

# Infection Prevention. **For Life.**

Sustainability Report 2023



**nanosonics**

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**Nanosonics Limited** (ABN 11 095 076 896) reports annually on its environmental, social and governance (ESG) performance for the financial year. This Sustainability Report covers the period 1 July 2022 to 30 June 2023. It is the fourth self-standing Sustainability Report published following our initial report for the financial year 2019/20.

Unless otherwise specified, measurements and data in this report pertain to Nanosonics Limited and its controlled entities during the reporting period. All dollar values refer to Australian dollars (AUD) unless otherwise specified.

For any additional inquiries or feedback in relation to this report please contact us at [www.nanosonics.com.au/contact](http://www.nanosonics.com.au/contact).

## Message from the CEO & President

“We see sustainability as a key consideration for our business, and one that is fully aligned with our Values and Mission. We are fortunate that our unique healthcare solutions are in many respects neatly aligned with sustainability principles, which means we achieve positive sustainability outcomes whilst addressing our customers’ important infection control needs.”

**Michael Kavanagh** | CEO & President



### Dear Stakeholders,

I am pleased to present the Company’s FY23 Sustainability Report. As the CEO of our Company I am proud to share the significant progress we have made on our sustainability journey for an emerging ASX200 company. Our commitment to responsible business practices has led us to develop a robust and meaningful sustainability agenda that aligns with our core values and business objectives.

As explained in our Chairman/CEO’s letter, we were also pleased to see the Company’s expanding ESG agenda outlined in the FY23 Sustainability Report. We see Sustainability or ESG as being strongly aligned with our Mission and Purpose. It is not just related to our longer-term sustainable growth, but rather it is fundamental to having a sustainable, commercial business that adds value in the communities in which we operate. In that way integrating “sustainability” into all our business practices is critically important for all stakeholders, including our customers. We continue to invest in this area in a number of important ways.

This year, we undertook an exercise to measure our carbon footprint, and we look forward to evolving this activity to make our contributions in this important area as well as stay aligned with all stakeholders’ expectations.

We also continued to engage, both internally and in the communities in which we operate, through a range of important initiatives such as internships, participation in the National Youth Science Forum, initiatives associated with mental health first aid, and NAIDOC week, amongst others.

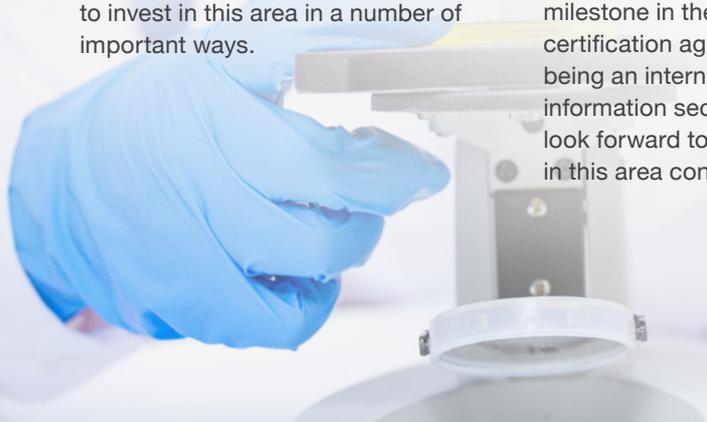
It was also pleasing to see our Board renewal process continue throughout the year. This has resulted in the proportion of female representation on the Board increasing from 29% in FY22 to 33% in FY23. The Company has announced the appointment of a new director in H1 FY24 which will see the proportion of female representation on the Board increase further.

Importantly, we achieved a milestone in the IT area by achieving certification against ISO 27001 being an internationally recognised information security standard and we look forward to seeing our resiliency in this area continue to mature.

Overall, by innovating and manufacturing medical devices that meet unmet needs in the infection prevention field, we contribute to important public health outcomes in a way that would not otherwise be available to communities. As we grow, so does our impact in this regard. Sustainability is a core aspect of the trophon® technology design. The only by-products after a disinfection cycle are environmentally friendly oxygen and water. In many cases, use of the trophon technology eliminates the requirement for customers to use toxic chemistries and large quantities of water.

Looking ahead to FY24 and beyond, I am pleased to see additional and diverse targets in this area this year, including around identifying climate change risks, establishing a set of targets for emissions reduction, redoubling in our efforts to identify, assess and combat any modern slavery risks, and the implementation of our first Reconciliation Action Plan.

**Michael Kavanagh**  
CEO & President



## Preparing this year's report

The format of this year's Sustainability Report is once again divided across the three major ESG themes – environment, social and governance. We believe that this format allows us to give sufficient attention to each of the important issues discussed and how they interrelate with one another across the business.

In a further effort to effectively communicate our strong sustainability performance to the market and other stakeholders, we have strengthened our alignment with the GRI Sustainability Reporting Standards (GRI Standards). This report has been prepared in accordance with the GRI 1: Foundation 2021. Further information regarding specific disclosures under the GRI Standards can be found in the GRI Content Index at the end of this report.

We have further expanded our stakeholder engagement efforts throughout FY23, with a particular emphasis on our supply chain. In FY23, we continued our Sustainable Supply Chain Initiative, which seeks collaboration from several of our valued suppliers to better understand the scope and impact of our supply chain on various sustainability metrics, including climate change, safety and human rights. This is a multi-year initiative, and we expect that FY24 will see this program developed further.

The initiatives and targets described in this report were prepared by the Company through consultation with senior management, all of which were subsequently presented to and approved by the Board. The Board was provided with periodic updates throughout the reporting period.



## At a glance

### Governance



Launched  
Supplier Code  
of Conduct



Articulated Nanosonic's  
contribution to the  
United Nations  
Sustainable  
Development Goals



Strengthened  
IT, privacy and  
cyber security  
protections  
and achieved ISO  
27001 accreditation

### Environment



55% of  
total waste  
diverted to  
recycling globally



Progress made against  
our commitment  
to working towards  
Australian Packaging  
Covenant Organisation  
2025 target



GHG  
emissions initiative  
undertaken to improve  
measurements of scope 1, 2 and  
3 emissions. Results compared  
favourably to benchmark.

### People & Culture



93% of  
employees  
strongly believe in the  
purpose of Nanosonics



Females  
make up 45%  
of the global workforce,  
40% of senior leaders and  
41% of STEM-related positions



Substantially  
achieved  
our diversity objectives and  
substantially all of our  
inclusion objectives

### Communities



\$37,822  
raised through various  
charitable initiatives



19 students  
participated in internship  
programs across  
several departments



Widened the range  
of community activities with more  
to follow through the establishment  
of the Community Engagement  
Committee

## Our Mission and Core Values

### Mission

“We improve the safety of patients, clinics, their staff and the environment by transforming the way infection prevention practices are understood and conducted and introducing innovative technologies that deliver improved standards of care.”

Nanosonics’ strong and positive culture continued to be a priority during FY23. This was supported by the continued implementation of the Company’s Core Values. Nanosonics believes that the value created by desirable behaviours not only creates a desirable culture and place for people to work, but also supports sustainable long-term value creation for shareholders.

1. **Collaboration:** We do things together because we value diversity of opinion, perspective and knowledge and are stronger when we work as a team.
2. **Innovation:** We innovate because we want to continuously make things better by adding value to our customers, our operations and our business.
3. **Discipline:** We do things right because we are ethical, compliant and are clear about our responsibility and accountability for delivering on our commitments.
4. **Agility:** We are effective because we not only embrace but drive change, we are continuously learning and can adapt quickly.
5. **Will to win:** We do things with a sense of urgency, anticipating market and customers’ needs because we always strive to be the best with a will to win.



Our Code of Conduct & Ethics (Code), codifies our Mission, Core Values and other critical policy frameworks throughout the Company. The Code, Mission and Values are periodically reviewed by senior management, with any update ratified by the Board. The Code has been an important tool for guiding our decision-making, particularly with respect to ESG-related issues. The Code sets the expected standard of conduct for all employees and contractors at Nanosonics, underpinned by the prevailing need to act as good global corporate citizens. The Code serves as an important mechanism to ensure that all of our internal and external stakeholders are aligned on our guiding principles at Nanosonics.



During FY23, all Nanosonics staff were trained on the Code, with the Company achieving its objective of 100% compliance.

In FY24, we will seek to maintain 100% compliance on all training modules associated with the Code.

## Company Overview

Nanosonics Limited (ASX:NAN) is a public listed multinational infection prevention company, trading on the Australian Securities Exchange (ASX). Nanosonics is headquartered in Sydney, Australia, with offices in the United States, Ireland, the United Kingdom, Europe and Japan. Distributor and reseller partners distribute our products and services in a number of other markets. Our headcount continues to grow year on year, reaching 482 employees at the end of FY23. We continue to penetrate further into markets throughout the world, with Nanosonics' products currently being sold in 31 markets.

Our commitment to our Mission is demonstrated by the innovative products and services which we provide to the market. Our trophon technology remains the industry standard for high-level disinfection and reprocessing of ultrasound probes. Patients around the world benefit from heightened safety from the use of trophon at medical facilities.

Nanosonics has also announced that it is creating a new platform technology, Nanosonics CORIS®, which is directed toward cleaning endoscopes which is an important unmet need in infection control.

We continue to conduct research and development in a range of focus areas:

- 1. Compliance and traceability** – Digitally-enabled tools to increase visibility and control around infection risk mitigation;
- 2. Instrument cleaning** – Mandatory critical first step which sets up the effectiveness of all downstream disinfection procedures;
- 3. Instrument disinfection** – High-level and low-level disinfection, and sterilisation for medical devices before re-use with a patient;
- 4. Storage solutions** – Assurance that reprocessed devices are not subsequently contaminated and are always available for next use; and
- 5. Environmental decontamination** – Novel technologies and chemistries to reduce cross-contamination risk coming from high contact surfaces and environment.

**With an installed base of 32,450 trophon units globally, approximately 26 million patients are protected every year from the risk of ultrasound probe cross contamination.**



## Corporate Governance and ESG

### Nanosonics' commitment to sustainability is incorporated throughout our corporate governance framework.

#### The Board

The Board of Directors of Nanosonics has adopted a Board Charter through which it is charged with providing strategic guidance to the Company, effective oversight of its management, and to regularly review the Board's size, performance and composition. The Board regularly meets to discuss material current and future issues relating to Nanosonics, including a range of sustainability topics associated with our products, and diversity and inclusion.

#### The Board's role in ESG

The Board has ultimate responsibility for overseeing ESG. Nanosonics respects the critical importance of properly addressing ESG issues and engages the full board to oversee our ongoing performance, particularly through the following responsibilities specified in the Board Charter:

- Approving management's corporate strategy and performance objectives;
- Approving and monitoring financial and other reporting;
- Overseeing the identification of key risks in the operations of the Company and satisfying itself that the Company has in place an appropriate risk management framework (for both financial and non-financial risks), monitoring the efficiency and effectiveness of those frameworks and setting the appropriate risk appetite within which the Board expects management to operate;
- Overseeing the process for making timely and balanced disclosure of material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- Approving and overseeing the implementation of the Company's corporate Code of Conduct & Ethics; and
- Monitoring compliance with legal and regulatory requirements and ethical standards and policies.

The Board and its Committees receive briefings on ESG topics and the overall management of ESG in the Company from senior management through Board papers as appropriate. Board members continue to remain apprised of issues and obligations related to ESG in materials presented to it, including this Report.



## Corporate Governance and ESG continued



### Board Committees

The Board has established four Committees, each with its own Charter and carrying responsibilities for different aspects of ESG:

#### Committees of the Board

#### Responsibilities relevant to ESG

##### Audit & Risk Committee

*(generally meets quarterly)*

- Corporate reporting processes;
- Risk management and internal control;
- Ensure the Company has an appropriate risk management program;
- Ensure material business risks are appropriately reflected in the Company's risk profile and are reported to the Board regularly;
- Gain an understanding of the current areas of greatest risk and how they are managed;
- Compliance with laws, regulations, internal policies and industry standards;
- Activities to prevent, deter, detect and report on fraud;
- Provide to the Remuneration, People and Culture Committee and/or the Board any relevant information in respect of financial and non-financial risks that should be taken into account before approving the remuneration outcomes; and
- Overseeing work, health and safety practices throughout the Company.

##### Remuneration, People and Culture Committee

*(generally meets quarterly)*

- Make recommendations to the Board with respect to the remuneration of the CEO and President and other senior executives;
- Establish and assess progress against measurable objectives for achieving diversity outcomes;
- Recommend to the Board the total remuneration package of each Executive KMP; and
- Supporting the development of people strategies, practices and culture to drive the Company's business objectives.

##### R&D and Innovation Committee<sup>1</sup>

*(generally meets quarterly)*

- Monitor the strategic direction of the Company's research and product development programs and technical capabilities and make recommendations to the Board on the direction of those programs.

##### Nomination Committee

*(meets at least annually)*

- Ensure an appropriate mix of skills, experience, expertise and diversity is maintained on the Board;
- Establish and maintain a diversity policy; and
- Evaluate the performance of the Board and report its findings to the Board as appropriate.

1. After the reporting period, the R&D and Innovation Committee was renamed as the Innovation and Development Committee, effective 1 July 2023.

## Corporate Governance and ESG continued

### Corporate governance framework

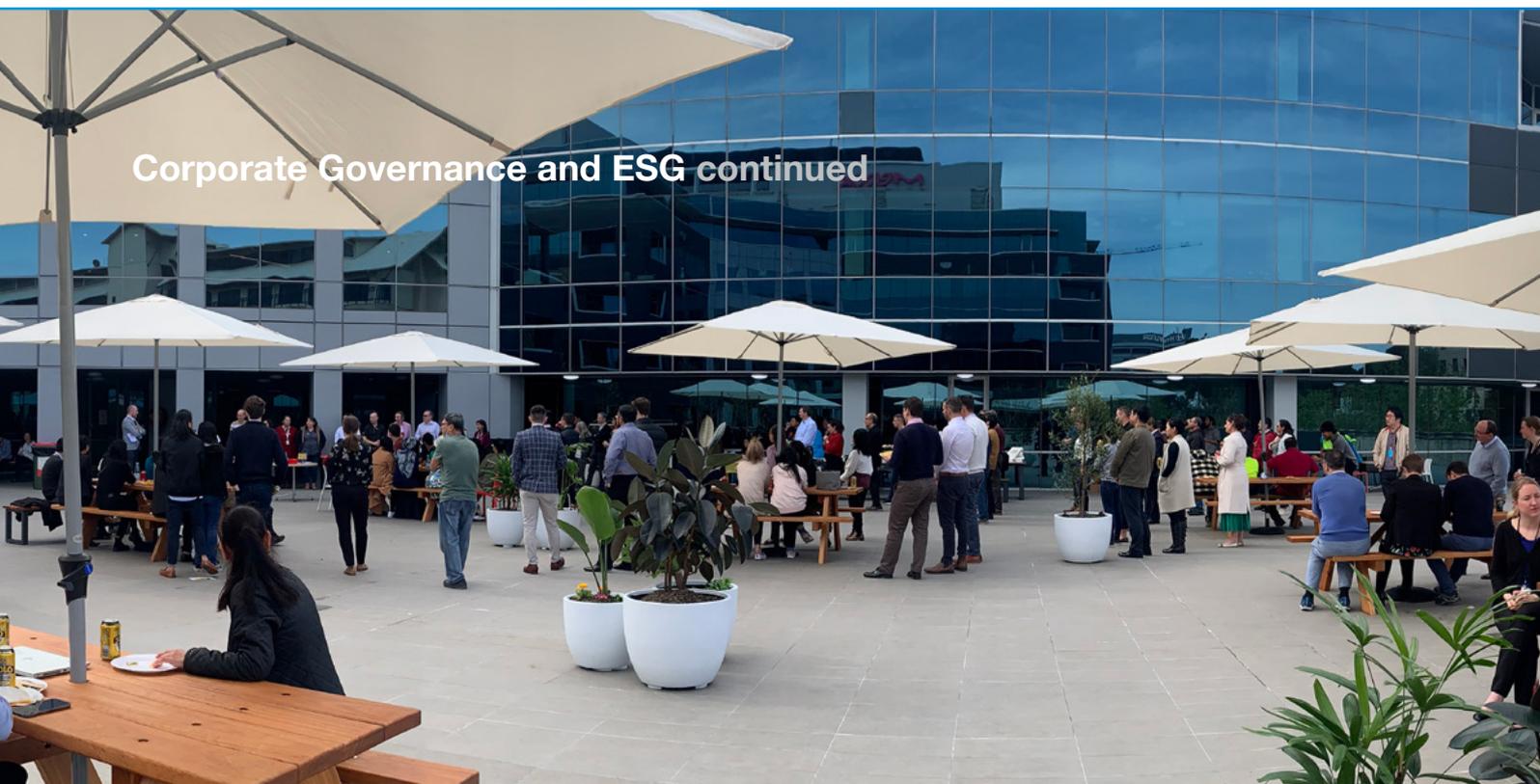
The below diagram demonstrates Nanosonics’ corporate governance framework by illustrating the flow of information and decision-making authority throughout the Company:



The Board is responsible for its composition, structure and operation as well as ensuring that it is comprised of individuals who are best able to discharge their responsibilities as Directors. The Nomination Committee is appointed by the Board to assist in meeting this responsibility, ensuring that the appropriate mix of skills, experience, expertise, and diversity is maintained.

The Board’s Charter details the legal duties, confidentiality and conflict of interest provisions and overall role of the Board.

## Corporate Governance and ESG continued



### Composition of the Board

As at the date of this report, the Board comprises the Non-executive Chairman, five Non-executive Directors and the CEO, President and Managing Director. Full details of the Company's Board are disclosed in its annual Corporate Governance Statement.

### Remuneration and rewards

Details of the Directors' and Key Management Personnel (KMP) compensation, and Nanosonics' Executive Remuneration Framework are provided in Nanosonics' Annual Report.

In addition to the Group financial and strategic metrics, each KMP is required to achieve functional/business or operational outcomes that are set by the Board, with a focus on Customer Experience, Product Innovation, Operational Excellence, People Engagement and Value Creation. The impact of each KMP's behaviour is reviewed in alignment with the Company's Core Values and any negative impact can be recognised through the downwards application of a Values rating modifier.

### Management and staff responsibility for ESG

Responsibility for ESG is integrated across all levels of the Company from the CEO to the quality control officer at our plant assembly area and the sales staff interacting with medical professionals. It is part of the work ethic of every Nanosonics employee and is outlined in our Code of Conduct & Ethics. With respect to our research, development and manufacturing specifically, consideration of environmental and other ESG impacts are consistently reviewed with a view to minimising adverse outcomes.

The Nanosonics Sustainability Committee is responsible for managing ESG-related issues throughout the Company and is supported by the Nanosonics Community Engagement Committee for this purpose.

Nanosonics' expectations of staff and employees, officers and Directors, contracted staff, contractors and consultants, and third parties that conduct business for or on behalf of Nanosonics are elaborated in its Corporate Governance Policies and Code of Conduct & Ethics. These include:

- Securities Trading Policy;
- Clawback Policy;
- Anti-Bribery and Anti-Corruption Policy;
- Speak Up Policy;
- Environment, Health, Safety and Sustainability Policy;
- Privacy Policy;
- Diversity, Equity and Inclusion Policy;
- Continuous Disclosure and Shareholder Communications Policy;
- Share Ownership Policy;
- Supplier Code of Conduct Policy; and
- Modern Slavery Statement.

Nanosonics' Corporate Governance Policies are regularly reviewed and updated (at least annually). Nanosonics' approach to sound corporate governance practices includes adherence to all applicable local and international laws, regulations and relevant standards.

## Stakeholder engagement

### Engagement with our stakeholders

The key stakeholders identified by Nanosonics to be impacted in some way by our products, services and operations are listed below, along with a snapshot of their issues of concern of how we engage with each group. Each stakeholder group had been identified and selected by Nanosonics through the preparation in previous sustainability reports. Throughout FY23, we continued to focus on fostering these key relationships, which have proven to be the most relevant stakeholders to our business and operations.

Nanosonics takes an open-door approach to stakeholder engagement. We openly and willingly engage with stakeholders who approach the Company with any query or concern which they seek to raise. Through these informal consultations, we identify and categorise the feedback which we receive and determine an appropriate course of action. Increasingly, the Company has adopted proactive engagement as an emerging means of stakeholder engagement. For example, our Sustainable Supply Chain Initiative was developed with the primary purpose of proactively identifying potential areas of concern throughout our supply chain which may not otherwise have come to light. These insights formed the basis for part of our reporting in this year's Sustainability Report in that area.

Important matters which might arise from these consultations are brought to the Board's attention by the responsible member of Senior Management and/or the Chief Executive Officer.

Key stakeholders	Key ESG areas of interest	Processes for consultation
<b>Healthcare professionals (HCPs) and patients in hospitals and medical centres</b>	<ul style="list-style-type: none"> <li>• Prevention of healthcare associated infections;</li> <li>• Ethical marketing;</li> <li>• WHS compliance; and</li> <li>• New products solving unmet needs in infection prevention.</li> </ul>	Our staff are in regular contact with HCPs through visits to hospitals and medical centres, attendance at professional conferences, our training programs and other avenues. Our Healthcare Professionals Engagement Policy ensures all interactions are conducted in an ethical, lawful and transparent manner.
<b>Customers, including distributors, resellers and ultrasound probe manufacturers</b>	<ul style="list-style-type: none"> <li>• Product quality and safety;</li> <li>• Public health and infection prevention;</li> <li>• Price;</li> <li>• Ease of use; and</li> <li>• Integration within the clinical workflow.</li> </ul>	Our staff meet and otherwise communicate directly with our customers throughout the marketing, sales, installation and ongoing technical and customer service processes.
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Nanosonics' financial performance and viability;</li> <li>• Legal compliance; and</li> <li>• Ethical business practices.</li> </ul>	<p>Nanosonics is in regular discussion with our suppliers through the procurement process and beyond.</p> <p>In 2022 we implemented the Sustainable Supply Chain Initiative canvassing feedback on ESG-related issues described further below.</p>
<b>Investors</b>	<ul style="list-style-type: none"> <li>• Financial performance (revenue and profitability);</li> <li>• R&amp;D activities;</li> <li>• FDA and other regulatory approval; and</li> <li>• ESG issues and risk management.</li> </ul>	Nanosonics holds investor briefings attended by the CEO & President and the Chief Financial Officer. We provide information through the annual AGM, Annual Report and Sustainability Report, statutory disclosures to the ASX as well as through press releases, enquiries through our Investor Centre and other mechanisms.

## Stakeholder engagement **continued**

Key stakeholders	Key ESG areas of interest	Processes for consultation
<b>Employees</b>	<ul style="list-style-type: none"> <li>• A safe workplace;</li> <li>• Gender equality;</li> <li>• Diversity and inclusion;</li> <li>• Training and education; and</li> <li>• Rewarding workplace.</li> </ul>	<p>Our annual Employee Engagement Survey provides a mechanism for eliciting feedback from employees.</p> <p>Our management facilitated feedback period, following the Employee Engagement Survey, encourages suggestions, ideas and other input from staff.</p>
<b>Government and regulatory authorities</b>	<ul style="list-style-type: none"> <li>• Product safety and quality;</li> <li>• WHS compliance;</li> <li>• Ethical marketing; and</li> <li>• Tax strategy.</li> </ul>	Nanosonics interacts with regulatory agencies in Australia, the United States and other markets on the current and future approval of our products and services for sale in those markets. We also interact with and report to government on a broad range of other matters.
<b>Community and key opinion leaders (KOLs)</b>	<ul style="list-style-type: none"> <li>• Infection control;</li> <li>• Ethical marketing;</li> <li>• WHS compliance;</li> <li>• New products solving unmet needs in infection prevention; and</li> <li>• The natural environment.</li> </ul>	Nanosonics makes information on our products and services and their applications widely available to KOLs and the community through our website, the press and participation in industry and scientific conferences. We welcome and respond to questions from the community.

Throughout our stakeholder engagement efforts during the reporting period, a number of important issues were raised. The table below sheds further light on the outcomes of our interactions with specific stakeholders:

Key stakeholder	Feedback	Outcome
<b>Investors</b>	An association representing a group of investors encouraged Nanosonics to increase our emphasis to address climate change.	Prioritised climate change as a material ESG topic.
<b>Employees</b>	Our annual Your Voice employee survey conveyed employees' desire for greater communication from throughout the Company, particularly from senior management.	Since the completion of the survey, we have increased the cadence of communication from senior management, including launching the "We Heard Your Voice" employee engagement program and conducting multiple "Town Hall" meetings with the CEO.
<b>KOLs</b>	Engagement with senior healthcare KOLs continued to stress the importance of patient safety by design, and educating customers on the proper clinical use of medical products.	This has further informed our product research and development activities, with a view to further supporting positive patient safety, as well as our educational activities with customers and their frontline clinicians.
<b>Customers</b>	Significant input from customers in both the development of Nanosonics AuditPro and Nanosonics CORIS® technology.	Following customer engagement, we analysed and considered their feedback which informed our final product development changes prior to release to Nanosonics AuditPro and the ongoing development of Nanosonics CORIS®. Further feedback has been received in respect of AuditPro post launch which has been factored into the relevant product roadmap.

## Materiality assessment

Nanosonics previously conducted a comprehensive materiality assessment in accordance with recognised frameworks for ESG reporting and based on indicative responses provided by management on behalf of the Company’s stakeholders. The process was guided by an external consultant and comprised the following steps:

1. Setting the context considering industry, environmental, social and regulatory trends;
2. Analysis of annual, sustainability and other relevant reports from benchmark companies, and the assessment frameworks of ESG rating agencies;
3. Identification of topics that have already been identified by Nanosonics through recent reports, briefings, presentations and other mechanisms; and
4. Consideration of ESG topics listed in GRI and Sustainability Accounting Standards Board (SASB) standards.

During the reporting period, management reviewed the material issues identified in our previous Sustainability Report and consolidated them within the ESG thematic headings which this Sustainability Report is based upon.

Communities	<ul style="list-style-type: none"> <li>• Using innovation to address unmet needs in patient care in a sustainable way;</li> <li>• Customer education on infection control and consultation with customers on product development;</li> <li>• Contributions to the community; and</li> <li>• Product safety and quality.</li> </ul>
Governance	<ul style="list-style-type: none"> <li>• Consultation with infection control peak bodies;</li> <li>• Business ethics and ethical marketing;</li> <li>• Business strategy, including strategic partnerships/relationships;</li> <li>• Labour, environmental and social practices in the supply chain;</li> <li>• Regulation and relationships with regulatory bodies;</li> <li>• Tax strategy; and</li> <li>• Economic value generated and distributed (as described by GRI).</li> </ul>
Environment	<ul style="list-style-type: none"> <li>• Labour, environmental and social practices in the supply chain;</li> <li>• Energy, waste management and climate change; and</li> <li>• Responsible product stewardship.</li> </ul>
People & Culture	<ul style="list-style-type: none"> <li>• Work, health and safety; and</li> <li>• Talent, recruitment, retention, including diversity, equal opportunity and non-discrimination.</li> </ul>

Nanosonics is committed to periodically reviewing its materiality assessment to ensure that the Company is focused upon the issues which remain material to its business and other stakeholders.



## Product quality and reliability

### Product quality and reliability

Our commitment to delivering on product quality and reliability is driven by the understanding that the medical devices we design and manufacture play a critical role in the healthcare industry, impacting user and patient outcomes and safety.

Central to ensuring our product quality and reliability is our Quality Management System (QMS). Our QMS provides the processes and procedures for ensuring the safety and reliability of our products and complying with international standards and stringent regulations throughout the entire product lifecycle, from ideation to post-market surveillance. Our QMS also enables us to design, manufacture and distribute our products to meet our customer and regulatory requirements on a consistent basis.

Nanosonics continues to monitor the performance of our products in the market throughout their lifetime through our Post Market Surveillance process. Our QMS is regularly audited and reviewed to maintain compliance to the applicable standards and regulations for the countries where we market our products.

Our product quality and reliability are essential for the safety of patients and the clinicians using our products.



## Governance

Good governance is the cornerstone of any successful company.

At Nanosonics, maintaining an ambitious, likeminded workforce guided by a strong governance framework is at the heart of how we operate. Operating in an ever-increasing interconnected world, the Board seeks to ensure that the Company's governance systems are robust and capable of managing the external forces which influence the business on an ongoing basis. For this reason, we've focused this section of the report on how Nanosonics addresses governance issues throughout the Company, especially where they interface with the broader world. This includes supply chain management, broader risk management, and cyber threats.

Authority is delegated throughout Nanosonics in accordance with our Delegated Authority Policy, which determines who may bind the company in a variety of circumstances. Authority is delegated based upon an individual's role and seniority, their expertise and relevance to the subject matter, and the value of the proposed transaction or engagement.

Nanosonics does not subscribe to any externally-developed economic, environmental and social charters, principles or other initiatives. However, given the nature of the industry in which it operates, Nanosonics is an active member of several industry groups and associations. The Company's participation is consistent with our Mission and provides a reputable professional environment for sharing clinical insights with others. As of the reporting period covered in this Sustainability Report, Nanosonics is a member of a number of professional bodies, including the following:

1. Association for Professionals in Infection Control and Epidemiology (APIC);
2. Association for the Advancement of Medical Instrumentation (AAMI);
3. AusBiotech; and
4. Society for Maternal-Fetal Medicine.



## Governance **continued**

### Supply chain

Nanosonics depends on a complex international supply chain to support its products and services (**direct suppliers**), as well as day to day business operations and corporate functions (**indirect suppliers**). To support our manufacturing activities, Nanosonics has approximately 88 direct suppliers – 89% of which are single-source suppliers and about 66% of which provide custom-made components for Nanosonics. As a proud, Australian head-quartered business, during the reporting period, Nanosonics spent approximately \$10 million dollars supporting 51 local, direct Australian suppliers and \$25 million dollars supporting 482 local, indirect Australian Suppliers. This represents a 68% increase on FY22.

During the reporting period, Nanosonics implemented planned activities after the initial roll-out of its Sustainable Supply Chain Initiative. The key activity involved the establishing of a Supplier Code of Conduct that is being rolled out to Nanosonics' direct suppliers. This is an opportunity to further engage with and embed sustainability principles throughout the supply chain, with an emphasis on modern slavery and carbon emissions.

#### For FY24, Nanosonics intends to:

- Implement the Supplier Code of Conduct throughout its supply chain which will involve acknowledgement and understanding of the policy as well as seeking acceptance and feedback on areas for improvement with our class 1, 2 & 3 critical suppliers; and
- Enhance our strategy for identifying and combatting modern slavery risks in the supply chain.

### Risk management

Nanosonics maintains a risk management framework. This includes an Executive Risk Management Committee and associated Risk Management Policy and Framework. A Risk Appetite Statement covering the key strategic priorities of the business, together with key risk indicators for each risk appetite statement, helps to assist the Board with oversight of whether management is running the business in accordance with the risk appetite set by the Board.

The business maintains an enterprise risk register and regularly reports to the Audit & Risk Committee and Board on key risks and associated risk treatments. Key risks are taken into account in developing KPIs for Executive KMP and the wider business planning and budget setting process.

Nanosonics has not found any credible and substantiated claims or incidents of corruption throughout our international operations. Similarly, no legal actions have been brought against the Company in relation to any allegations of anti-competitive behaviour or violations of anti-trust or monopoly legislation. The Company has similarly not identified non-compliance with regulations concerning marketing communications, advertising, promotion and sponsorship.

## Governance continued

### Privacy and cyber security

Throughout the reporting period, Nanosonics undertook various activities to further mature its technical and organisational privacy and security measures, processes and systems in order to protect Nanosonics' valuable intellectual property, company data, customer data and personal data. Significantly, Nanosonics achieved ISO 27001 certification in around November 2022. ISO 27001 is considered to be good industry practice with regards to information security management. Nanosonics has also reviewed its data privacy processes and procedures with a view to continuously mature its privacy compliance framework. This stands Nanosonics in good stead to ensure that its systems and processes are resilient against cyber incidents whilst also ensuring that it continues to meet its obligations with respect to the privacy of personal data.

Activities undertaken during FY23 include:

- Engaged external privacy consultants that led and undertook a business-wide review of Nanosonics' operational systems and processes;
- Conducted internal review of privacy and cyber security functions and requirements to ensure the functions are appropriately resourced to support the growing business;
- Re-organisation of privacy and cyber security headcount into dedicated specialist teams for each of privacy and cyber security;
- Implementation of in-house bespoke privacy awareness training across the global organisation to raise awareness of the importance of data privacy and Nanosonics' obligations;
- Further developed and matured internal cyber security policies and procedures to ISO 27001 standards; and
- Implemented processes for vendor/supplier assessment to ensure that cyber security and privacy risks are assessed in a more streamlined and systematic way prior to contracting.

During the reporting period, no claims of potential breaches of customer personal data were received or identified.

During FY24, Nanosonics will maintain all relevant policies and procedures associated with ISO 27001 and take other additional steps to mature its cyber security resilience.



## Nanosonics' contribution to the United Nations Sustainable Development Goals



The United Nations (UN) sets out 17 Sustainable Development Goals (SDG) which were adopted by all UN Member States in 2015. The goals represent a global call to action for universal peace and prosperity of the people and planet. This spans across the environmental, social and economic dimensions of sustainable development.

The World Health Organization (WHO) global report on infection prevention and control (IPC), published on 23 May 2022, is the first of its kind. This report recognises the increasing priority to curb emerging and ongoing threats in health-related activities, such as sanitation and hygiene, via IPC action. A key priority at the country level was the implementation of active IPC programmes to attain the SDGs and respond to World Health Assembly resolutions, including global action on patient safety, improving the containment of antimicrobial resistance, and water, sanitation and hygiene in healthcare facilities<sup>1</sup>.

### How we contribute to SDGs through the value we create



**SDG 3 Ensure healthy lives and promote wellbeing for all at all ages**

*Target 3.8: Achieve universal health coverage: Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all.*

According to WHO's IPC report, seven out of 100 hospitalised patients will be infected with a healthcare-associated infection (HAI), the risk doubling and increasing up to 20 times higher in low- and middle-income countries<sup>2</sup>.

HAIs are among the most frequent adverse events within the health service delivery context<sup>3</sup>. Sterilisation and disinfection of medical devices play a pertinent role in HAI prevention. Multiple studies document failures in medical device reprocessing and some of these have led to outbreaks and patient exposure<sup>4</sup>. Improper disinfection practices and use of low-level disinfection methods leave ultrasound probes contaminated with microorganisms. In particular, one study<sup>5</sup> found there was a 41% greater infection risk following transvaginal ultrasound compared to patients who did not undergo the ultrasound.

Nanosonics continues to improve the safety of patients, clinics, their staff and the environment by transforming the way infection prevention practices operate and increasing the quality and safety of sonographic healthcare services. As a market leader in automated ultrasound reprocessing systems using our trophon technology,

we help protect people (in 31 countries) from avoidable healthcare association infections by delivering consistent high-level disinfection (HLD) of ultrasound probes.

Nanosonics has a large emphasis on maintaining a global standard of care and application of best practices. Our commitment to providing support to our customers does not end at the transaction of our products. The Nanosonics Academy, an operator's product training and certification resource, is made available for healthcare workers to supplement the upgraded implementation of HLD processes and ensure their patients are safe from infection.

Our efforts in advocating for quality infection prevention control through medical reprocessing innovations and continued training support for healthcare professionals contribute to the global effort of ensuring healthy lives and promoting wellbeing and safety to all patients.

1. <https://www.who.int/publications/i/item/9789240051164> Global report on infection prevention and control, page 103.

2. Global report on infection prevention and control, page v, xii.

3. Global report on infection prevention and control, page xii, 9.

4. WHO 2016. Decontamination and Reprocessing of Medical Devices for Health-care Facilities; CDC 2008. Guideline for Disinfection and Sterilization in Healthcare Facilities; Rutala WA, Weber DJ. Infect Dis Clin North Am. 2016 Sep;30(3):609-37.

5. Scott D et al. Risk of infection following semi-invasive ultrasound procedures in Scotland, 2010 to 2016: A retrospective cohort study using linked national datasets. Ultrasound 2018;26(3): 168-177.

## Nanosonics' contribution to the United Nations Sustainable Development Goals *continued*



### SDG 4 Ensure inclusive and quality education for all and promote lifelong learning

*Target 4.5: Eliminate all discrimination in education: By 2030, eliminate gender disparities in education and 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.*

In FY22, the Community Engagement Committee was established, with one foundational pillar being our contribution in fostering quality education and empowering young talent. Key objectives have been set for FY24, including securing secondary and tertiary education collaborations, repeating the STEM Site Visit for students, and maintaining the number of university internships offered. In FY23, we continued to provide internship opportunities for students to participate in our workplace and develop essential work experience during their university degrees. From this pool of talent, full-time positions were also secured and even newly created, in tandem with the Company's growth trajectory. We look to continuing and strengthening our commitment to promoting lifelong learning and inclusive and quality education for all.



### SDG 5 Gender equality

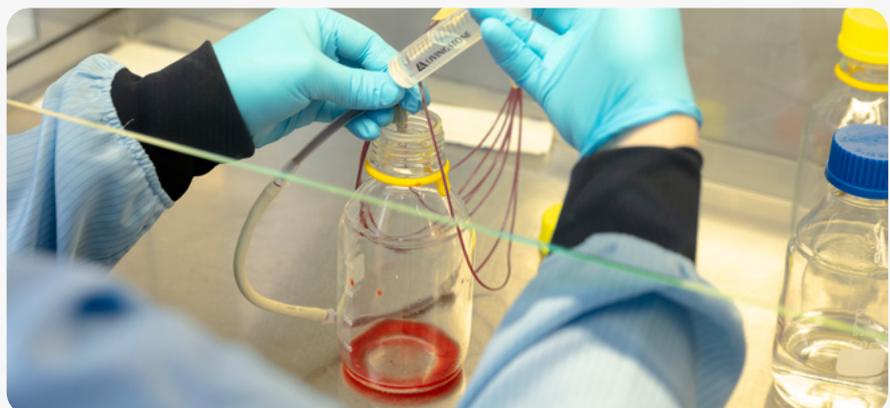
*Target 5.1: End discrimination against women and girls: End all forms of discrimination against all women and girls everywhere.*

*Target 5.5: Ensure full participation in leadership and decision-making: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.*

Nanosonics proudly celebrates diversity and inclusiveness throughout our workforce. It is well recognised that the success of the Company is underpinned by the different and unique perspectives of the communities in which we operate. During FY23, further Mental Health First Aid training accreditation was carried out by members of the senior leadership team to enhance our focus on employee care and wellbeing. Nanosonics has received recognition as a Mental Health First Aid® Skilled Workplace.

The priority theme for the United Nations 67th Commission on the Status of Women was innovation and technological change, and education in the digital age for achieving gender equality and the empowerment of all women and girls. This theme formed the basis for the UN Women Australia's International Women's Day (IWD) which highlighted the value in redefining innovation and creating new social, economic and cultural codes for a gender equal future. In support of this initiative for women and girls around the world on IWD, our organisation aligned with the UN Women Australia's IWD event series by both attending the UN Women's IWD luncheon and bringing IWD to the workplace with IWD@ Work, via a panel discussion. The panel, comprising of Nanosonics' female staff, created a safe space for women to share candid stories of career progression and work/life balance, and encourage meaningful conversations surrounding barriers and overcoming adversity as women in the workforce, and driving change for an equal future through female empowerment.

We have also launched a peer-to-peer led forum, Nano Circles, which runs regular workshops dedicated to empowering and building a support network for the women at Nanosonics.



## Nanosonics' contribution to the United Nations Sustainable Development Goals *continued*



### **SDG 8 Promote inclusive and sustainable economic growth, employment and decent work for all**

*Target 8.5: Full employment and decent work with equal pay: By 2030, 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.*

*Target 8.7: End modern slavery, trafficking, and child labour: 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, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.*

*Target 8.8: Protect labour rights and promote safe working environments: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.*

Our business conduct also contributes to this SDG, as we encourage and establish high internal standards to uphold human rights. In particular, our Company policies, the Supplier Code of Conduct and Sustainable Supply Chain Initiative seeks to identify potential areas of concern to labour practices in our global supply chain and to this date, there have been no identified at-risk suppliers reported. We will continue to expand the auditing scope of our supplier engagement to map out supply chain impacts and also provide further insights through our modern slavery statements, released annually since 2020.

Nanosonics' Diversity & Inclusion Policy confirms that Nanosonics endorses equal remuneration for work of equal or comparable value.

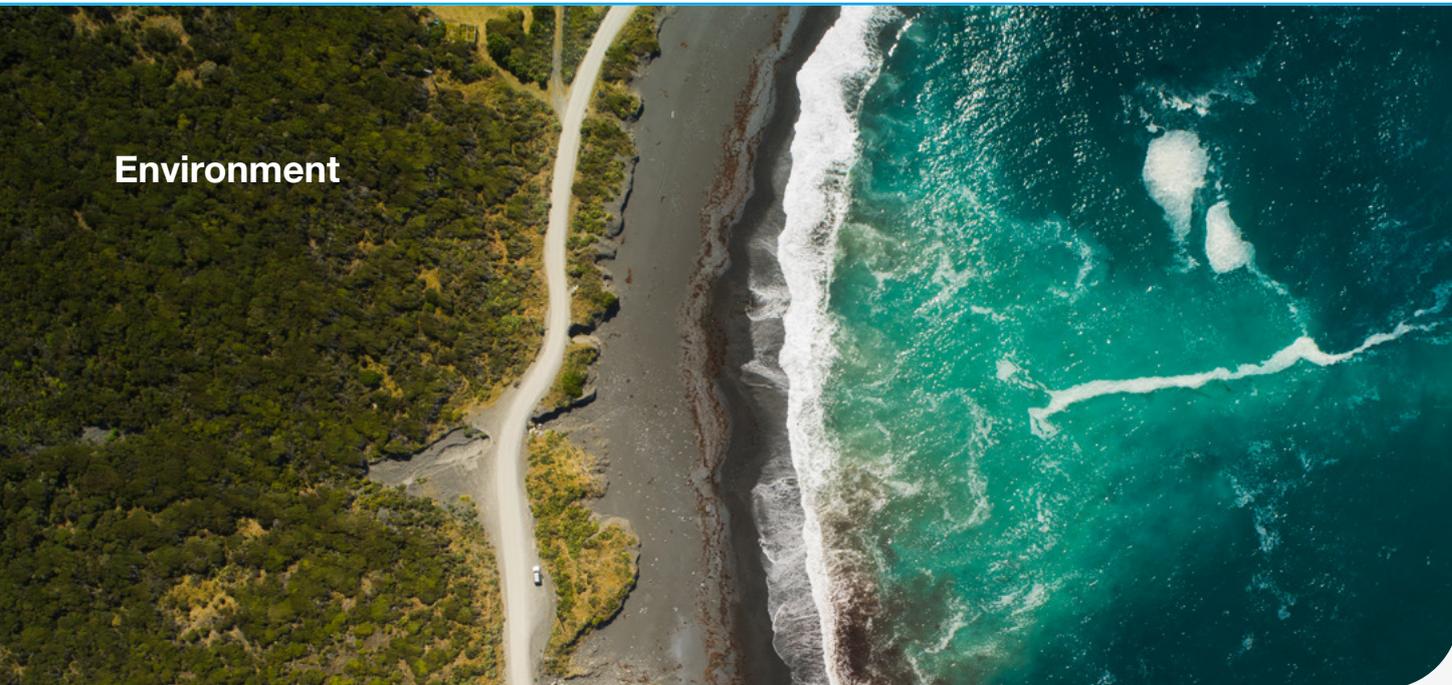


### **SDG 12 Ensure sustainable consumption and production patterns**

*Target 12.5: Substantially reduce waste generation: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.*

Since 2020, Nanosonics has fully integrated sustainability and Environmental, Social and Governance (ESG) information into our annual reporting cycle as a dedicated, stand-alone publication. To substantially reduce waste generation, Nanosonics recognises the important role of product stewardship and responsible management of waste generated from our products. Not only is this demonstrated in our trophon reprocessing disinfection cycle which effectively reduces water consumption relative to alternative disinfection processes, and generates only environmentally friendly water and oxygen by-products, but also from our handling of end-of-life trophon EPR units that embraces circular economy principles. Nanosonics has established arrangements with third-party contractors to responsibly recycle recyclable components of trophon install bases like plastics, metals, cables and electronics. Other measures to divert unnecessary waste entering landfill and implement waste minimisation activities include sourcing local waste removal providers and employing a hazardous waste management contractor for R&D generated hazardous waste. Overall, there was 55% of total waste diverted to recycling globally, and water savings from approximately 26 million trophon cycles annually across the global install base.

## Environment



We recognise that environmental stewardship is an essential element of our social license to operate. It is imperative that we sustainably use the natural resources used in our operations and manufacturing processes, and minimise harm to the environment. Climate change is an existential threat to humanity and Nanosonics has a part to play in mitigating our contribution of greenhouse gas emissions into the atmosphere. Similarly, mitigating our contribution to waste, particularly hazardous and chemical waste, is important to our environmental stewardship efforts. Finally, water scarcity is an increasingly prevalent issue around the world. We endeavour to limit our unnecessary consumption of water in our operations and manufacturing to not further contribute to this issue.

We are applying the principles of product stewardship and lifecycle analysis to our product development and product range to reduce our environmental footprint. This includes, where possible, identifying recyclable and reusable materials as input requirements into our product and process development activities. We recognise that our environmental performance is as crucial to our brand equity as the quality of our products.

Nanosonics has not been sanctioned for any material non-compliance of environmental laws or regulations, including fines or other penalties, across our global operations.

### Sustainable products

Nanosonics prioritises sustainability throughout the product lifecycle – from research, development and product design stages, to operational usage and end-of-life waste management. Set out below is a description of the sustainability principles that apply at relevant stages of the product lifecycle based on the ISO14040.

#### Product stage

For all new projects and product development, we aim to use non-hazardous ecofriendly materials and chemicals when possible. Additionally, considerations of recyclability, reusability and minimisation of landfill are input requirements into the design and development processes.

#### Raw materials supply

In relation to sourcing of raw materials to manufacture our products, we have developed a comprehensive Sustainability Suppliers Questionnaire to gather information about chemicals of concern and to implement the responsible sourcing of materials. This helps us with monitoring suppliers' sustainability profile and making an informed decision when selecting new suppliers. The majority of our raw materials and components are transported to our manufacturing operations by sea freight.



## Environment continued

### Manufacturing

#### Waste prevention

The waste management hierarchy prioritises waste prevention, followed by recovery operations that divert waste from being sent to disposal, such as preparation for reuse, recycling, and other recovery operations. Nanosonics takes a proactive approach to managing the responsible disposal of components, materials, chemicals and other general waste accumulated throughout our operations. Waste is primarily generated across the business through the product manufacturing and servicing activities, with lesser sources from general office activities. In addition, all our hardware products are compliant with the European Union Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electronic and electronic equipment (RoHS 2).

To prevent unnecessary waste entering landfill, the Company employs several measures to prevent waste generation. Throughout our offices, warehouses and manufacturing facilities are cardboard, paper, plastic and metal container and compost waste bins for employees to utilise. We place a particular emphasis on our manufacturing activities, where we seek to continuously improve our processes and initiatives to identify and implement waste minimisation activities. As a result, approximately 55% of total waste is diverted to recycling, globally. Nanosonics also has waste management arrangements with local providers, who provide records of waste removal. Across our global operations, 121 tonnes of waste was generated during the reporting period, of which 66.6 tonnes was recycled<sup>1</sup>. In addition, 800 kilograms of hazardous waste was generated from R&D activities and responsibly managed through a hazardous waste management contractor.

#### Water consumption

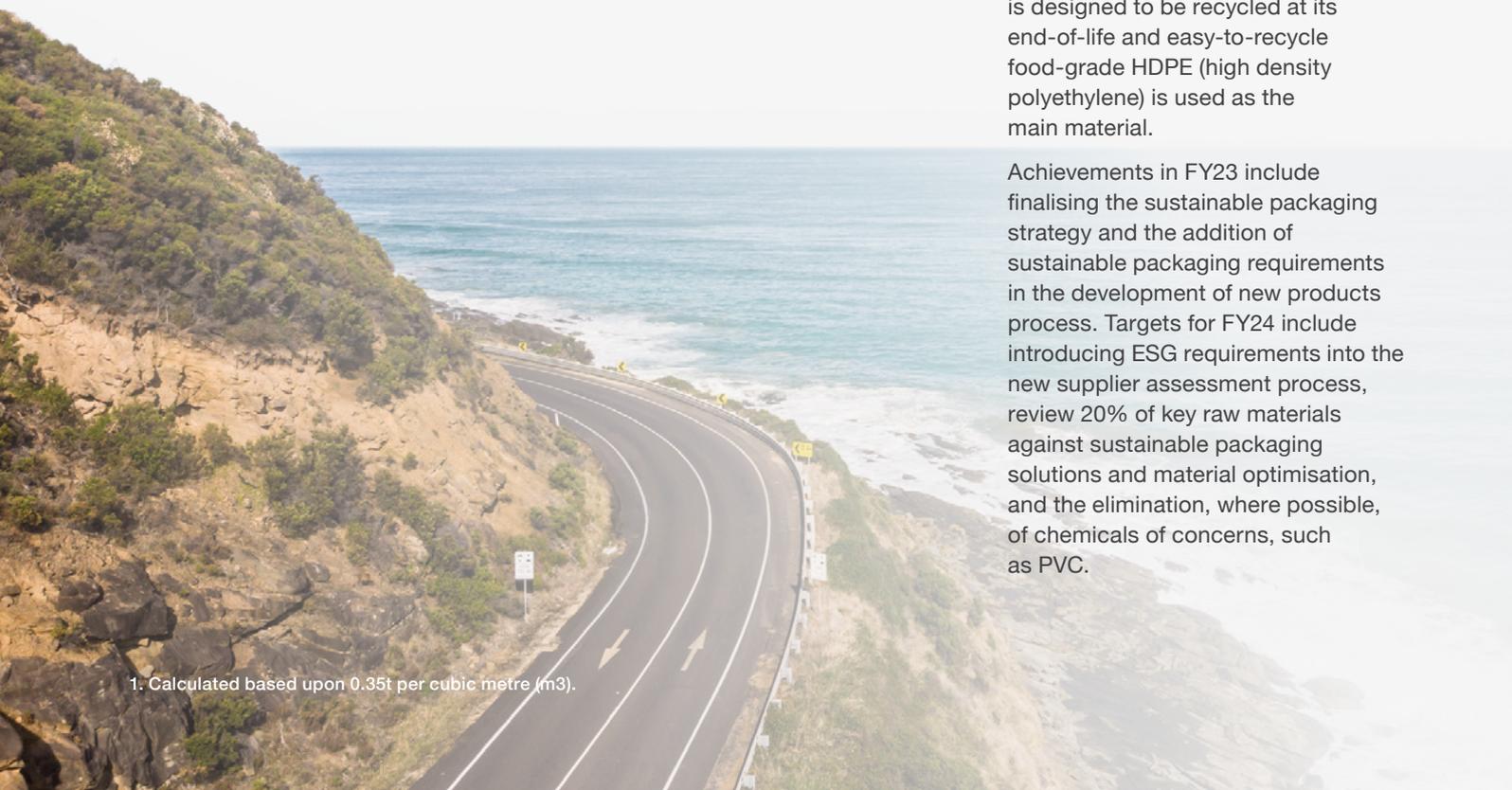
Whilst our water consumption and usage has not been identified as a material issue for the Company, we nevertheless believe in the importance of long-term water stewardship and take responsibility to mitigate any unnecessary consumption. Nanosonics consumed 3.7 ML across our global operations throughout the reporting period. This is based upon our water withdrawal from our utility providers for our international offices. The overwhelming majority of our consumption comes from our Australian operations, where all manufacturing and R&D activities are performed.

#### Packaging

During FY23, Nanosonics joined APCO (Australian Packaging Covenant Organisation) as a brand owner member and committed to aligning with APCO's 2025 target as much as possible. This involves working on increased recyclability of our primary and secondary packaging. For example, primary packaging of our new consumables is designed to be recycled at its end-of-life and easy-to-recycle food-grade HDPE (high density polyethylene) is used as the main material.

Achievements in FY23 include finalising the sustainable packaging strategy and the addition of sustainable packaging requirements in the development of new products process. Targets for FY24 include introducing ESG requirements into the new supplier assessment process, review 20% of key raw materials against sustainable packaging solutions and material optimisation, and the elimination, where possible, of chemicals of concerns, such as PVC.

1. Calculated based upon 0.35t per cubic metre (m3).



## Environment continued

### Use stage

#### Use/application

By using Nanosonics' trophon product, hospitals do not use toxic chemicals for ultrasound reprocessing, as trophon produces water and oxygen (environmentally friendly by-products) from the hydrogen peroxide disinfectant solution used to disinfect probes.

#### Operational energy use

Based on our marketing specification, the energy consumption for a trophon device is as follows:

- Warm-up 580W
- HLD Cycle 200W
- Sleep 3W

This means that our customers' energy usage is around 2.5WH/day per trophon device.

#### Operational water use

The trophon family of products effectively reduce water consumption throughout the reprocessing cycle as compared to alternative disinfection processes, as a trophon cycle converts the Nanonebulant consumable into water and oxygen by-products.

### End of life stage

Another important pillar of waste management recognised by the Company is product stewardship and the responsible management of waste generated from our products. This is particularly important as our trophon EPR installed base approaches end-of-life. We have identified an opportunity to sustainably manage this final aspect of the product life cycle. We have contracted third party recyclers to assist in dismantling and recycling all recyclable components in these units, with a view to embracing circular economy principles and to avoid linear usage of materials.

All trophon devices that reach end-of-life are disassembled and approximately 80% of total weight is recycled. This includes aluminium, electronic parts and plastic parts. The disassembly process is performed within Nanosonics and parts are then picked up by third party recyclers for the recycling process.

### Benefits beyond system boundary

#### Reuse

The benefits of trophon go beyond the system boundary. The innovative reprocessing technology of trophon was driven by the need to improve the efficiency and efficacy of HLD reprocessing medical devices. Outside of trophon, alternative methods of High-level-disinfection (HLD) utilised in clinics and healthcare facilities often involve:

- A higher level of staff intervention to conduct disinfection cycles;
- Requirement for all staff to wear PPE gear, such as disposable protective gowns and gloves; and
- Bulk use of chemical solutions in an open system, with ramifications of chemical fume exposure and bulk chemical dumping after use.



## Environment continued



Alternatively, trophon utilises an automated closed system design to reprocess ultrasound probes.

Benefits of trophon include:

- Drastic reduction of workforce time and effort in HLD reprocessing via automation;
- Minimal PPE disposal relative to other HLD methods;
- Mitigation of chemical fume exposure from closed system design;
- Zero chemical waste disposal as by-products are environmentally friendly water and oxygen; and
- Ability for system to be reused, for a high throughput of disinfection cycles.

As a result, the use of trophon has significantly improved the health and safety of workers whilst conducting HLD reprocessing and conserved the environment through innovative chemical waste management and reduction in equipment disposal.

### Recycling

55% of total waste diverted to recycling and water savings globally from approximately 26 million trophon cycles annually across the global install base.

#### Targets for FY24 include:

- Introducing ESG requirements into the new supplier assessment process;
- Review 20% of key raw materials against sustainable packaging solutions and material optimisation; and
- The elimination, where possible, of chemicals of concerns, such as PVC.



## Climate change

Throughout the reporting period, climate change has been identified as a primary focus for our sustainability-related efforts. One key development in support of our climate change efforts has been increasing the precision and scope when quantifying our environmental footprint. The Company’s global sites include our new headquarters and manufacturing operations in Macquarie Park, the development facility in Thornleigh, New South Wales, and the regional operations sites in Indianapolis, USA and Dublin, Ireland. Throughout the reporting period, these sites consumed approximately 754,832kWh of energy.

## SUSTAINABLE PRODUCTS

Nanosonics prioritises sustainability throughout the product lifecycle – from research, development and product design stages, to operational usage and end-of-life waste management.



### INNOVATION

Aim to use of non-hazardous, ecofriendly materials and chemicals.

Recyclability, reusability and minimisation of landfill as input requirements to design and development

Elimination of toxic chemical usage and exposure



### MANUFACTURING

68% of total waste in Australia diverted to recycling

~6.9ML of water consumed globally

Joined APCO1 and aligned to 2025 targets



### IN-USE

Water savings from ~24.5 million trophon cycles across the global installed base

Low energy consumption at <2Wh per day per device

Zero chemical waste disposal; by-products are air and water



### END-OF-LIFE

~80% of water and parts (up to 14 tonnes is responsibly recycled.

Consumables primary packaging made from food-grade-HDPE2 design to be recycled at end-of-life.

Zero chemical waste disposal; by-products are air and water

### NEW GLOBAL HEDQUARTERS

...with a National Australian Built Environment Rating System (NABERS) sustainability rating of 5.5 (between “Excellent” and “Market Leading”)



## Measuring our carbon footprint

In the FY22 Sustainability Report, Nanosonics committed to undertake a greenhouse gas emissions assessment to measure the carbon “footprint” of the organisation with a view to identifying appropriate and meaningful targets for the business. True to this commitment, the Company engaged with Pangolin Associates, who are carbon and energy management specialists. Nanosonics undertook a comprehensive greenhouse gas emissions (GHG) benchmarking process that included Scope 1, 2 and 3 emissions across our global operations. The preliminary results are shown in the table below. Overall, the Global GHG assessment for Nanosonics resulted in a total emissions per employee of 28.8 (tCO<sub>2</sub>e). This result compares favourably against the Pangolin benchmark of 45.5 (tCO<sub>2</sub>e), which included Australia and New Zealand-based manufacturing companies. The assessment and benchmarking exercise has highlighted key categories (Logistics accounts 56% of total emissions and Business travel of 20%) that will be used to establish future goals and targets for emissions reduction.

Although the Pangolin assessment indicated that Nanosonics’ emissions are below Pangolin’s benchmark for ANZ based manufacturing companies, Nanosonics recognises it has a role to play in reducing GHG emissions. Accordingly, in FY24 we will be working towards setting targets and developing a strategy for reduction of our GHG emissions.

Environment	FY23 <sup>1</sup>	FY22 <sup>2</sup>
<b>Climate change</b>		
Energy consumption (kWh)	754,832 <sup>3</sup>	771,439 <sup>4</sup>
Renewable energy usage (kWh)	0 <sup>5</sup>	356,144 <sup>6</sup>
Scope 1 emissions (tCO <sub>2</sub> e) <sup>7</sup>	40	0
Scope 2 emissions (tCO <sub>2</sub> e) <sup>8</sup>	471	659
Scope 3 emissions (tCO <sub>2</sub> e)	12,657	—
<b>Recycling and waste</b>		
Responsibly disposed chemical and clinical waste (kg)	800	2,250 <sup>9</sup>
<b>Water</b>		
Consumption (ML)	3.7	6.9 <sup>10</sup>

### In FY24, Nanosonics will work towards:

- Identifying and articulating any climate change risks and opportunities and associated mitigations; and
- Developing targets and setting a strategy to reduce its greenhouse gas emissions.

1. All figures have been collated across our Global operations, including Macquarie Park, Thornleigh, Indianapolis and Dublin operations. Previous years, only account for Australian operations.
2. All figures have come from Cochlear’s (Lane Cove) and ANSPEC’s (Thornleigh) facilities teams. As Nanosonics is now the primary tenant at all of its facilities, it is anticipated that for FY23 these figures will be monitored and collected directly by Nanosonics.
3. The operational boundary of this assessment included processing and freighting of purchased material but excluded the purchased material production itself by suppliers.
4. Assumption of reduced energy and water consumption includes: Continued flexible work policies and improved energy efficiency and water efficiency of Macquarie Park buildings and facilities.
5. The reduction in renewable energy usage was the result of the relocation of Nanosonics’ headquarters to Macquarie Park.
6. Increase in renewable energy usage associated with a full year benefit of the solar panels installation.
7. Based upon our Australian premises in Lane Cove and Thornleigh, New South Wales.
8. Based upon our Australian premises in Lane Cove and Thornleigh, New South Wales. Scope 2 emissions calculated based upon total energy consumption at these premises multiplied by National Greenhouse Accounting Factor of 0.78kg CO<sub>2</sub>/kWh.
9. Increase in clinical waste due to an increase in R&PD activities associated with new technology.
10. Increase in water consumption also associated with R&PD activities associated with new technologies.

## People & Culture



We recognise the tremendous value that our human capital provides to the Company. Diversity of thought brings unique and inspiring perspectives, which help contribute to the success of our business and the prosperity of the communities in which we operate. It is for this reason that Nanosonics places significant emphasis upon the care, wellbeing and prosperity of its workforce and the culture they work within.

This section deals with the internal People & Culture dimension of the 'Social' thematic in ESG. Within the 'Social' thematic, the Company has focused its efforts on three core areas:

- First, we wish to continue our progress from previous reports on diversity, equity and inclusion throughout the workplace, from the Board, Executive, and throughout the organisation.
- Secondly, the experience of our workforce, ensuring that their needs and interests are sufficiently addressed.
- Thirdly, the critical importance of the safety of our employees, contractors, patients and clinicians.

### Diversity

Nanosonics proudly celebrates diversity and inclusiveness throughout our workforce. Having a workforce which reflects the communities in which we operate fosters different and unique perspectives which collectively drive our decision-making. It is through bringing together diverse backgrounds in this way that we are able to make business decisions and provide meaningful products to the market which are inclusive to all.



## People & Culture **continued**

Below we set out the Company's FY23 Diversity, Equity and Inclusion Objectives and the outcomes against those objectives:

### Achievement of FY23 Diversity, Equity and Inclusion Objectives:

Objective	Performance	
<b>Gender</b>		
Continue to commit to working towards a gender balanced Executive Team and gender balanced Senior Leader level <sup>1</sup> which is aligned with the Company's global female representation of 42% <sup>2</sup> , and the Hesta 40:40 Vision <sup>3</sup> . An interim target has been included which sees the Company aim to increase the female gender representation on the Executive Team to 18% by 2025.	Gender diversity at senior leader level was comparable at 40% female representation.  Overall female representation increased to 45% of the total global workforce.	✓
Increasing the senior leader level towards 40% female by end of FY23.	Achieved with 40% <sup>4</sup> female representation rate.	✓
Continue to build the emerging female leaders cohort by identifying an additional four emerging female leaders during FY23 from a potential talent pool of 58 females.	Achieved with increasing the cohort by an additional 13 emerging leaders in FY23.	✓
Retention rate of greater than 85% of the emerging female talent.	Not achieved as there has been a total of five resignations, resulting in an overall retention rate of 83%.	–
Identify internal successors (where applicable) with a focus on gender equity for each member of the Executive Team (FY22: 10% <sup>5</sup> female) by end of FY23.	Partially achieved with succession-planning for each Executive team member continuing to be a priority during FY24. There was 40% female representation nominated in the talent management process for direct reports into the Executive Team.	–
Build a pipeline of diverse talent with a focus on gender equity for the next level roles in Operations and R&PD by end of FY23.	Achieved with 40% female representation identified as being ready for "emergency cover" or ready to progress into a leadership role within two years' time.	✓

1. This is defined as a direct report into an Executive Team member and/or in a senior manager role responsible for strategic delivery or execution of the Company's strategy and no more than -2 levels from Executive Team member. Please note: Recommendation 1.5 of the Corporate Governance Principles and Recommendations (4th Edition) recommends that listed entities clearly define how they are using similar terms in diversity targets.
2. As at 30 June 2022 and is based on the global headcount, inclusive of casual and maximum term contract.
3. 40:40 Vision | HESTA Super Fund. This model is for ASX 200 companies to commit to working towards 40% women, 40% men and 20% any other gender at c-suite level by 2030.
4. As of 30 June 2023, and globally, this is based on a total number of 63, 25 female (40% female).
5. As of 27 May 2022, and inclusive of the CEO&P, globally this is based on a total number of 10, 1 female. The vacant CIO role is not included in the total headcount. North America Leadership Team 9, 3 female (33%). EMEA Leadership Team 8, 3 female (38%).

## People & Culture *continued*

Objective	Performance	
<p><b>Flexibility</b></p> <p>Embed the New Ways of Working through a culture of Future Flex during FY23.</p>	<p>The FY23 flexibility measures that were achieved include:</p> <ul style="list-style-type: none"> <li>• Launch of new ways of working Flexible Parental Leave Policy;</li> <li>• Enhanced employee leave benefits with a focus on removing any barriers to diversity or inclusion and referencing inclusive language (gender neutral);</li> <li>• People Leader awareness and education training to support employees who are experiencing Domestic and/or Family Violence;</li> <li>• 100% return from parental leave rate was maintained during FY23, with 50% working flexibly upon their return to work; and</li> <li>• An increase in part-time options during FY23 from FY22.</li> </ul>	
<p>Evolve the Nanosonics Flexible Work Guiding Principles into a Company policy which is inclusive of employee feedback gathered through an employee survey and employee focus groups post the introduction of Nanosonics Hybrid Working model.</p>	<p>Not yet achieved – the current hybrid working model has continued during FY23.</p>	
<p>Introducing the concept of Flexible Options to provide flexible options for employees during their tenure with Nanosonics to enable any lifestyle adjustments where positive outcomes are able to be achieved for the Company, team and individual, for example: part-time hours, career break, transitioning to retirement or phased return from parental leave.</p>	<p>Achieved with an increase in employees accessing flexible work options on a permanent basis and/or for a defined period with the purpose of managing lifestyle adjustments and work.</p>	
<p>Improving Nanosonics Flexible Leave by reviewing the current leave offering and seeking feedback from across the organisation to ensure a broad range of leave options are available and relevant to all Nanosonics employees.</p>	<p>Achieved via the Flexible Parental Leave Policy and enhanced employee leave benefits, launched on 6 April 2023.</p>	

## People & Culture **continued**

Objective	Performance	
<p><b>Inclusion</b></p> <p>To continue to create a culture that is inclusive of everyone and where people feel valued and a sense of belonging by embracing diversity in relation to:</p> <ul style="list-style-type: none"> <li>• Age;</li> <li>• Family or marital status;</li> <li>• Sexual orientation, LGBTQIA+;</li> <li>• Gender;</li> <li>• Disability and Accessibility;</li> <li>• Ethnicity;</li> <li>• Religious beliefs;</li> <li>• Cultural background;</li> <li>• Aboriginal and Torres Strait Islander People;</li> <li>• Mental Health;</li> <li>• Socioeconomic background; and</li> <li>• Flexibility.</li> </ul>	<p>The FY23 inclusion measures that were achieved include:</p> <ul style="list-style-type: none"> <li>• Recognition as an accredited Mental Health First Aid Workplace in Australia.</li> <li>• Launch of global and local mandatory training modules to support an inclusive culture.</li> <li>• Successful embedding of the FY23 Diversity, Equity &amp; Inclusion events to raise awareness, education and celebrate diversity.</li> <li>• Identified and selected Home – Get Skilled Access to assist with our hiring practices to enable Nanosonics becoming a disability-inclusive workplace.</li> <li>• Launch of Nanosonics Wellbeing Hub on the Company intranet.</li> <li>• Launch of a new EAP provider with increased benefits to support employees in Australia, Japan and Canada navigating many lifestyles needs (finance, family, career nutrition, legal etc.). Please note: EMEA and US have an existing EAP provider in place.</li> </ul>	
<p>Demonstrate support and inclusion for mental health in the workplace by aiming to be recognised as Bronze Mental Health First Aid Skilled Workplace Program and having Nanosonics workforce be skilled in MHFA.</p>	<p>On 6 April 2023, Nanosonics' application for the Mental Health First Aid Workplace Recognition Program was successful.</p>	
<p>Create a culture of inclusion by understanding and being aware of unconscious bias through continuing the Unconscious Bias Unplugged training by the Australian Diversity Council for all employees during FY23 and FY24.</p>	<p>Achieved, with a completion rate of 95% for all global employees.</p>	
<p>Introduce a pilot learning experience on Allyship &amp; Inclusive Leadership for Executive/Senior Leaders which will build on the unconscious bias awareness training and continue to create an inclusive culture by strengthening leadership inclusive behaviours.</p>	<p>Not yet achieved, this has been re-prioritised and included in the FY24 DE&amp;I Plan.</p>	
<p>Continue to recognise, support and celebrate cultural diversity during FY23 with a focus on NAIDOC Week, World Mental Health Day, International Day of Disability, International Women's Day and International Day of Families.</p>	<p>Achieved, with eight events/programs implemented across the Company with high participation and attendance at each event.</p>	
<p>Extend our preferred recruitment partner model to include an agency that will support and educate Nanosonics on becoming a disability-inclusive organisation.</p>	<p>Achieved, with Home – Get Skilled Access selected by our Talent Acquisition Business Partner as one of our preferred suppliers.</p>	
<p>Implementation of the HRIS will enable the reporting of culturally diverse statistics, such as gender identification, generational coverage (age), Indigenous Torres Strait Islander, ethnicity, and languages of our workforce to understand the current state of the diversity of Nanosonics.</p>	<p>Achieved, with the commencement of collection of data for all new hires in Australia commencing in February 2023.</p>	

## People & Culture **continued**

Below we set out the Company's FY24 Diversity, Equity and Inclusion Objectives:

### **FY24 Diversity, Equity and Inclusion Objectives:**

#### **Gender**

Commit to increasing the Board level female representation towards 40% (FY23 33.3%).

Continue to commit to working towards a gender balanced Executive Team and gender balanced Senior Leader level<sup>1</sup> which is aligned with the Company's global female representation of 45%<sup>2</sup> and the Hesta 40:40 Vision.

Continue to work towards increasing the executive team female representation to 40% (FY23: 10%<sup>3</sup>) by 2030 through aiming to increase the female representation to 18% by 2025 and continuing to align with our Diversity & Inclusion Policy 2021 which supports ensuring diverse candidates are presented in each stage of the recruitment process.

Continue to increase the senior leader level towards 40% female by end of FY24 (FY23: 40%<sup>4</sup> female).

Continue to invest in the emerging female leader cohort<sup>5</sup> and aiming for a retention rate of >85% is achieved (FY23: 83%).

Continue to identify and develop internal successors (where applicable) with a focus on gender equity for each member of the executive team during FY24.

Continue to build the pipeline of diverse talent with a focus on gender equity for next level roles with a focus on Operations, RP&D, and IT teams. All other functional teams continue to have strong female representation (Finance, Legal, P&C and Marketing).

Review the hiring process through the lens of "inclusive recruitment" to enable a diversity of talent to be sourced, interviewed, selected, and appointed. Any enhancements to the current process will be piloted in regions for all new and replacement sales roles in FY24 to maintain the 40% female representation in North America and increase the 25% female representation in EMEA.

1. This is defined as a direct report into an Executive Team member and/or in a senior manager role that is responsible for strategic delivery or execution of the Company's strategy and no more than -2 levels from Executive Team member. Please note: Recommendation 1.5 of the Corporate Governance Principles and Recommendations (4th Edition) recommends that listed entities clearly define how they are using similar terms in diversity targets.
2. As of 30 June 2023, and is based on the global headcount, inclusive of casual and MTC.
3. As of 30 June 2023, this includes the CEO&P and direct reports into the CEO&P and is based on a total number of 11, 1 female.
4. As of 30 June 2023, and globally this is based on a total number of 63, 25 female (40% female). In FY22, the female representation of senior management was 41% and the definition was direct reports into CEO and Executive team members. As a result of growth and organisational changes the definition for FY23 was re-clarified.
5. As at 8 June 2023 there are 25 emerging female leaders.



## People & Culture continued

### FY24 Diversity, Equity and Inclusion Objectives:

#### Flexibility

Review and enhance the New Ways of Working (introduced in FY22) to ensure that the practices, policies, and benefits continue to be flexible, equitable and inclusive for everyone at Nanosonics (irrespective of gender, family responsibilities, age, health etc.) and remove any barriers to building a diverse and inclusive workforce.

#### Inclusion

Continue to create a culture that is inclusive of everyone and where people feel valued and a sense of belonging by embracing diversity in relation to:

- Age;
- Family or marital status;
- Sexual orientation, LGBTQIA+;
- Gender;
- Disability and Accessibility;
- Ethnicity;
- Religious beliefs;
- Cultural background;
- Aboriginal and Torres Strait Islander People;
- Mental Health;
- Socioeconomic background; and
- Flexibility.



## People & Culture continued



### Ways of Working

FY23 has seen the Company continue to support and recognise the resilience of its workforce. The experiences of the COVID pandemic has taught the Company to be pre-emptive and agile from a “ways of work” standpoint and to evolve its understanding of the meaning of “flexibility”.

We continue to maintain and evolve a range of workplace policies adopted to support a dynamic and receptive foundation to the way we work together and collaborate. Importantly, we are committed to ensuring the needs of our people are balanced, and we place a focus on wellbeing. Flexible Working Guiding Principles aligned with our Core Values to set a consistent and clear framework.

Additionally, Nanosonics promotes the 5S Methodology to sustain Health & Safety in the workplace and increase workflow efficiency, to positively impact our people’s experiences. In FY23, mandatory 5S training was launched to reinforce our commitment to identifying and eliminating waste, and ways to maintain sustainable continuous improvement at work.



### Workplace

Our people are central to our success at Nanosonics. They span a variety of disciplines and demographics across the markets in which we operate. As of 30 June 2023, our total employee headcount has reached 482 globally. This significant increase is especially notable given the challenges companies face in the market for talent.

We continue to demonstrate a strong commitment to gender equality, with at least 45% of our global workforce made up with female-identifying employees. More specifically, there were 216 female-identifying employees across the Company, with 186 contracted on a permanent basis. This compares to 230 permanent and 36 temporary male-identifying employees.

## People & Culture continued

Further, we have 175 full-time female-identifying employees and 11 working part-time. This compares to 229 full-time male-identifying positions and one working part-time. Further, we have increased our representation of female directors on the Board from 29% in FY22 to 33% in FY23. These figures are accurate as at the end of the reporting period. Non-employees are used sparingly throughout the business, though continue to contribute to product assembly, manufacturing and laboratory-based testing functions. None of our employees are covered by collective bargaining agreements.

Our workforce is diverse and spread across our global operations. Of our total workforce, 320 employees are located at our Australian offices, with 64 being temporary staff. Across the rest of the world, our workforce is employed entirely on a permanent basis. 111 staff make up our North American offices, reflecting the significance of this market to our core business. Our United Kingdom, EMEA and Japan offices have grown to 16, 20 and 15 employees respectively, reflecting the growing momentum in these markets.

Ensuring a safe and supportive work environment enables our staff to prosper and our Company Mission to be advanced. Through our Employee Engagement Survey, the Executive Team sought to understand the overall experience of our people across all our offices. 93% of our employees strongly agree that they believe in the purpose of Nanosonics, with 88% believing their work contributes to the goals of the Company. This result was based upon 90% participation in the Employee Engagement Survey. The CEO&P and Chief People & Culture Officer run regular “Town Hall” meetings to share updates and facilitate alignment.

Nanosonics provides generous support and parental leave for employees transitioning from pregnancy into the early stages of their child’s lives. We believe that it is important to encourage both men and women equally to utilise the resources and leave entitlements, encouraging a healthy balance of parental responsibilities. 100% of employees who took parental leave during the reporting period returned to work.

### Embedding our Core Values

The Managing for Success Leadership Program, which is a fit-for-purpose program to empower leaders at all levels and help them deliver business growth, was launched in FY22. This program commenced with mandatory workshops (Coaching Conversations, and Hiring for Talent) for all leaders, including the Executive Team. During FY23 a third workshop on wellbeing was launched for all people leaders.

Our Core Values are embedded through our SuperSonics Reward and Recognition program. This program includes our Core Values Quarterly Award which operates by peer nomination and rewards and recognises employees who have embodied our Core Values.



## People & Culture *continued*

### Employee, patient and clinician safety

The safety of patients and our employees is essential. Through our products, we strive to mitigate cross-infection and the spread of diseases in healthcare facilities around the world. Like many companies, Nanosonics has formalised its work from home practices provided safety can be maintained and the individual's role is not impacted.



Our lost time injury frequency rate (LTIFR) and total recordable injury frequency rate (TRIFR) for the reporting period in Australia were 2.17 and 10.83 respectively per million hours worked. This compares to a manufacturing industry benchmark LTIFR of 11.1, as prepared by SafeWork Australia.

Our Workplace Health and Safety Committee meets monthly to address incidents and hazards throughout the workplace, as well as broader risk management. Site inspections and safety audits are also routinely performed across our Australian facilities to ensure that proper health and safety procedures and protections are being utilised.

The safety of patients and clinicians using our products around the world is of utmost importance. Nanosonics endeavours to comply with all information and labelling requirements in the markets in which our products are distributed.

We supply safety data sheets for all of our products which may be hazardous to the user or environment if not handled correctly, including the chemical disinfectant solution for trophon and associated wipes. The trophon also includes electric hazard warnings on the device. All product user manuals detail the safe use conditions for the product and appropriate disposal methods.



Diversity and inclusion	FY23	FY22	FY21	FY20	FY19
<b>Workplace</b>					
Total employees (No.)	482	425	339	311	286
Employees returning from parental leave (%)	100	100	100	—	—
<b>Safety</b>					
Lost Time Injury Frequency Rate (LTIFR)	2.17	2.16	6.94	—	—
Total Recordable Injury Frequency Rate (TRIFR)	10.83	4.32	6.94	—	—
Speak up <sup>1</sup>	2	0	0	0	—
<b>Diversity and inclusion</b>					
Women as a percentage of the total workforce (%)	45	42	41	41	36
Women in STEM roles (%)	41	39	42	39.8	—
Women in Senior Management <sup>2</sup> (%)	40	41	38	32	30
Women in Board roles (%)	33	29	29	29	17

1. The Company views speak up notifications as representative of a sound “speak up culture” being a workplace environment where employees feel comfortable speaking their minds, sharing their ideas, and raising concerns without fear of negative consequences which are then managed appropriately.
2. The current definition from FY23 is defined as a direct report into an Executive Team member and/or in a senior manager role responsible for strategic delivery or execution of the Company's strategy and no more than -2 levels from Executive Team member. The definition of senior management used from FY20 onwards is CEO&P and Executives and their direct reports. The definition of senior management used in FY19 was CEO&P and Executives and their direct reports, excluding those individuals who are not people managers.

## Communities

**Nanosonics recognises that our success as a business depends upon cultivating and enriching our social license to operate. We believe that engaging with the communities in which we operate, in an effort to be a force for social good, is key to managing goodwill. Through community engagement, we seek to leave a positive impression and to give back to those who support our operations around the world.**

This year, we reinforced our focus upon the three central tenets to our community engagement: first, to strengthen our efforts to engage with our broader supply chain to address the risk of modern slavery and other human rights concerns; second, to maintain our longstanding charitable commitments which give back to various community groups; and finally, to bolster the educational opportunities for future generations, with a particular focus upon women.

In FY22, the Community Engagement Committee consisting of diverse members from throughout the business was established. The committee is tasked with leading our Community Contributions Program. Within this program we are evolving existing, and developing new, pathways to support the general community, education and training in the STEM community and the healthcare community.



### Human rights

Nanosonics takes seriously its responsibility to combat human rights abuse throughout our global supply chain. The Company accepts that slavery continues to plague many vulnerable persons around the world. Unfortunately, however, modern slavery takes a range of forms, many of which are not immediately recognisable and are often overlooked.

We recognise the important function which supply chain due diligence plays in detecting and responding to possible instances of modern slavery. Throughout the reporting period we have not identified any at-risk suppliers through our engagement efforts. Over successive years we will continue to expand the scope of our supplier engagement to continue to map our supply chain impacts.

Certain minerals and inputs into our products and services may have disproportionately large exposure to human rights abuse, namely due to the manner of extraction. For the purposes of Sustainable Supply Chain Initiative, conflict minerals refer to tin, tantalum, tungsten and gold (3TG). Conflict minerals are an important focus for the Company throughout our product development and R&D. Where our products include traces of conflict minerals, we seek to ensure that they are responsibly sourced and only used where absolutely necessary. We will provide further insights on our efforts to address modern slavery in our Modern Slavery Statement.

### Contributions

Contributing to the communities in which we operate is an important focus for Nanosonics. Nanosonics has maintained its longstanding commitments to the Cancer Council of Australia and the St Vincent de Paul Society through participating in Australia's Biggest Morning Tea and CEO Sleepout respectively. Last year, we raised \$3,652.15 for the Cancer Council's Biggest Morning Tea. This year Nanosonics celebrated the 30th birthday of the Biggest Morning Tea event which involved our Nanosonics community volunteers running team-building and social activities, sharing food from their culture, and even donating their artworks for a silent auction. From this heartwarming collective engagement the Nanosonics community raised \$5,573 which will provide 3482 kids with a SunSmart education, 85 calls to trained cancer professionals or 46 days of a PhD student's world-class research to aid in the effort for the research, support and prevention of cancer. At this year's CEO sleepout, the Nanosonics community raised over \$27,000, our highest achievement yet, which will contribute towards 87 individual support programs, 229 beds and 916 meals. Throughout the reporting period, Nanosonics has raised \$37,822.35 across its various charitable initiatives.

## Communities continued

Nanosonics does not make political contributions of financial or in-kind support, either directly or indirectly, to government organisations or other bodies in the regions in which we operate. Such contributions are regulated by the Anti-Bribery & Anti-Corruption Policy, which require prior approval from the Chief Executive Officer.

### Community activities

Nanosonics runs community activities as part of the Company's ongoing commitment to diversity, inclusion and employee wellbeing, to cultivate a sense of belonging within the workforce. For example, in September 2022, Nanosonics celebrated RU OK? Day to encourage genuine conversations within the workplace, and in February 2023, Nanosonics recognised WorldPride in support of employees feeling safe and comfortable to bring their authentic self to work.

Nanosonics is fortunate to be an organisation that is rich in cultural diversity, and for Harmony Day in March 2023 we celebrated this diversity through food. By sharing dishes from their cultural heritage, our Nanosonics staff enjoyed a bonding experience to toast our multicultural workplace.

In March 2023, Nanosonics celebrated International Women's Day with a panel discussion. The panellists, consisting of Nanosonics' female staff, shared what IWD signified to them and advice that changed their life and how it may help fellow women in the workforce.

In June 2023, Nano Circles, a forum led by and dedicated for women at Nanosonics, was launched. Regular workshops are run for members across a variety of roles and levels to come together for connection, mentorship, discussion of relevant societal topics, and building new personal and professional skills.



The long-term vision of Nano Circles is to build and sustain an empowered female network at Nanosonics through a peer-to-peer framework.

In July 2023, Nanosonics celebrated National NAIDOC Week and hosted an information session to introduce the steps our Company plans to take in this important area encompassing Indigenous cultural awareness and recognition. The implementation of a Reconciliation Action Plan (RAP) from FY24 onwards is one foundation by which we strive to deliver on this commitment to embed the principles and purpose of reconciliation in a meaningful and sustainable manner.

A highlight of this NAIDOC session was a guest speaker from the Tribal Warrior Aboriginal Corporation who is committed to working to change the rate of child removals amongst Aboriginal and Torres Strait Islander children in the out-of-home care system and advocating for the empowerment of First Nations Australians. We were fortunate enough to hear the speaker's story and gain some personal insights and reflections on the longstanding relationships between elders, communities, and the land itself that are celebrated during NAIDOC week.

In observance of this year's NAIDOC theme, 'For Our Elders', we honour the Elders, both past and present, for their sustained stewardship of the land and preservation of cultural traditions and stories that have been passed down for generations. As the Nanosonics Macquarie Park headquarters is located on Dharug Nation land, we pay our respects to the Dharug Traditional Owners and their ancestors, recognising the invaluable contributions they have made and their enduring legacy. At Nanosonics, we are eager to learn from our First Nations Australians and take steps towards caring for our country and communities, as they have demonstrated for over 65,000 years.

In our hopes to see a just, equitable and reconciled Australia, we will continue to build on our inclusive culture, break down barriers, and open access to opportunities for all. The Indigenous Cultural Awareness Bundle Training Course that was launched in FY23 continues to be available for all employees.

Along with continuing our tradition of participating in the Biggest Morning Tea event and CEO Sleepout, in FY24 we will also be continuing to launch events for R U OK? Day/World Mental Health Day, International Day of Disability, International Women's Day, and International Day of Families.



## Communities continued

**The Company continued its charitable donations during the year, raising almost \$38,000 for charities.**

### Education

Nanosonics believes strongly in the need to support the education of the next generation of students, who will continue to support our mission into the future. The Company has a proud and ongoing history working with Australia's leading universities on clinical and other research initiatives. The Company provided internship opportunities for 19 students to participate in our workplace and develop essential work experience during their degrees. These interns were placed in a range of departments, including engineering, R&D, marketing, clinical affairs and legal. We are proud of the contributions which our interns have made, several of whom have been promoted to full-time positions.

In FY22, the Community Engagement Committee was established, with one foundational pillar being our contribution in fostering quality education and empowering young talent. Networking has been established with universities and their student societies, and also high school science and STEM forums.

During FY24, Nanosonics will implement its first Reflect Reconciliation Action Plan (RAP). The objective is to prepare for reconciliation initiatives that will develop genuine relationships with Aboriginal and Torres Strait Islander stakeholders.



Key objectives have been set for FY24, including maintaining the number of university internships offered and repeating the STEM Site Visit for secondary or tertiary students.

**The Company continued to hire University interns with 19 new internships offered during FY23.**

This year, The Nanosonics Community Engagement Committee recommended the Company to be a collaborator in the National Youth Science Forum (NYSF) Year 12 Program. The NYSF, which has been running since 1984, aims to inspire youth in their passions for science, technology, engineering and maths. Nanosonics was thrilled to host a fully booked STEM Site Visit for the participants of the program. The NYSFers had the opportunity to visit our manufacturing site, chemistry and engineering labs, and other areas throughout the business, and network with a range of different Nanosonics STEM professionals. Feedback from the students indicated that the students recognised how diverse the study and career paths within the STEM Industry can be.

The Company looks forward to expanding and optimising this student initiative, which meaningfully targets a key FY23 sustainability objective, in securing secondary education collaborations with focus on creating meaningful and lasting impact for the student learning experience.



## Appendix

### GRI content index

This report has been reviewed and approved by the Board of Directors. The Board of Directors acknowledges responsibility for the following statement of use:

*The information reported by Nanosonics Limited for the reporting period 1 July 2022 to 30 June 2023 has been prepared with reference to the GRI Standards cited in this content index.*

GRI Standard	Disclosure	Location of reported information (page)	
<b>General Disclosures</b>			
<b>GRI 2: General Disclosures 2021</b>	2-1	Organizational details	5
	2-2	Entities included in the organization's sustainability reporting	5
	2-3	Reporting period, frequency and contact point	i
	2-6	Activities, value chain and other business relationships	5
	2-7	Employees	11, 26 - 33
	2-8	Workers who are not employees	33
	2-9	Governance structure and composition	8
	2-10	Nomination and selection of the highest governance body	9
	2-11	Chair of the highest governance body	9
	2-12	Role of the highest governance body in overseeing the management of impacts	6
	2-13	Delegation of responsibility for managing impacts	7 - 9
	2-14	Role of the highest governance body in sustainability reporting	6
	2-15	Conflicts of interest	Annual Report
	2-16	Communication of critical concerns	6
	2-17	Collective knowledge of the highest governance body	6
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Statement
	2-19	Remuneration policies	Corporate Governance Statement
	2-20	Process to determine remuneration	Corporate Governance Statement
	2-22	Statement on sustainable development strategy	6 - 9
	2-23	Policy commitments	9
	2-24	Embedding policy commitments	9
	2-26	Mechanisms for seeking advice and raising concerns	9
	2-27	Compliance with laws and regulations	Corporate Governance Statement
	2-28	Membership associations	14
	2-29	Approach to stakeholder engagement	10

## Appendix continued

GRI Standard	Disclosure	Location of reported information (page)
<b>Material Topics</b>		
<b>GRI 3: Material Topics 2021</b>	3-1	Process to determine material topics
	3-2	List of material topics
<b>Economic performance</b>		
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics
<b>GRI 201: Economic Performance 2016</b>	201-2	Financial implications and other risks and opportunities due to climate change
	201-4	Financial assistance received from government
<b>Market presence</b>		
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics
<b>Procurement practices</b>		
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics
<b>GRI 204: Procurement Practices 2016</b>	204-1	Proportion of spending on local suppliers
<b>Anti-corruption</b>		
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics
<b>Tax</b>		
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics
<b>GRI 207: Tax 2019</b>	207-1	Approach to tax
	207-2	Tax governance, control, and risk management
	207-4	Country-by-country reporting
<b>Materials</b>		
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics
<b>GRI 301: Materials 2016</b>	301-1	Materials used by weight or volume
	301-2	Recycled input materials used

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GRI Standard	Disclosure	Location of reported information (page)
<b>Energy</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	22 - 25
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	25
	302-2 Energy consumption outside of the organization	25
	302-3 Energy intensity	25
	302-4 Reduction of energy consumption	25
	302-5 Reductions in energy requirements of products and services	25
<b>Water and effluents</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	22 - 25
<b>GRI 303: Water and Effluents 2018</b>	303-5 Water consumption	21 - 22
<b>Emissions</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	25
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	25
	305-2 Energy indirect (Scope 2) GHG emissions	25
	305-3 Other indirect (Scope 3) GHG emissions	25
	305-4 GHG emissions intensity	25
	305-5 Reduction of GHG emissions	25
	305-6 Emissions of ozone-depleting substances (ODS)	25
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	25
<b>Waste</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	21
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	21
	306-2 Management of significant waste-related impacts	21
	306-3 Waste generated	21
	306-4 Waste diverted from disposal	21
	306-5 Waste directed to disposal	21

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GRI Standard	Disclosure	Location of reported information (page)
<b>Employment</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	26
<b>GRI 401: Employment 2016</b>	401-3 Parental leave	33
<b>Occupational health and safety</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	22 - 25
<b>GRI 403: Occupational Health and Safety 2018</b>	403-9 Work-related injuries	21 - 22
<b>Training and education</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	37
<b>Diversity and equal opportunity</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	26
<b>Non-discrimination</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	31
<b>Security practices</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	35
<b>Rights of indigenous peoples</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	36, 37
<b>Local communities</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	36, 37
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	36, 37
<b>Public policy</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 3-3 Management of material topics	36
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	36
<b>Customer privacy</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	16

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