



*Environmental, Social
& Governance (ESG)
Statement 2025*



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Australian Clinical Labs Limited is an industry leader committed to having a positive social impact and contributing meaningfully to the communities in which it operates. ACL currently provides pathology and other related services to communities in Victoria, New South Wales, Queensland, the Northern Territory, Western Australia, South Australia and the Australian Capital Territory.

Introduction

Australian Clinical Labs Limited (ACL or the Company) is an industry leader committed to having a positive social impact and contributing meaningfully to the communities in which it operates. ACL currently provides pathology and other related services to communities in Victoria, New South Wales, Queensland, the Northern Territory, Western Australia, South Australia and the Australian Capital Territory.

As of 30 June 2025, ACL operates 50 National Association of Testing Authorities (NATA) accredited laboratories and 1288 accredited collection centres (ACCs), 29 specialist skin cancer clinics and services over 90 public and private hospitals. ACL employs over 4,333 people including pathologists, lab technicians, phlebotomists and couriers. ACL carries out millions of medical tests, known as episodes, each year for a range of clients, including GPs, medical specialists, hospitals and corporate clients.

This is our fifth ESG Statement since our IPO in May 2021. In this 2025 ESG Statement, we outline the progress we have made during the last financial year towards achieving our ESG goals. This statement should be read in conjunction with the context and background provided in our 2021-2024 ESG Statements which can be found on our [website](#)

This statement was adopted and approved by the Board of ACL on 2 September 2025.

Scope

This Statement relates to all ACL employees, contractors, suppliers and the Board; all activities undertaken by or on behalf of ACL; and all facilities operated and/or managed under the direct control of ACL employing entities.

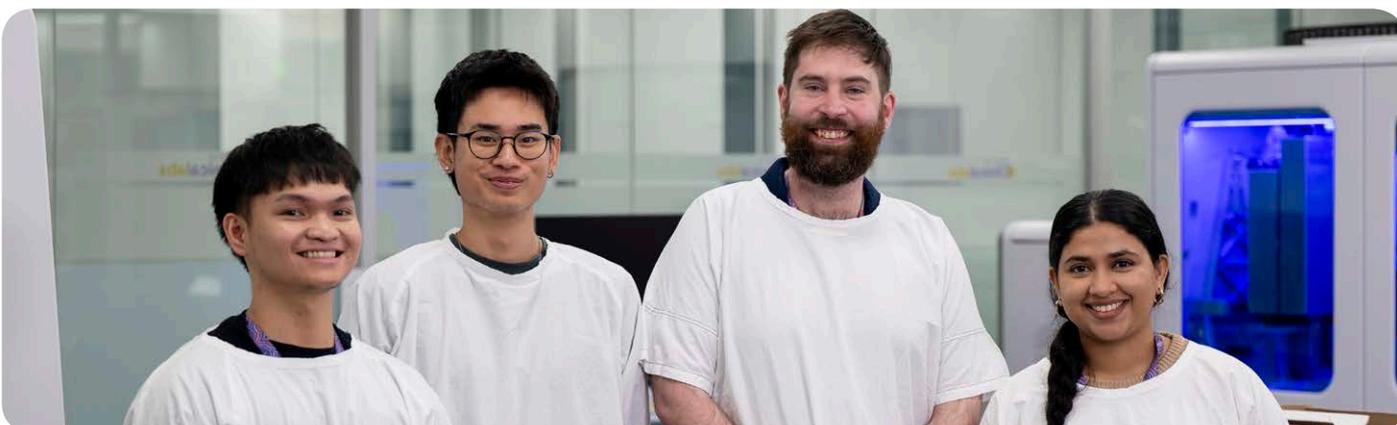
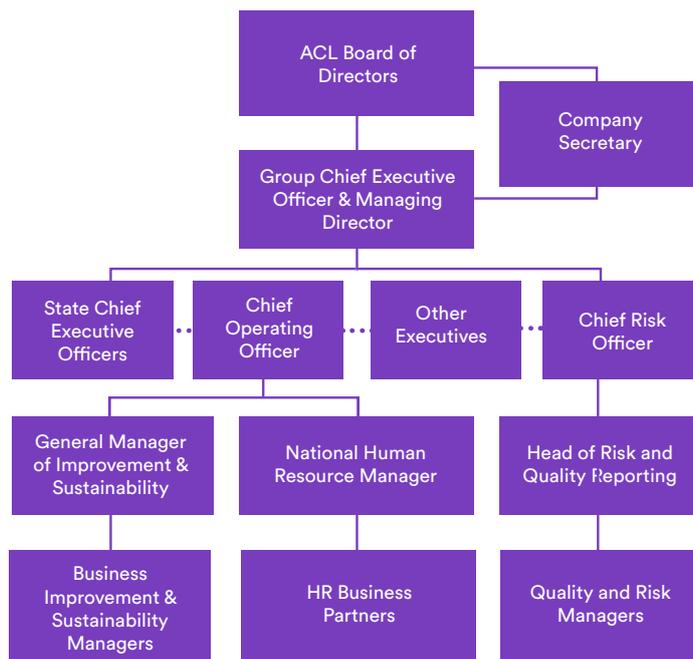
All business operations are in scope regardless of their function, unless stated otherwise.

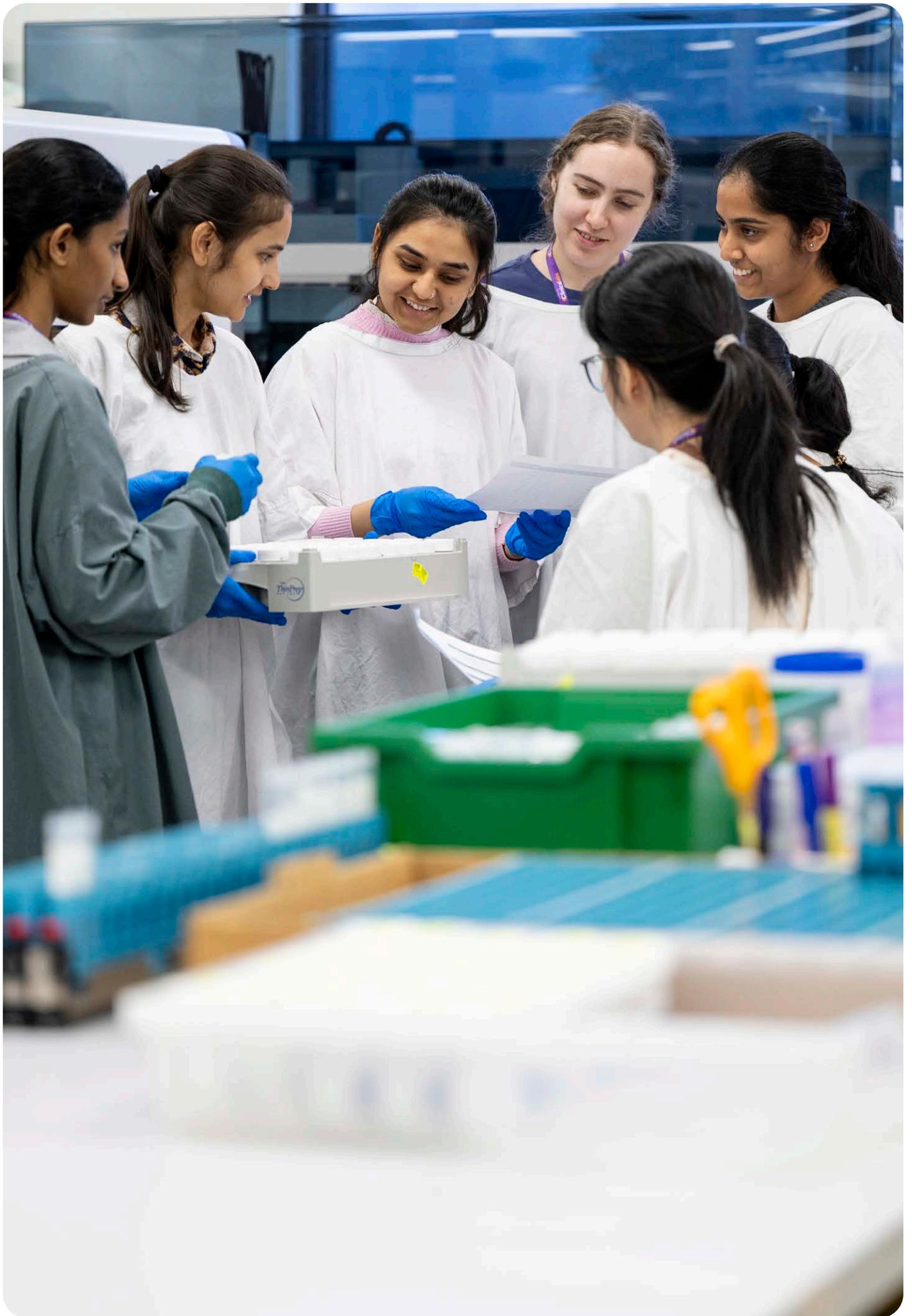
Sustainability Reporting

Collectively with the Board, the Chief Executive Officer (CEO) oversees the development and delivery of our sustainability strategy. The Chief Operating Officer (COO) has accountability for the delivery of sustainability goals and has the authority within the organisation to influence goals, activities, systems and behaviours at all levels.

Reporting to the CEO (and COO) the State Executive Officers (SEOs) and Company Secretary are responsible for the management and performance of ESG-related risks and opportunities.

The CEO, COO and SEOs meet regularly to manage and measure the performance of the Company. ESG is part of the executive agenda and sustainability risks and opportunities are regularly reported to the Board through the reporting channels of the CEO, COO and CRO, respectively.





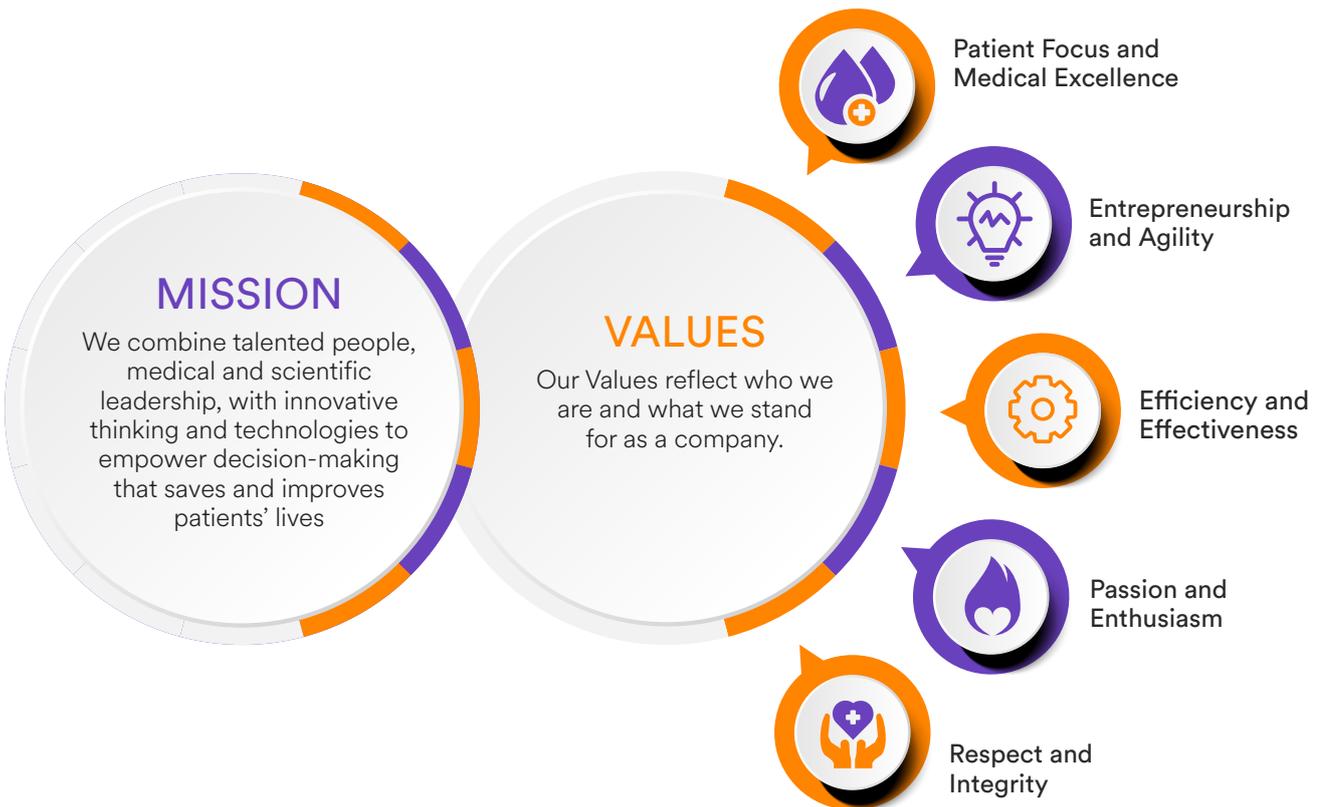
ACL's Mission & Values

Company Mission

Our mission is to combine medical and scientific leadership and talented people with innovative thinking and technologies to empower decision-making that saves and improves patients' lives. We strive to achieve excellence through improving efficiency, encouraging innovation and engagement. Fundamental to our mission is having a positive impact on the environment and society, fostered by leading governance practice.

Company Values

Our values and behaviours serve to shape the culture within the workplace; set and manage expectations for staff, patients and the community; and strengthen and further define the business' culture. We have formal methods of promulgating our values to ensure they are felt and seen in the way we behave. The fundamental strength of our values is that they are driven by us at all levels, due to employee engagement, passion and commitment to our mission. ACL's values are:



Sustainability Disclosures



As a Company, we have considered our sustainability commitment and contribution in the context of Australia’s global commitment to the Sustainable Development Goals (SDGs). The SDGs were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

In its 2021 ESG statement, ACL identified various SDGs relevant to the formulation of its ESG strategy.

In this statement, which reports on progress for the 2025 financial year, we have continued to reference the metrics set out in the Health Care Delivery Sustainability Accounting Standard published by the Sustainability Accounting Standards Board (SASB). ACL is part of Group 1 for mandatory sustainability reporting and will report against the new standards for the first time for the 2026 financial year.

ESG Highlights FY25

During FY25, we continued to work on key focus areas that were set by the Board in FY21. The highlights are set out below:

Environment

- **Energy** - We have continued with our program to introduce solar panels where possible in all main labs & LED lighting. In FY25 we recorded total emissions of 1.1kg CO2 per episode. We have also continued to implement a GPS routing system for courier cars which plots the most efficient route between collection points to address our second highest source of emissions, being fossil fuel and can report a 12% improvement in km/episode. We have also continued the roll out of hybrid and electric cars, with 145 hybrid cars now in our national fleet. We have also continued our program to reduce consumable packaging by working with vendors, especially with regards to polystyrene.
- **Innovation / Digitisation** - We have continued our conversion to electronic results downloads and paperless pathology processing resulting in an increase in e-Referrals by 31% and over FY25 over 280,000 pieces of paper saved.

Social

- **Workplace Health & Safety** - We have continued our focus on lost time injury frequency rate (LTIFR) which is below the industry standard (5.0) at 4.3 lost time injuries per 1,000,000 work hours.
- **Employee Assistance Program (EAP)** - We have maintained our EAP with employee utilisation continuing.
- **Training and Education** - We have continued to deliver a variety of training and education programs again this year, with an emphasis on increasing awareness of respectful behaviour through deliver of our Respect @ CL program being delivered to all staff.
- **Customer Care** - Over the past 5 years, ACL has built on its focus of customer service via a unique SMS patient feedback program. In FY25 ACL achieved a net promoter score of +79.

Governance

- **Board Governance** – During FY25, the Board has undergone a significant refresh, with the recruitment of 3 new non-executive directors and a new Chair. All non-executive directors are now considered to be independent, including the new Chair. Following these appointments, the Board has now exceeded its gender diversity targets for the Board, with the Board now comprised of 4 female directors and 3 male directors (including the Group CEO).
- **Reconciliation Action Plan** - ACL has published its Reflect Reconciliation Action Plan, which was launched on 27 May 2025 as part of National Reconciliation Week.

Patient Experience

01 Jul 2024 - 30 Jun 2025

NPS +79

ACL Group ESG Strategy

Landscape

ACL acknowledges the significance of Environmental, Social, and Governance (ESG) priorities as a strategic enabler. Integrating ESG considerations into our business operations and decision-making processes not only enhances our long-term sustainability and resilience but also allows us to actively contribute to the well-being of our planet and society.

Aligning our ESG priorities with our corporate values and mission is the foundation of an effective strategic framework. By doing so, we ensure that our decisions are underpinned by a commitment to sustainability and places us at the forefront of positive change. It positions ACL to embrace opportunities, navigate potential risks, all while cultivating value for both our company, shareholders and the community.

Priorities

ACL has identified the following key priority areas to achieve our ESG goals:



These goals have been arrived at through a careful consultation process which triangulated the importance to stakeholders, impact on ACL operations, and alignment with selected SDGs to pinpoint those that are most relevant to our ESG initiatives

Our Environmental Commitment

This strategic plan outlines our journey to continually increase renewable energy consumption. This commitment entails a transformation from relying on finite and environmentally harmful fossil fuels to utilising clean, renewable sources of energy such as solar, wind and hydroelectric power.

The feasibility of achieving this goal stems from advancements in renewable energy technologies, coupled with increasing cost competitiveness. Solar and wind power have witnessed substantial price reductions, making them viable alternatives to conventional energy sources. Additionally, the recognition of the adverse impacts of climate change has spurred global initiatives and policies that favour the adoption of cleaner energy options. By embarking on the journey to 100% renewable energy, we set a foundation that enables the eventual transition towards net-zero emissions.

Focusing on a strategy of eliminate, reduce, and offset is crucial. Firstly, by eliminating reliance on non-renewable energy sources, ACL can significantly reduce its carbon footprint and mitigate the impact of climate change. Secondly, implementing energy reduction measures and embracing renewable energy sources will lead to long-term cost savings and increased energy efficiency, bolstering the company's financial stability and competitiveness. Lastly, offsetting any remaining emissions through carbon offset projects that meet integrity criteria demonstrates a commitment to environmental stewardship and reinforces ACL's reputation as a responsible and sustainable business.

Environmental Strategy:

We recognise the urgent need to address climate change and waste management to build a resilient and sustainable future. Our environmental strategy revolves around three core pillars: climate change mitigation, waste reduction, and alignment with some of the targets set under SDGs 7, 11, 12, and 13. By focusing on energy sustainability, vehicle emissions, refrigerant gases, and minimising landfill waste, we aim to drive positive impacts both within our organisation and the broader community.



Climate Change Mitigation:

We are committed to advancing energy sustainability to significantly reduce our carbon footprint. We will invest in renewable energy sources, such as solar, to power our facilities and operations. Concurrently, we will deploy energy-efficient technologies and practices to optimise energy consumption across all areas of our business.

Vehicle Emissions:

Transportation is a significant contributor to carbon emissions. To address this, we pledge to prioritise the adoption of low-emission hybrid vehicles within our corporate fleet. In 2026, at least 50% of our fleet will consist of hybrid vehicles. In addition, we will continue to optimise our route management software to further reduce our km/episode ratio by 5%. This forms a part of our commitment to SDG 11 - Sustainable Cities and Communities.

Responsible Handling of Refrigerant Gases:

As part of our efforts to combat climate change, we will phase out the use of harmful refrigerants in our cooling and refrigeration systems. We aim to entirely transition to eco-friendly refrigerants, thereby reducing our impact on the ozone layer and aligning with SDG 12 - Responsible Consumption and Production.

Waste Reduction:

We recognise the importance of minimising landfill waste to preserve natural resources and ecosystems. By 2030, we commit to reducing our waste generation by 25% through enhanced recycling and composting programs. In addition, we commit to reducing of paper usage by increasing our digital offerings across all parts of the organisation. This further aligns us to SDG12 - Responsible Consumption and Production.

Through this environmental sustainability strategy, we aim to create a positive impact and to drive meaningful change in combatting climate change and reducing waste. We invite all our employees, customers, suppliers, and partners to join us on this transformative journey towards a greener and more sustainable future.

Social Strategy:

We prioritise social responsibility, with a strong focus on patient health and employee engagement. Our social strategy revolves around two main pillars: promoting patient well-being (SDG 3 - Good Health and Well-being) and fostering a supportive and engaged work force (SDG 5 - Gender Equality and SDG 8 - Decent Work and Economic Growth).



Patient Wellbeing:

Devoted to patient welfare, we place a high priority on improving healthcare accessibility, including to underserved communities in remote regions and collaborating with local health initiatives to extend essential pathology services and empower those in need. In addition, we foster education of our clinicians by offering over 3,800 doctors the opportunity to gain CPD points via programs in cytology, skin excision and diabetes.

We continually invest in cutting-edge technology and provide ongoing training to our medical and scientific professionals, ensuring the utmost accuracy and reliability in our diagnostic results and thereby contributing to the reduction of the overall disease burden in the community.

Employee Engagement:

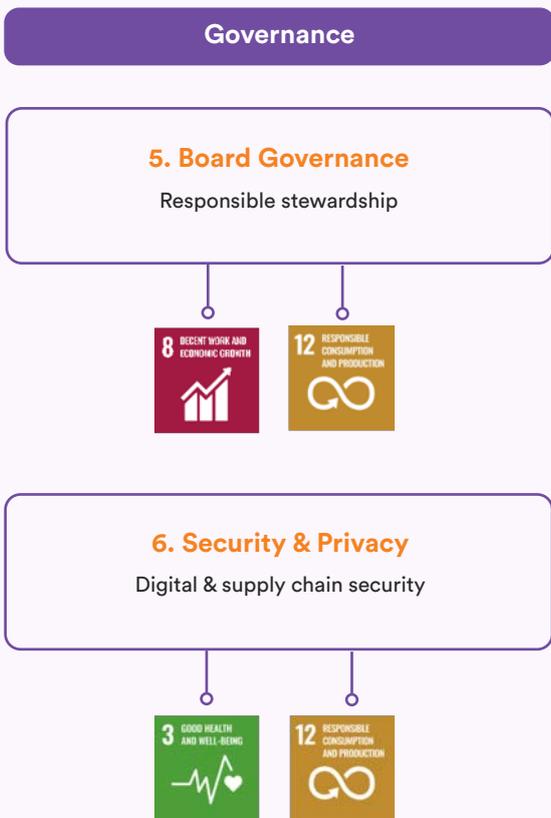
Recognising the importance of employee well-being and satisfaction, we prioritise work-life balance as a crucial aspect of our strategy.

By implementing flexible work arrangements and providing support programs for employees facing personal challenges, we aim to cultivate a happier and more productive workforce. We strive to create an inclusive workplace where employees from all backgrounds feel valued and respected and where discrimination is not tolerated. Through the establishment of diversity and inclusion initiatives, awareness training, and setting diversity targets, we aim to foster a culture that celebrates uniqueness and promotes inclusivity. Additionally, investing in employee development is paramount to enhancing employee engagement and retention. We are dedicated to offering comprehensive training and career advancement opportunities to nurture the growth and expertise of our employees, particularly for women in senior managerial positions, ultimately contributing to their job satisfaction and professional fulfilment. Our commitment to team safety is also exemplified by our core objective of reducing the Lost Time Injury Frequency Rate (LTIFR).

Through this social strategy, ACL Group seeks to have a positive impact on patient health and employee well-being while contributing to the broader global goals of promoting gender equality, sustainable economic growth and full and productive employment. We understand that a strong focus on social responsibility not only enhances our brand reputation but also strengthens the overall resilience and success of our company. Together with our employees, partners, and stakeholders, we aim to make a meaningful difference in the lives of patients and the communities we serve.

Governance Strategy:

We recognise the critical role of a strong governance strategy in ensuring responsible board governance for our pathology business. Our governance approach revolves around two key areas: board governance aligning with certain targets under SDGs 8 and 12 and security and privacy. By prioritising these aspects, we aim to uphold the highest standards of integrity and protection for our operations and stakeholders.



Board Governance:

Strong corporate governance underpins our ESG strategy by overseeing our sustainability initiatives and holding management to account. The board’s role in risk management is also vital, especially in healthcare, where prudent governance can mitigate clinical, strategic, operational, financial, regulatory, legal and reputational risks. ACL’s governance practices champion inclusivity, reducing disparities in access to healthcare, and promoting equitable healthcare solutions. The Board also models diversity by ensuring that it has the right skill mix in its composition and that at least 40% of the Board are female.

In addition to our healthcare initiatives, we are committed to addressing modern slavery, and we are actively engaged in efforts to monitor modern slavery risk and take preventative action within our supply chain. Responsible board governance also actively promotes sustainable healthcare delivery, reducing waste, and implementing eco-friendly healthcare practices in alignment with SDG 12.

Security & Privacy:

Safeguarding digital and supply chain security is a key pillar within our ESG strategy. ACL as a company entrusted with sensitive patient data and the delivery of time critical biological samples and associated results, must prioritise robust cybersecurity measures and resilient supply chain systems. Ensuring the security of patient information not only upholds ethical standards but also safeguards privacy rights, aligning with social responsibility, a key component of ESG. Bolstering supply chain security not only enhances operational efficiency but also mitigates risks, contributing to our economic sustainability.

Through this governance strategy, ACL Group is committed to upholding the highest standards of board stewardship and digital and supply chain security. By aligning with SDG 8 and 12, we demonstrate our dedication to risk mitigation, diversity and inclusion, sustainable practices, and the protection of critical infrastructure. We understand that a resilient governance framework is crucial in safeguarding our business, reputation, and the trust of our valued stakeholders. With continuous improvement and collaboration, we strive to set new benchmarks in security and governance within the pathology industry.

By 2026

By 2026						
Focus Issue	Target Set in FY24	FY25 Measurement	Key Achievements in FY25	Planned Activities for FY26	FY26 Measurement	
Environmental	1. Minimise Emissions and Waste of Natural Resources in Logistics	<ul style="list-style-type: none"> Continued hybrid car conversion as fleet comes up for renewal (National) Scope 3 emissions measurement completed Reduction in consumable packaging program designed 	<ul style="list-style-type: none"> Further reduction in Scope 1 and 2 emissions Total km per episode driven Fuel per episode Number of hybrid vehicles in fleet Polystyrene packaging in kg 	<ul style="list-style-type: none"> Scope 1 & 2 emissions of 1.1kg CO2 per episode Continued fleet conversion from petrol to hybrid vehicles (47 converted FY25, making 145 hybrid vehicles in total) Route planning software continues to deliver distance productivity benefits with a 12% drop in km/episode, reducing transport fuel usage. Packaging reduced by 32 tonnes 	<ul style="list-style-type: none"> Scope 1 & 2 emissions to be <1.1kg CO2 per episode Convert a further 30 internal combustion vehicles to hybrid A further drop in kilometers driven per episode by 5% Reduce polystyrene packaging by 5% (1.6 tonnes) Convert 5 diesel vehicles to EV 	<ul style="list-style-type: none"> Further reduction in scope 1 and 2 emissions Total km per episode driven Fuel per episode Number of hybrid vehicles in fleet Polystyrene packaging in kg Number of electric vehicles in fleet
	2. Energy & Waste Reduction at Facilities	<ul style="list-style-type: none"> kWh reduction per episode by facility 	<ul style="list-style-type: none"> Total energy consumption (kWh) 	<ul style="list-style-type: none"> Program to deploy solar panels and LED conversion continued 	<ul style="list-style-type: none"> LED conversion program complete Solar panel deployment to be included in future Melbourne lab development 	<ul style="list-style-type: none"> Total energy consumption (kWh)
	3. Innovation / Digitisation	<ul style="list-style-type: none"> Reduce % paper purchased per episode 	<ul style="list-style-type: none"> Paper used per episode Total electronic orders as a % of total orders 	<ul style="list-style-type: none"> e-Referrals increased by 31% 280,000 paper results eliminated via electronic communications 	<ul style="list-style-type: none"> Increase e-Referrals by 10% 10% reduction in referrers requesting paper results 	<ul style="list-style-type: none"> Total electronic orders as a % of total orders Number of results printed
Social	4. Workplace Health & Safety (WHS) for Employees & Patients	<ul style="list-style-type: none"> LTIFR per 1,000,000 work hours Sessions of WHS training completed in hours 	<ul style="list-style-type: none"> LTIFR per 1,000,000 work hours Sessions of WHS training completed in hours 	<ul style="list-style-type: none"> LTIFR of 4.3 lower than industry standard (5.0) across 3 key areas – collections, logistics, warehouse Over 800 WHS training sessions completed across key areas of focus 	<ul style="list-style-type: none"> LTIFR lower than industry standard and lower than 4.3 Further WHS training sessions completed across areas of focus 	<ul style="list-style-type: none"> LTIFR per 1,000,000 work hours Sessions of WHS training completed in hours
	5. Training & Education	<ul style="list-style-type: none"> Complete women in leadership - phase 2 Complete emerging leader program – phase 1 Maintain GP participation in clinical audits 	<ul style="list-style-type: none"> Programs evaluated and implemented Number of doctors participating in clinical audits 	<ul style="list-style-type: none"> Maintained GP participation in clinical audits Completed Manager Development Training for all management as part of women in leadership program. Respect@CL program launched and training deployed to Group 	<ul style="list-style-type: none"> Maintained GP participation in clinical audits Deploy Indigenous Culture Training as part of RAP Emerging Leader Training 	<ul style="list-style-type: none"> Number of GPs participating in audits Training hours attended
	6. Customer Care	<ul style="list-style-type: none"> Patient NPS score 	<ul style="list-style-type: none"> Patient NPS score 	<ul style="list-style-type: none"> Achieved an NPS score of +79 from a total of 412,974 responses 	<ul style="list-style-type: none"> Continue to improve ACCs with low NPS scores 	<ul style="list-style-type: none"> Maintain current NPS rating

By 2026

	Focus Issue	Target Set in FY24	FY25 Measurement	Key Achievements in FY25	Planned Activities for FY26	FY26 Measurement
Governance	7. Board Governance	<ul style="list-style-type: none"> • Launch of Reflect Reconciliation Action Plan • Further survey to collect diversity and inclusion data for ACL employees • Cultural competency training to be delivered to the Board and Senior management • Board training program to be continued 	<ul style="list-style-type: none"> • Actions completed 	<ul style="list-style-type: none"> • Reflect Reconciliation Action Plan (RAP) completed and launched in May 2025. • DEI data collected for ACL employees for the first time. • Board performance evaluation completed and recommended action items implemented • Committee performance evaluations completed and recommended action items implemented. • Board training program delivered. 	<ul style="list-style-type: none"> • First sustainability report completed in accordance with new mandatory reporting standards • Progress made in implementing the RAP in accordance with the initiatives contained in the RAP 	<ul style="list-style-type: none"> • Actions completed
	8. Cyber Security & Privacy	<ul style="list-style-type: none"> • Assessment of third party and in-house cyber resources • Onboard new cyber tooling and automation • Updated cyber threat and risk assessment for FY25 and adjust cyber strategy as appropriate 	<ul style="list-style-type: none"> • Actions complete 	<ul style="list-style-type: none"> • Cyber resourcing was reviewed and one role brought in-house, a Lead Security Engineer. • Implemented enhanced security automation tools and services related to incident detection, code security and third-party security. • Annual cyber threat and risk assessment conducted for FY25 and risk reduced. 	<ul style="list-style-type: none"> • Conduct a technical review of available security compliance frameworks to assess if NIST remains the most appropriate for ACL. • Update FY26 strategy and roadmap to achieve accepted cyber risk and maturity targets • Continuously improve security operations and governance activities. 	<ul style="list-style-type: none"> • Actions completed
	9. Inclusion, Diversity, Leadership and Equity	<ul style="list-style-type: none"> • Gender balance % • Continue to update and evolve senior executive and board succession plan • Continue to evolve leadership program to grow leaders in-house. • Actively sponsor female employment in all areas of the organisation 	<ul style="list-style-type: none"> • Gender balance % • Roles with defined succession plan • Number of employees sponsored 	<ul style="list-style-type: none"> • Refresh of the Board composition which is now 57% women (4/7) • Formal executive succession plan and training completed • Median total remuneration gender pay gap of 5.6% 	<ul style="list-style-type: none"> • Median total remuneration gender pay gap less than 5% • Continue to execute formal succession plan for executives. • Female Succession Pipeline Development 	<ul style="list-style-type: none"> • Number of female board members • Number of succession gaps closed • WGEA Gender Pay Gap results
	10. Risk Management	<ul style="list-style-type: none"> • Implement FY25 internal audit program aligned to key organisational risks • Develop and provide targeted risk awareness and management training. • Develop and report on risk culture metrics. • Continue to refine data governance controls nationally. 	<ul style="list-style-type: none"> • Actions completed • Completion percentage of audit milestones • Percentage of employees trained • Trend analysis of risk culture metrics • Number of updated/implemented data governance policies/procedures 	<ul style="list-style-type: none"> • Implemented FY25 internal audit program aligned to key organisational risks and progressed FY24 internal audit actions • Conducted company wide risk culture survey that demonstrated that >90% of staff have a clear understanding of risk management framework and their role • Data governance framework implemented across the national business and data audits commenced • Developed and implemented AI governance framework across the national business • Risk training program being refined for inclusion in the risk culture improvement activities post survey 	<ul style="list-style-type: none"> • Implement FY26 internal audit program aligned to key organizational risks • Develop action plan to continue to improve risk culture across the company. • Develop risk maturity uplift program to continue to improve risk management practices across the company and monitor performance to appetite • Continue to refine data governance controls nationally 	<ul style="list-style-type: none"> • % completion of planned internal audits • % completion of planned risk culture improvement activities • Trend analysis of risk maturity • Number of data governance audits completed



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