFs for the following reasons:
- Sonic is headquartered in Australia
- Australia's total GHG emissions are the most material component of the global baseline
- NGA methods used at the national level are consistent with international guidelines and are subject to international expert review each year

6 FY2021 was chosen as the base year for emissions comparison due to the availability of global data. It may not reflect business as usual due to the influence of the COVID-19 pandemic

More detailed emissions data, including scope 1 and 2 emissions by country of operation, is available in the Sustainability metrics section pages 89–94.

Scope 1 and 2 greenhouse gas emissions intensity

Sonic has used two key business activity indicators, total patient consults and total full-time equivalent (FTE) employees, as denominators to calculate emissions intensity.

Our scope 1 and 2 emissions intensity across global operations for FY2021, FY2022 and FY2023 are shown below.

Global scope1 and scope 2 (location-based) greenhouse gas emissions (tCO_2-e) intensity measures	FY2023 (Current year)	FY2022[3] (Previous year, restated)	FY2021[3] (Base year, restated)	% change FY23 vs FY22	% change FY23 vs FY21
Kilograms CO_2-e per patient consult	0.86	0.84	0.88	2.4%	-2.3%
Tonnes CO_2-e per FTE[7]	3.29	3.64	3.81	-9.4%	-13.4

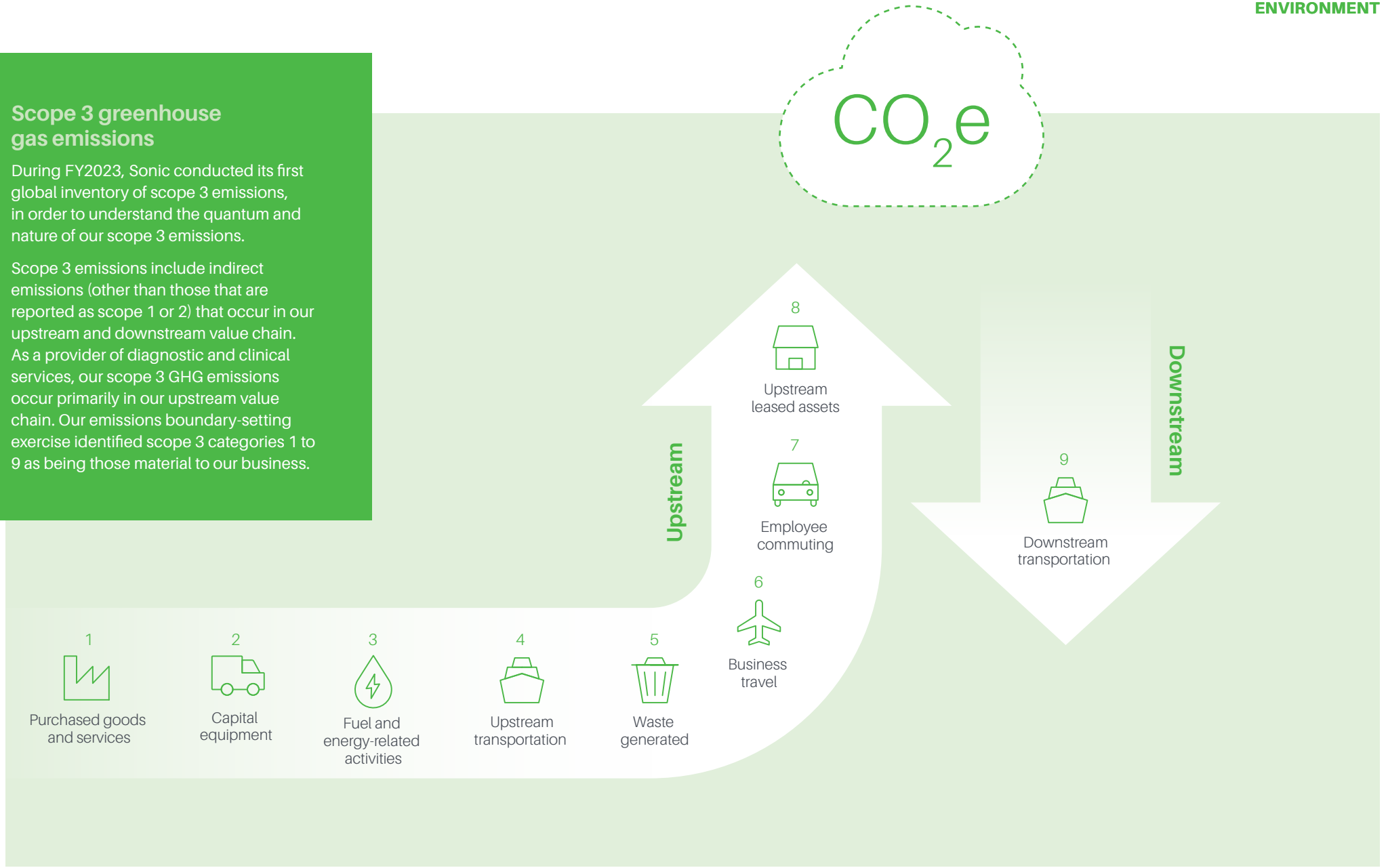
7 Emissions intensity calculations for FY2021 and FY2022 have been restated to reflect full-time equivalent (FTE) staff numbers rather than total employee numbers as used in the calculations shown in the Sustainability Report 2022

The drop in COVID-19 related testing in FY2023 compared with the previous period was reflected in Sonic's total patient consults. Employee numbers also fell, as our global businesses work to right-size their workforces post-pandemic. These trends have influenced the emissions intensity figures, with our FY2023 intensity in kg CO_2-e per patient consult showing a decrease when compared with FY2021 but a small increase against FY2022, despite a nearly 10% reduction in absolute scope 1 and 2 emissions year-on-year. The second intensity measure of tCO_2-e per full-time equivalent (FTE) continued to improve, showing a greater than 9% drop from the FY2022 measure and a greater than 13% drop compared with FY2021.

Scope 3 greenhouse gas emissions

During FY2023, Sonic conducted its first global inventory of scope 3 emissions, in order to understand the quantum and nature of our scope 3 emissions.

Scope 3 emissions include indirect emissions (other than those that are reported as scope 1 or 2) that occur in our upstream and downstream value chain. As a provider of diagnostic and clinical services, our scope 3 GHG emissions occur primarily in our upstream value chain. Our emissions boundary-setting exercise identified scope 3 categories 1 to 9 as being those material to our business.



Data table for scope 3 categories FY2021, FY2022 and FY2023

Scope 3 categories FY2021, FY2022 and FY2023 (tCO_2-e)						
Category (GHG Protocol)		Source data used in estimation	FY2023 (current year)	FY2022 (previous year)	FY2021 (base year)	% of FY2023 scope 3
1	Purchased goods and services	Spend data	244,605	286,675	298,542	50.6%
2	Capital equipment	Spend data	73,782	56,273	61,014	15.3%
3	Fuel and energy related activities	Scope 1 and 2 fuel and energy data	16,670	20,723	14,407	3.4%
4	Upstream transportation NB see note on category 9	Spend data	73,904	74,719	70,466	15.3%
5	Waste generated	Spend data and available waste weight and disposal method data	22,657	23,252	29,327	4.7%
6	Business travel	Spend data and available travel data including distances and travel type	5,359	2,807	1,706	1.1%
7	Employee commuting	Employee numbers, assumed commuting patterns and average regional emissions factors	24,292	23,152	23,178	5.0%
8	Upstream leased assets	Property area, average electricity consumption and country-based emissions	21,988	25,000	26,900	4.5%
9	Downstream transportation	Spend data included under category 4 as not able to separate spend	See category 4	See category 4	See category 4	
Total scope 3 emissions estimate			**483,257**	**512,601**	**525,540**	**100**

- As a provider of diagnostic and clinical services downstream scope 3 categories 10, 11 and 12 were not considered applicable to Sonic operations when setting the scope 3 emissions boundary
- Downstream scope 3 categories 13, 14 and 15 are either not applicable or not material to Sonic operations and were excluded when setting the scope 3 emissions boundary
- Data has been calculated in alignment with the following Greenhouse Gas Protocol documents:
  - The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
  - The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard
  - The Greenhouse Gas Protocol: Technical Guidance for Calculating Scope 3 Emissions
- Notes on greenhouse gases included, emissions factors used and choice of base year are as described in notes 3-6 on page 24

For many organisations scope 3 emissions comprise the largest source of GHG emissions. This has been the case for Sonic, with the results of our first scope 3 estimation indicating that over 80% of our total estimated FY2023 emissions are scope 3.

The highest impact on overall scope 3 emissions is seen in the GHG Protocol Category 1 – Purchased goods and services, at over 50% of estimated emissions. Category 2 – Capital equipment and combined Categories 4 and 9 – Upstream and downstream transportation, are the next largest contributers to scope 3 emissions, representing approximately 15% each of total scope 3 emissions.

While the information on the size and relative materiality of the scope 3 categories shown above is useful for future planning, early rounds of scope 3 data calculation inherently rely on available and often limited source data, estimations and assumptions. In particular, the use of spend data tends to overestimate emissions when compared to actual data for the same activity. Sonic will continue to work across our organisation and in collaboration with our suppliers to improve the quality and accuracy of the data that underpins these calculations.

Target 11.6

One of the electric motorcycles being used by Sonic Healthcare UK

Scope 1 emissions-reduction initiatives

Fleet transition

The most significant contributor to Sonic's scope 1 emissions is the fuel (petrol and diesel) used for our fleet of 3,108 cars, motorbikes/scooters and other courier vehicles. We have set a target to convert our fleet to 100% zero-emission vehicles by 30 June 2040. Our success in achieving this target will depend on emerging vehicle technology (for example, innovation in battery range extension, and hydrogen engine development), together with extensive infrastructure enhancement by governments, organisations and individuals, to support vehicle charging and hydrogen fuel access, as well as the availability and supply of suitable cars and other courier vehicles.

While we await further development and infrastructure to support zero-emission vehicles, we continue to utilise petrol/electric hybrid technology to decrease fuel consumption.

Comparisons of fuel usage by petrol-only and petrol/electric hybrid vehicles in our fleet show that hybrid vehicles use 30–50% less fuel than petrol equivalents. Sonic's fleet vehicles are typically renewed every three to five years, making hybrid vehicles an attractive interim scope 1 emissions-reduction initiative while we await further development and infrastructure to support zero-emission vehicles.

Target 11.6

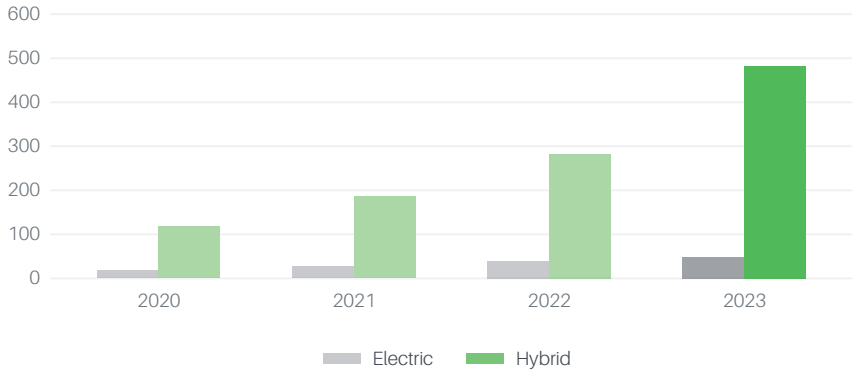
Target 13.3

Our FY2023 global fleet includes:

- 483 hybrid vehicles (an additional 200 hybrid vehicles compared with FY2022)
- 49 electric vehicles

Hybrid and electric vehicles now represent 17.1% of our total fleet, up from 10.7% in FY2022, as shown in the graph below.

Number of electric and hybrid motor vehicles in the fleet

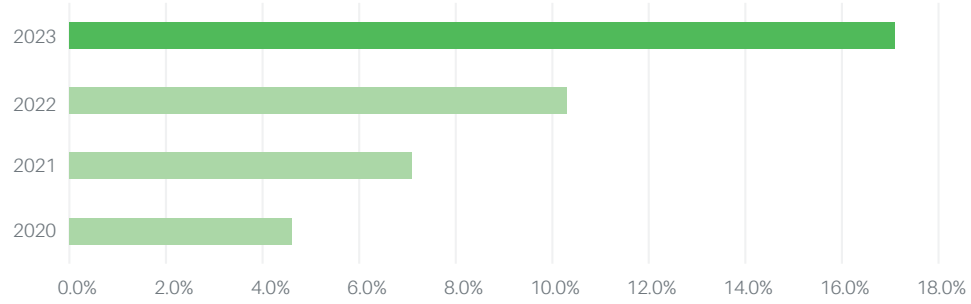


Sonic is working to meet our fleet conversion target by incorporating more lower-emission solutions in each of our countries of operation. Several of our larger sites continue to trial the use of fully electric vehicles (cars and motorbikes/motor scooters) and are assessing which routes are best suited to their use.

Automotive supply chain issues persisted during FY2023 and again limited our ability to further increase the proportion of hybrid/electric vehicles in the fleet; however, these issues are expected to decrease over the coming years.

It is important to note that effective total emission reduction requires not only conversion to zero-emission vehicles but also the use of charging or fuel-production infrastructure utilising renewably sourced energy.

Percentage of electric or hybrid motor vehicles in the fleet



One of the new fully electric courier vehicles leaving our largest pathology laboratory in Australia

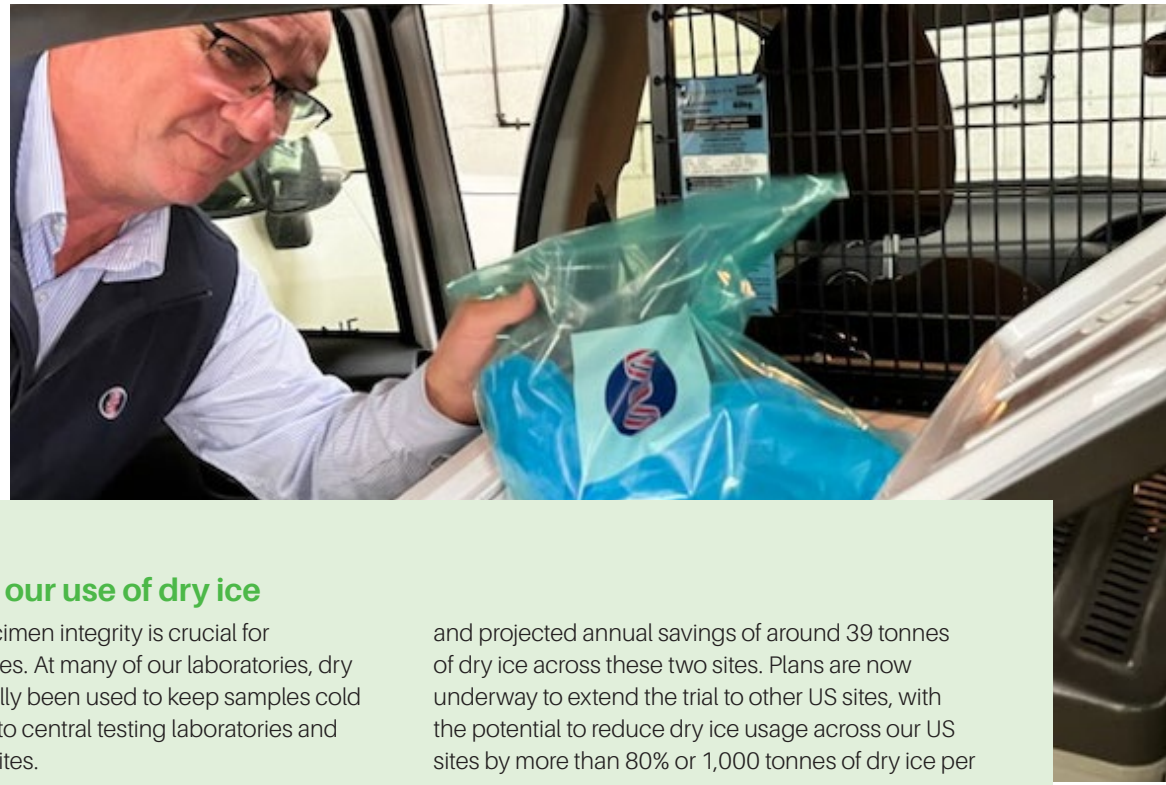
Natural gas, dry ice and refrigerant gases

The consumption of natural gas contributes to our scope 1 emissions, especially in Germany, which accounts for more than 60% of Sonic's total natural gas emissions. The ongoing war in Ukraine has continued to impact gas supplies and pricing. Some of our sites have converted from gas to electricity, and further gas use reduction initiatives are currently being explored.

Dry ice, the solid form of CO_2, is sometimes used in pathology to keep samples cold during transportation. Dry ice takes energy to produce (a scope 3 emission impact) and sublimates (changes from the solid to the gaseous state) when exposed to higher temperatures and/or lower pressure, releasing CO_2 gas back into the atmosphere. As can be seen from the disaggregated scope 1 emissions estimations (p. 23), dry ice contributed approximately 5% of the global total scope 1 emissions in FY2023.

Initiatives to decrease our dry ice usage are described in the inset on this page.

Many refrigerant gases used in heating, ventilation and air conditioning (HVAC) systems have high global warming potential (GWP) compared to CO_2 (GWP = 1). This year we have taken reasonable steps to collect accessible data to estimate the emissions impact of the refrigerant gases used in the HVAC systems within our operational control, including large walk-in cool rooms used for sample storage at our laboratories. This information will be used to support future business cases for proactive replacement of HVAC units that contain harmful refrigerants, have high leakage rates or use more energy to run than the more modern and environmentally friendly replacement units.



Decreasing our use of dry ice

Maintaining specimen integrity is crucial for pathology samples. At many of our laboratories, dry ice has traditionally been used to keep samples cold during transport to central testing laboratories and external testing sites.

Two of our pathology divisions have been working towards phasing out the use of dry ice in our fleet vehicles by installing in-car fridge/freezers.

To reduce their historical dependence on dry ice for specimen transport, Sonic Healthcare USA recently conducted a trial of in-car fridge/freezer units at Sunrise Laboratories in New York and AEL in Memphis, Tennessee. The results were extremely encouraging, with no impact on specimen quality and projected annual savings of around 39 tonnes of dry ice across these two sites. Plans are now underway to extend the trial to other US sites, with the potential to reduce dry ice usage across our US sites by more than 80% or 1,000 tonnes of dry ice per annum.

At Melbourne Pathology, in Victoria, Australia, similar in-car chargeable fridge/freezers have been in use in all courier cars since early 2022, resulting in a 70% reduction in dry ice usage across the practice.

These important developments are challenging the current practices for specimen transportation across all of Sonic, with further use of in-car fridge/freezers to reduce dry ice usage expected across the group.

Sonic Healthcare Germany switches to certified renewable electricity

Towards the end of 2022, Sonic Healthcare Germany embarked on a program to re-evaluate the electricity supply for its nationwide laboratories. Its aim was to find a suitable and reliable supplier to partner with in future years.

The war in Ukraine, increased inflation, a volatile energy market and a generally difficult economic environment in Europe made this a challenging task.

More than 600 energy suppliers were contacted as part of the competitive tender and selection process, in order to identify a reliable partner for this critical element of supply. The team at Sonic Healthcare Germany were able to partner with a new provider, and have been purchasing certified renewable energy for the entire German laboratory network since 1 January 2023.

This transition has been complemented by the addition of photovoltaic/solar energy installations on laboratory and administration buildings throughout Germany, together with a range of other energy reduction initiatives.

Scope 2 emissions reduction initiatives

Renewable electricity

Sonic's FY2021 base-year emissions data showed that Australia's purchased electricity comprised over 60% of our global scope 2 emissions, despite Australia representing around a third of the global business. The large contribution made by the Australian division reflects the country's continued reliance on coal-fired electricity and its high emissions conversion. To address this issue, during FY2022 Sonic negotiated a contract to annually increase the percentage of large generation certificate (LGC) supported renewable energy purchased for all large usage sites in Queensland, New South Wales, Victoria and South Australia, with additional renewable energy certificates being purchased for WA and the remaining smaller sites. Thirty per cent of total electricity purchased in Australia in FY2023 was certificate-supported renewably sourced. From this base the proportion of renewably sourced electricity is contracted to increase by 10% per annum each year reaching 100% in FY2030.

Sonic's German division converted to accredited 100% renewably sourced electricity from 1 January 2023.

From this year we will report both location-based and market-based scope 2 emissions to reflect these renewable power purchase decisions.

Sonic's USA division has also recently contracted renewably sourced power for our largest facility in Texas (equivalent to around 18% of Sonic USA's electricity usage) and is actively investigating the feasibility of contracting renewable power in some of the other states in which we have operations. The benefits of this project will be reflected in our FY2024 calculations.

Target 9.4

Target 12.2

Several projects to increase solar generation capacity are under way at Sonic facilities across the globe.

In Ingelheim, Germany, a 240kW capacity installation is under construction, with 100kW in use since March, 2023. Additional panels, with more than 170kW capacity at sites in Munich, Hamburg and Limburg, are also due to come online over the next 12–18 months.

In the USA, a 522kW capacity system at Sunrise Medical Laboratories in Hicksville, New York, is due for completion in December 2023 and will provide 17% of this site's current energy needs.

11 SUSTAINABLE CITIES AND COMMUNITIES

Target 11.6

Photo Biovis Laboratory Limburg Germany Rooftop Solar Panels with 60,000KWh per year capacity will come on line in FY2024

Onsite renewable energy generation

During FY2023, onsite energy generation using solar panels on our buildings has seen an increase in both capacity and kWhs generated. This, together with the sourcing of renewable electricity, has contributed to the containment of emissions attributable to purchased electricity (scope 2).

Electricity generated by solar installations (kWh)				
FY2023	FY2022	FY2021	% change FY23 to FY22	% change FY23 to FY21
1,198,441	1,101,879	808,182	+8.8%	+48.3%

Installed solar panel capacity (kW)				
FY2023	FY2022	FY2021	% change FY23 to FY22	% change FY23 to FY21
1,135	1,032	912	+10.0%	+24.5%

Energy efficiency

Increasing pressure on energy prices, together with the need to reduce carbon emissions worldwide, is driving a focus on opportunities to reduce energy consumption. Sonic aims to reduce overall consumption through improved energy efficiency and education programs to encourage prudent use.

Target 9.1
Target 9.4

Target 13.3

Target 11.6

Target 12.2

LED lighting upgrades continue to improve energy efficiency

In last year's sustainability report, we were able to show data demonstrating a 15% reduction in energy consumption following the LED light upgrade at Australia's largest laboratory site, Douglass Hanly Moir Pathology.

As part of our continuing LED lighting upgrade program, another of our large Australian sites, Melbourne Pathology, upgraded their lighting to LED during FY2023. Once the upgrade was completed, we again saw more than a 15% reduction in energy consumption at this site. Energy savings for Melbourne Pathology in kWh and tCO_2- e are shown below.

Melbourne Pathology Energy Savings Post LED Upgrade

kWh reduction - 12 months	428,645
tCO_2-e reduction - 12 months[1]	459

The emissions saved across these two Australian sites alone total nearly 1,000 tCO_2- e.

LED upgrades have also been recently completed in three German facilities in Stuttgart, Karlsruhe and Augsburg, which should see similar benefits realised in their FY2024 energy usage.

1 Conversion to tCO_2-e uses Victorian (Australia) data reference https://www.powershop.com.au/carbon-calculator/

Circular economy and waste

Why is it important?

Sonic's operations generate significant amounts of waste, which can contribute to climate change and air pollution, directly affecting many ecosystems and species. Landfills, considered the last resort in the waste hierarchy, release methane, a potent greenhouse gas linked to climate change.

Our approach

Implementation and management of the Board-approved environmental policies, which also address waste and the circular economy, are the responsibility of the Group CEO and the Sustainability Director, in conjunction with the Sonic Sustainability Steering Committee.

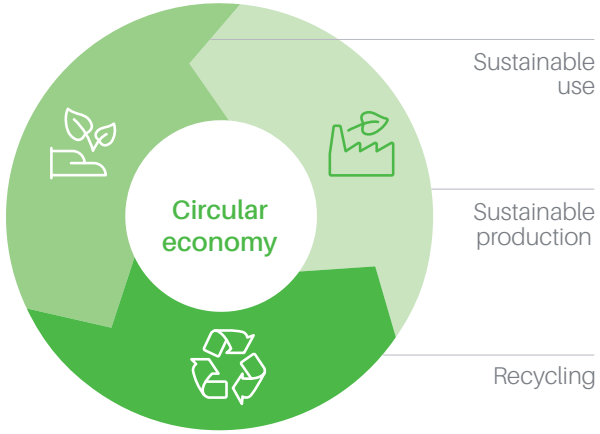
As part of our move to a circular economy mindset, Sonic's procurement and operations teams continue to work with suppliers to source more environmentally friendly substitute products to replace single-use plastics and polystyrene, decrease the amount of packaging, reduce and, where possible, recycle or re-use waste (see page 34).

Separation of waste into appropriate recycling and disposable streams is key to supporting this strategy, reducing both environmental and operational costs.

Sonic undertakes an extensive supplier selection process to vet prospective waste management suppliers for relevant environmental and quality certifications.

For example, in Australia these include:

- AS/NZS 4801:2001 Occupational Health and Safety Management
- ISO 14001 Environmental Management
- ISO 9001 Quality Management.



Suppliers are also vetted to ensure they have relevant operating licenses within the jurisdiction where the waste is processed. Suppliers must have a long-standing and credible operational track record, and are contractually bound to ensure waste is disposed of in accordance with local legislation.

11 SUSTAINABLE CITIES AND COMMUNITIES
Target 11.6

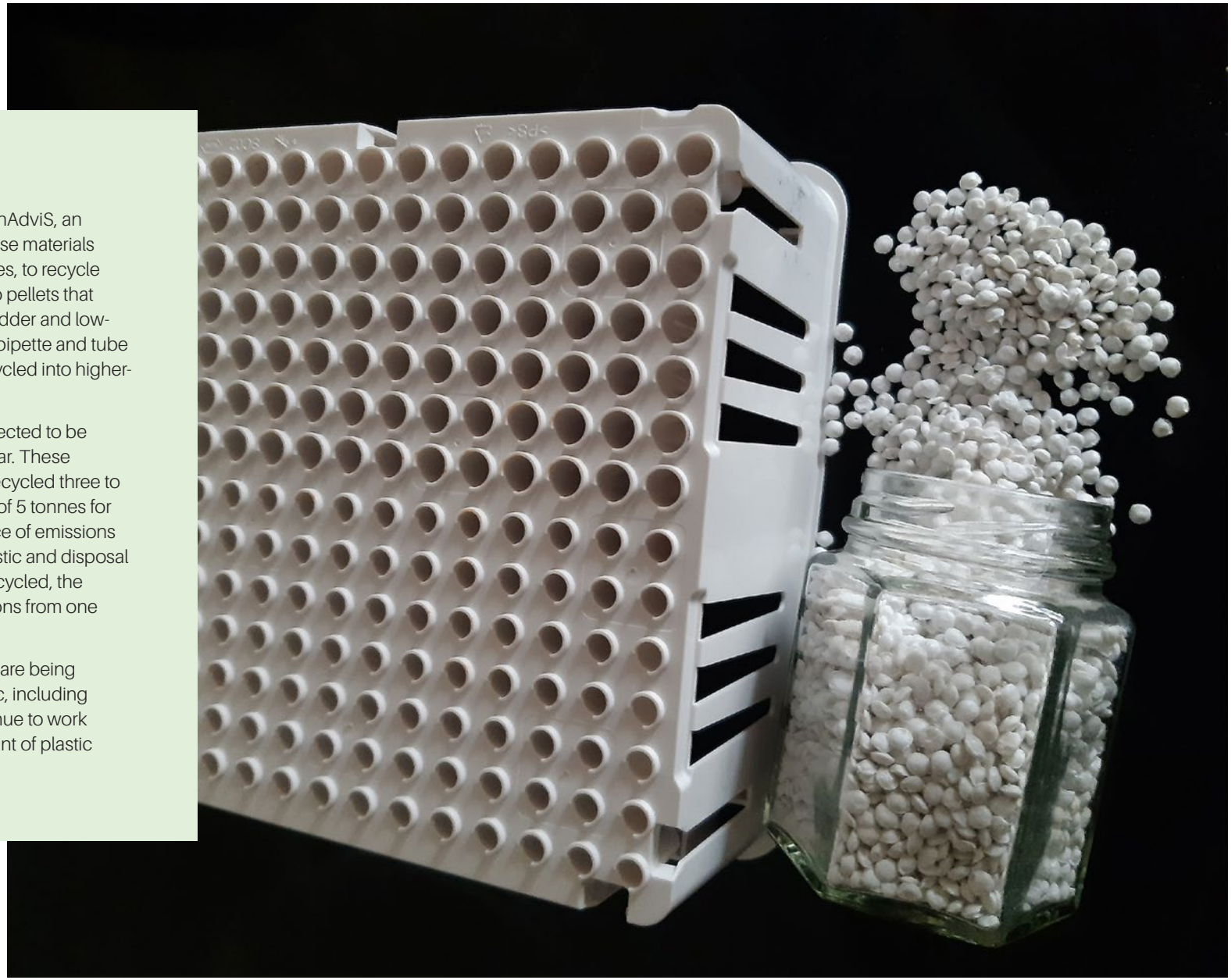
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Target 12.4
Target 12.5

Circular recycling of plastics

AML in Antwerp, Belgium, is working with EnAdviS, an organisation focused on finding ways to reuse materials from hospital and pharmaceutical companies, to recycle laboratory consumable packaging trays into pellets that can be used to make other products. A shredder and low-capacity extrusion line processes the used pipette and tube trays to produce pellets, which are then recycled into higher-value products.

More than 13 metric tonnes of plastic is expected to be recycled in 2023, up from 3.6 tonnes last year. These thermoplastics, called polyolefins, can be recycled three to four times, with a net CO_2 emissions saving of 5 tonnes for every 1 tonne recycled, due to the avoidance of emissions associated with the production of virgin plastic and disposal after a single use. For each tonne of trays recycled, the emissions saved is equivalent to the emissions from one diesel car driving nearly 40,000 km.[1]

Similar plastic packaging recycling projects are being introduced at other laboratories within Sonic, including many Australian laboratories. We also continue to work closely with suppliers to decrease the amount of plastic packaging used in the first instance.



1 www.eea.europa.eu/highlights/average-co2-emissions-from-new-cars-vans-2019

Waste management

The three main types of waste generated in our operations are shown below.

Clinical waste

Includes single-use items, such as needles, tubes, gloves, aprons, masks, specimen transport bags and containers that may be contaminated by blood and other human body fluids. Much of this waste must be handled by specialised, regulated waste management systems that decontaminate the waste by high-temperature autoclaving or incineration, which limits opportunities to recycle. The remainder is disposed of in landfill after decontamination.

The World Health Organisation estimates that only 15% of the waste generated by healthcare activities is, in fact, infectious, toxic or radioactive.[1] The remaining 85% is general non-hazardous waste that may have the potential for more environmentally friendly disposal, recycling or re-use, with appropriate segregation.

General waste – landfill and/or incineration

Includes all other forms of solid waste that is not contaminated by biological substances (non-clinical), such as certain packaging and office, technical and IT supplies and disused equipment. This waste may be sent straight to landfill or incinerated, with any residual matter sent to landfill.

Recycling

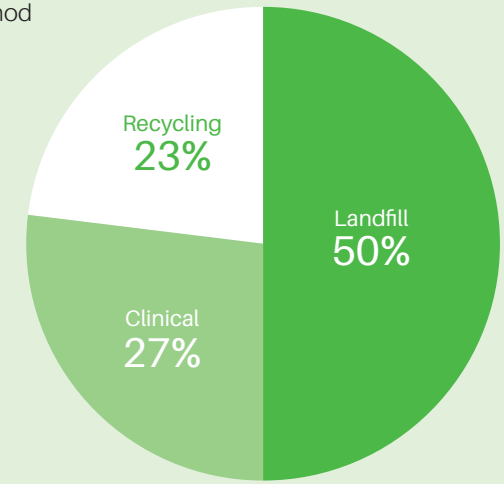
Some waste from operations, such as polystyrene used in packaging and the clean polypropylene we receive as trays and racks holding consumables for analysers, can be recycled. A number of recycling projects are active throughout our facilities (see Circular recycling of plastics, on page 34). We continue to explore further opportunities to transition from single-use, non-recyclable products to recyclable and re-usable products, where appropriate.

In FY2022 Sonic set a target to reduce the amount of general waste destined for landfill per patient episode by 10% by 2026, stating that this target would be reviewed once a scope 3 inventory had been conducted.

In order to design programs to support the achievement of this waste intensity reduction target it was first necessary to assess the quality of data available from our global waste providers. FY2023 saw the first collection of this global waste data which, unfortunately, varied significantly in quality and detail across our jurisdictions.

An initial estimate of global emissions attributable to waste generated by our operations under scope 3 category 5 of more than 22,000 tCO_2-e has been made using a combination of actual waste volume and disposal method data, together with spend data, where quantitative data was not available. This exercise has highlighted the need to work further with a number of our waste service providers to obtain specific data on waste quantities, disposal methods and emission factors.

As an example of the value of good quality data, most of Australia's waste disposal and recycling services during FY2023 were facilitated by two waste vendors able to provide the detailed data required to assess the split of waste types across our Australian operations. This data showed the total amount of waste recycled across Sonic's Australian businesses in FY2023 increased from 17% (FY2022) to 23%, resulting in approximately 1.6 million kg of waste being diverted from landfill. Waste audits, attended by Sonic and waste provider representatives, were conducted at several of our large Australian laboratory sites during FY2023 and further opportunities to better segregate waste and facilitate improved recycling have been identified.



Australian waste streams FY2023[2]

1 www.who.int/news-room/fact-sheets/detail/health-care-waste. Accessed 25 October 2023

2 Percentages shown represent available data on waste collected at Australian sites over which we have operational control

Reduction in paper and radiological film usage

Sonic is working to reduce our global consumption of paper by promoting digital alternatives for the provision of clinical reports and test referrals, together with the increasing use of recycled content paper and more efficient print settings (such as double sided printing) where printing for administrative purposes cannot be avoided.

Our Australian operations have set a goal to reduce overall paper consumption by 30% by 30 June 2024, compared with FY2022 usage, and have progressively increased the monitoring of printers across pathology, radiology and primary care sites to highlight high use activities.

In FY2023 several initiatives were implemented at our largest sites, such as:

- default electronic only report generation unless clinicians specifically requested paper copies
- working with hospital ward staff to reduce the requests for faxed results
- issuing invoices and receipts electronically
- increased use of electronic prescriptions and referrals by GPs.

Actual paper usage data will be reported in FY2024.

Another waste reduction target involves the electronic reporting of radiology results with the concurrent reduction in radiological film usage. The significant reductions against the previous year over the last three years are shown in the table below.

Australian Radiology	FY2023	FY2022	FY2021
Percentage reduction in radiological film usage	15.7%	27.9%	18.1%

Waste reduction initiative

Waste reduction and recycling are topics that resonate across the entire organisation with entity-based sustainability leads actively encouraging our staff to propose and participate in local initiatives to reduce our clinical and landfill waste volumes. They include:

- more stringent segregation of clinical (contaminated) and non-clinical waste
- improvement in our recycling volumes through education
- use of more recyclable products
- use of increased recycled content alternatives for single-use plastics
- separation of recycling and organic/food waste in staff amenity areas

Several Sonic Healthcare Australia businesses use polystyrene compacting machines to compress polystyrene waste from external packaging, which is collected by a recycling company and used for the manufacture of furniture. This is a great example of a circular process in action at local facilities to reduce the landfill impact of polystyrene.

Target 12.5

Water consumption

Water and sewage services are provided to our facilities through government-run metropolitan and rural water utility services.

Water consumption is not a material topic in Sonic's environmental strategy due to our low consumption rate; however, all Sonic staff recognise the need to reduce usage, where possible, of this valuable natural resource.

Major contributors to water usage are our analytic equipment and general use by staff and patients. Specific water volumes are often required by our analysers to support testing accuracy, reducing the opportunity to reduce the water usage on existing analysers.

Our procurement teams do, however, consider water usage data as part of the total value proposition when comparing new equipment for purchase.

Water purification systems are installed in all our large laboratories to provide purified water required by our analysers. Water discharged from our facilities is tested and meets water quality regulations in all our jurisdictions.

Our last three years' global water consumption for locations >1,000 square metres, for which we have operational control of water usage, is shown to the right, demonstrating that water consumption per square metre has remained relatively stable over the past three years.

Water consumption	FY2023	FY2022	FY2021
Total water consumption kilolitres (kL)	333,582	319,812	345,409
Water consumption intensity kL per square metre	1.20	1.14	1.29

Sustainable procurement

Sonic is committed to procuring high-quality, innovative products and services that demonstrate whole-of-life value for money. Whole-of-life value considers the human, environmental and financial costs of products, from sourcing raw materials, through to manufacturing, packaging, usage and wastage, as well as disposal.

Assurance of these benefits, together with the supplier's ability to provide uninterrupted supply, are key factors in our procurement decisions. Sonic is also committed to responsible sourcing practices. When selecting a supplier we assess both the product and/or service's environmental impact and the prospective suppliers' commitment to sustainability principles and practices. This includes reviewing supplier's environmental, social and governance (ESG) policies and their compliance with global human rights laws.

The Sonic Supplier Policy explicitly outlines our expectations that suppliers conduct their business in a manner that promotes environmental sustainability, adheres to all relevant environmental laws and regulations and aims to reduce waste. Moreover, the Sonic Supplier Policy requests all major suppliers to work towards setting credible emissions reduction targets that align with the Paris Agreement to limit global warming to well below 2°C.

We also expect suppliers to work collaboratively with Sonic to support our stated sustainability goals. This is particularly relevant as we look toward setting achievable science-based scope 3 emissions reduction targets.

Compliance with the Supplier Policy is monitored through regular business review meetings. In addition, Sonic is investigating a formal supplier onboarding and assurance program planned for implementation in FY2025.

Sonic conducted a global scope 3 emissions inventory in FY2023 (see p. 26). The results have highlighted emissions associated with the manufacture and transport of goods and services in our supply chain as the most material scope 3 emissions categories. Achievable supply-related targets for reduction of these scope 3 emissions will only be possible through Sonic's continued adherence to sustainable procurement practices and collaboration with suppliers aligned with our net-zero commitments.

Target 12.2
Target 12.5

Target 13.1

Our people

Sonic's success as an organisation is dependent on the strength of our skilled, caring and diverse workforce. 'Respect for our people' is a key pillar of our long-enshrined Medical Leadership Principles and underpins everything we do.

Commitment To create safe, supportive and fulfilling workplaces

Material topics	Strategy	Goals	FY2023 achievements
Employee attraction, engagement and development	▪ Embrace diversity and equality	▪ Achieve 40:40:20 gender diversity target at senior executive level by 30 June 2030	✓ 39.5% female representation in executive senior leadership[1]
	▪ Attract, engage and develop new and existing staff	▪ Average 10 hours' training per employee p.a. by 30 June 2025	✓ 16 hours' training per employee p.a. estimated for FY2023
	▪ Nurture and enrich Sonic's culture of Medical Leadership		✓ In-person culture and leadership workshops held by Sonic Connect in USA and UK for the first time since the pandemic ✓ 3,300 staff attended Sonic Connect workshops
Workforce health, safety and wellbeing	▪ Provide healthy and safe places to work	▪ Maintain LTIFR[2] at or below the relevant industry benchmark	✓ Sonic's LTIFR was 3.6, which is below the industry benchmark rate of 4.7
		▪ Provide all employees with access to employee assistance or comparable support programs by 30 June 2024	✓ 78.6% of staff currently have access to employee assistance or comparable support programs

Related SDGs

Ensure healthy lives and promote wellbeing for all at all ages

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Achieve gender equality and empower all women and girls

Promote inclusive and sustainable economic growth, employment and decent work for all

Reduce inequality within and among countries

1 Includes CEO or head of each reporting business unit and their executive management teams
2 Lost-time injury frequency rate reflects the number of injuries with more than eight hours lost time per one million hours worked
3 Safe Work Australia LTIFR benchmarks for Pathology/Diagnostic Imaging and Medical Services were used to calculate the industry benchmark rate at proportions of 92% and 8% respectively reflecting Sonic's component services
https://data.safeworkaustralia.gov.au/interactive-data/lost-time-injury-frequency-rates

Employee attraction, engagement and development

Why is it important?

Sonic's business involves people caring for people. Our skilled, committed staff of more than 40,000 people deliver our services in urban, regional and rural locations, often 24 hours a day, seven days a week.

Attracting, engaging and developing this workforce is crucial for sustaining our high levels of service and quality. Workforce diversity, work-life balance, a feeling of inclusion, individual engagement and a sense of purpose are important to our staff, and help to attract and retain the best people to provide our specialised services and uphold our quality.

Our approach

Sonic's success is built on the strength of our people. We strive to create fulfilling careers for our staff by providing professional, ethical, safe and inclusive workplaces that value individuality, reward achievement and protect labour standards.

The Sonic Healthcare Board, CEO and senior executive team are responsible for overseeing organisational compliance with the company's Labour Standards and Human Rights Policy, which is aligned with the principles of the Universal Declaration of Human Rights and the International Labour Organisation's (ILO) Declaration of Fundamental Principles and Rights at Work. Together with our annual Modern Slavery Statement, Code of Conduct and Core Values, these policies clearly articulate our commitments to local employment, workforce diversity, freedom of association, collective bargaining and competitive compensation. They also explicitly prohibit any employment practices that constitute modern slavery.

Reporting of any suspected instances of non-compliance is encouraged and instructions on how to report are detailed in our Labour Standards and Human Rights Policy (p. 5) and Code of Conduct (pp. 8–9). Our Global Whistleblower Policy provides additional reporting avenues, including how to make a disclosure through an external agency. It also details the protections afforded to those making disclosures and confirms the ability to disclose anonymously if preferred.

Sonic's CEOs, operations executives and human resources teams are responsible for compliance with national employment regulations. They must also promote Sonic's culture and provide competitive workplace conditions and benefits that create a harmonious and desirable workplace.

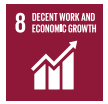
Our recruitment practices seek to attract clinical, scientific, professional, technical and support staff who have the appropriate qualifications and experience, together with values that align with our culture of Medical Leadership, quality and respect.

This is reinforced with ongoing training, as well as workplace policies that aim to foster an environment of professional growth and work-life balance.

The nature of our services means the majority of roles require onsite attendance. However, our ability to attract and retain staff may, where appropriate, require flexibility around where staff work, as well as flexibility in employment terms.

Our workforce

The table below shows our total workforce (including all employees and contractors) by country and gender as at 30 June 2023.



Target 8.5

Total workforce - employees by country and gender

	Women	Men	Total	% women
Australia	14,908	4,495	19,403	76.8%
Belgium	336	163	499	67.3%
Germany	5,754	2,282	8,036	71.6%
New Zealand	140	59	199	70.4%
Switzerland	1,077	400	1,477	72.9%
United Kingdom	1,591	1,097	2,688	59.2%
United States	5,884	2,408	8,292	71.0%
Total	**29,690**	**10,904**	**40,594**	**73.1%**

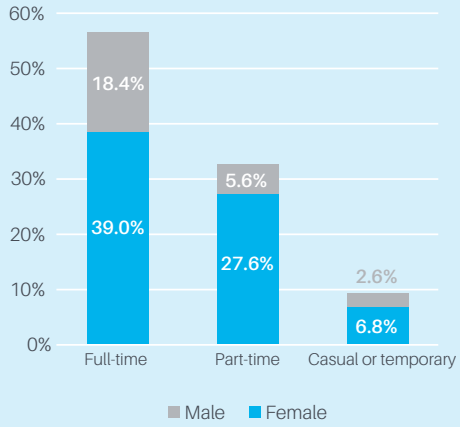
For further data on Sonic's workforce, please refer to the Sustainability metrics at the back of this report.

Workforce status

The graph to the right shows total employees by employment type and gender as at 30 June 2023.

During FY2023, Sonic employed 9,175 new people to replace vacant existing roles or to fill newly created roles. Women filled 75% of these new hires. This figure includes 54 senior management positions, of which 33 or 61% were filled by women.

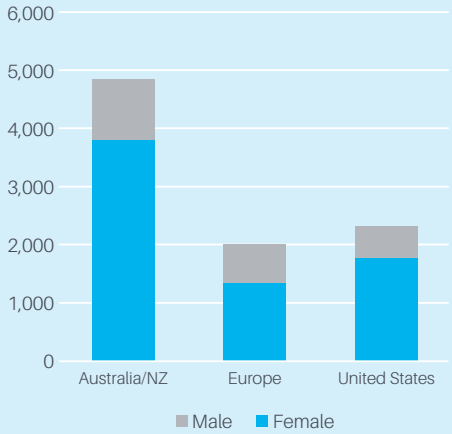
Workforce status by employment type and gender



New hires by region

The graph to the right illustrating new hires by region continues to show Australia as hiring the most new employees, with the majority being female. This is due to the large number of phlebotomists employed in Australia to staff more than 2,000 collection centres. This job has a historically high turnover rate and tends to attract many more females than males. See 'Employee retention' below for further information on staff turnover rates.

New hires by region



Employee diversity

Diversity in our workforce is important, as it reflects the views and experiences of our customers and the communities we serve. We want all staff to feel valued and included, and we recognise that workforce diversity leads to better decision-making.

Our Diversity Policy outlines the principles that ensure we have a broad range of experience, talent and viewpoints in our businesses, across age, gender and ethnicity. Women comprise 73% of Sonic's overall workforce and 53% of senior leadership, which is defined as manager level and above, including our doctors.

The gender diversity of our workforce is detailed in the table to the right.

Gender diversity: female representation at 30 June 2023

	Total workforce	% female
Board of Directors	9	44.4%
Executive senior leadership[1]	453	39.5%
Total senior leadership[2]	3,232	53.3%
Science-based roles[3]	17,595	73.2%
Whole of workforce	40,594	73.1%

1 Includes CEO or head of each reporting unit and their executive management teams
2 Includes executive senior leadership, other managers, pathologists, radiologist and other doctors
3 Includes doctors, scientists, technicians, radiographers, sonographers and nurses

Our gender diversity goal is to achieve and maintain at least 40% female representation at senior executive level by 30 June 2030 and at least 50% in the workforce generally. We are pleased that our FY2023 figures show we are only 0.5% away from achieving our 40% female senior executive level target. With 73.3% of our workforce being female, we have already exceeded the 50% workforce gender target. We will continue to monitor this data to ensure these percentages are maintained or improved.

In addition, with the retirement of one male and one female Board member and the appointment of two new female Board members during FY2023, the Board gender composition moved to 44% female in line with the Board's specific target of not less than 40% of its directors being female.

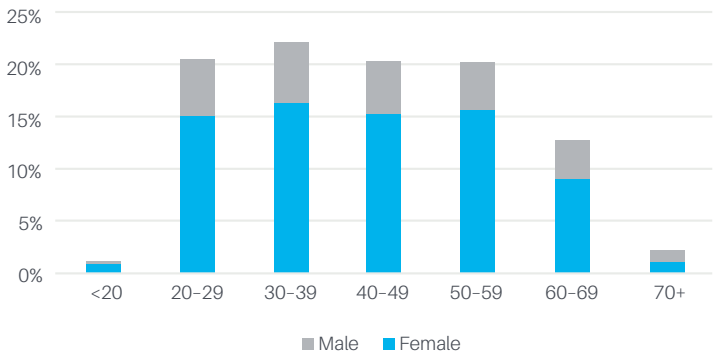
For further data on gender diversity statistics, please refer to the Sustainability metrics at the back of this report.

Sonic has strong age diversity within our workforce, with a reasonably equal spread across the four age brackets between 20 and 60 years. Employee numbers start to reduce in the 60 to 69 year bracket as people begin to retire.

5 GENDER EQUALITY — Target 5.1, Target 5.5

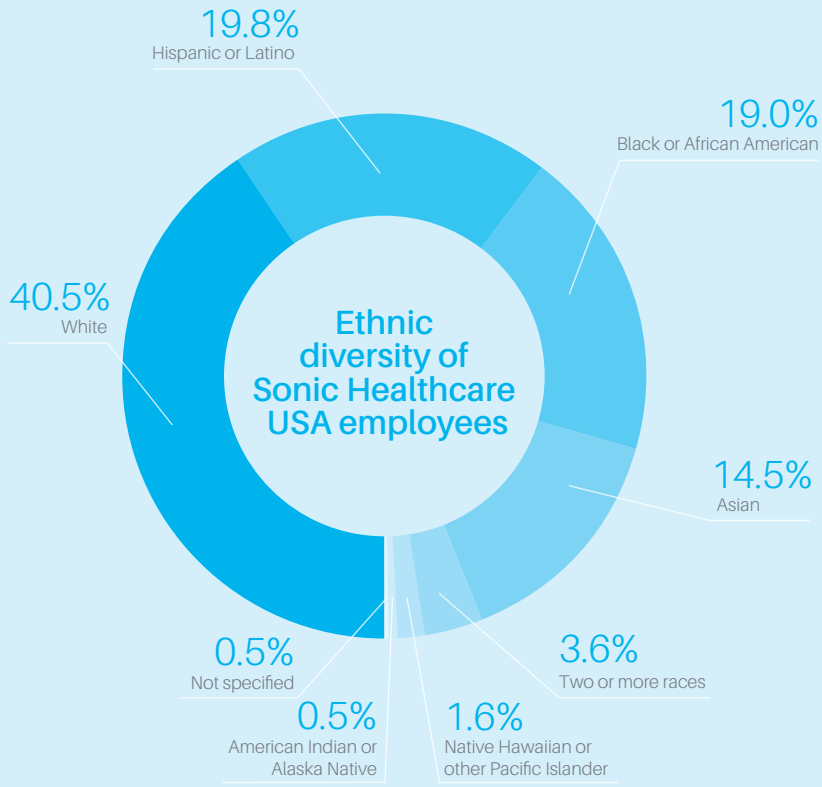
10 REDUCED INEQUALITIES — Target 10.2

Employees by age bracket



Although we don't collect specific figures on ethnicity (other than in the USA – see below), we value the contribution made by our ethnically diverse and harmonious workforce.

The ethnic diversity of our US workforce, which comprises 8,292 people and represents 20% of Sonic's total global workforce, is represented in the chart below:



World-champion para-athlete and trainee sonographer

Some people have a clear idea of their life vocation from an early age. Aimee Fisher, a 22-year-old undergraduate student studying sonography at the Sydney campus of Central Queensland University has always known she wanted to take X-rays.

A talented gymnast and ballet dancer, Aimee was always focused, dedicated and highly active. But at 16 years of age, she suffered a sporting-related spinal injury that paralysed her legs and left her a permanent wheelchair user. This dramatic change in circumstances, however, didn't dampen her interest in radiology. If anything, it strengthened it.

In Australia, trainee sonographers have to complete 2,200 hours of supervised training before they can receive accreditation. Like most Sonic Healthcare radiology practices, Hunter Imaging Group (HIG) in regional NSW, Australia, provides training for students. More often than not, this is provided to existing staff who are upskilling to a higher qualification. However, HIG recently made a conscious decision to ensure they also provided training positions for external students, as a way of expanding the available pool of specialist staff and to also give back to the community.

Aimee was struggling to find a practice for her final sonography placement. Work placements are highly sought after, and Aimee had additional requirements to contend with. That's where HIG came into play.

"A lot of places baulked at the concept of taking on a student in a wheelchair, but we felt that there wasn't anything we couldn't overcome with a bit of foresight and planning," said HIG supervisor Sarah Beadle.

Aimee is currently 14 weeks into her placement at HIG. HIG hasn't had to make any major changes to their consulting rooms. "There really haven't been any barriers to allowing Aimee to function independently. At first we kept thinking about the ergonomic aspects of some of the major pieces of equipment, but the only change we had to make was to buy an extra piece of sterilisation equipment that we placed at a lower level for Aimee to use.

"She's doing an amazing job. She's a very good scanner and has a bright future ahead of her."

Initially aspiring to complete a degree in diagnostic radiography, Aimee decided to complete a specialised undergraduate degree in sonography. Choosing a specialty that she could do independently was a key requirement, which meant that MRIs were out of the picture!

"Sonographers often sit down to perform their job which suits me well. I enjoy how hands on ultrasound is as a discipline and the intellectual challenge and real-time problem-solving involved with performing ultrasounds."

In addition to her studies, Aimee is also a world-ranked para-athlete, competing in the 100, 200 and 400 metre sprints.

"In one sense, I'm exactly where I wanted to be with my career. At the same time, I have all these other opportunities in sport and life that I wouldn't have had [without the accident]. When I was younger, I competed at state level in my sports, but I'm now ranked internationally as a para-athlete.

"So yes, I have a pretty normal life but a pretty extraordinary one too."

Aimee Fisher

Employee retention

Sonic has a global reputation for quality and professionalism and we continually explore ways to position ourselves as an 'employer of choice' with current and prospective employees, by offering an attractive employee value proposition. This is highly important in the current competitive labour markets, and is being continually refined through initiatives tailored to suit local employment conditions.

Our staff retention rates reflect the respect and care we show our staff, and the rewarding nature of the meaningful work we do. This is particularly evident at senior levels of the organisation, which includes our executive managers, line managers, pathologists, radiologists and other doctors.

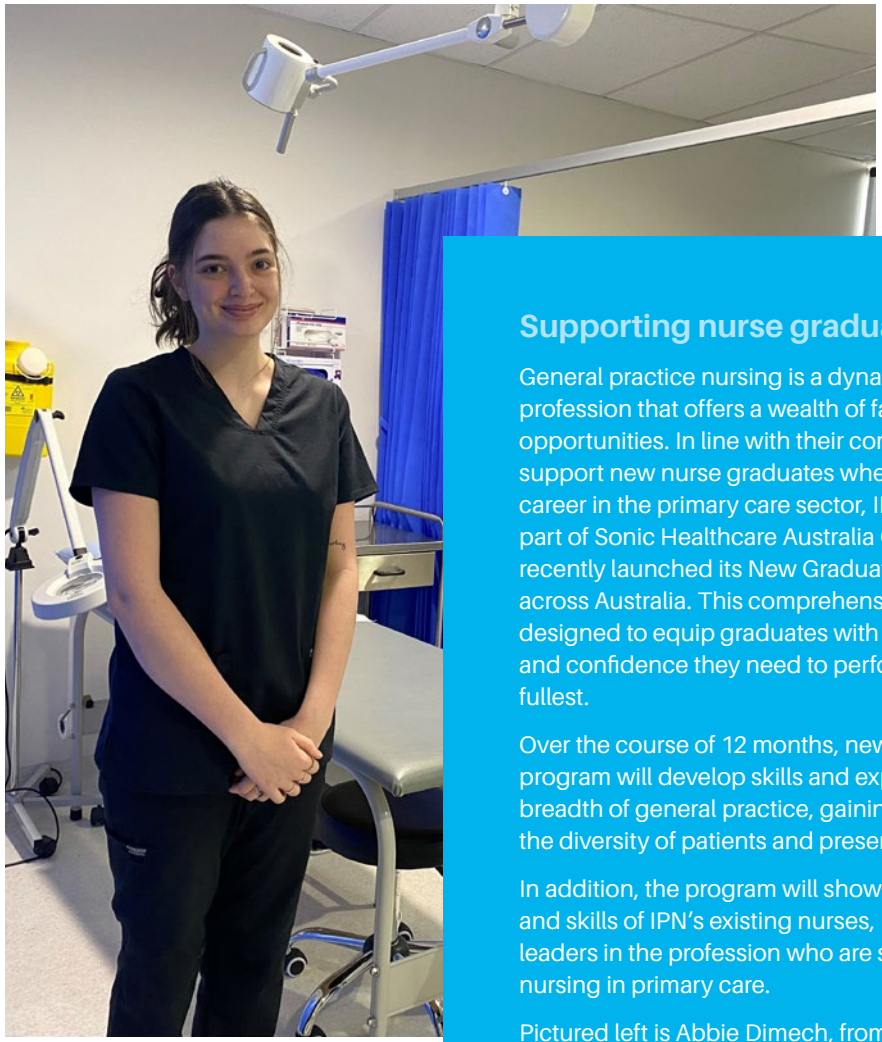
Turnover for our global employed workforce

	FY2023	FY2022	FY2021
Senior leadership voluntary turnover rate[1]	3.7%	4.5%	1.9%
Total employee voluntary turnover rate	16.5%	20.0%	16.5%

1 Voluntary turnover excludes leavers who retire, transfer internally, are made redundant, and/or are temporary casual relief workers

FY2023 saw staff turnover rates return to pre-pandemic levels. As noted previously, an increase in staff turnover was experienced in FY2022 when COVID-19 restrictions eased and borders opened across our operational jurisdictions, allowing people to travel more freely and take up new employment opportunities. The psychological impact of the pandemic also saw some staff reassess their career ambitions and attitudes to work, a phenomenon widely experienced in many industries.

8 DECENT WORK AND ECONOMIC GROWTH
Target 8.8



4 QUALITY EDUCATION
Target 4.4

Supporting nurse graduates

General practice nursing is a dynamic and varied profession that offers a wealth of fascinating and fulfilling opportunities. In line with their commitment to actively support new nurse graduates when they begin their career in the primary care sector, IPN Medical Centres, part of Sonic Healthcare Australia Clinical Services, recently launched its New Graduate Nurse Program across Australia. This comprehensive program is designed to equip graduates with the knowledge, skills and confidence they need to perform their role to the fullest.

Over the course of 12 months, new graduates in the program will develop skills and experiences across the breadth of general practice, gaining valuable exposure to the diversity of patients and presentations in primary care.

In addition, the program will showcase the knowledge and skills of IPN's existing nurses, recognising them as leaders in the profession who are shaping the future of nursing in primary care.

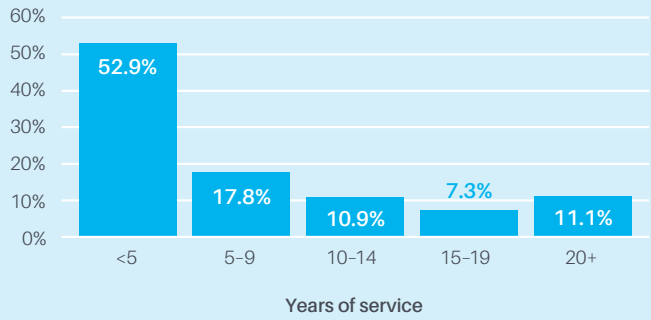
Pictured left is Abbie Dimech, from IPNs Shellharbour Family Healthcare. Abbie is among the first nurses to join the program.

The chart below highlights the voluntary turnover for our employed workforce by region during FY2023.

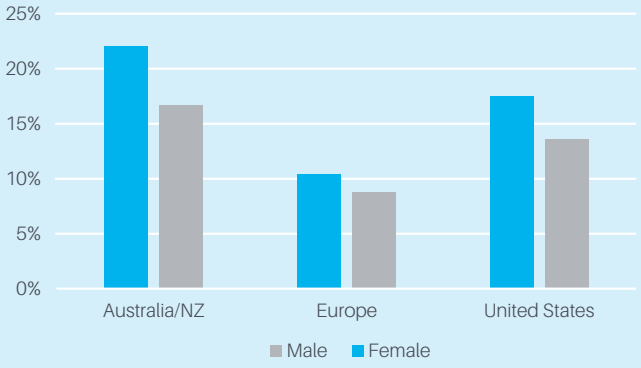
Australia/NZ and the United States collectively employ more than 95% of our global phlebotomist (pathology specimen collector) workforce. This staff group equates to 28% of our Australian/NZ workforce and 23% of our US workforce. The phlebotomist staff group has a higher turnover rate compared to other staff groups, which in turn drives up total turnover in these two regions.

An analysis of phlebotomist turnover in Australia during FY2022 provided insight into a number of areas that could be addressed to help improve retention levels, particularly for staff during training and in their first year of employment. Initiatives implemented during FY2023 included an updated pay scale and defined career path, with acknowledgment for those staff who stayed in the position, the appointment of additional designated trainers to support newer staff working independently in the field, and a recognition program to reward examples of great service with electronic gift cards.

Length of service of our global workforce



FY2023 employee turnover by region



The effectiveness of these initiatives continues to be monitored, but early signs are positive with a marked decline in phlebotomist vacancy rates at our largest Australian pathology business.

A certain level of overall staff turnover is important, as it encourages new ideas, alternative thinking and innovation, which offsets the cost of recruitment and re-training. When the advantages of introducing new staff are balanced with the experience, corporate memory and efficiency of 'long stayers', organisations can maximise the benefits added by both staff groups. Sonic's FY2023 turnover rate of 16.5% was balanced by 29.3% of Sonic's employees having more than 10 years of service, as shown in the graph above.

Sonic has a long and successful history of growth through the acquisition of existing medical practice businesses. When achieving synergies from these acquisitions, our general approach is to rely on natural staff turnover to generate savings over time, rather than widescale redundancy programs. This preserves staff morale and helps to maintain the goodwill of the acquired businesses.

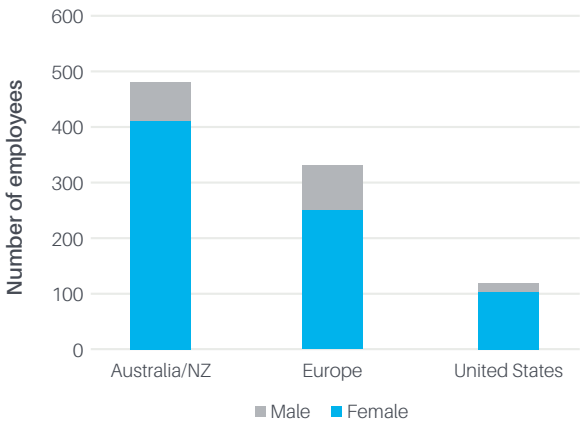
Parental leave

As over 40% of our total workforce is under the age of 40 and more than 70% are women, access to parental leave is an important consideration for many existing and prospective staff.

Parental leave is available to most employees, female and male, once they meet the eligibility criteria. This is often in the form of company- or government-paid parental leave schemes. In addition, unpaid leave is offered to eligible staff. At the end of FY2023, 15,783 employees were entitled to paid company parental leave and 28,944 employees were entitled to paid government parental leave (some employees are entitled to both company- and government-paid parental leave and are counted in both numbers).

A total of 930 employees (representing 2.3% of total employees) took parental leave during the year, with 80.6% of them subsequently returning to work after their leave. An analysis of the employees who returned from parental leave in the prior year showed that 78.9% were still employed 12 months later.

Parental leave taken during FY2023



Sonic also recognises the importance of family and that following parental leave, staff may need to adjust their work patterns to assist them in handling their family responsibilities. To this end, we promote flexibility in both job functionality and hours of work, where possible, to assist staff returning from parental leave.

For further data on parental leave, please refer to the Sustainability metrics at the back of this report.

8 DECENT WORK AND ECONOMIC GROWTH
Target 8.8

Supporting carers and staff in crisis

Sonic recognises the significant impact issues such as caring for vulnerable family members or family and domestic violence may have on the life and work of employees and we are committed to supporting staff who are affected by such issues.

Depending on the jurisdiction, support may include access to paid or unpaid leave, to make arrangements to ensure safety, arrange care, attend medical appointments, appear in court hearings, access police assistance, and seek legal advice or counselling services.

Free and confidential counselling services are also available to employees and, in some cases, their families, through our employee assistance programs.

Working with employee representatives

Sonic engages with unions and other employee representative groups in a positive manner, and hasn't experienced any significant industrial action in our 36-year history. We support the right to freedom of association for all our employees, including their right to join trade unions and to be represented by those unions for the purpose of collective bargaining. Sonic does not discriminate against, or deny access to, workers' representatives in the workplace, as outlined in our Labour Standards and Human Rights Policy.

Employee training and development

Employee training and development are an integral part of Sonic's commitment to medical excellence. This is fostered through our unique corporate culture, which develops shared meaning, pride and a sense of belonging. We also nurture staff through internal development programs designed to identify, teach and develop current and future leaders.

Sonic provides ongoing training for staff across all divisions and disciplines. In addition to procedural training of medical, scientific and technical staff, and pathology collectors, we also provide specially tailored leadership development workshops. These are delivered by Sonic Connect, our in-house global culture, learning and development department, which offers a range of courses tailored to the specific needs of healthcare workers, with a particular emphasis on emotional intelligence, resilience and leadership.

In Australia, some of our businesses are Registered Training Organisations that run programs for staff registered to certificate 3 level.

Sonic businesses have always offered support to staff wishing to engage in further education to enhance technical skills and gain advanced qualifications in areas that will benefit the individual staff member and the organisation. The support we offer includes study and conference leave, allowances for education, payment of course and training fees and mentoring programs.

Sonic Training Academy

Sonic Healthcare UK has taken an innovative long-term approach to address the ongoing shortage of skilled scientists in the field of Biomedical Science.

Recognising the role we all play in growing the next generations of scientists, the division has created the Sonic Training Academy – a degree apprenticeship program that combines university study with a paid position working in a laboratory.

The four-year apprenticeship involves students spending at least 20% of their working hours completing additional learning to receive a BSc (Hons) degree in Applied Biomedical Science at the University of Westminster, London. The rest of their time is spent in the laboratory, where they will develop hands-on skills that will allow them to directly put the theory learnt at university into practice in their place of work.

The academy has welcomed its first cohort of 16 apprentices who will work in a range of laboratories across the business. Each year the academy will recruit a further cohort and when at full capacity, the academy will have more than 40 apprentices, who, upon graduation, will feed into vacancies across the organisation.

Paving the future of laboratory science

Work is also under way at the Royal Free Hospital in London to create a training laboratory to support the apprenticeship program. It will provide skills-based workshops, seminars and practical sessions for the apprentices and also support wider training initiatives across the organisation.

The laboratory will provide an outstanding face-to-face platform for further learning that will be paired with eLearning content on Sonic UK's online training platform, Sonic Learn.

Wendy Leversuch, Head of Learning and Development, said, "Across Sonic Healthcare UK, there is an excellent 'grow your own' culture with many training programs, apprenticeships and university degrees currently in progress. The Sonic Training Academy is excited to welcome our new students into their host laboratories, where their journey to becoming a great scientist begins!"

Target 4.4

Sonic Connect

A significant proportion of workshops and materials offered to Sonic leaders around the world are grounded in our dedication to fostering and developing the skills of emotional intelligence in our people.

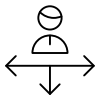
In FY2023, in-person workshops were held in the USA and UK for the first time since the pandemic, which was a fantastic opportunity to acknowledge and thank staff for their extraordinary commitment to our culture and to offer a range of leadership workshops.

More than 3,300 people attended a Sonic Connect session in FY2023 across a range of topics related to the skills of Emotional Intelligence, such as High-Performing Teams, Conflict Management and Building Resilience.

Virginia Re (Sonic's Chief Culture Officer) with members of the Clinical Labs of Hawaii team

Emotional Intelligence

Sonic Connect's flagship program, which forms the foundation of our approach to leadership, and on which all other programs are built.



Change Management

Focuses on the emotional impact that change has on ourselves and others, including how to build resilience.

High-Performing Teams

Looks at the key components of effective teamwork and how to build those through our daily behaviour.

Workforce health, safety and wellbeing

Why is it important?

The nature of our work involves exposure to physical, psychological, mechanical, biological and chemical hazards. Sonic's responsible approach to staff safety and wellbeing reflects the importance we place on employee wellness and creating a safe and productive workplace.

Sonic enforces stringent health and safety practices in all countries of operation, as we recognise that failure to do so could result in staff injury, increased insurance premiums and other costs, litigation, increased external scrutiny, accreditation withdrawal and closure of facilities.

Our approach

Sonic promotes a positive safety culture aimed at achieving a zero-harm workplace through proactive management to prevent both physical and psychological injury and illness, and to support employee wellbeing.

Work health and safety is the responsibility of every Sonic employee. It is supported by the CEOs of all Sonic entities and divisions, together with their operational and human resources teams, and is managed in alignment with the Sonic Workplace Health and Safety Policy and SonicSAFE – our Occupational Health and Safety (OH&S) Management System, based on ISO 45001 global best practice.

OH&S Management Systems cover all Sonic employees and those contracted to undertake work at Sonic's instruction.

Implementation of SonicSAFE is achieved through:

- divisional implementation, management and compliance with the SonicSAFE corporate standards
- local OH&S Management Systems that comply with nationally applicable health and safety legislation.

Sonic workplaces are audited to ensure they meet the requirements of SonicSAFE.

The SonicSAFE OH&S framework is continually reviewed to ensure it is achieving its intended purpose. Regular worker participation, consultation and communication with respect to work health and safety policy setting, reporting and management is facilitated through a network of site-based, entity-based and divisional safety committees.

SonicSAFE also provides a corporate standard for work health and safety hazard identification, risk management, incident reporting and investigation of both routine and non-routine safety impacts. This standard aligns to the Sonic Global Risk Management Framework, prescribing risk mitigation based on the hierarchy of controls in order to effectively control or mitigate impacts identified. Centralised software-based notifications and regular reporting to Sonic divisional executive teams provide transparency in historical-incident or risk trends, to inform any changes to management systems, documentation or process.

Where a work-related injury has occurred, we ensure staff are supported in their recovery and return-to-work program via locally engaged occupational health services.

Target 8.8

Staff health, safety and wellbeing

No work-related fatalities occurred during the year across Sonic and, as the chart below highlights, our global lost-time injury frequency rate (LTIFR) for FY2023 was 3.6 per one million hours worked, a slight increase on last year. This rate, however, remains lower than the blended comparison benchmark of 4.7, derived from the latest SafeWork Australia benchmarks for pathology/radiology (LTIFR 5.0) and other health services (LTIFR 1.5) combined in the ratios of 92% and 8% respectively, to reflect our global mix of employee roles and services.

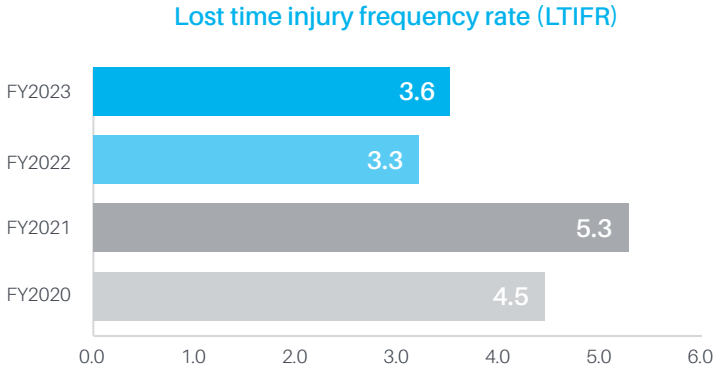
Further details of our injury statistics have been provided in the Sustainability metrics section at the back of this report.

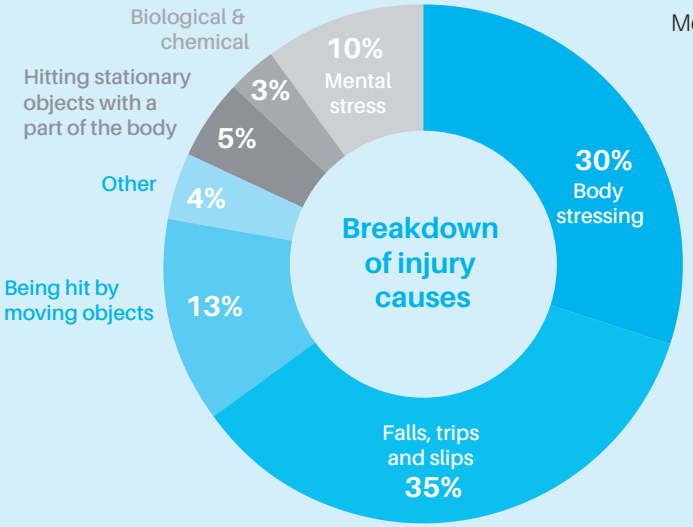
The breakdown of injury causation during FY2023 is shown in the chart below.

At an entity level, safety training is an ongoing function that is embedded into our quality assurance and health and safety programs. Additional training is also undertaken externally where the need arises.

3 GOOD HEALTH AND WELL-BEING

Target 3.4





Mental stress has been highlighted as an emerging staff wellbeing issue in many countries. This year we have included mental stress as a separate reporting category of injury. We will continue to monitor this important aspect of employee wellbeing over the coming years as we expand the reach of our employee assistance programs (EAP).

EAPs generally offer confidential counselling to support the mental health, emotional and general psychological wellbeing of staff and, often, their immediate family members.

Sonic conducts an annual global audit to determine which employees have access to employee assistance (EAP) or comparable support programs. The FY2023 audit found that 78.6% of our global employed workforce have access to EAPs. With the last of our divisions currently finalising negotiations for their employee support programs we are on track to achieve our target to provide employee assistance or comparable support programs for 100% of staff by 30 June 2024.

Our FY2023 employee absentee rate of 3.7% was consistent with last year's rate of 3.6%.

Sonic continues to offer onsite vaccinations in all countries of operation to protect workers from seasonal influenza and COVID-19. A range of additional health promotion services are offered by a number of our entities to encourage healthy eating, smoking cessation and increased exercise through discounted access to gyms and health studios.

Communities

Helping others is an integral part of Sonic's corporate culture.

Our diagnostic and clinical services support medical decisions that directly influence the healthcare outcomes of millions of patients every year. We recognise the responsibilities and obligations that come with medical practice and know that improving affordability and access to quality healthcare services can positively impact people's lives.

Commitment To improve the health of individuals and communities

Material topics	Strategy	Goals	FY2023 achievements
Service quality and safety	▪ Ensure the safety and quality of our services	▪ Maintain quality accreditation at 100% of our facilities	✓ 100% of our facilities quality-accredited in FY2023
	▪ Foster medical research and technological innovation	▪ Report key research and educational achievements	✓ 216 peer-reviewed academic publications authored or co-authored by Sonic personnel
Access and affordability	▪ Maintain and improve access to our high-quality healthcare services		✓ 126 million patient consults ✓ 3,317 patient centres ✓ 3,108 vehicles that travelled 121 million km
	▪ Provide support to communities in need	▪ By 30 June 2024, ensure charitable donations are equal to at least 5% of the Sonic Healthcare Foundation's annual total funds under management	✓ Sonic Healthcare Foundation independent governance established and project funding confirmed and on track to meet 30 June 2024 target

Related SDGs

- 3 GOOD HEALTH AND WELL-BEING — Ensure healthy lives and promote wellbeing for all at all ages
- 4 QUALITY EDUCATION — Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- 5 GENDER EQUALITY — Achieve gender equality and empower all women and girls
- 8 DECENT WORK AND ECONOMIC GROWTH — Promote inclusive and sustainable economic growth, employment and decent work for all
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — Build resilient infrastructure, promote sustainable industrialisation and foster innovation
- 10 REDUCED INEQUALITIES — Reduce inequality within and among countries

Service quality and safety

Why is it important?

Sonic has a duty of care to ensure that our healthcare services are clinically appropriate, of the highest quality, fully accredited and safe, in order to best address the needs of the communities we serve.

Our approach

As a medically led organisation, we are acutely aware of the trust placed in us by the healthcare providers and patients who rely on us. Rigorous attention to quality assurance in our clinical and everyday work processes is a critical focus for our facility, entity, divisional and global management teams.

Accreditation of healthcare facilities and services is a mandatory requirement of our operation and provides our customers with the assurance that the quality management systems, policies, processes and staff training programs in place at all of our facilities meet national and international standards, and are subject to continuous formal external inspections and audits.

Sonic's quality and compliance teams – comprising experienced medical, scientific, quality and administrative staff – take an objective and uncompromising approach to auditing and continuous improvement, reflecting our abiding commitment to providing externally accredited and safe diagnostic and clinical services.

Accreditation – facilities, tests and services

All Sonic Healthcare laboratory, radiology and primary care facilities meet or exceed the rigorous requirements of the accreditation bodies in all countries in which we operate.

During FY2023, 2,704 external audits and 4,727 internal audits were conducted across Sonic sites. This represents an increase in total audits of 5%, compared with FY2022. No major adverse findings were recorded as a result of these audits.

4,727
internal audits

2,704
external audits

Our global quality teams work closely with external accreditation bodies to ensure we remain informed and prepared for evolving changes in the accreditation landscape. These staff also participate in regular quality and safety training programs and process reviews that reinforce our best practice culture and help to ensure that quality and safety are front of mind for all our staff. Modules include 'Workplace health and safety risk management', 'Hazardous substances and dangerous goods' and 'Fatigue management'.

All of Sonic's operating facilities maintained accreditation and operating licenses during FY2023, with no major adverse finding resulting from accreditation inspections by external regulatory authorities.

Pathology/laboratory medicine

The information below details the accreditation requirements and Sonic accreditation status in each of the jurisdictions in which we operate. Many of our pathology laboratories are also accredited to ISO 15189 Medical Laboratories – Requirements for quality and competence. This allows us to work collaboratively with our different quality groups across the world, ensuring, where possible, that procedures and processes are standardised across the Sonic network of practices.

Australia & New Zealand

Sonic's Australian laboratories are accredited to ISO 15189 by the National Association of Testing Authorities (NATA), in conjunction with the Royal College of Pathologists of Australasia (RCPA). They also comply with the National Pathology Accreditation Advisory Council (NPAAC) requirements, which are developed on behalf of the Australian Government. The NATA and NPAAC guidelines work together to set the minimum standards considered acceptable for good laboratory practice. In recent years there has been a shift in the focus of accreditation and certification, to give additional prominence to risk management and mitigation, with direct reference to referring practitioners and patients.

In addition, some laboratories are also accredited to ISO/IEC 17025 – General requirements for the competence of testing and calibration. These laboratories provide testing facilities for food and water services or toxicology testing for drugs of abuse.

Sonic's New Zealand laboratories are accredited by International Accreditation New Zealand (IANZ). The accreditation process includes onsite peer reviews, as well as online assessments. Laboratories are fully assessed every four years, with additional activity each year. All Sonic Healthcare New Zealand laboratories are accredited to ISO 15189.

Germany

Sonic's German laboratories fulfil the requirements of the RiliBÄK (Guideline of the German Medical Association for the Quality Assurance of Laboratory Medical Examinations). Accreditation to ISO 15189 is not mandatory in Germany, but all Sonic Healthcare Germany laboratories are accredited to this standard by Deutsche Akkreditierungsstelle (DAkkS), or are working towards it.

In addition, some laboratories have ISO/IEC 17025 accreditation as a testing laboratory for hygiene services or veterinarian medicine. One of Sonic's largest German laboratories is also accredited by the College of American Pathologists (CAP) and by Clinical Laboratory Improvement Amendments (CLIA), in order to fulfil testing and other technical requirements for US clients.

Belgium

Sonic's large central laboratory in Antwerp is ISO 15189-accredited by the Belgian Accreditation Body (BELAC).

Switzerland

While it is not mandatory to be accredited to ISO 15189 or ISO/IEC 17025, all Sonic Swiss laboratories are either accredited to this standard by the Swiss Accreditation Service (SAS), or are working towards it. In addition, all our Swiss laboratories are required to receive federal authorisation from Swissmedic if they wish to perform microbiology or genetic testing, or if they are involved in bloodbanking. One of our Swiss laboratories for industrial and pharmaceutical microbiology is accredited according to ISO/IEC 17025, certified for Good Laboratory Practice (GLP) and is FDA-recognised.

UK

Sonic Healthcare laboratories in the UK are accredited to ISO 15189 by the United Kingdom Accreditation Service (UKAS), and are inspected by the Care Quality Commission (CQC). The blood transfusion departments are also inspected by the Medicines and Healthcare Products Regulatory Authority (MHRA) and comply with the Human Tissue Act (HTA) and all relevant Royal College of Pathologists (RCPath) guidelines.

USA

Sonic's US laboratories and pathology practices are all certified by Clinical Laboratory Improvement Amendments (CLIA) and many have additional accreditation by the College of American Pathologists (CAP). Sonic Reference Laboratory, located in Austin, Texas, is also accredited to ISO 15189 by CAP. All laboratories undergo a biannual accreditation process that includes an onsite inspection by CAP or CLIA.

Radiology

All Sonic's radiology practices are independently accredited with the Diagnostic Imaging Accreditation Scheme (DIAS) and guided by the Royal Australian and New Zealand College of Radiologists (RANZCR) Standards of Practice. Our practices also comply with all relevant standards regarding private health regulation and radiation safety.

General Practice

Every Sonic primary care medical centre is accredited by the Royal Australian College of General Practitioners (RACGP). The accreditation process is based on a three-year audit cycle, and is conducted by an external provider, GPA Accreditation Plus. This process ensures that our practices meet the requirements of the government-endorsed industry standards set by the RACGP.

Highlighting the importance of quality and safety

Kathleen Buckmire (L) working with a staff member at The Chiltern Hospital

Transforming blood transfusion: A successful project rollout

Sonic Healthcare UK works in partnership with the National Health Service (NHS), with dedicated laboratories in private and NHS hospital sites across the country. This includes a UK-wide blood transfusion service that comprises seven regional blood transfusion hub laboratories, servicing 39 hospitals, from Kent in the south to Scotland in the north.

The efficient and timely delivery of blood products to inpatients is a key function of hospital-based pathology services. Newer technology, combined with increased demand for blood products, meant the time had come to replace the legacy remote blood tracking and blood issue system – an enormously complex project given the geographic and operational diversity of this core function.

Thirty-three hospital sites had to replace their blood fridges and tracking system kiosks, requiring the old system to be shut down for three months. In addition to maintaining business continuity, the new system had to be installed and validated, while training both Sonic UK and hospital staff in the new technology.

The benefits of teamwork

"The project was a really good example of how the teams within the organisation operate to support each other," said Anna, TDL Blood Transfusion Technical Lead.

"Installing a completely new system involved coordinating teams from IT, Quality Assurance and Facilities Management. Because the automated system was effectively down, we relied on a manual version.

Our couriers also played a crucial role in delivering the extra transfers that were needed to ensure blood stocks were always available and replenished. Lots of physical equipment testing and report writing was carried out by the lab staff – a testament to their efforts."

Training the trainers

Coordinated training of hospital staff was a key aspect of the successful project implementation. A train-the-trainer method was developed, with weekly online training sessions. Two dedicated training labs were also set up in the Ealing and Manchester facilities for in-person training.

Members of the point-of-care test (POCT) training team provided all the resources, delivering 1,000 training sessions over a nine-week period. Anna's laboratory team also updated the considerable number of training records needed for lab and hospital teams to operate the new system.

The new BloodTrack system, supplied by Haemonetics, is now up and running, ensuring the efficient and timely delivery of blood products to the patients who rely on it.

Education, research and professional development

Medicine is a constantly evolving discipline. Ongoing scientific and technological breakthroughs expand the boundaries of our medical knowledge, resulting in the need for continuing education of the current and future generations of doctors.

Sonic recognises the importance of contributing to the community through the sharing of our professional and academic expertise.

We employ some of the most highly qualified professionals in their field, and share this expertise locally and globally through different teaching, training and continuing professional development opportunities in pathology/laboratory medicine, radiology, general practice medicine, management and medical administration.

We actively participate in several types of medical education. For example, in Australia, to support clinical care and patient management, we provide free, current and targeted education which is presented to clinicians by acknowledged medical educators. During FY2023 this comprised 30 face-to-face meetings for more than 1,400 participants and six webinars attended by 648 participants. E-learning is also offered via online courses with more than 2,600 general practitioners completing modules since 2021. In addition, 34,000 users have accessed our education website with the top user countries being Australia, USA, UK and India. A number of audits are also offered to support clinician continuing education programs.

Target 4.4

Target 9.5

1 Continuous professional development

Sonic Healthcare supports doctors and the broader medical community with a variety of educational forums and publications, to ensure they remain up to date with relevant medical information, and to optimise the patient care they provide.

Sonic's range of educational offerings include seminars and newsletters, surgical audits, research articles, multidisciplinary meetings and conference presentations.

34,000

users have accessed our education website[1]

1 Refers to website access since 2021

2 Publications, craft groups, steering committees, boards and other professional organisations

Our medical, technical and scientific staff regularly contribute to the broader medical community via participation in medical specialty craft groups, steering committees, boards and other professional organisations. This involvement helps to promote the practice of good medicine within local communities, while also raising standards nationally and globally.

These contributions enhance professional development and help to represent the industry, shape policy at government level and share knowledge with the broader medical community. Sonic supports staff who help to provide this clinical governance by releasing them to attend forums on company time and reimbursing their expenses. This is another extension of our Medical Leadership philosophy.

Sonic's medical and scientific staff regularly publish articles in medical journals and textbooks as another way of sharing their unique knowledge and experiences.

3 Training the next generation of medical professionals

As part of our commitment to medical excellence, Sonic Healthcare and our medical staff are heavily involved in graduate and postgraduate medical training in different parts of the world. This reflects the importance we place on ensuring that the next generation of doctors, scientists, radiographers, sonographers, technicians and nurses is well trained in medical diagnostics and general practice. This knowledge transfer forms an important component of the regular work for many of our medical practitioners, clinical and scientific staff. Sonic has a proud history of involvement with academic training facilities and has links with universities in all countries of operation.

Many of our pathologists, radiologists and general practitioners are also university lecturers in their particular specialty or subspecialty area. We also provide vocational training positions for pathologists, radiologists and general practitioners, ensuring the future supply of these important medical practitioners in the community.

4 Research and academic bodies

Sonic Healthcare provides significant and ongoing investment in external education, research and sponsorship of medical events. We also invest in our own research and development to ensure we are at the forefront of emerging trends in our various disciplines. This includes partnering with other providers and institutions to facilitate the development of new products and services.

Sonic's long-term commitment to supporting academic activities allows us to:

- increase job satisfaction
- attract and retain highly trained personnel
- ensure long-term supply of sufficient medical staff
- foster innovation, excellence and responsiveness to the needs of stakeholders
- achieve synergies through two-way sharing of technology, knowledge, research and resources
- ensure the establishment of best practices, continuous quality improvement and the development of safe, sustainable and efficient clinical services
- further enhance our reputation as a provider committed to high-quality healthcare.

During FY2023, Sonic personnel authored or co-authored more than 200 research papers that were published in peer-reviewed medical and scientific journals. The paper to the right, which appeared in the journal of the National Kidney Foundation in the USA, is a good example of the contribution this research makes to improving health outcomes in the community.

Breakthrough in predicative kidney failure diagnosis

Members of the Sonic Healthcare USA Medical Leadership team and executive sponsors recently authored a landmark journal article in the prestigious Kidney Medicine, journal of the National Kidney Foundation (USA). Entitled 'Chronic kidney disease progression prediction in a diverse US population: A machine learning model, the study', the paper provides evidence-based, AI/machine learning solutions to better predict significant kidney decline in patients.

The objective of this study was to test the performance of machine learning-based predictive risk models for chronic kidney disease (CKD) progression.

CKD affects more than 37 million people in the United States and is a major cause of morbidity and mortality around the world. It is strongly associated with hematologic (blood), metabolic bone, cerebrovascular (blood flow in the brain) and cardiovascular (heart) disease. It is the most common cause of kidney failure, requiring dialysis or transplant.

As a complex disorder that affects critical organ systems, CKD accounts for a disproportionate healthcare system expenditure. However, up to 90% of patients with CKD (including 40% of patients with severe CKD) are unaware of their diagnosis, which doesn't allow for timely evaluation and optimal management of the disease.

Using longitudinal clinical laboratory data across a geographically diverse cohort, the study analysed results from 110,264 adult patients. Using a 7-variable risk classifier model, the CKD classifier model accurately predicted significant estimated glomerular filtration rate (eGFR) decline in patients with early, moderate and advanced CKD. Used as a complement to, and in conjunction with the well-established Kidney Failure Risk Equation, the progressive CKD risk classifier has the potential to significantly improve timely recognition, risk stratification and optimal management for a heterogeneous population with CKD at a much earlier stage for intervention.

Supporting continuing professional development for Australian doctors

After three long years, a global pandemic and countless hours of hard work and determination, the second edition of the Sonic Healthcare (Australia) Pathology Handbook was released in hard copy and online in early 2023.

This invaluable resource is the result of a continuing nationwide collaboration amongst more than 100 pathologists across the Sonic Healthcare Australia network.

The handbook aims to provide healthcare professionals with a practical and in-depth reference guide to assist their day-to-day clinical practice.

The new edition consists of approximately 950 articles and includes more than 160 new genetic topics.

The online version of the Sonic Healthcare Pathology Handbook is available via Sonic Edu, a centralised app that provides clinicians with immediate access to the Sonic Healthcare Australia Pathology reference library, including a number of other handbooks and guides.

A separate genetics handbook was also produced by Sonic Healthcare Australia Pathology, to give clinicians a comprehensive guide to genetic tests. It is also available in hard copy and digitally.

Access and affordability

Why is it important?

Diagnostic and preventative healthcare services can only impact individual or community health when they are easily accessed and/or when their costs facilitate appropriate levels of participation.

Government healthcare services are faced with ever-increasing demand and restricted financial resources. Our extensive network of private laboratories, radiology practices, primary healthcare sites and other services complement resource-strained public health facilities, providing critical additional healthcare infrastructure in the countries in which we operate.

Our approach

Sonic focuses on providing broad access to our comprehensive range of high-quality medical services in all areas of operation – metropolitan, regional and rural. Our ongoing investment in modern facilities, automation and information technology, together with the continuous expansion of our operational footprint, produces efficiencies that benefit communities through improved access, faster turnaround times and lower costs for patients, insurers and the governments who often pay for our services.

We also facilitate access to an ever-expanding range of healthcare services through the introduction of new products and services that are the result of research and development activities, partnerships and strategic investments in innovative technologies.

Informed financial consent and fair pricing are an integral part of our approach to optimising access and affordability, and we aim to keep our costs as low as possible.

Due to the vast differences in healthcare systems in our countries of operation, Sonic does not have formalised policies around affordability; however, our medical and executive teams work closely with governments and health insurers in each jurisdiction to provide the information required to determine service rebates. Eligible patients receive our services for the government rebate or insurer-subsidised fee with no out-of-pocket expense to the individual. Many of our laboratories and facilities also work with disadvantaged groups in their communities, to provide services for people who may not be eligible for government-funded healthcare services, such as the homeless, Indigenous youth groups, asylum seekers and refugees.

Providing and enhancing access to our services

Sonic facilitates patient and clinician access through:

- more than 250 pathology laboratories, ranging from large centralised laboratories to small in-hospital acute care support facilities
- pathology sample collection
  - in surgery, by a GP or specialist
  - by trained phlebotomists at nearly 3,000 patient service centres
  - via home collection, where issues such as age and mobility may otherwise be barriers
  - by our staff at nursing homes and hospitals
  - via self-collection, for certain tests
- more than 120 radiology practices, with more facilities being added; attendance by the patient is required, and extended operating hours are offered at some sites for added convenience
- primary care services at 215 clinics, with in-surgery GP and telehealth consultations and nurses available for minor procedures
- occupational health-related services at workplaces, including immunisation and drug testing
- telehealth consultations in primary care.

Sonic's businesses continually enhance customer convenience by adjusting operating hours in line with demand, and improving digital options, including mobile app-based platforms for report delivery to clinicians and SMS messaging to patients, where appropriate. We also upgrade existing facilities and open new facilities on a regular basis, to increase efficiencies and expand our service offerings and physical reach.

Many of our facilities also provide wheelchair or disabled access for customers with mobility limitations.

3 GOOD HEALTH AND WELL-BEING
Target 3.4

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Target 9.1

10 REDUCED INEQUALITIES
Target 10.2

Caring for our community

In February and March 2023, the streets of Sydney were painted all the colours of the rainbow to celebrate WorldPride coming to town.

WorldPride is a global celebration of the LGBTQIA+ community. It travels to a different city around the world every two years. This was the first time the event was held in the southern hemisphere, with the three-week festival coinciding with Sydney's 45th annual Gay and Lesbian Mardi Gras.

Douglass Hanly Moir Pathology (DHM) worked with Sydney WorldPride 2023 as its official pathology partner. DHM promoted an important health message to participants about the need for regular sexually transmitted infection (STI) testing. Working with staff across the organisation, DHM created a campaign to 'Stay safe. Get tested.'

DHM volunteers attended key community events over the 17-day festival, including staffing a special DHM marquee, complete with photo booth and prize wheel promoting different public health messages.

The event culminated on a spectacular Sydney summer's day with more than 150 DHM people joining 50,000 others walking across the Sydney Harbour Bridge for the Pride March. DHM staff from across the state joined together behind a banner that read 'Caring for our community'.

Staff who attended the event were jubilant about their involvement. "DHM brightened WorldPride with its presence and positive health messages," said Dr Jim Newcombe, (then) Deputy CEO of DHM. "Our staff truly embodied Sonic's Core Values and touched thousands of lives during this event."

Investing in innovative technology and new tests

Digital Pathology

Sonic Healthcare is one of the world's largest anatomical pathology service providers. Anatomical pathology plays a crucial role in healthcare and the community and anatomical pathologists are responsible for diagnosing diseases, including all cancers, through the examination of tissues, cells and organs. Accurate and timely diagnoses are essential for effective treatment and patient care.

Together, digital pathology and artificial intelligence (AI) are set to radically transform the practice of anatomical pathology in coming years.

In recent years Sonic has made significant investments in the digital technology and infrastructure required to ensure that our pathologists are able to provide clinicians and their patients with the highest quality specialised professional services, while improving efficiency and capacity in our laboratories to enhance patient care.

These investments include the purchase of digital slide scanners, image management systems, data storage architecture, and the development of AI tools. Our investment in Franklin.ai (our pathology AI joint venture with Harrison.ai) brings together the AI development expertise of Harrison.ai with the clinical expertise of Sonic's pathologists and scientists to design and build the next generation of AI-powered software applications to support and enhance the vital work of anatomical pathologists.

Microbiome testing

Microbiome testing holds the potential to revolutionise healthcare by unveiling the intricate ecosystem of microorganisms living within the human body and their profound role in health and disease. By analysing the composition and activity of these microbial communities, healthcare professionals can gain unprecedented insights into a wide range of health conditions, from gastrointestinal disorders to autoimmune diseases, mental health issues and even cancer. This newfound understanding enables personalised treatments, tailored dietary recommendations, and the development of innovative therapeutic interventions, significantly enhancing patient outcomes and preventive healthcare. Sonic Healthcare has developed a number of in-house testing solutions to provide clinicians and their patients with access to high-quality evidence-based microbiome diagnostics. Additionally, Sonic has formed a partnership with Microba, an Australian-based gastrointestinal microbiome testing and therapeutic discovery company, to provide broad access to their best-in-class metagenomic microbiome testing solutions.

Improving access to healthcare in disadvantaged communities

As a world-leading diagnostic medical company, we have a moral obligation to use our knowledge, resources and expertise to promote the prevention and control of disease in poorer communities that have restricted access to quality healthcare. This reflects our commitment to Medical Leadership, and the accompanying principle of company conscience and the need to medically support people in need.

SONIC HEALTHCARE FOUNDATION

In FY2022 Sonic Healthcare formalised its longstanding giving program, contributing $40 million dollars to establish The Sonic Healthcare Foundation, an independent body established to fund charitable programs that improve the health and wellbeing of those in need.

The Sonic Healthcare Foundation directly supports healthcare programs in disadvantaged communities by providing financial, technical, physical and human resources. This includes work in Africa, as well as support for indigenous and under-represented groups in other countries, such as the association with the Clontarf Foundation in Australia. The Foundation's support includes charitable funding, free clinical services, medical equipment and supplies, and education and training through volunteer and philanthropic activities.

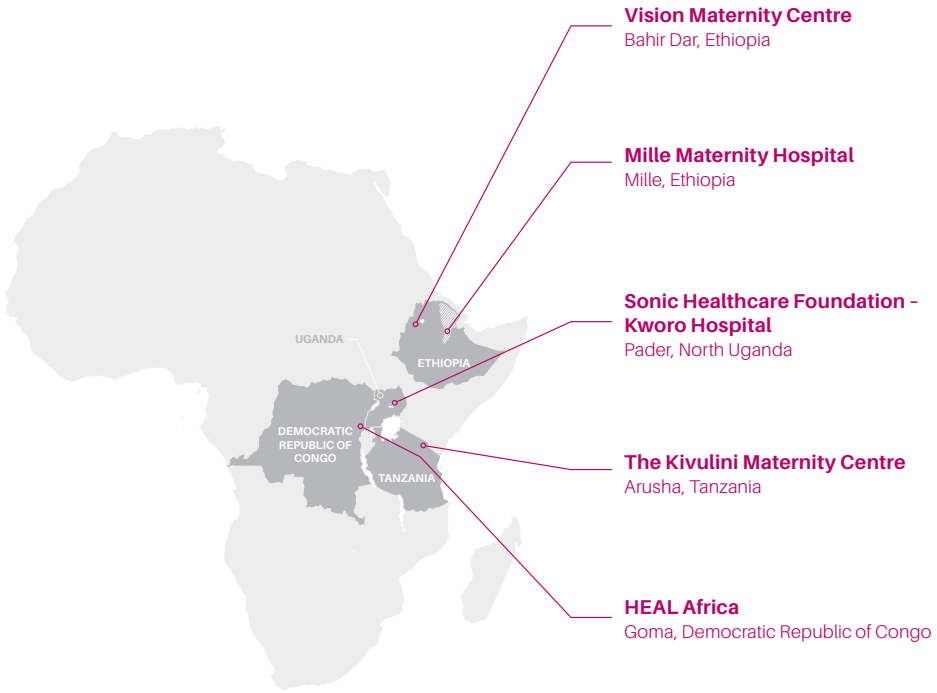
3 GOOD HEALTH AND WELL-BEING — Target 3.1, Target 3.2, Target 3.3, Target 3.4, Target 3.C

4 QUALITY EDUCATION — Target 4.1, Target 4.4, Target 4.5

5 GENDER EQUALITY — Target 5.3

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — Target 9.1, Target 9.4, Target 9.5

Services receiving the Sonic Healthcare Foundation support



Pathology/laboratory medicine tests

- A comprehensive range of tests, including HIV, VDRL, hepatitis serology, malaria, renal biochemistry and typhoid

Radiology services

- Digital X-ray, mammography, ultrasound and CT scanning

Hospital procedures

- Births, fistula surgeries, pre- and postnatal visits

SONIC HEALTHCARE FOUNDATION

HEAL Africa Hospital
Tertiary hospital in the Democratic Republic of Congo

- Funding for laboratory support, equipment and training
- Funding for radiology support, equipment and training

Sonic Healthcare Foundation - Kworo Hospital
Maternity hospital in Uganda

- Hospital construction and fit-out
- Operational support
- Funding for laboratory support, equipment and training

Barbara May Foundation (BMF)
Maternity and fistula hospitals in Ethiopia and Tanzania

- Funding for laboratory support, equipment and training
- Funding for radiology support, equipment and training

Clontarf Foundation
School academies to support 10,000 young Aboriginal and Torres Strait Islander men

- Indigenous youth medical checks in remote communities
- Funding support

Radiology Across Borders (RAB)
Teaching clinical radiology skills around the world

- Funding support

Special Project Funding
JOOUST University in Kenya

- Funding and support to establish a training and reference laboratory

HEAL Africa

HEAL Africa is a full-service tertiary hospital located in Goma, in the Democratic Republic of Congo. It is one of only three referral hospitals in the war-torn country, and provides obstetrics and gynaecology (including fistula repair), general surgery, orthopaedics, paediatrics and internal medicine, as well as established pathology and radiology services. It also serves as a centre for healthcare and research, as well as training doctors and healthcare professionals.

Sonic's long-term involvement with HEAL Africa started in 2008 when we first established a reliable pathology and radiology service at the hospital. This involved providing essential equipment and supplies, helped by a number of local and international suppliers to our Australian laboratories, as well as sending senior Australian staff to set up the laboratory and radiology facilities, and to train the local workers in current laboratory and radiology techniques and infection control.

HEAL Africa houses completely modernised, fully functioning biochemistry, haematology, microbiology and histopathology laboratories, which are re-equipped and re-supplied by Sonic Healthcare. This supports the hospital's diagnostic skills, and has facilitated an expansion in the available range of tests and procedures.

HEAL's radiology capabilities have also been upgraded to include digital X-ray, mammography, ultrasound and CT scanning. This has made an enormous contribution to diagnostic capabilities and patient management, both in the hospital and the wider community it serves.

Sonic also provides personal protective equipment (PPE) and disposable medical supplies on an ongoing basis, to assist with effective infection control.

HEAL Africa training course for medical students

Barbara May Foundation Maternity and Fistula Hospitals

The Barbara May Foundation was established in 2009 to provide free healthcare services for women in sub-Saharan Africa, focused on safe childbirth and fistula repair. The Sonic Foundation will continue to support this service through cash donations together with laboratory and radiology service support at the Barbara May Foundation Hospitals in Tanzania and Ethiopia. The Barbara May Foundation will also act as the administration body for the new Sonic Healthcare Foundation Kworo Hospital to be built in Uganda.

Jean Sebushari Nizeyimana, Head of Technical Department; Constant Masisa, Radiographer; Jean Moba, Radiographer; Dr Sosthène Tsongo, Radiologist; Léonique Sekeraviti, Receptionist; Reagan Machozi, Radiographer

CT scanner installed at HEAL Africa Hospital

The Sonic Healthcare Foundation facilitated the donation of a CT scanner to HEAL Africa in FY2023, which is helping to completely transform imaging diagnosis for the hospital's medical teams and their patients.

The CT scanner, donated by Sonic Healthcare Australia's Canberra Imaging Group, undertook an arduous and complex journey to be safely delivered and installed at the HEAL Africa Hospital in Goma, Democratic Republic of Congo (DRC), Africa.

The eight-month project was finally completed in March 2023. The logistics of the delivery were made more difficult by the machine's sensitivity, which required expert packing in a sealed shipping container to safeguard it against dust and moisture as it undertook its long journey by sea and road. Upon arrival in Africa, it was transported by land through three different countries – Tanzania, Rwanda and the DRC – requiring it to pass through different customs regimes at each border. After being delivered to the hospital in Goma, installation was delayed because local fighting created siege-like conditions around the city, making it impossible for the engineers from South Africa to travel to the region. Once the fighting subsided, the engineers had to make three separate trips to successfully install the unit. A new power bank was also installed to counter the uncertainty of Goma's power supply, which has frequent outages, followed by surges.

The CT scanner is vastly improving the hospital's imaging capacity. It is the only functioning CT scanner within the entire region of North Kivu, which has a population of 6.5 million. It is being supplemented by the Sonic Healthcare Foundation's partnership with Harrison.AI, which will see a rollout of AI-based chest X-ray interpretation software at HEAL.

Chest X-rays are the most common radiology request in developing countries. The demand for these X-rays overwhelms the capacity of the qualified radiologists in the region. The use of AI software, together with the new CT scanner, will provide another 'set of eyes' to facilitate additional high-quality interpretation, enabling faster decisions and greater peace of mind for both clinicians and patients in Goma.

Returning to Africa

After a lengthy break due to COVID-19 travel restrictions, Sonic's Richard Jones and Lindsay Thitchener made a long-awaited return to Africa in August, to visit some of the projects being supported by the Sonic Healthcare Foundation.

The fruitful trip included visits to the Kivulini Hospital in Arusha, Tanzania, Pader in northern Uganda and HEAL Africa hospital in Goma, DRC. Despite the length between visits, the laboratories are all functioning well, and the visits were an opportunity to renew friendships and identify areas that could benefit from further assistance.

Following the visit to Kivulini, the Foundation is looking at installing a new biochemistry analyser that can run HbA1c, HCG, pregnancy and other endocrinology tests. The Foundation is also assisting them with the vacutainer blood collection system.

The next stop was Pader, northern Uganda, to visit the site for the soon-to-be-built Sonic Healthcare Foundation – Kworo Hospital. In addition to funding the construction and fit-out of the hospital, the Foundation will also be creating a new pathology laboratory, complete with blood banking facilities. The site visit cemented the decision to adopt a common approach to the equipment and processes we use in the laboratories we support in Africa. This will allow us to streamline our support and create common training materials. We will also create educational opportunities for laboratory staff in Africa, through webinars, reference materials, quality programs and more.

The final stop was a visit to Goma, which revealed a significantly worsened political situation, with escalated conflict to the north of the city. Despite this turmoil, the University of Goma has selected HEAL Africa Hospital's pathology and radiology departments for the practical training components of their medical and scientific degrees.

HEAL hospital is benefiting from the recently installed CT scanner, which is working perfectly with 65 CT scans performed in the first month of operation. Radiology Across Borders, which is also sponsored by the Sonic Healthcare Foundation, is offering a year-long International Certificate in Radiology Fundamentals online course, in conjunction with the University of British Columbia. Sonic has reserved two places for doctors at HEAL to complete the qualification so they will be able to assist radiologist, Dr Sosthene, with his significant workload.

Mark Bromley, histo scientist at Sonic's Sullivan Nicolaides Pathology in Queensland, Australia, joined Richard and Lindsay for the HEAL visit, helping to streamline the hospital's histology processes and practices.

Top left: Kivulini Hospital, Tanzania

L–R: Lindsay Thitchener, Dr Kasareka (Pathologist at HEAL) and Bisho Donat (senior technician at HEAL)

Georgette Bisika, (laboratory technician). The Sonic Healthcare Foundation supplied the biochemistry analyser on the bench

Sonic Healthcare Foundation – Kworo Hospital

Sonic Healthcare Foundation is supporting a significant new initiative that will deliver better maternal health outcomes for thousands of mothers and babies in one of the most disadvantaged parts of Uganda.

Under a new agreement with the Barbara May and Te-Kworo Foundations, the Sonic Healthcare Foundation will sponsor the construction, fit-out, procurement and operating costs of 'Sonic Healthcare Foundation – Kworo Hospital', a 42-bed maternal health facility in Agago District, an under-resourced district in northern Uganda.

The new hospital is expected to save the lives of thousands of Ugandan women and babies in four remote and impoverished districts in northern Uganda. In addition to funding the hospital construction and fitout, Sonic Healthcare Foundation will also support the hospital's day-to-day running costs for at least three years.

"Te-Kworo Foundation works with the most vulnerable people within northern Uganda - with pregnant women who have to walk miles to get services," according to Te-Kworo Foundation founder and Executive Director, Alice Achan.

Currently, the nearest surgical or specialist service for a pregnant woman needing a caesarean section is up to two hours' drive away, on very rough roads. These expectant mothers often need to sell a chicken or goat to raise the money to get to medical facilities by bus or, if they're fortunate, an ambulance, and they may not make it in time.

3 GOOD HEALTH AND WELL-BEING

Target 3.C

"We are delighted to help in the provision of the new hospital, which will include birthing suites, a specialised newborn baby unit and two operating theatres," said Lindsay Thitchener, Manager of the Sonic Healthcare Foundation.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Target 9.1

SONIC HEALTHCARE FOUNDATION

Kworo Hospital

Sunrise at Lake Victoria

Establishing a new training laboratory in Kenya

The Sonic Healthcare Foundation is sponsoring the establishment of a new laboratory at the Jaramogi Oginga Odinga University of Science and Technology (JOOUST) in the Lake Victoria basin of western Kenya.

The training and reference clinical, molecular and histopathology laboratory for both infectious and non-infectious diseases will be used for teaching, research and third-line diagnostic patient support.

The Sonic Healthcare Foundation is making a one-off donation of nearly AUD$400,000 to establish the laboratory. Our involvement will include advice, purchasing of all equipment, and facilitating installation, training and ongoing service.

The new laboratory has four key aims:

1. Create a platform for technical training in molecular biology and histopathology techniques for students and laboratory technologists studying and working within the Lake Victoria basin.
2. Establish a histopathology reference laboratory and provide education and outreach programs to enhance the capacity of healthcare professionals and researchers in the Lake Victoria basin, to diagnose and manage diseases through accurate pathological assessments and interpretations.
3. Provide diagnostic, research and testing services to support disease surveillance, outbreak investigation and community outreach activities involving diseases of interest in the Lake Victoria basin.
4. Build professional skills and capacity for early- and mid-career researchers, through short courses, postdoctoral training, and academic exchange with Flemish partner universities.

The laboratory will serve JOOUST undergraduate and postgraduate students and provide capacity building for university staff and the Ministry of Health. A key milestone of the project is accreditation as both a national and reference laboratory for communicable and non-communicable diseases. This will involve participation in external and local quality assurance and accreditation activities, helped initially by the counterpart Flemish universities.

The laboratory will provide a sustainable platform for the surveillance for both communicable and non-communicable diseases prevalent in the Lake Victoria basin. This will broaden the research output and will offer training opportunities for rapid public health emergency responses, as well as disease prevention and control.

Target 3.C

Target 4.4

Target 9.5

Radiology Across Borders

Radiology Across Borders (RAB) is an Australian-based not-for-profit organisation that aims to provide long-term, tangible support in radiology/healthcare to developing nations around the world.

Good radiology is critical to good healthcare in the diagnosis and management of patients. Unfortunately, many developing nations lack the resources and teaching required to deliver good radiological support. This leads to poor health outcomes that could be preventable with support from developed nations. For example, even though breast cancer occurs less frequently in developing countries than in more advanced economies, 60% of all breast cancer deaths come from these developing nations. A large part of this is due to delayed diagnosis or no diagnosis at all.

The Sonic Healthcare Foundation is one of Radiology Across Borders' sponsors, helping it to support a range of pro bono projects covering education, consultancy, infrastructure, collegial support and mentorship.

This includes a unique online degree in radiology, the international certificate in radiology fundamentals, multi-streamed teleconference programs, an online reporting project for developing nations, a mentorship program and online library. Radiologists regularly visit sites in developing nations around the world to provide onsite teaching. Sonographers and mammographers also attend sites to provide hands-on training in breast cancer detection, obstetrics and gynaecological ultrasound, and mammography, which are all essential for good maternal health. RAB also has a unique paediatrics VITAL project that involves teaching the fundamentals of paediatric imaging.

Target 3.C

Target 4.4

Target 9.5

Radiology Across Borders is one of the most recognised philanthropic radiological communities globally, with members from more than 93 nations participating in, or benefiting from, the work of the charity. A key part of its success comes from partnerships with only highly regarded professional organisations.

The Clontarf Foundation

Sonic has continued our ongoing involvement with The Clontarf Foundation, an Australian not-for-profit organisation that exists to improve the education, self-esteem and employment prospects of Aboriginal and Torres Strait Islander boys and young men. Through mentoring and participation in team sports, Clontarf provides its students with life skills to succeed and grow, which benefits the whole community, as well as the individuals involved. Clontarf operates 140 Academies in schools across Western Australia, Northern Territory, Victoria, South Australia, New South Wales and Queensland, catering for more than 10,000 boys.

Sonic Healthcare has been involved with the Clontarf Foundation since 2017, providing medical assessments to students within Clontarf's Academies, with an additional focus on their mental health and wellbeing. These health checks are provided in relatively populated areas, as well as some of the remotest parts of Australia, such as Jabiru, Katherine, Tennant Creek and Gunbalanya in Arnhem Land.

Our involvement includes a mobile clinical team of over 100 GPs and registered nurses from Sonic's general practice business, IPN, together with 30 pathology collectors from Sonic's local laboratory, who work onsite with Clontarf staff to complete health checks. Any medical issues or concerns identified during our assessments are then followed up by the local Aboriginal Medical Service. These checks help to identify medical issues at an early stage, when they are more treatable. In FY2023, we provided health checks to more than 2,200 Clontarf students.

Clontarf's overall achievements for 2022	
Number of participants who completed Year 12	834
Average school attendance	75%
Percentage of participants with average attendance rates of 80% or above	52%
Number of year 12 graduates remaining in employment or further education 12 months after graduating	84%

Target 3.4

Target 4.1
Target 4.5

Target 8.5

Target 10.3

Improving participation and employment opportunities for disadvantaged groups

Target 4.5

Target 8.5

Target 10.2
Target 10.3

Sonic understands that we have an opportunity to positively impact community groups that may otherwise be disadvantaged. We work with a number of not-for-profit social enterprises to provide supported employment opportunities for people with disabilities, as well as young people from culturally diverse backgrounds. This includes:

- **The Bridge Employment**, a valued kit assembly partner for our work supporting the Australian Government's National Bowel Cancer Screening Program
- **The Endeavour Foundation** in Queensland, a long-standing partner who assists Sullivan Nicolaides Pathology to package COVID-19 self-collect PCR kits, as well as faecal occult blood kits and cervical screening kits
- **Bright Skies** couriers in Western Australia, who transport SKG Radiology's toner cartridges for recycling.

Where possible, Sonic also seeks to source products from Indigenous suppliers. In Australia during FY2023, Sonic spent over $277,000 with Supply Nation businesses. This was less than the spend in FY2022, which was boosted by the purchase of COVID-related PPE through an Indigenous supplier; however, our procurement teams continue to explore opportunities to utilise Indigenous suppliers where suitable products are available.

Other Charitable Donations

Sonic also supports many local charities and events, and donated $8 million in cash, in-kind donations and sponsorships in FY2023. This included donations supporting research into medical treatments for many different types of cancer, as well as other medical conditions and charities. We also place particular importance on supporting children, families and population groups that find themselves in difficult circumstances.

Governance

At our core, Sonic Healthcare is a medical practice, led by medical professionals who understand the unique needs of doctors and their patients. We have an enviable reputation for quality and integrity, reinforced by our Medical Leadership principles, Core Values and company policies.

Strong governance underpins the effective management of our business and is the basis on which we build trust, deliver long-term sustainable growth and create value for stakeholders.

Commitment To maintain confidence and trust

Material topics	Strategy	Goals	FY2023 achievements
Ethics, integrity and compliance	▪ Promote ethical conduct and ensure compliance	▪ Train all relevant staff in key policies by 30 June 2025[1]	▪ Measurement to commence in FY2024
Privacy and information security	▪ Safeguard privacy and protect data	▪ Achieve annual improvement in independently audited Cybersecurity Framework maturity scores (NIST)	▪ FY2023's planned NIST audit was delayed due to a change of external service provider. The work has been scheduled with results due January/ February 2024.
Human rights	▪ Champion human rights	▪ Publish an annual Modern Slavery Statement	✓ 2023 Modern Slavery Statement published

Related SDGs

Achieve gender equality and empower all women and girls

Promote inclusive and sustainable economic growth, employment and decent work for all

Reduce inequality within and among countries

1 Code of Conduct, Anti-bribery and Corruption Policy, Whistleblower Policy, Labour Standards and Human Rights Policy, Privacy Policy, Workplace Health and Safety Policy, Supplier Policy

The Sonic Healthcare Board and Board Committees

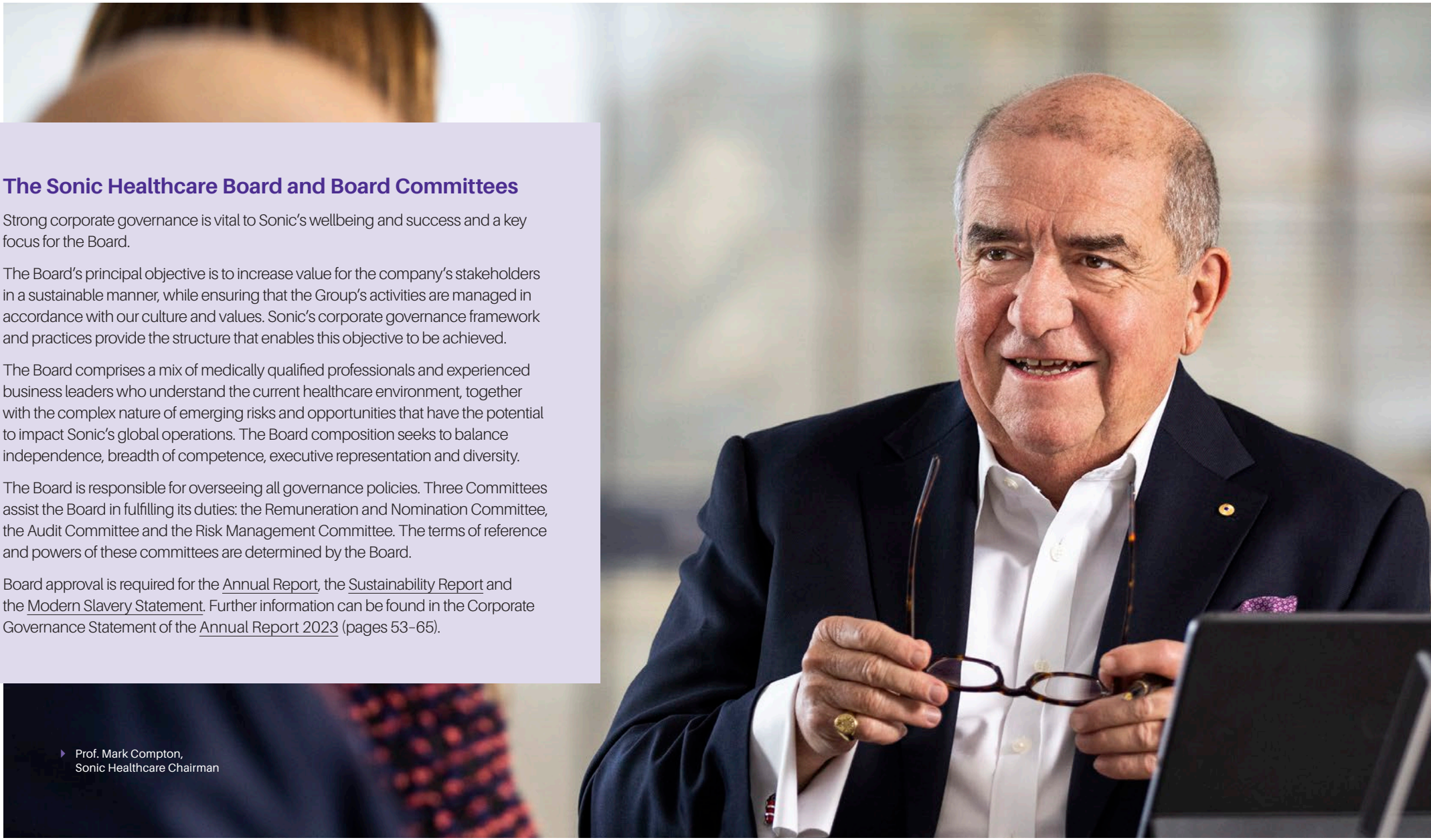
Strong corporate governance is vital to Sonic's wellbeing and success and a key focus for the Board.

The Board's principal objective is to increase value for the company's stakeholders in a sustainable manner, while ensuring that the Group's activities are managed in accordance with our culture and values. Sonic's corporate governance framework and practices provide the structure that enables this objective to be achieved.

The Board comprises a mix of medically qualified professionals and experienced business leaders who understand the current healthcare environment, together with the complex nature of emerging risks and opportunities that have the potential to impact Sonic's global operations. The Board composition seeks to balance independence, breadth of competence, executive representation and diversity.

The Board is responsible for overseeing all governance policies. Three Committees assist the Board in fulfilling its duties: the Remuneration and Nomination Committee, the Audit Committee and the Risk Management Committee. The terms of reference and powers of these committees are determined by the Board.

Board approval is required for the Annual Report, the Sustainability Report and the Modern Slavery Statement. Further information can be found in the Corporate Governance Statement of the Annual Report 2023 (pages 53–65).



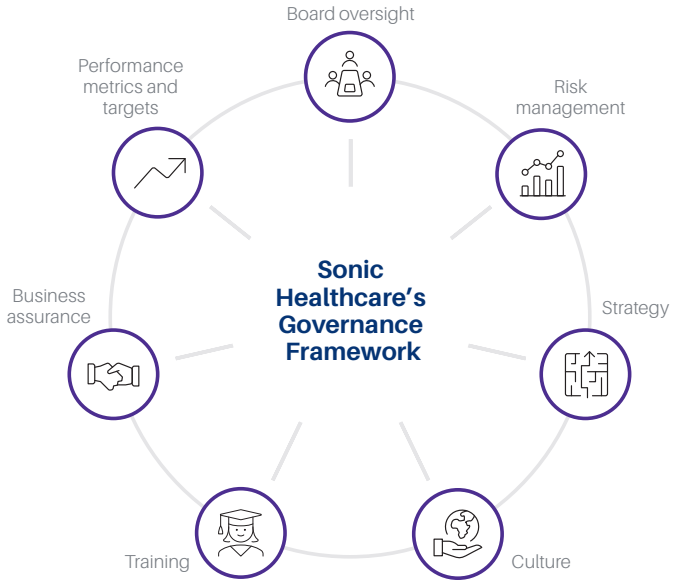
Prof. Mark Compton,
Sonic Healthcare Chairman

Sonic's governance framework

Our governance framework supports effective management and sound decision-making by promoting Board oversight and management involvement in the identification of material risks and opportunities, evolution of business strategy and measurement of performance. It also ensures Sonic's business strategies are developed in alignment with our unique corporate culture, supported by training and, where appropriate, internally audited by our business assurance team.

Risk management

Our enterprise-wide risk management framework considers the risk categories relevant to Sonic's business and assesses the organisation's tolerance to each risk. Using a risk assessment matrix, risks are ranked and material risks are documented on a global risk register, together with mitigation strategies. This register is reviewed by the Risk Management Committee which reports to the Sonic Board.



As can be seen in the graphic to the left, the four core elements required to conduct our first qualitative assessment in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework were components of our established governance structure, allowing us to expand existing processes to evaluate our climate-related risks and opportunities.

In May 2023, the Risk Management Committee was updated on Sonic's progress with respect to our published sustainability goals and evolving sustainability disclosure requirements, including the qualitative TCFD assessment. The Committee will be informed of the TCFD project outcomes at the next Risk Management Committee meeting, scheduled for early 2024.

Climate-related and other sustainability-associated risks are included as a scheduled agenda item at Risk Management Committee meetings at least annually, or more frequently if new risks emerge or the materiality of the identified risks changes. Sonic's Global Human Rights Committee presents annually to the Risk Management Committee prior to the publication of the annual Modern Slavery Statement.

Sonic views risk management as a core management capability, and fosters a risk-aware, compliance-focused culture. Involvement of divisional CEOs and key executive and senior staff from the strategy, management, finance, human resources, procurement, IT, logistics and legal functions across our organisation in the TCFD process helped to raise awareness of the potential impact of climate-related risks and opportunities while also encouraging consideration of how physical and transitional risks might be influenced by low- and high-emission scenarios and over the short, medium and long-term. The skills developed in this exercise will aid future assessment of climate and other emerging sustainability-related risks and opportunities.

Business assurance

Business assurance is another key element of our governance framework. Sonic's business assurance program (BAP) team comprises experienced auditors from three countries. The Head of Business Assurance reports directly to the Audit Committee and liaises with, but is independent of, our external auditors. The Sonic Board's Audit Committee determines the business assurance program's scope of activities and monitors the management response to recommendations related to system enhancements.

The team conducts ongoing reviews and audits to independently evaluate the effectiveness of internal controls used to manage financial fraud, corruption and compliance risks (for more detail, see the Ethics, integrity and compliance section, below).

During FY2024 the BAP team will conduct assurance exercises that target sustainability data collection and processes in preparation for mandatory external assurance requirements expected as part of upcoming international sustainability disclosure standards, such as those of the International Sustainability Standards Board (ISSB), developed as part of the International Financial Reporting Standards (IFRS).

Our business assurance program and external auditors also provide support to the management teams across our entities to assist them to monitor Sonic's operations for risk of corruption (see Ethics, integrity and compliance section, below).

Taxation governance

Sonic Healthcare is committed to ensuring full compliance with all statutory taxation obligations, including our understanding of the policy intent of legislation and full disclosure to tax authorities. Our approach to taxation is described in our Taxation Governance document.

Sonic supports the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) and has followed these principles during the 2023 financial year.

Further information relating to our corporate governance framework, charters, codes of practice and policies can be found in the Sustainability section of our website and in our Annual Report 2023.

Ethics, integrity and compliance

Why is it important?

Sonic recognises that the trust our stakeholders place in us is an extremely valuable asset. It provides us with the social licence to operate, critical for any successful healthcare organisation.

Managing risk responsibly and acting ethically, with absolute integrity, and in compliance with all legal and regulatory obligations, allows Sonic Healthcare to fulfil the expectations of our stakeholders and demonstrate that we deserve their trust.

We remain acutely aware that any breach of trust between our organisation and our stakeholders could undermine our good reputation, give advantage to our competitors or negatively impact our enterprise value.

Our approach

In order to comply with our legal and regulatory obligations and meet the sometimes higher standards of conduct that our stakeholders expect, the Sonic Board and management team have developed a set of core policies, procedures and internal controls.

The shared values and standards of behaviour expected of all those who represent Sonic and act on their behalf are described in our Code of Conduct, Anti-bribery and Corruption and Global Whistleblower policies.

Our employees play a critical role in maintaining our culture of integrity and compliance. Every person who represents Sonic is responsible for setting the highest standards for themselves and is accountable for their behaviour. Regional management teams are responsible for training all personnel to ensure familiarity with policy expectations and breach-reporting mechanisms.

We encourage employees to notify a responsible person if they know or suspect that the conduct of others is inconsistent with our policies, applicable laws, regulations and standards. The Sonic Healthcare Global Whistleblower Policy aims to promote a workplace culture in which our people feel safe, supported and encouraged to speak up about improper conduct.

The policy describes how stakeholders can make confidential and, if necessary, anonymous notifications to senior management or to an independent third party, and details the protections afforded to those who do so. Sonic treats every report of misconduct seriously and investigates all incidents.

We take all necessary actions to address substantiated issues including discipline, training and implementation of enhanced policies, processes, controls and systems.

Our internal business assurance program (BAP) team and external auditors are responsible for monitoring all of Sonic's operations for risk of corruption. Any material breaches of the company's Anti-bribery and Corruption Policy, Code of Conduct or any material incidents reported under the company's Global Whistleblower Policy uncovered by the BAP team must be reported to the Audit Committee, which answers to the Board. The Risk Management Committee also considers the implications of any material breach of Sonic policy.

No critical concerns were reported during FY2023.

In FY2022 Sonic's Board and senior management team identified ethics, integrity and compliance as a material topic and set the goal of providing formal training in each of our key policies[1] to all relevant staff by 30 June 2025. To support the achievement of this goal we are investigating the use of standardised policy training programs and the establishment of effective tools to monitor and report on their effectiveness.

Animal testing

Sonic Healthcare does not undertake any testing on animals.

1 Code of Conduct, Anti-bribery and Corruption Policy, Whistleblower Policy, Labour Standards and Human Rights Policy, Privacy Policy, Workplace Health and Safety Policy, Supplier Policy

Privacy and information security

Why is it important?

Sonic's services rely on access to sensitive personal and medical data. Protecting data privacy while using data ethically and responsibly is fundamental to maintaining the trust of our stakeholders and growing our business.

While we are excited by the opportunities afforded by artificial intelligence (AI), the digitisation of healthcare services and evolving data-driven technologies, we are also mindful that any potential benefit must be considered within the context of complex international data security and privacy regulations and the increasingly hostile cyber threat landscape.

Constant vigilance is required to safeguard privacy and avoid data breaches that can expose individuals to harms, such as identity theft, and the organisation to consequences, such as interruptions to business continuity, reputational damage, fines and litigation.

Our approach

Sonic Healthcare is committed to ensuring that personal information is obtained and collected lawfully, transparently and with consent.

As described in Sonic Healthcare's Privacy Policy and Data Security Statement, the Sonic Board is responsible for oversight of the Group's data protection, cybersecurity and privacy management frameworks. Management, including the Group Chief Information Officer and regional Chief Information Security Officers, is responsible for safeguarding privacy, assessing data security risks and maintaining information management systems.

Sonic Healthcare complies with the Australian privacy legislation, including the *Privacy Act 1988* (Cth) and Australian Privacy Principles (APP), and the applicable laws and regulations of the countries in which we operate, including HIPPA (USA), GDPR (Europe), DPA (UK), DPA and GDPR (Switzerland).

All our information security systems are based on ISO/IEC 27001 and audited to recognised jurisdictional standards, including National Institute of Standards in Technology (NIST) SP 800-53. In Australia, protected systems are audited to ISO/IEC 27001 and the Australian Government Information Security Manual (ISM-IRAP).

Sonic uses the ISO/IEC 27001 framework for our Information Security Management Systems, and independent audits of all our systems are conducted using the NIST SP 800-53 maturity framework. This cybersecurity standard and compliance framework defines standards, controls and assessments based on risk, cost-effectiveness and capabilities.

This framework is continuously updated and widely accepted as a measure of the maturity of an organisation's cybersecurity systems, and we have identified annual improvement in our NIST framework scores as a target in our Sustainability Strategy. Issues identified through the most recent NIST audit are subject to quarterly management review, to assess progress and implement further corrective action if required.

Sonic meets or exceeds all relevant in-country statutory requirements, and participates as members of various health-specific cybersecurity-focused organisations, including the Health Information Sharing and Analysis Centre (H-ISAC, N-HISAC, etc.). We also actively engage with key members of government cybersecurity centres in the countries in which we operate.

All users accessing our IT systems participate in information-security-awareness training and are only given access levels appropriate to their needs. Our well-resourced IT division maintains a specialist cybersecurity unit and personal, physical, operational and technical controls are in place to detect and prevent cybersecurity breaches and service interruptions.

For further information, please refer to our Data Security Statement on our website.

Human rights

Why is it important?

Sonic's purpose is to improve people's lives by providing access to safe, high-quality healthcare services, and to do so ethically and with integrity. As a global healthcare organisation with diverse supply chains and operations, we take seriously our responsibility to defend the human rights that support each individual's entitlement to health, education and a decent standard of living, free from oppression and all forms of modern slavery. We also acknowledge the danger of significant reputational damage if our activities are associated with human rights violations within our operations or supply chain.

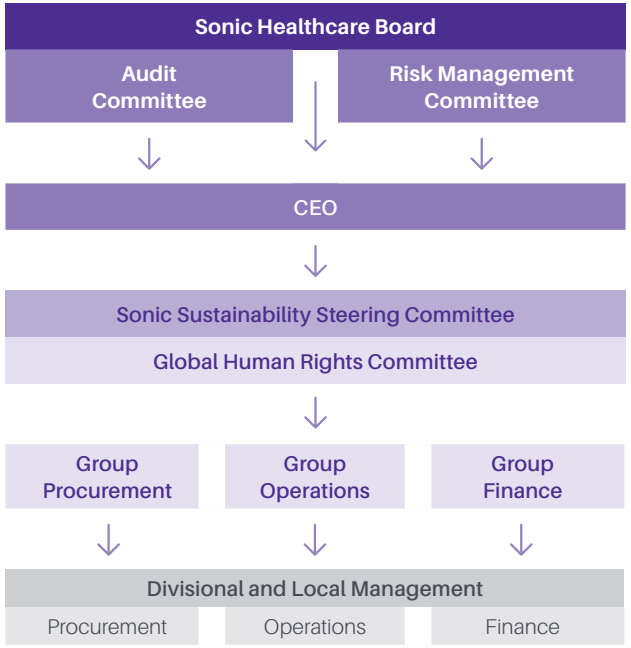
Our approach

Sonic's approach to human rights and the management of modern slavery risks are overseen by the Sonic Healthcare Board and supported by the Board's Risk Management Committee and Sonic Sustainability Steering Committee.

The Global Human Rights Committee (previously known as the Modern Slavery Working Group) reports to the Sonic Sustainability Steering Committee and includes senior group executives with representation from management, procurement, operations (including culture and communications) and finance.

The Global Human Rights Committee (GHRC) is responsible for identifying and managing modern slavery risks within our operations and supply chains, implementing mitigating actions, and affecting change where required. The diagram to the right shows the governance framework of the GHRC.

The GHRC meets at least twice per year and provides an annual presentation to the Risk Management Committee before the publication of the annual Modern Slavery Statement, which then goes to the full Board for approval. Modern slavery awareness topics are also a formal component of global meetings involving senior executives and procurement leaders.



5 GENDER EQUALITY
Target 5.2

8 DECENT WORK AND ECONOMIC GROWTH
Target 8.7

10 REDUCED INEQUALITIES
Target 10.2

Employee training has an important role to play in the identification and appropriate escalation of human rights issues. Sonic is currently rolling out a targeted interactive online training module to educate global employees about modern slavery and broader human rights violation risks. To date 10,600 Sonic employees have completed the training. Ninety-five per cent of staff with higher exposure to modern slavery risks, including management, procurement, finance and human resources staff, have completed the modern slavery training course.

Modern slavery risks

Our primary operations are conducted in developed nations with well-established legislation, policies and procedures that abide by the recommendations of the United Nation's Guiding Principles on Business and Human Rights. Accordingly, we have determined that the risk of Sonic causing or contributing to modern slavery within our own operations is very low.

However, Sonic recognises the potential that we may be directly linked to adverse human rights impacts as a result of our business relationships with our more than 16,000 direct (Tier 1) suppliers across our seven countries of operation, in addition to the many thousands of Tier 2 (and beyond) suppliers with whom we do not have a direct relationship.

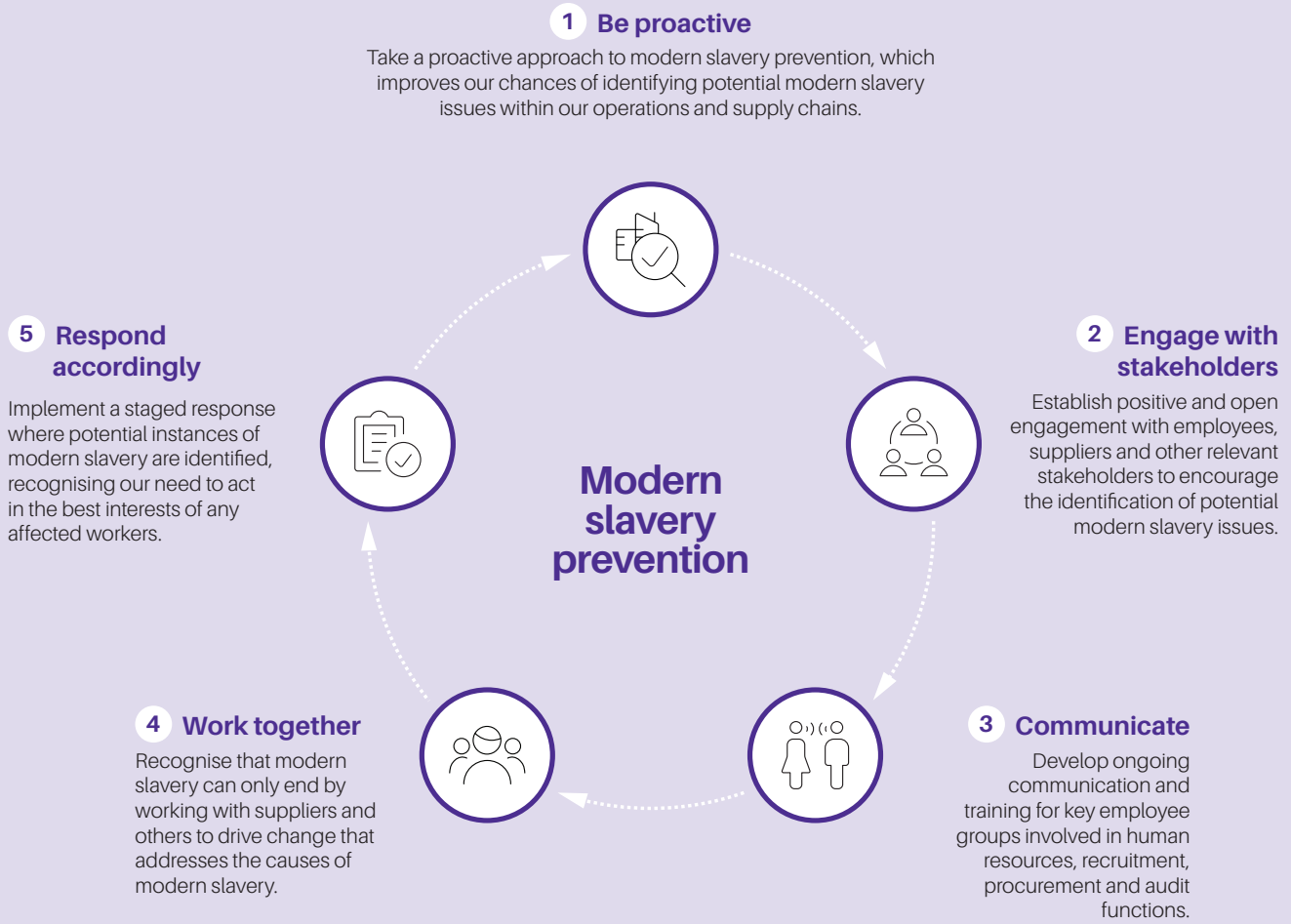
Modern slavery framework

In order to minimise the risk of modern slavery practices in our supply chain, we apply the principles shown in the graphic on this page to guide our approach.

Our supply chains provide highly technical and specialised equipment and consumables related to medical diagnostics and other healthcare services. While Sonic actively seeks opportunities to use local suppliers, our supply chains often involve global suppliers who provide products and services to Sonic's businesses across our seven countries of operation. We use a variety of information sources to highlight areas of potential concern, including:

- supplier modern/slavery/human rights questionnaires
- employee and other stakeholder reports of potential or actual instances of human rights violations
- media monitoring and notices of government importation prohibitions, e.g. the U.S. Customs and Border Protection Withhold Release Order and Findings List
- periodic validation of supplier adherence to Sonic's Supplier Policy through annual supplier business meetings and desk-top supplier site audits.

Principles used to guide Sonic's approach to modern slavery risks



Given the increasing complexity around assessing modern slavery risks deeper in our supply chains, we focused our efforts in FY2023 on higher-risk product and service categories, including medical consumables, cleaning services, logistics, transport and waste services.

Case study 1 (Sourcing disposable gloves) and Case study 2 (Cleaning services), detailed in our 2023 Modern Slavery Statement (pp. 22–23), illustrate two specific instances during FY2023 where the elements of our modern slavery framework have been successfully applied.

Sonic's modern slavery framework is supported by a range of policies and charters that require staff to operate ethically, safely and legally, including our Labour Standards and Human Rights Policy, Diversity Policy, Modern Slavery Statement 2023 and Supplier Policy. Some of these policies are specifically relevant to modern slavery, while others reference more general human rights requirements.

Our global Supplier Policy makes specific reference to modern slavery risks and requires that our suppliers commit to eradicating all forms of modern slavery in their operations and supply chains. All staff involved in procurement and all suppliers are required to read and understand our Supplier Policy. Suppliers are required to agree to abide by the standards described in this policy before they enter into contracts with us.

For more information, please see Sonic Healthcare's Modern Slavery Statement 2023.

Summary of key actions for FY2023

1	**Expansion of supplier due diligence questionnaire program**	■ 40% of Sonic's suppliers (by spend) have completed the questionnaire and/or provided their own Modern Slavery Statement to help determine and quantify supplier risk.
2	**Continued expansion of employee awareness and capability**	■ Employee training program expanded to all countries of operation. ■ 10,600 employees trained to date. ■ >95% completion rate in key employee groups.
3	**Improved governance**	■ Scope of the Global Human Rights Committee was defined more explicitly and processes for investigation were formalised. ■ Composition of the Committee expanded to include a senior management representative from every country of operation.
4	**Updated policies**	■ Relevant policies were reviewed and updated to better define Sonic's expectations for key stakeholders.
5	**Improved supplier compliance and selection process**	■ Human rights and modern slavery clauses integrated into key contracts. ■ Commenced investigation of supplier onboarding system.
6	**Monitoring for new and emerging risks**	■ Vigilant scanning of various information sources to detect new and emerging risks.

Appendices

Sustainability metrics

Operations	FY2023	FY2022	FY2021	FY2020
Countries of operation	7	7	7	8
Countries where we are ranked No. 1 (market share)	4	4	4	4
Patient consultations (millions)	126	145	138	116
Number of laboratories	256	261	266	265
Number of collection or patient services centres	2,979	3,054	3,039	2,926
Number of radiology clinics	123	123	109	106
Number of medical centres	215	217	217	230
Number of external accreditations, audits or reviews	2,704	2,644	2,641	1,287
Number of internal operational audits or reviews	4,727	4,434	4,117	3,569
Operations suspended due to adverse accreditation or audit findings	Nil	Nil	Nil	Nil

Economic	FY2023	FY2022	FY2021	FY2020
Revenue (A$M)	8,169	9,340	8,754	6,832
Net profit (A$M)	685	1,461	1,315	528
Dividends paid to shareholders (A$M)	491	475	435	405
Total assets (A$M)	13,015	12,552	11,761	12,127
Debt cover (times)	0.6	0.3	0.4	1.8
Total payments to staff (A$M)[1]	3,517	3,336	3,078	2,936
Total taxes paid (A$M)[2]	653	678	613	380
Total taxes remitted to tax authority on behalf of staff (A$M)	857	832	675	641

1 Total remuneration including superannuation and pension contributions
2 Direct and indirect taxes, levies and duties, including employment-related taxes but excluding taxes paid on behalf of employees and GST/VAT

Workforce	FY2023	FY2022	FY2021	FY2020
Headline numbers				
Total workforce	**40,594**	41,478	38,594	36,443
Women in workforce	**73.1%**	73.8%	74.1%	74.5%
Women in executive senior leadership roles[3-1]	**39.5%**	38.0%	36.4%	38.1%
Women in total senior leadership positions[3-2]	**53.3%**	52.8%	52.6%	53.3%
Science-based roles	**43.3%**	39.7%	42.1%	36.0%
Women in science-based roles	**73.2%**	73.5%	73.0%	73.8%
Employees engaged in part-time employment	**33.2%**	33.4%	34.0%	34.7%
Temporary staff and contractors engaged within total workforce	**3.7%**	3.1%	2.5%	2.2%
Employees with more than 10 years of service	**29.3%**	28.8%	30.0%	31.3%
Voluntary employee turnover	**16.5%**	20.0%	16.5%	12.7%
Voluntary senior leadership turnover	**3.7%**	4.5%	1.9%	3.0%
Absenteeism	**3.7%**	3.6%	3.0%	3.0%
Employees with access to an employee assistance program (EAP)	**78.6%**	78.5%	not available	not available
Training courses and modules completed by staff	**231,601**	144,627	77,051	not available
Training hours per employee	**16.0**	not available	not available	not available
Employees who took parental leave during the year	**2.3%**	2.4%	2.0%	2.2%
Employees who returned after taking parental leave	**80.6%**	83.2%	84.1%	85.7%
Employees still employed 12 months after returning from parental leave	**78.9%**	77.1%	not available	not available
Lost time injuries per million hours worked (LTIFR)[4]	**3.6**	3.3	5.3	4.5
Number of employee injuries[4]	**201**	191	291	232
Total hours lost relating to the above injuries[4]	**43,656**	32,383	65,668	45,102
Average number of days lost per injury[4]	**20.1**	21.2	28.2	24.3

3-1 Executive senior leadership group includes CEO or head of each reporting unit and their executive management teams
3-2 Total senior leadership includes executive senior leadership group, other managers, pathologists, radiologists and other doctors
4 A lost-time Injury is defined as an occurrence that resulted in a fatality, permanent disability or time lost from work greater than eight hours

Workforce	FY2023	FY2022	FY2021	FY2020
Headline numbers				
Lost time hours as a percentage of total hours	**0.07%**	0.05%	0.11%	0.08%
Fatalities	**Nil**	Nil	Nil	Nil
Number of non-employee injuries[5]	**14**	14	not available	not available

5 Non-employees included contractors and students but excluded other third parties, such as patients

Headcount by country (includes all employees and contractors as at the end of FY2023)	Women	Men	Total	% women
Australia	14,908	4,495	19,403	76.8%
Belgium	336	163	499	67.3%
Germany	5,754	2,282	8,036	71.6%
New Zealand	140	59	199	70.4%
Switzerland	1,077	400	1,477	72.9%
United Kingdom	1,591	1,097	2,688	59.2%
United States	5,884	2,408	8,292	71.0%
Total	**29,690**	**10,904**	**40,594**	**73.1%**

Headcount by division (includes all employees and contractors as at the end of FY2023)	Women	Men	Total	% women
Pathology	24,021	9,297	33,318	72.1%
Radiology	2,605	860	3,465	75.2%
Clinical Services	2,925	354	3,279	89.2%
Corporate (global management and services)	139	393	532	26.1%
Total	**29,690**	**10,904**	**40,594**	**73.1%**

Workforce

Headcount by role (includes all employees and contractors as at the end of FY2023)	Women	Men	Total	% women
Medical - doctors	946	1,034	1,980	47.8%
Scientists, technologists, nurses, etc.	11,929	3,686	15,615	76.4%
Phlebotomist	7,037	767	7,804	90.2%
Courier driver	884	2,273	3,157	28.0%
Executive senior leadership (non doctors)[6]	152	191	343	44.3%
Other (clerical, admin support, etc.)	8,742	2,953	11,695	74.7%
Total	**29,690**	**10,904**	**40,594**	**73.1%**
Total executive senior leadership (both doctors and non doctors)[6]	179	274	453	39.5%

6 CEO or head of each reporting business unit and their executive management teams

Headcount by employment status (includes employees only as at the end of FY2023)	Women	Men	Total	% women
Full-time	15,515	7,346	22,861	67.9%
Part-time	10,978	2,245	13,223	83.0%
Casual or temporary	2,704	1,041	3,745	72.2%
Total	**29,197**	**10,632**	**39,829**	**73.3%**

Headcount by age bracket (includes employees only as at the end of FY2023)	Women	Men	Total	% women
Under 20 years old	338	103	441	76.6%
20 to 29 years old	6,007	2,212	8,219	73.1%
30 to 39 years old	6,537	2,354	8,891	73.5%
40 to 49 years old	6,083	2,074	8,157	74.6%
50 to 59 years old	6,265	1,882	8,147	76.9%
60 to 69 years old	3,566	1,532	5,098	69.9%
70 years old and over	401	475	876	45.8%
Total	**29,197**	**10,632**	**39,829**	**73.3%**

Workforce

		Voluntary turnover		
Turnover (voluntary[7]) for the employed workforce by country for FY2023	Total employed workforce	Women	Men	Total
Australia	19,176	21.8%	16.6%	20.6%
Belgium	467	9.6%	7.9%	9.0%
Germany	8,012	10.6%	9.0%	10.1%
New Zealand	199	44.9%	27.1%	39.6%
Switzerland	1,467	7.9%	6.9%	7.6%
United Kingdom	2,467	11.4%	9.3%	10.6%
United States	8,041	17.5%	13.6%	16.4%
Total	**39,829**	**17.7%**	**13.2%**	**16.5%**

7 Voluntary turnover excludes leavers who retire, transfer internally, are made redundant or are temporary casual relief workers

New hires by country for FY2023	Women	Men	Total	% women
Australia	3,759	1,034	4,793	78.4%
Belgium	31	16	47	66.0%
Germany	770	387	1,157	66.6%
New Zealand	39	11	50	78.0%
Switzerland	206	59	265	77.7%
United Kingdom	334	202	536	62.3%
United States	1,763	564	2,327	75.8%
Total	**6,902**	**2,273**	**9,175**	**75.2%**
Senior managers hired (included in above)	33	21	54	61.1%

Workforce

New hires by age bracket for FY2023	Women	Men	Total	% women
Under 20 years old	303	87	390	77.7%
20 to 29 years old	2,708	899	3,607	75.1%
30 to 39 years old	1,653	537	2,190	75.5%
40 to 49 years old	1,144	300	1,444	79.2%
50 to 59 years old	764	219	983	77.7%
60 to 69 years old	283	186	469	60.3%
70 years old and over	47	45	92	51.1%
Total	**6,902**	**2,273**	**9,175**	**75.2%**

	Taken during the year				
Parental leave for FY2023	Women	Men	Total	Return rate after leave[8]	Employed 12 months after return[9]
Australia	407	69	476	83.4%	77.8%
Belgium	5	2	7	85.7%	70.0%
Germany	159	40	199	72.7%	76.9%
New Zealand	4	-	4	100.0%	100.0%
Switzerland	41	6	47	92.3%	87.0%
United Kingdom	45	33	78	68.8%	96.2%
United States	103	16	119	81.8%	72.0%
Total	**764**	**166**	**930**	**80.6%**	**78.9%**

8 Reflects the staff who returned to work in FY2023 at the end of their parental leave
9 Reflects the staff who were still employed 12 months after their FY2022 return from parental leave

Workforce

LTIFR information for the last four years	LTIFR	Lost hours[10]	Total number of lost hours	Total number of injuries[11]
FY2023	**3.63**	**0.07%**	**43,656**	**201**
FY2022	3.30	0.05%	32,383	191
FY2021	5.28	0.11%	65,668	291
FY2020	4.53	0.08%	45,102	232

Lost time by region for FY2023	LTIFR	Lost hours[10]	No. of lost hours	Total number of injuries[11]
Australia/NZ	5.27	0.09%	27,488	130
Europe	2.97	0.04%	7,552	49
United States	1.54	0.05%	8,616	22
Total	**3.63**	**0.07%**	**43,656**	**201**

Lost time by division for FY2023	LTIFR	Lost hours[10]	No. of lost hours	Total number of injuries[11]
Pathology	3.74	0.07%	36,753	174
Radiology	2.53	0.04%	1,924	11
Clinical Services	4.36	0.12%	4,979	16
Total	**3.63**	**0.07%**	**43,656**	**201**

10 As a percentage of total hours
11 Injury that has resulted in time lost from work greater than 8 hours

Community	FY2023	FY2022	FY2021	FY2020
Donations (A$M)[12]	3.58	3.45	2.50	2.56
Sponsorships of medical bodies or events (A$M)	4.20	3.58	2.87	3.36
External stakeholders trained	9,001	3,491	3,461	not available
Scientific papers published in peer-reviewed journals	216	>380	not available	not available

12 Donations excludes the A$40M cash injection by Sonic Healthcare into the Sonic Healthcare Foundation

Environmental	FY2023	FY2022	FY2021	FY2020
Motor vehicles in the fleet	3,108	3,149	2,991	2,980
Kilometres travelled by the fleet (million kms)	120.9	116.8	116.4	117.0
Electric or hybrid motor vehicles in the fleet	17.1%	10.3%	7.1%	4.6%
Vehicles in the fleet with a four-cylinder engine or less	97.3%	96.3%	96.0%	96.0%
Electricity generated by solar installations (kWh)	1,198,441	1,101,879	808,182	not available
Installed solar panel capacity (kW)	1,135	1,032	912	697
Waste recycling rate – Australia[13]	23.0%	17.3%	15.4%	not available
Reduction in radiological film year on year	15.7%	27.9%	18.1%	33.5%
Water consumption (kL)[14]	333,582	319,892	345,409	332,980
Consumption (kL) per square metres	1.20	1.14	1.29	1.25
Environmental fines or sanctions	1	Nil	Nil	Nil

13 Recycled waste as a proportion of total waste produced by facilities under direct operational control of waste management services
14 Reflects the water consumption at facilities greater than 1,000 square metres in size where water is separately metered

Energy consumption and emissions data

Notes on tables 1-11

Scope 1 and 2 greenhouse gas (GHG) emissions have been calculated in alignment with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

Scope 3 greenhouse gas (GHG) emissions have been calculated in alignment with the following Greenhouse Gas Protocol documents:

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- The Greenhouse Gas Protocol: Technical Guidance for Calculating Scope 3 Emissions

The greenhouse gases included in the emissions calculations are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HCFs), perfluorocarbons (PCFs) and sulphur hexafluoride (SF_6).

Emissions factors (EFs) used in the calculations are sourced from the US Environmental Protection Agency (EPA), the Australian National Greenhouse Accounts (NGA) and National Greenhouse and Energy Reporting (NGER), Department of Climate Change, Energy, the Environment and Water, EU Default Emissions Factors for the Member States, German Federal Environment Agency, German Federal Ministry of Housing, Urban Development and Planning (BMWSB), UK Government and Department for Environment, Food and Rural Affairs (DEFRA) GHG conversion factors, Association of Issuing Bodies (AIB) 2021 and New Zealand Ministry for Environment (NZ MIE) publications.

Where country-specific scope 1 EFs were not readily available, NGA EFs were applied as proxy EFs for the following reasons:

- Sonic is headquartered in Australia
- Australia's total GHG emissions are the most material component of the global baseline
- NGA methods used at the national level are consistent with international guidelines and are subject to international expert review each year.

FY2021 and FY2022 data has been restated to reflect:

- an estimate of refrigerant gases and dry ice (FY2023 estimates have been used in FY2021 and FY2022 restatements)
- the application of a stricter definition of operational control as applied to FY2023 data
- the influence of material acquisitions.

FY2021 was chosen as the base year for emissions comparison due to the availability of global data. It may not reflect business as usual due to the influence of the COVID-19 pandemic.

Fugitive emissions from refrigerant gases were estimated only for sites at which Sonic is responsible for maintenance of HVAC systems.

TABLE 1

Restated FY2021 base-year direct (scope 1) and indirect (scope 2, location-based) energy consumption by country	Scope 1 (GJ)	Scope 2 (GJ)	Scope 1+2 (GJ)	% of total scope 1+2
Australia	128,907	266,981	395,888	39.4%
Belgium	17,681	10,986	28,667	2.8%
Germany	102,592	106,009	208,601	20.8%
New Zealand	1,822	2,264	4,086	0.4%
Switzerland	14,375	15,963	30,338	3.0%
United Kingdom	11,442	28,385	39,827	4.0%
United States	167,172	130,046	297,218	29.6%
Total	**443,991**	**560,634**	**1,004,625**	**100%**

Energy consumption and greenhouse gas (GHG) emissions data

TABLE 2

Restated FY2021 base-year direct (scope 1) and indirect (scope 2, location-based) GHG emissions by country	Scope 1 (tCO_2-e)	Scope 2 (tCO_2-e)	Scope 1+2 (tCO_2-e)	% of total scope 1+2
Australia	11,462	57,722	69,184	57.0%
Belgium	1,219	604	1,823	1.5%
Germany	7,215	10,571	17,786	14.7%
New Zealand	127	87	214	0.2%
Switzerland	1,017	53	1,070	0.9%
United Kingdom	897	1,674	2,571	2.1%
United States	12,740	15,895	28,635	23.6%
Total	**34,677**	**86,606**	**121,283**	**100%**

TABLE 3

Restated FY2022 (previous-year) direct (scope 1) and indirect (scope 2, location-based) energy consumption by country	Scope 1 (GJ)	Scope 2 (GJ)	Scope 1+2 (GJ)	% of total scope 1+2
Australia	104,355	270,889	375,244	38.4%
Belgium	15,188	10,466	25,654	2.6%
Germany	97,197	97,494	194,691	20.0%
New Zealand	1,847	2,282	4,129	0.4%
Switzerland	14,291	17,104	31,395	3.2%
United Kingdom	11,012	28,730	39,742	4.1%
United States	168,183	137,638	305,821	31.3%
Total	**412,073**	**564,603**	**976,676**	**100%**

Energy consumption and GHG emissions data

TABLE 4

Restated FY2022 (previous-year) direct (scope 1) and indirect (scope 2, location-based) GHG emissions by country	Scope 1 (tCO_2-e)	Scope 2 (tCO_2-e)	Scope 1+2 (tCO_2-e)	% of total scope 1+2
Australia	11,309	57,518	68,827	56.3%
Belgium	1,057	576	1,633	1.3%
Germany	6,933	10,992	17,925	14.7%
New Zealand	129	94	223	0.2%
Switzerland	1,071	57	1,128	0.9%
United Kingdom	896	1,543	2,439	2.0%
United States	14,401	15,576	29,977	24.6%
Total	**35,796**	**86,356**	**122,152**	**100%**

TABLE 5

FY2023 (current-year) direct (scope 1) and indirect (scope 2, location-based) energy consumption by country	Scope 1 (GJ)	Scope 2 (GJ)	Scope 1+2 (GJ)	% of total scope 1+2
Australia	93,887	263,086	356,973	34.9%
Belgium	14,779	10,218	24,997	2.4%
Germany	93,997	166,548	260,545	25.5%
New Zealand	1,602	2,256	3,858	0.4%
Switzerland	24,520	16,998	41,518	4.1%
United Kingdom	10,974	29,452	40,426	4.0%
United States	156,223	136,392	292,615	28.7%
Total	**395,982**	**624,950**	**1,020,932**	**100%**

Energy consumption and GHG emissions data

TABLE 6

FY2023 (current-year) direct (scope 1) and indirect (scope 2, location-based) GHG emissions by country	Scope 1 (tCO_2-e)	Scope 2 (tCO_2-e)	Scope 1+2 (tCO_2-e)	% of total scope 1+2
Australia	10,630	48,398	59,028	54.1%
Belgium	1,025	460	1,485	1.4%
Germany	6,754	10,112	16,866	15.4%
New Zealand	116	77	193	0.2%
Switzerland	1,146	54	1,200	1.1%
United Kingdom	939	1,694	2,633	2.4%
United States	11,893	15,838	27,731	25.4%
Total	**32,503**	**76,633**	**109,136**	**100%**

See page 23 for FY2023 scope 2 market-based emissions figure

TABLE 7

Change in direct (scope 1) and indirect (scope 2 location-based) GHG emissions by country between FY2023 (current year), FY2022 (previous year) and FY2021 (base year)	FY2023 scope 1+2 (tCO_2-e)	FY2022 scope 1+2 (tCO_2-e)	FY2021 scope 1+2 (tCO_2-e)	% change scope 1+2 FY2023 to FY2022	% change scope 1+2 FY2023 to FY2021
Australia	59,028	68,827	69,184	-14.2%	-14.7%
Belgium	1,485	1,633	1,823	-9.1%	-18.5%
Germany	16,866	17,925	17,786	-5.9%	-5.2%
New Zealand	193	223	214	-13.5%	-9.8%
Switzerland	1,200	1,128	1,070	6.4%	12.1%
United Kingdom	2,633	2,439	2,571	8.0%	2.4%
United States	27,731	29,977	28,635	-7.5%	-3.2%
Total	**109,136**	**122,152**	**121,283**	**-10.7%**	**-10.0%**

Energy consumption and GHG emissions data

TABLE 8

Change in direct (scope 1) GHG emissions by country between FY2023 (current year), FY2022 (previous year) and FY2021 (base year)	FY2023 scope 1 (tCO_2-e)	FY2022 scope 1 (tCO_2-e)	FY2021 scope 1 (tCO_2-e)	% change scope 1 FY2023 to FY2022	% change scope 1 FY2023 to FY2021
Australia	10,630	11,309	11,462	-6.0%	-7.3%
Belgium	1,025	1,057	1,219	-3.0%	-15.9%
Germany	6,754	6,933	7,215	-2.6%	-6.4%
New Zealand	116	129	127	-10.1%	-8.7%
Switzerland	1,146	1,071	1,017	7.0%	12.7%
United Kingdom	939	896	897	4.8%	4.7%
United States	11,893	14,401	12,740	-17.4%	-6.6%
Total	**32,503**	**35,796**	**34,677**	**-9.2%**	**-6.3%**

TABLE 9

Change in indirect (scope 2, location-based) GHG emissions by country between FY2023 (current year), FY2022 (previous year) and FY2021 (base year)	FY2023 scope 2 (tCO_2-e)	FY2022 scope 2 (tCO_2-e)	FY2021 scope 2 (tCO_2-e)	% change scope 2 FY2023 to FY2022	% change scope 2 FY2023 to FY2021
Australia	48,398	57,518	57,722	-15.9%	-16.2%
Belgium	460	576	604	-20.1%	-23.8%
Germany	10,112	10,992	10,571	-8.0%	-4.3%
New Zealand	77	94	87	-18.1%	-11.5%
Switzerland	54	57	53	-5.3%	1.9%
United Kingdom	1,694	1,543	1,674	9.8%	1.2%
United States	15,838	15,576	15,895	1.7%	-0.4%
Total	**76,633**	**86,356**	**86,606**	**-11.3%**	**-11.5%**

Energy consumption and GHG emissions data

TABLE 10

Scope 3 GHG emissions estimation (GHG protocol categories 1-9) by category for FY2023 (current year), FY2022 (previous year) and FY2021 (base year)	FY2023 scope 3 (tCO_2-e)	FY2022 scope 3 (tCO_2-e)	FY2021 scope 3 (tCO_2-e)	FY2023 percentage of total scope 3 emissions split by category
Scope 3 Category				
1. Purchased goods and services	244,605	286,675	298,542	50.6%
2. Capital goods	73,782	56,273	61,014	15.3%
3. Fuel and energy-related activities	16,670	20,723	14,407	3.5%
4. Upstream and downstream transportation and distribution (includes category 9 estimate as unable to separate data)	73,904	74,719	70,466	15.3%
5. Waste generated in operations	22,657	23,252	29,327	4.7%
6. Business travel	5,359	2,807	1,706	1.1%
7. Employee commuting	24,292	23,152	23,178	5.0%
8. Upstream leased assets	21,988	25,000	26,900	4.5%
Total estimated scope 3 emissions	**483,257**	**512,601**	**525,540**	**100%**

See pages 25–26 for more information on Sonic's scope 3 GHG emissions

TABLE 11

Global scope 1, 2 and 3 GHG emissions by scope and total	FY2023 (tCO_2-e)	FY2022 (tCO_2-e)	FY2021 (tCO_2-e)	FY2023 percentage split by scope
Emissions				
Total global scope 1	32,503	35,796	34,677	5.5%
Total global scope 2 (location-based)	76,633	86,356	86,606	12.9%
Total global scope 3 (GHG protocol categories 1-9)	483,257	512,601	525,540	81.6%
Total global scope 1, 2 & 3 emissions	**592,393**	**634,753**	**646,823**	**100%**

Task Force on Climate-related Financial Disclosures (TCFD) – Qualitative disclosure

Governance	
a) *Describe the Board's oversight of climate-related risks and opportunities.*	The Sonic Board is responsible for overseeing the Group's sustainability strategy and approving the annual Sustainability Report. The Risk Management Committee (RMC) comprises four members: three independent members of the Board and the Sonic CEO. It is responsible for the identification and assessment of material risks. The RMC is also charged with considering whether the Company's risk management framework deals adequately with contemporary and emerging risks, such as climate-related risks. The RMC assists the Board in its oversight responsibilities concerning the management of material risks, including climate-related risks. All Sonic Directors are entitled to attend RMC meetings, which occur at least twice each year. Discussion of the results of this TCFD-aligned qualitative climate-related risks and opportunities assessment has been added as an agenda item for the next RMC meeting scheduled for early 2024. Climate-related and other sustainability-associated risks are included as a scheduled agenda item for the RMC at least annually, or more frequently if new risks emerge or the materiality of identified risks changes.
b) *Describe management's role in assessing climate-related risks and opportunities.*	The Sonic Sustainability Steering Committee (SSSC) was established in 2022. The SSSC is chaired by the Sonic CEO and its members include CEOs from all of Sonic's major divisions, together with key senior global head office executives. The SSSC is charged with identifying material topics, agreeing on global sustainability targets and contributing to high-level assessment of emerging transitional and physical climate-related risk and opportunities. The global Director of Sustainability sits on the SSSC and coordinates global discussion and agreement of climate-related issues, including target setting and identification of transitional and physical risks and opportunities. The Director of Sustainability also oversees reporting requirements and monitors the progress of the divisions toward achieving global targets. The global Sustainability Manager answers to the Director of Sustainability and sits on the SSSC. The Sustainability Manager coordinates the efforts of the division-based sustainability leads and monitors emerging mandatory and voluntary reporting trends, working with external consultants to advance the maturity of Sonic's sustainability practices, including TCFD-aligned climate-related risk and opportunity assessment.

Strategy	
a) *Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.*	During FY2023, Sonic conducted a qualitative analysis of climate-related risks and opportunities in line with TCFD recommendations (see table of identified risks and opportunities, below). In the short term (2025), under both low- and high-emissions scenarios, acute and chronic physical risks, such as increased frequency and severity of extreme weather events and sustained higher or lower average temperatures, were rated as posing a medium risk to Sonic's operations and supply chain. In the medium (2030) to long term (2050) these risks increase to a rating of medium to high in the low- emissions scenario and high to severe under the high-emissions scenario. Transitional risks, such as increased regulation and consumer demand for lower environmental impact products, were also considered. In the short term, the residual risk is considered low-to-medium for Sonic, remaining low in the medium term under a high-emission scenario, but ranking as medium to high in the medium to long term under a low-emissions scenario. In the short, medium and long term, opportunities related to new products and services arising from the impacts of transitional and physical risks on Sonic's customers were assessed as having a residual opportunity rating of medium over both scenarios in the short-to-medium term, rising to a rating of high under a high-emissions scenario in the long term when health impacts are likely to be significant. The additional enhancement of ESG governance and disclosures provides little opportunity in the high-risk scenario; however, in a low-emissions scenario it becomes more important, ranking it as a medium opportunity in the short term, a high-ranked opportunity in the medium term and a significant opportunity in the long term. See the table, below, for a full list of identified climate-related risks and opportunities.

Strategy	
b) *Describe the impact of climate-related risks and opportunities on the organisation's business strategy and financial planning.*	The qualitative climate-related risks identified in this exercise will be incorporated into Sonic's business planning processes guiding specific consideration of climate-related impacts in the short, medium and long term on: ▪ physical asset locations, for example, data centres located on upper floors above ground level ▪ cost and availability of traditional and renewable energy sources to power operations ▪ expenditure on equipment, such as replacement of vehicles and old HVAC systems with lower emission, more energy-efficient models ▪ product development to address any emerging health needs ▪ engagement with suppliers to set expectations about alignment with Sonic's climate-related targets ▪ reassessment of disaster recovery plans. The quantitative assessment of climate-related risks and opportunities to be conducted in FY2024 will provide important information on financial materiality, further influencing strategy and financial planning decisions.
c) *Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.*	Under both a high- and low- (2°C or lower) emissions scenario, acute and chronic physical risks, such as increased frequency and severity of extreme weather events and sustained higher or lower average temperatures, have been identified as having the highest residual risk to Sonic's operations, supply chain and staff wellbeing. A significant degree of resilience against these risks is provided by the broad geographic spread of Sonic businesses globally and within each region, the diversity of suppliers we use and the existence of local disaster recovery plans. It has been our experience that even a severe weather event that impacts facilities and staff in one or more of our locations has not materially impacted Sonic's overall operations or enterprise value in the short term. We do, however, acknowledge the changing nature and frequency of these events and will continue to monitor the risks and adjust our strategy as appropriate. The transitional risks of increased regulations and customer demand for low environmental impact products may see the need for Sonic to increase operational expenditure on waste disposal or engage with new suppliers who provide innovation in areas such as single-use items. We have commenced implementation of sustainability clauses in supplier contracts and in our supplier policy to ensure the suppliers we engage with are aligned with Sonic's sustainability expectations and those of our customers. In addition, we have increased resources to support ESG data collection and disclosure, set emissions reduction targets and commenced the transition to lower emissions vehicles and renewably sourced power to reduce the risk of impacts, such as the introduction of carbon pricing by governments and enhanced ESG regulation in a low-emissions scenario.

Risk Management	
a) *Describe the organisation's process for identifying, and assessing climate-related risks.*	During FY2023, Sonic performed a qualitative assessment of climate-related risks across our global divisions. After conducting workshops with our international teams, eight climate-related risks were identified. Sonic's existing risk matrix was used to assign residual risk ratings to these risks, resulting in the table below, which shows the risks rated across both high- and low-emissions scenarios and over three time frames: short- (2025), medium-(2030) and long-term (2050). Building on this initial qualitative assessment, the financial impacts of the identified climate-related risks will be estimated in FY2024, providing a reference measurement of the monetary impacts each risk may pose. This foundational work will further enhance Sonic's climate-related disclosures in preparation for expected mandatory reporting against the new International Sustainability Standards Board (ISSB) disclosure standards and other emerging mandatory disclosure requirements across the jurisdictions in which we operate.
b) *Describe the organisation's process for managing climate-related risks.*	The highest-ranked climate-related risks over both emissions scenarios and in the short and medium term were related to the increased severity and/or frequency of extreme weather events and impact on physical assets, surrounding infrastructure, transport functions, supply chain operations and employee's ability to attend the workplace. While existing local disaster recovery plans are in place at most facilities, these will be reviewed in light of the identification and rating of the climate-related risks identified during this process. It should be noted, however, that due to the broad geographic spread of Sonic's businesses globally and within each region, the risk of significant impact in a single location is not considered to be material to Sonic's overall operations in the short term. Climate-related risks will be further explored in FY2024 with a quantitative assessment of identified risks that will aid in prioritisation of climate-related risks, guiding decisions associated with risk management.

Risk Management	
	It should be noted that climate-related risks that may not be material to Sonic's overall global operations may be material at some of our geographic locations, especially those where severe weather events have become more common. Climate-related risks may therefore be rated differently on local risk registers and, accordingly, more actively managed in these divisions.
c) *Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.*	The outcomes of this qualitative climate-related risk assessment will be reviewed by the Board's Risk Management Committee at its next meeting early in 2024. The outcome of the quantitative assessment planned for FY2024 will be included in the subsequent annual review and if any climate-related risks are considered material to Sonic's global operations they will be added to the RMC risk register and referred for inclusion in strategy and management decisions. Sonic's internal risk management policy documents the process of general identification, assessment, management and monitoring of risks. The 2024 review will update these documents to integrate processes that address climate-related risks.

Metrics and Targets	
a) *Disclose the metrics and targets used by the organisation to assess and manage relevant climate-related risks and opportunities.*	For Sonic, management of climate-related risks involves the reduction of emissions by sourcing renewable power and zero-emission fleets, together with the employment of increasingly environmentally friendly waste management practices. As shown on page 18 of this report, our Sustainability Strategy includes targets for emissions reduction both absolute (43% in scope 1 and 2 emissions by 2030, net-zero across all scopes by 2050) and emissions intensity (reduce waste to landfill intensity by at least 10% by 2026). The base year for measurement is FY2021. Sonic measures and discloses annual emissions across scope 1, 2 and 3 and calculates emissions intensity for scope 1+2 emissions. An intensity figure for waste to landfill will be added in subsequent reporting periods once data quality facilitates more accurate waste emissions estimates. The percentage of renewably sourced electricity and the proportion of hybrid and electric vehicles across our fleet are also monitored to assess progress toward reaching our published targets. In FY2023 our first scope 3 emissions data was estimated. Using this information, further targets and metrics will be developed for scope 3 emissions management. The remuneration of Sonic's Managing Director/CEO and Finance Director/CFO includes a short-term incentive (STI) plan, of which 20% is based on qualitative strategic objectives, including progress with the company's environmental, governance and sustainability objectives. This year it was agreed that 50% of the qualitative portion of the STI should relate to progress achieved against specific sustainability goals, including the completion of a qualitative climate-related risk assessment (see the Annual Report 2023, p. 34).
b) *Disclose scope 1, scope 2 and, if appropriate, scope 3 GHG emissions and related risks.*	In FY2022 Sonic disclosed global scope 1 and 2 emissions for base year FY2021 and its first reporting year, FY2022. This year we added the first estimate of scope 3 emission in Greenhouse Gas (GHG) Protocol categories 1–9 which fall within our established scope 3 boundary. The tables on pages 89–94 of this report show our global scope 1, 2 and 3 emissions estimates for FY2021 (base-year), FY2022 and FY2023. Risks related to the organisation's emissions and appropriate measures to reduce them include: ▪ increased regulation and consumer demand for lower environmental impact products ▪ governments introducing carbon pricing ▪ changes in external and internal interest in climate change which could influence the actions and choices of our customers and employees.
c) *Describe targets used by the organisation to manage climate-related risks and opportunities and performance against targets.*	As described above, Sonic has set a number of targets that are referenced locally, divisionally and globally, to guide the management of climate-related risks. Performance against these targets is detailed on pages 20–37 of this report and in the appendix tables 1–11, on pages 89–94.

Identified climate-related risks and opportunities and residual risk rankings

Risk ranking

Inconsequential	Low	Medium	High	Severe

	High emissions			Low emissions		
Risk name	**2025**	**2030**	**2050**	**2025**	**2030**	**2050**
Increased severity and/or frequency of extreme weather events impacts Sonic's operations and physical assets	M	H	S	M	H	H
Increased severity and/or frequency of extreme weather events disrupts Sonic's supply chain operations	M	M	H	M	M	M
Increased regulations and consumer demand for lower environmental impact products	L	L	M	M	M	H
Higher/lower than average surface temperatures and Increased severity and/or frequency of extreme weather events impacts Sonic's employees' productivity and wellbeing	L	L	M	L	L	L
Governments introducing Carbon Pricing to drive emissions reduction	I	L	L	I	H	L
Changes in external and internal stakeholder interest in climate action	I	L	L	I	M	L
Geopolitical tensions arising from physical climate impacts	I	I	H	I	L	M
Enhanced ESG related regulations	L	L	L	L	L	L

Opportunity ranking

Inconsequential	Low	Medium	High	Significant

	High emissions			Low emissions		
Opportunities	**2025**	**2030**	**2050**	**2025**	**2030**	**2050**
New products/services arising from transition or physical risk impacts on customers	M	M	H	M	M	M
Enhancing ESG governance and disclosures	L	L	L	M	H	S
Strategic position of collection and operational centres	L	M	H	L	M	L
Low-energy and resilient assets	M	M	M	M	M	M
Partnerships with shareholders and the community	M	L	L	M	H	H
Reduction in scope 2 emissions	L	L	L	M	H	H
Adoption of circular economy principles	I	I	I	L	M	H

- Residual risk takes into account Sonic's current risk control measures
- High-emissions scenario based on IPCC SSP 5-8.5 and IEA Stated Policies Scenario (STEPS)
- Low-emissions scenario based on IPCC SSP 1-1.9 and IEA Net Zero Emissions 2050 (NZE)

GRI general disclosures

GRI 2: GENERAL DISCLOSURES 2021		
GRI disclosure	**Description**	**Reference**
2-1	Legal name of organisation, ownership, headquarters and countries of operation	**Sonic Healthcare Limited (SHL)** Publicly listed company limited by shares under the Australian Corporations Act 2001. Sonic Healthcare Limited shares are listed on the Australian Securities Exchange (SHL.AX). Level 22, Grosvenor Place, 225 George Street, Sydney New South Wales, 2000, Australia www.sonichealthcare.com ■ Sonic has operations in seven countries – Australia, New Zealand, USA, Germany, UK, Switzerland and Belgium ■ Annual Report 2023 (p. 11)
2-2	Entities included in sustainability reporting	■ Entities are the same as those listed in the Annual Report 2023 (pp. 120–123)
2-3	Reporting period, frequency of sustainability reporting and contact	■ Sustainability reports (previously titled Corporate Responsibility Reports) are issued annually and cover the same period as Sonic Healthcare's financial reports, 1 July to 30 June. This report covers the period 1 July 2022 to 30 June 2023. ■ Contact sustainability@sonichealthcare.com
2-4	Restatements, reasons and effects	■ Sonic Healthcare scope 1 and 2 emissions data FY2021 and FY2022 has been restated to reflect: 1) an estimate of refrigerant gas and dry ice usage 2) the application of a stricter definition of operational control and 3) the influence of material acquisitions (pp. 23–24)
2-5	External assurance	■ About this report (p. 2)
2-6	Sectors in which SHL is active	■ About Sonic Healthcare (p. 6)
	Activities, products, services, markets	■ Our services (pp. 9–12) ■ Sustainable procurement (p. 37)
2-7	Employees by gender and region	■ Our workforce (p. 40) ■ Sustainability metrics (p. 83)
2-8	Workers who are not employees	■ Our workforce (p. 41) ■ Sustainability metrics (p. 84)

GRI 2: GENERAL DISCLOSURES 2021		
GRI disclosure	**Description**	**Reference**
2-9	Governance structure, responsibility for overseeing impacts on economy, environment and people	▪ Annual Report 2023 (pp. 24–27 & 54–65) ▪ Board Charter (pp. 4–5) ▪ Sustainability governance (p. 16)
2-10	Nomination and selection process for the highest governance body	▪ Annual Report 2023 (p. 56)
2-11	Report if the chair of the highest governance body is also a senior executive	▪ The SHL Chairman is a non-executive independent Director
2-12	Role of the highest governance body and senior executives in setting sustainability purpose, value, mission, policies and goals	▪ Annual Report 2023 (pp. 54, 59) ▪ Board Charter (pp. 4–5) ▪ Sustainability governance (p. 16)
2-13	Delegation of responsibility for managing ESG impacts	▪ Sustainability governance (p. 16)
2-14	Responsibility for approving reported ESG information, including material topics	▪ Sonic Healthcare's material sustainability topics and sustainability governance (pp. 15–16)
2-15	Conflicts of interest	▪ Board Charter (p. 6) ▪ Annual Report 2023 (p. 57)
2-16	Reporting of critical concerns to the highest governance body	▪ Global Whistleblower Policy ▪ No critical concerns were reported during the reporting period
2-17	Sustainability knowledge, skills and experience of the highest governance body	▪ During the reporting period, the Risk Management Committee and other members of the Board participated in an update session on ESG risks, Board responsibilities and reporting trends. Sustainability governance (pp. 16–17) ▪ Composition of Board listing expertise Annual Report 2023 (p. 55)
2-18	Evaluating the performance of the highest governance body in overseeing impacts on economy, environment and people	▪ Board Charter (p. 6) ▪ Annual Report 2023 (pp. 64–65)
2-19	Remuneration policies for members of the highest governance body and senior executives	▪ Annual Report 2023 (pp. 31–50; p. 34 refers to ESG-related remuneration) ▪ Sustainability governance structure (p. 16)
2-20	The process to determine remuneration	▪ Annual Report 2023 (pp. 31–50) ▪ The remuneration report is subject to vote by shareholders at the AGM. Results of the vote are available on the ASX and Sonic investor websites.

GRI 2: GENERAL DISCLOSURES 2021		
GRI disclosure	**Description**	**Reference**
2-22	Statement from the highest governance body or most senior executive about the relevance of sustainable development to the organisation	▪ Annual Report 2023 Chairman's Letter (p. 3) and CEO's Report (p. 5) ▪ CEO message (p. 4)
2-23	Policy commitments for responsible business conduct	▪ Code of Conduct ▪ Supplier Policy
	Policy commitments for respect of human rights	▪ Labour Standards and Human Rights Policy ▪ Modern Slavery Statement 2023 ▪ Sonic policy documents are available on the Sonic Healthcare website
	Communication of policies to workers, business partners and others	▪ Referenced in the Sustainability Report ▪ Discussed with employees by managers ▪ The subject of staff training modules ▪ Distributed to suppliers and referenced in contracts
2-24	Embedding policy commitments through activities and business relationships	▪ Supplier Policy ▪ Modern Slavery Statement 2023 (pp. 12–13)
2-25	Commitment to provide for, or cooperate in, the remediation of negative impacts	▪ Modern Slavery Statement 2023 (p. 21)
	Approach to identify and address grievances	▪ Global Whistleblower Policy ▪ Code of Conduct (pp. 8–9)
2-26	Seeking advice and raising concerns about business conduct	▪ Code of Conduct (pp. 8–9) ▪ Global Whistleblower Policy
2-27	Significant instances of non-compliance with laws and regulations	▪ One environmental sanction was incurred during the reporting period. It concerned the failure by one of our US laboratory sites to submit an annual report for hazardous waste in 2021. A fine of $1,500 was imposed by the New York State Department of Environmental Conservation. ▪ No other instances were reported for which fines or non-monetary sanctions were incurred in the reporting period
2-28	Membership of associations	▪ The numerous medical, industry and other association memberships are managed at entity level

GRI 2: GENERAL DISCLOSURES 2021		
GRI disclosure	Description	Reference
2-29	Stakeholder engagement	▪ Stakeholders (pp. 13–14)
2-30	Total employees covered by collective bargaining agreements	▪ Working with employee representatives (p. 46) ▪ Labour Standards and Human Rights Policy (p. 4)

GRI 3: MATERIAL TOPICS 2021		
GRI disclosure	Description	Reference
3-1	The process to determine material topics	▪ Sonic Healthcare's material sustainability topics (p. 15)
3-2	List of material topics	▪ Sonic Healthcare's material sustainability topics (p. 15)
3-3	Management of material topics	▪ Our approach sections for each material topic, related policies are hyperlinked ▪ Stakeholders (pp. 13–14)

GRI topic disclosures

GRI 201 ECONOMIC PERFORMANCE 2016		
GRI disclosure	Description	Reference
201-1	Direct economic value generated	▪ Annual Report 2023 (pp. 7 & 67)
201-2	Financial implications, risks and opportunities due to climate change	▪ Task Force on Climate-related Financial Disclosures (TCFD) – Qualitative (pp. 95–98)
201-3	Defined benefit plan obligations and other retirement plan liabilities	▪ Annual Report 2023 (p. 111) ▪ Statutory employer contributions vary in each jurisdiction
201-4	The total monetary value of financial assistance received from any government	▪ No significant financial assistance was received during the reporting period from any government in any of the jurisdictions in which Sonic Healthcare has operations
	The extent to which any government is present in the shareholding structure	▪ No government is a substantial shareholder in Sonic Healthcare. Holdings in Sonic Healthcare are held by several sovereign wealth funds; however, they are not substantial shareholders, with each comprising less than 5% of Sonic's total shares

GRI 203 INDIRECT ECONOMIC IMPACTS 2016		
GRI disclosure	**Description**	**Reference**
203-1	The extent of development of significant infrastructure investments and services supported, impacts on local communities or economies	■ Access and affordability (pp. 57–68)
203-2	Significant indirect economic impacts	■ The Sonic Healthcare Foundation (pp. 60–68)

GRI 205 ANTI-CORRUPTION 2016		
GRI disclosure	**Description**	**Reference**
205-1	Assessment for risks related to corruption	■ Ethics, integrity and compliance (p. 74) ■ Annual Report 2023 (p. 58) ■ No significant risks related to corruption were identified in the reporting period
205-3	Number of confirmed incidents of corruption	■ There were no confirmed incidents of corruption during the reporting period

GRI 205 ANTI-CORRUPTION 2016		
GRI disclosure	**Description**	**Reference**
206-1	Anti-competitive behaviour and violations of anti-trust/monopoly legislation	■ There were no incidents concerning anti-competitive behaviour during the reporting period

GRI 207 TAX 2019		
GRI disclosure	**Description**	**Reference**
207-1	Tax strategy	■ Taxation Governance (pp. 3–5) ■ Annual Report 2023 (pp. 96–97)
207-2	Mechanisms to raise concerns about the organisation's conduct and integrity in relation to tax assurance process for tax disclosures	■ Global Whistleblower Policy ■ Code of Conduct ■ Annual Report 2023 (pp. 145–149)
207-3	Stakeholder engagement in relation to tax	■ Sonic's investor relations team responds to any queries from external stakeholders, including any tax policy-related inquiries ■ Taxation Governance (p. 4) describes the relationship with tax authorities

GRI 301 MATERIALS 2016		
GRI disclosure	**Description**	**Reference**
301-2	Recycled input materials used to manufacture primary goods and services	■ Waste reduction initiatives (pp. 33–36)

GRI 302 ENERGY 2016		
GRI disclosure	**Description**	**Reference**
302-1	Total fuel and energy consumption from non-renewable sources in joules	■ Sustainability metrics (pp. 89–91)

GRI 303 WATER AND EFFLUENTS 2018		
GRI disclosure	**Description**	**Reference**
303-1	Description of how the organisation interacts with water	■ Water consumption (p. 37)

GRI 304 BIODIVERSITY 2016		
GRI disclosure	**Description**	**Reference**
304-2	Significant impacts of activities, products and services on biodiversity	■ Circular economy and waste (p. 33)

GRI 305 EMISSIONS 2016		
GRI disclosure	**Description**	**Reference**
305-1	Direct (scope 1) GHG emissions in t-CO_2 equivalents	■ Sustainability metrics (pp. 89–94)
305-2	Gross location-based energy indirect (scope 2) GHG emissions in t-CO_2 equivalents	■ Sustainability metrics (pp. 89–94)
305-3	Gross other indirect (scope 3) GHG emissions in t-CO_2 equivalents	■ Sustainability metrics (p. 94)
305-4	GHG emissions intensity ratio for the organisation	■ Scope 1 and 2 greenhouse gas intensity (p. 24)
305-5	GHG emissions reduced as a direct result of reduction initiatives	■ Scope 1 and 2 greenhouse gas emissions (p. 24)

GRI 306 WASTE 2020		
GRI disclosure	Description	Reference
306-1	Report significant actual/potential waste-related impacts	■ Circular economy and waste (p. 33)
306-2	Actions, including circularity measures, taken to prevent waste generation	■ Waste reduction initiatives (pp. 33–36)

GRI 308 SUPPLIER ENVIRONMENTAL ASSESSMENT 2016		
GRI disclosure	Description	Reference
308-2	New suppliers screened using environmental criteria	■ Sustainable procurement (p. 37)

GRI 401 EMPLOYMENT 2016		
GRI disclosure	Description	Reference
401-1	Total number and rate of new employee hires by age, gender and region	■ Our workforce (p. 41)
401-3	Parental leave by gender	■ Parental leave (pp. 46 and 86)

GRI 403 OCCUPATIONAL HEALTH AND SAFETY 2018		
GRI disclosure	**Description**	**Reference**
403-1	A statement as to whether an OH&S management system has been implemented and its scope	■ Workforce health, safety and wellbeing (p. 48) ■ SonicSAFE
403-2	Processes to identify work-related hazards and assess risks	■ Workforce health, safety and wellbeing (p. 48) ■ SonicSAFE
403-3	OH&S services	■ Workforce health, safety and wellbeing (p. 48) ■ SonicSAFE
403-4	Worker participation and consultation in the development and implementation of the OH&S management system	■ Workforce health, safety and wellbeing (p. 48) ■ SonicSAFE
403-5	OH&S training provided to workers	■ Staff health, safety and wellbeing (p. 49) ■ SonicSAFE
403-6	Access for workers to non-occupational medical and healthcare services	■ Staff health, safety and wellbeing (p. 49) ■ Sustainability metrics (p. 82)
403-7	Organisation's approach to preventing or mitigating significant negative OH&S impacts	■ Workforce health, safety and wellbeing (p. 48)
403-8	Workers covered by the organisation's OH&S management system	■ Workforce health, safety and wellbeing (p. 48)
403-9	Work-related injuries	■ Staff health, safety and wellbeing (p. 49) ■ Sustainability metrics (pp. 82–83) ■ SonicSAFE

GRI 404 TRAINING AND EDUCATION 2016		
GRI disclosure	**Description**	**Reference**
404-1	Average hours of training per year per employee	■ Our People (p. 39) ■ Sustainability metrics (p. 82)
404-2	Type and scope of programs and assistance provided to upgrade employee skills	■ Employee development (pp. 43–44, 46–47)

GRI 405 DIVERSITY AND EQUAL OPPORTUNITY 2016		
GRI disclosure	**Description**	**Reference**
405-1	Diversity of governance bodies and employees	■ Annual Report 2023 (p. 60) ■ Employee diversity (pp. 41–42) ■ Sustainability metrics (p. 82)

GRI 407 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016		
GRI disclosure	**Description**	**Reference**
407-1	Operations or suppliers in which workers' right to freedom of association or collective bargaining may be at significant risk and measures taken by the organisation	■ Modern Slavery Statement 2023 (pp. 16–21) ■ Labour Standards and Human Rights Policy (p. 4) ■ Human rights (pp. 76–79)

GRI 408 CHILD LABOUR 2016		
GRI disclosure	**Description**	**Reference**
408-1	Operations or suppliers considered to have significant risk of child labour and measures taken by the organisation	■ Modern Slavery Statement 2023 (pp. 16–21) ■ Human rights (pp. 76–79)

GRI 409 FORCED AND COMPULSORY LABOUR 2016		
GRI disclosure	**Description**	**Reference**
409-1	Operations or suppliers considered to have significant risk of forced or compulsory labour and measures taken by the organisation	■ Modern Slavery Statement 2023 (pp. 16–21) ■ Human rights (pp. 76–79)

GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016		
GRI disclosure	**Description**	**Reference**
414-1	New suppliers screened using social criteria	■ Human rights (p. 79) ■ Modern Slavery Statement 2023 (pp. 16–17)
414-2	Suppliers assessed for social impacts	■ Human rights (p. 79) ■ Modern Slavery Statement 2023 (pp. 16–17, 22–23)

GRI 415: PUBLIC POLICY 2016		
GRI disclosure	**Description**	**Reference**
415-1	Monetary value of financial and in-kind political contributions	▪ No financial or in-kind political donations were made in FY2023

GRI 416: CUSTOMER HEALTH AND SAFETY 2016		
GRI disclosure	**Description**	**Reference**
416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	▪ Service quality and safety (p. 52)
416-2	Incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety of products/services	▪ Service quality and safety (p. 52) ▪ Sustainability metrics (p. 81)

GRI 418: CUSTOMER PRIVACY 2016		
GRI disclosure	**Description**	**Reference**
418-1	Substantiated customer complaints concerning breaches of customer privacy	▪ Seventy notifiable breaches concerning patient privacy or loss of customer data were reported by Sonic Healthcare in FY2023. The increase in notifications reflects more stringent notification regulations that came into effect in some jurisdictions.

SUSTAINABLE DEVELOPMENT GOALS

Sonic Healthcare recognises the role we play in the global effort to address worldwide sustainability challenges, especially our role as an enabler of good health and wellbeing. In support of the UN Sustainable Development Goals (SDGs), we have identified nine priority goals that align with our role as a global, federated healthcare provider.

GOOD HEALTH AND WELL-BEING

Aligned SDG	Key SDG Target	Our Impact: How we are contributing	More information
 *Ensure healthy lives and promote wellbeing for all at all ages*	**Target 3.1** Reduce global maternal mortality ratio to less than 70 per 100,000 live births **Target 3.2** End preventable deaths of newborns and children under 5 years of age	**The Sonic Healthcare Foundation** Direct, ongoing support of maternity hospitals and centres in Tanzania, Democratic Republic of Congo and Ethiopia, together with a commitment to fund the building and operation of the Sonic Healthcare Foundation – Kworo Hospital in Uganda with the specific aims of: ▪ reducing maternal, newborn and infant deaths (more than 5,700 newborns delivered at HEAL Africa Hospital in Goma, Barbara May Memorial Hospital, Mille, Ethiopia, Vision Maternity Hospital Bahir Dar, Ethiopia and Kivulini Maternity Centre, Arusha, Tanzania in FY2023) ▪ treating obstetric fistulas and other birth-induced injuries (723 gynaecological surgeries in FY2023) ▪ treating and addressing the physical, mental and social trauma associated with rape ▪ providing women with training, skills and materials that will allow them to reintegrate into society.	▪ The Sonic Healthcare Foundation (pp. 60–67) ▪ Website: The Sonic Healthcare Foundation
	Target 3.3 End the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases	**Testing and research** ▪ Participation in vaccine and communicable diseases research ▪ Testing for AIDS, tuberculosis, malaria, hepatitis and other tropical and water-borne diseases ▪ Provision of education in tropical and other diseases.	▪ The Sonic Healthcare Foundation (pp. 60–68) ▪ Website: The Sonic Healthcare Foundation
		The Sonic Healthcare Foundation ▪ More than 15,200 malaria tests and 6,700 HIV tests performed at our sponsored laboratories in Africa in FY2023 ▪ More than 8,300 X-rays and 8,200 ultrasounds performed during the year at our sponsored radiology department at the HEAL Africa Hospital in Goma.	▪ The Sonic Healthcare Foundation (pp. 60–68) ▪ Website: The Sonic Healthcare Foundation

GOOD HEALTH AND WELL-BEING			
Aligned SDG	**Key SDG Target**	**Our Impact: How we are contributing**	**More information**
	Target 3.4 Reduce premature mortality from non-communicable diseases through prevention and treatment, and promote mental health and wellbeing	**Medical services** ■ 126 million patient consultations (FY2023), comprising hundreds of millions of medical examinations and diagnostic tests globally ■ Testing for, and management of, chronic disease, such as diabetes, chronic kidney disease and heart disease ■ GP provision of mental health plans for patients ■ Provision and encouragement of participation in screening programs for the early identification and treatment of disease, for example, bowel cancer, breast cancer, cervical cancer	■ Our services (pp. 9–12); Providing and enhancing access to our services (p. 58) ■ Breakthrough in predictive kidney failure diagnoses (p. 56)
		Employee assistance programs ■ Confidential external counselling and coaching available to staff to assist with work-related or personal issues that impact their life or mental wellbeing ■ Support of staff wellbeing and mental health	■ Staff health safety and wellbeing (p. 49)
		The Sonic Healthcare Foundation ■ Ongoing direct support of five maternity hospitals in Tanzania, Democratic Republic of Congo and Ethiopia, with the specific aims of improving the health outcomes and longevity of children, women and men ■ Commitment to fund the building and ongoing operation of the Sonic Healthcare Foundation - Kworo Hospital in Uganda	■ The Sonic Healthcare Foundation (pp. 60–67) ■ Website: The Sonic Healthcare Foundation
		Clontarf Foundation ■ More than 2,000 free medical checks conducted through our involvement with the Clontarf Foundation, which aims to improve the health, education and employment outcomes of young Indigenous Australians	■ The Clontarf Foundation (p. 68) ■ Website: The Clontarf Foundation
	Target 3.C Substantially increase health financing and the recruitment, development, training and retention of health workforce in developing countries	**The Sonic Healthcare Foundation** ■ Foundation established to facilitate ongoing access to fund healthcare training in development work in developing countries ■ Training of local staff in modern medical methods and techniques so they can provide self-sustaining pathology, radiology and other medical services in Africa ■ Commitment to fund the building and ongoing operation of the Sonic Healthcare Foundation - Kworo Hospital in Uganda	■ The Sonic Healthcare Foundation (pp. 60–67); Establishing a new training laboratory in Kenya (p. 66) ; Sonic Healthcare Foundation – Kworo Hospital (p. 65); Radiology Across Borders (p. 67) ■ Website: The Sonic Healthcare Foundation

QUALITY EDUCATION

Aligned SDG	Key SDG Target	Our Impact: How we are contributing	More information
 *Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all*	**Target 4.1** Ensure all girls and boys complete free, equitable and quality primary and secondary education	**The Sonic Healthcare Foundation** ■ Provision of teacher and student learning materials in Africa ■ Provision of teachers' wage subsidies to assist with the costs of running the HEAL Africa school	■ The Sonic Healthcare Foundation (pp. 60–67) ■ Website: The Sonic Healthcare Foundation
		Clontarf Foundation ■ Involvement with Clontarf to help improve school and work outcomes for Indigenous Australians	■ The Clontarf Foundation (p. 68) ■ Website: The Clontarf Foundation
	Target 4.4 Increase the number of youth and adults who have relevant skills for employment, decent jobs and entrepreneurship	**Training programs** ■ Provision of student and fellowship training for doctors, scientific students and others, including medical registrar, sonographer and phlebotomist training programs ■ Sonic Training Academy degree apprenticeship program in the UK ■ More than 231,601 training courses or modules undertaken by Sonic staff in FY2023 ■ Provision of graduate/postgraduate and vocational training by Sonic Healthcare staff ■ More than 3,300 staff attended emotional intelligence and other courses facilitated by Sonic Connect in FY2023 ■ 9,000 external people provided with formal medical training by Sonic	■ Employee training and development (pp. 46–47); Education, research and professional development (pp. 55–56); Supporting nurse graduates (p. 44); Sonic Training Academy (p. 47)
		The Sonic Healthcare Foundation ■ Provision of training, conference funding and ongoing support for in-house pathologist and radiologist, as well as several scientists and radiographers, at the HEAL Africa Hospital in Goma ■ Sponsorship of a new training laboratory at the Jaramogi Oginga Odinga University of Science and Technology (JOOUST) in western Kenya to support technical training, reference laboratory and research activities ■ Facilitated HEAL Africa's granting of teaching hospital status by COSECSA (College of Surgeons of East, Central and Southern Africa) through Sonic's establishment of a highly functional laboratory in Goma	■ The Sonic Healthcare Foundation (pp. 60–67); Establishing a new training laboratory in Kenya (p. 66); Radiology Across Borders (p. 67) ■ Website: The Sonic Healthcare Foundation
		Improving access to onsite training ■ Work placement for student sonographer in wheelchair provided by Hunter Imaging Group	■ World-champion para-athlete and trainee sonographer (p. 43)
		Tertiary education ■ Development and delivery of medical curricula at several universities around the world by Sonic doctors and staff who hold academic teaching positions ■ Ongoing contributions to medical publications, craft groups and professional organisations	■ Education, research and professional development (pp. 55–56)

QUALITY EDUCATION

Aligned SDG	Key SDG Target	Our Impact: How we are contributing	More information
	Target 4.5 Ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	**Community involvement** ■ Provision of employment opportunities for people with disabilities and for young people from marginalised backgrounds through the engagement of The Bridge, a not-for-profit social enterprise, as well as partnerships with other social enterprises ■ Contribution to the creation of a prosperous, vibrant, sustainable Indigenous Australian business sector through membership of Supply Nation and support of Indigenous suppliers where feasible ■ Involvement with Clontarf to help improve the school and work outcomes for Indigenous Australians	■ Clontarf Foundation (p. 68); Improving participation and employment opportunities for disadvantaged groups (p. 68); See also Improving access to onsite training under Target 4.4 above ■ Website: Supply Nation ■ Website: Clontarf Foundation

GENDER EQUALITY

Aligned SDG	Key SDG Target	Our Impact: How we are contributing	More information
 *Achieve gender equality and empower all women and girls*	**Target 5.1** End all forms of discrimination against all women and girls everywhere	**Corporate governance** ■ Robust governance framework that strives to deliver an environment free from discrimination and harassment	■ Employee diversity (pp. 41–42) ■ Website: Code of Conduct ■ Website: Labour Standards and Human Rights Policy ■ Website: Diversity Policy
	Target 5.2 Eliminate all forms of violence against women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation	**Corporate governance** ■ Zero tolerance policy to any form of modern slavery, human trafficking or other types of exploitation ■ Public reporting under the Australian and UK Modern Slavery Acts	■ Human rights (pp. 76–79) ■ Website: Labour Standards and Human Rights Policy ■ Website: Supplier Policy ■ Website: Modern Slavery Statement 2023
	Target 5.3 Eliminate all harmful practices, such as child, early and forced marriage and female genital mutilation	**The Sonic Healthcare Foundation** ■ Support for our partner hospitals in Africa who are providing education and support to women affected by genital mutilation	■ The Sonic Healthcare Foundation (pp. 60–65) ■ Website: The Sonic Healthcare Foundation
	Target 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making	**Corporate governance** ■ Strong representation of women at all levels of leadership within Sonic, including: – 44% of Sonic's Board of Directors – 53% of senior leadership positions – 73% of science-based roles filled by women	■ Employee diversity (pp. 41–42) ■ Annual Report 2023 (p. 60)

DECENT WORK AND ECONOMIC GROWTH

Aligned SDG	Key SDG Target	Our Impact: How we are contributing	More information
 *Promote inclusive and sustainable economic growth, employment and decent work for all*	**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	**Workforce diversity** ■ More than 40,000 people employed globally in an inclusive, racially and culturally diverse workforce ■ Provision of employment opportunities for people with disabilities and for young people from marginalised backgrounds through the engagement of The Bridge, a not-for-profit social enterprise, as well as partnerships with other social enterprises, including The Endeavour Foundation and Bright Skies **Clontarf Foundation** ■ Involvement with Clontarf to help improve the school and work outcomes for Indigenous Australians	■ Employee attraction, engagement and development (pp. 40–44); Improving participation and employment opportunities for disadvantaged groups (p. 68); Clontarf Foundation (p. 68) ■ Website: Clontarf Foundation
	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	**Corporate governance** ■ Zero tolerance to any form of modern slavery, human trafficking or other types of exploitation ■ Public reporting under the Australian and UK Modern Slavery Acts	■ Human rights (pp. 76–79) ■ Website: Labour Standards and Human Rights Policy ■ Website: Supplier Policy ■ Website: 2023 Modern Slavery Statement
	Target 8.8 Protect labour rights and promote safe and secure working environments for all workers	**Health and safety** ■ Rigorous OH&S policies and procedures in all workplaces, governed by industry regulations and a cultural commitment to safe working environments ■ Continuous monitoring and reporting of any potential safety issues through the SonicSAFE Improvement Program ■ Lost time through workplace injury represented 0.07 % of total hours worked with an LTIFR of 3.6 in FY2023, which is below the industry benchmark	■ Workforce health, safety and wellbeing (pp. 48–49); Employee retention (pp. 44–47); Working with employee representatives (p. 46) ■ Website: Labour Standards and Human Rights Policy ■ Website: Workplace Health & Safety Policy ■ Website: SonicSAFE

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Aligned SDG	Key SDG Target	Our Impact: How we are contributing	More information
 *Build resilient infrastructure, promote sustainable industrialisation and foster innovation*	**Target 9.1** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all	**Facilities and infrastructure** ▪ Ongoing investment in high-quality, technically advanced and sustainable laboratories and other infrastructure ▪ Continued investment in regional infrastructure to maintain healthcare services close to local communities	▪ Scope 2 emissions-reduction initiatives (pp. 30–31); Energy efficiency (p. 32); Providing and enhancing access to our services (p. 58)
		The Sonic Healthcare Foundation ▪ Ongoing upgrades to pathology laboratories and radiology infrastructure in Africa, enabling quality medical diagnostic care to be delivered to vulnerable populations ▪ Construction of a new 42-bed maternal health facility, The Sonic Healthcare Foundation – Kworo Hospital in Uganda	▪ The Sonic Healthcare Foundation (pp. 60–67) ▪ Website: The Sonic Healthcare Foundation
	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	**Facilities and infrastructure** ▪ Annual facility upgrade program to retrofit energy-efficient lighting (LED), HVAC and passive energy systems ▪ Procurement of renewable electricity and investment in onsite energy generation, such as the installation of solar panels	▪ LED lighting upgrades continue to improve energy efficiency (p. 32); Renewable electricity (p. 30); On-site renewable energy generation (p. 31)
		The Sonic Healthcare Foundation ▪ Regular upgrading of ageing equipment in our sponsored African pathology laboratories and radiology infrastructure, replacing them with more energy-efficient models	▪ The Sonic Healthcare Foundation (pp. 60–67) ▪ Website: The Sonic Healthcare Foundation
	Target 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including encouraging innovation and substantially increasing research and development spending	**Research and development** ▪ Ongoing investment in new technologies, such as AI-assisted diagnostics ▪ Development of in-house technologies ▪ Collaboration with manufacturers to assist with their product development roadmap and the continuous improvement of their existing technologies, for example, the joint venture with Harrison.ai ▪ Regular involvement by Sonic's doctors and scientific staff in thousands of research projects, papers and clinical trials for new drugs, reagents, equipment and medical procedures	▪ Education research and professional development (p. 55); Investing in innovative technology and new tests – Digital pathology (p. 59); Microbiome Testing (p. 59)
		The Sonic Healthcare Foundation ▪ Regular skills transfers with doctors, scientists and radiographers in Africa, to improve their technical skills and capabilities	▪ The Sonic Healthcare Foundation (pp. 60–67), Establishing a new training laboratory in Kenya (p. 66); Radiology Across Borders (p. 67) ▪ Website: The Sonic Healthcare Foundation

REDUCED INEQUALITIES

Aligned SDG	Key SDG Target	Our Impact: How we are contributing	More information
 *Reduce inequality within and among countries*	**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	**Corporate governance** ■ Commitment to employee diversity ■ Zero tolerance to all forms of Modern Slavery ■ Douglass Hanly Moir Pathology official pathology partner of World Pride, a celebration of LGBTQIA+ communities ■ Sponsorship of events to create awareness of the importance of community ■ Promoting Indigenous participation in health screening ■ Membership of Supply Nation to support Indigenous suppliers where possible	■ Employee diversity (pp. 41–42); Human rights (pp. 76–79); Stakeholders (pp. 13–14); Improving participation and employment opportunities for disadvantaged groups (p. 68); The Clontarf Foundation (p. 68); Caring for community (p. 58) ■ Website: Diversity Policy ■ Website: 2023 Modern Slavery Statement ■ Website: Supply Nation ■ Website: The Clontarf Foundation
	Target 10.3 Ensure equal opportunity and reduce inequalities, including by eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies and action	**Community involvement** ■ Involvement with the Clontarf Foundation to help improve school and work outcomes for Indigenous Australians ■ Provision of employment opportunities for people with disabilities and for young people from marginalised backgrounds through the engagement of The Bridge, a not-for-profit social enterprise, as well as partnerships with other social enterprises	■ Clontarf Foundation (p. 68); Improving participation and employment opportunities for disadvantaged groups (p. 68) ■ Website: The Clontarf Foundation

SUSTAINABLE CITIES AND COMMUNITIES

Aligned SDG	Key SDG Target	Our Impact: How we are contributing	More information
 *Make cities inclusive, safe, resilient and sustainable*	**Target 11.6** Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and waste management	**Emissions targets** ■ Commitment to reduce scope 1 and 2 emissions by 43% by 2030 ■ Commitment to reduce total emissions (scope 1,2 & 3) to achieve a net-zero position by 2050 ■ 80% of electricity to come from renewable sources by 2030 ■ Conversion of global fleet to zero emission vehicles by 2040	■ Net-zero Strategy (p. 22); Fleet transition (pp. 27–28)
		Energy efficiency ■ Inclusion of environmental efficiency as the cornerstone of design briefs for new buildings and refurbished premises ■ Continued upgrading of energy-efficient building fixtures for lighting (LED) and heating, ventilation and air-conditioning (HVAC) facilities in existing premises ■ Continued investment in solar (renewable) energy	■ Energy efficiency (p. 32); LED lighting upgrades continue to improve energy efficiency (p. 32); Onsite renewable energy generation (p. 31)
		Waste ■ Continuous improvements in waste-to-landfill diversion rate with the initiation of a waste data and process review as part of FY2023 scope 3 inventory	■ Circular economy and waste (pp. 33–36); Scope 3 emissions (p. 26)

RESPONSIBLE CONSUMPTION AND PRODUCTION

Aligned SDG	Key SDG Target	Our Impact: How we are contributing	More information
 *Ensure sustainable consumption and production*	**Target 12.2** Achieve the sustainable management and efficient use of natural resources	**Sustainable procurement practices** ■ Inclusion of water, fuel , energy consumption and 'whole-of-life' credentials in procurement processes and product/service selection ■ Facilities and infrastructure ■ Inclusion of environmental efficiencies in the design briefs for new buildings and refurbishments ■ Continued upgrading of energy-efficient building fixtures for lighting (LED), heating, ventilation and air-conditioning (HVAC) across existing premises ■ Utilisation of rainwater harvesting and wastewater filtration systems in selected facilities	■ Water consumption (p. 37), Sustainable procurement (p. 37); Scope 2 emissions-reduction initiatives (pp. 30–31); Energy efficiency (p. 32) ■ Website: Supplier Policy
	Target 12.4 Achieve the environmentally sound management of chemicals and all wastes, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment	**Medical waste** ■ Minimisation of environmental hazard risks and increased recycling, through staff training and use of licensed companies to provide specialised waste management services ■ Regular external reviews of waste management processes (an accreditation requirement) ■ Compliance with all local waste regulations	■ Circular economy and waste (pp. 33–36) ■ Website: Environmental Policy
	Target 12.5 Reduce waste generation through prevention, reduction, recycling and re-use	**Waste process review** ■ Program to reduce non-medical waste and increase the waste-to-landfill diversion rate (33.3% of non-medical waste is currently recycled) across all Australian facilities ■ Polystyrene packaging compacted onsite at some facilities and sent for recycling; polypropylene consumable tray recycling active at sites in Australia and overseas ■ Engagement with suppliers to reduce packaging ■ Reduction of radiological film and paper through digitisation programs (radiological film sheets reduced by a further 16% during FY2023)	■ Circular economy and waste (pp. 33–36), Waste management (p. 35); Circular recycling of plastics (p. 34); Sustainable procurement (p. 37); Waste reduction initiatives (p. 36) ■ Website: Environmental Policy ■ Website: Supplier Policy

CLIMATE ACTION

Aligned SDG	Key SDG Target	Our Impact: How we are contributing	More information
 *Take urgent action to tackle climate change and its impacts*	**Target 13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	**Disaster recovery plans to support communities** ■ Ensuring that continuous operations are maintained within Sonic practices during times of natural disasters, for example, bushfires/wildfires, floods, cyclones/tornadoes ■ Deployment of agile procurement operations as part of Sonic's pandemic preparedness plan, to ensure critical community health services can continue to be provided during natural disasters ■ Climate-related risk and opportunity analysis (qualitative) conducted in FY2023	■ Climate change (p. 21); Sustainable procurement (p. 37); Task Force on Climate-related Financial Disclosures (TCFD) – Qualitative (pp. 95–98)
	Target 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	**Education and policy** ■ Ongoing education and training for staff on environmental practices and policies, including reducing water use, waste and resource consumption ■ Transitioning an increasing proportion of our fleet vehicles to more fuel-efficient electric and hybrid options, reducing CO_2 emissions ■ Continued focus on increasing active and passive energy systems within our facilities to reduce energy, waste and water use ■ Refer our contributions under Targets 9.1, 9.4, 11.6 and 12.5	■ Climate change (p. 21); Sustainability governance (pp. 16–17); Scope 1 emissions-reduction initiatives (p. 27); Energy efficiency (p. 32) ■ Website: Environmental Policy

SONIC HEALTHCARE LIMITED