

## Environmental, Social and Governance



**Stuart Gall**  
Chief Executive Officer

We aspire to being a global force for good, empowering people to have access to medical ultrasound, one of the world's leading imaging modalities.

 [CEO Review](#)  
see page 7

### Our three guiding principles

1. Make a positive impact on the world
2. Do the right thing while making an impact
3. Enjoy making an impact

### Message from the CEO

ESG has become a core element of our mission and strategy, and we're delighted that we've experienced such a comprehensive engagement from all our stakeholders over the year.

In what is only our second full year of ESG reporting, we have made significant improvements at all levels, with more detailed reporting that includes our first year of expanded Scope 3 impact analysis; green travel schemes, flexible working, STEM and local university engagement and major changes to the size and composition of our board, to meet the latest corporate governance standards.

Inevitably, with the inclusion of full Scope 3, our total reported CO<sub>2</sub> emissions has significantly increased. However from now onwards we will be able to measure how effective we are in reducing our emissions per employee and per £ of revenue.

I'm delighted to also include a number of case studies that demonstrate the impact our products and services make on patients and the medical community around the world.

### Impact

+ve	-ve
1500+ systems operating in over 750 medical institutions around the world	1,515 tonnes of CO <sub>2</sub> (Scope 1, 2 and 3)
Over 100,000 clinicians have experienced using our devices	
Partnership with WFUMB to educate underserved regions of the world	
£3.2m invested in R&D	
36% female representation across the board, management and group	

## Provide clinicians with real-time support from...

### Classroom to...

#### Easier to learn

Real-time ultrasound education and training through high-fidelity ultrasound simulation

[Simulation products](#) →



Training

### ...Clinic

#### Simpler to use

AI-driven image analysis to make ultrasound smarter and more accessible

[Clinical AI products](#) →



Guiding

Supporting

### Future

Unlock ultrasound for everyone

## Environmental, Social and Governance continued

### Framework

#### Environment

##### Principles

- Minimise the negative impact on the planet

##### Stakeholders

- Employees
- Customers
- Investors
- The planet

##### Commitment

- Understanding our full impact on the environment
- Manage energy use efficiently and increase renewables where possible
- Improve recycling and reduce waste
- Increase web demos and online training to reduce first touch travel impact

##### 2022 metric

- Total CO<sub>2</sub> emissions
- Total CO<sub>2</sub> emissions per £ sale
- Total CO<sub>2</sub> emissions per employee

##### Future metric

- Green travel scheme expenditure

#### Social (people)

##### Principles

- Provide a safe and supportive work environment
- Continue to build a positive culture
- Have a positive impact on our local communities

##### Stakeholders

- Patients
- Employees
- Clinicians
- Local communities

##### Commitment

- Attract, retain and develop our talent
- Enable equality, diversity and inclusion to thrive
- Support employee health, safety and well-being
- Support charity work
- Support local STEM engagement
- Support local university intern schemes

##### 2022 metric

- % employee turnover
- % female representation

##### Future metric

- Develop and implementation an employee engagement index
- Local STEM events
- Interns engaged
- Employee charity days

#### Social (product)

##### Principles

- Operate in an ethical and responsible manner
- Help society by providing products that help patient outcomes

##### Stakeholders

- Patients
- Clinicians

##### Commitment

- Uphold ethical standards in our supplier and reseller chain
- Continue to increase our recyclable packaging

##### 2022 metric

- Scope 3 CO<sub>2</sub> emissions

##### Future metric

- % of recyclable packaging

#### Governance

##### Principles

- Be honest, transparent and responsible
- Meet the highest standards of corporate governance relative to our size

##### Stakeholders

- Investors
- Employees
- Customers
- Patients

##### Commitment

- Zero tolerance to bribery, corruption or fraud
- Robust data governance and compliance
- Commitment to QMS
- Cyber Essentials accreditation

##### 2022 metric

- Compliance with the QCA Corporate Governance Code
- Report cases of bribery, corruption or fraud
- Whistleblower reports

##### Future metric

## Environment

	2022	2021
<b>Environmental</b>		
Carbon dioxide emissions (kg CO <sub>2</sub> )	<b>1,135,982</b>	151,963
Carbon dioxide emissions (kg CO <sub>2</sub> per average no. of employees)	<b>17,477</b>	2,666
Carbon dioxide emissions (kg CO <sub>2</sub> per £ of revenue)	<b>0.11</b>	0.02
Carbon footprint report	<b>Yes</b>	Yes
Environmental and Sustainability Policies	<b>Yes</b>	Yes

### Highlights from 2022

- First year of expanding our analysis and understanding our full Scope 3 emissions
- Scope 1 emissions have decreased in 2022 following the move to hybrid company cars, with higher electricity related emissions now reported within Scope 2
- Introduced a new employee commuting scheme to incentivise low carbon travel:
  - Free electric charging available to all employees at both our Hodge House and Caerphilly sites
  - Only 15% of journeys to the office are being completed by a petrol or diesel car
  - 36% of eligible staff qualified for payments during the year
- Comprehensively reviewed our packaging with the following areas of material impact:
  - All cardboard packaging now comes from sustainable sources
  - All packing peanuts are fully biodegradable
  - All pallets are locally sourced and mostly from recycled units
  - Bubble wrap is from 30% recycled materials and can itself be recycled

### Offsetting

- With the move to full Scope 3 reporting, we have offset 100% of the Group’s direct 2022 CO<sub>2</sub> equivalent greenhouse gas emissions through the following Climate Partner programmes, selected by an employee vote:

- 20% of the offset will support a clean drinking water programme in Eritrea
- 40% of the offset will support a clean oceans programme of plastic removal work in the Philippines
- 40% of the offset will support a forest protection programme in Brazil

We also aim to continue with our local support of the charity Stump Up for Trees in Wales.

- International travel and conference attendance were reviewed, and it was concluded that travel was acceptable for the level of business and necessary, given the nature of the product
- Web-based demos are now promoted in all cases as the first point of customer contact and as the primary training medium

### Goals for 2023

- Review where we can make further positive changes to our products and packaging, especially bubble wrap and shrink wrap film
- Review purchase policy and promote sustainable practice where appropriate (such as: buying locally, recycled and/or recyclable materials)
- Continue to buy locally wherever possible
- Review recycling and reparability of all hardware products
- Continue to increase web demonstrations and training in UK and US offices with a monitorable metric
- Monitor the % of our energy that is sustainable
- Review our Scope 3 emissions on a per £ sale and per employee basis and identify potential areas for reduction

### Scope 1

Covers the emissions we make directly, e.g. our buildings or vehicles

Direct

Emissions (kg CO<sub>2</sub>):

**5,681**

2021: 13,180

### Scope 2

Covers the emissions we make indirectly, e.g. the energy we buy to heat and cool our buildings

Indirect

Emissions (kg CO<sub>2</sub>):

**33,862**

2021: 26,776

### Scope 3

Covers all the indirect emissions associated with our value chain, e.g. from our supplier through to our customers

Indirect

Emissions (kg CO<sub>2</sub>):

**1,096,438**

2021: 112,007\*

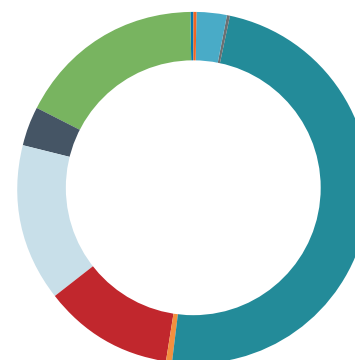
In 2022 we completed the full Scope 1, 2 and 3 calculations

### 2021

- Gas Consumed
- Electricity used
- Business travel
- Company vehicles
- Heat used
- Employee commuting

\* Business travel and employee commuting emissions only

### Emission sources 2022



<b>Scope 1</b>	<b>0.5</b>
Vehicle fleet	0.5
<b>Scope 2</b>	<b>3.0</b>
Purchased electricity for own use 1	2.8
Purchased heating, steam, and cooling for own use	0.2
<b>Scope 3</b>	<b>96.5</b>
Purchased goods and services	48.7
Fuel and energy-related activities	0.3
Upstream transportation and distribution	12.0
Business travel	14.4
Employee commuting	3.8
Downstream transportation and distribution	17.2
End-of-life treatment of sold products	0.1

## Social

	2022	2021
<b>Social</b>		
Employee turnover (%)	<b>13%</b>	10%
Discrimination policies (view our policy)	<b>Yes</b>	Yes
Community policies (view our policy)	<b>Yes</b>	Yes
Ethics Policies (view our policy)	<b>Yes</b>	Yes
Management gender split (F/M) %	<b>33/67</b>	27/73
All company gender split (F/M) %	<b>36/64</b>	38/62

### Highlights from 2022

- Set up a local academic engagement group and established the IUG internships programme
- Set up a Cardiff schools STEM engagement group with three staff representatives
- Switched manikin wig and clothing purchases to local supplier
- Implemented a flexible working policy for all Cardiff office based employees
- Highest % of “happy” staff since annual staff survey launched in 2019
- Signed agreement to support the World Federation for Ultrasound in Medicine and Biology (‘WFUMB’) in its mission to bring sustainable ultrasound programmes to the underserved areas of the world to improve global healthcare through collaboration, communication and education
- Implemented a ‘Charity day’ whereby each employee has an extra day off to carry out charitable work
- Implemented an annual staff ESG survey, the results of which were used to shape our ESG impact and policy during the year

### Goals for 2023

- Implement the WFUMB support programme
- Local charity support programme to be implemented by a new staff charity representative
- Implement the local schools STEM programme
- Implement payroll charity giving for employees
- Move to a new employee pension scheme that offers the option of a green pension fund
- Continue the IUG internships programme
- Benchmark female representation against peer medtech and other comparable companies

**95%**

of staff would recommend IUG as a great place to work

“

We are committed to providing products that help patient outcomes; having a positive effect on our local communities and building a company that all our staff are proud to work for.

”



## Governance

	2022	2021
<b>Governance</b>		
Female representation on the board	30%	27%
Independent board members	50%	45%
CEO cash compensation (vs UK median earnings)	6.1 x	6.2x
Highest to lowest pay ratio	12.1 x	7.8x
CEO & Chairperson role split?	Yes	Yes
Adheres to relevant Corporate Governance code	Yes	Yes
ESG meetings held	10	5
Whistleblowing reports	0	0
Political campaigns, lobbying or think tanks	0	0

### Highlights from 2022

- Reviewed the United Nation’s Sustainable Goals and identified the areas where we can make the most impact
- The highest to lowest pay ration increased significantly this year due to a highly successful year for one of our sales team, who is paid mainly on commission
- Implemented a framework of KPIs across the Group
- Zero reported incidents of bribery, corruption and fraud
- Reduced the size of the board from 11 directors to 9
- Conducted company-wide training on bribery and corruption, mental health and well-being, unconscious bias and health and safety at work

### Goals for 2023

- Continue on our path to meeting the full requirements of the QCA Corporate Governance Code

“ We are committed to continuing to be honest, transparent and responsible and meet the highest standards of corporate governance relative to a company of our size. ”

We believe we have strong corporate governance practices that help us protect the interests of all our stakeholders, including customers, employees, shareholders and local communities.

### Board of Directors

The Board is responsible for oversight of the Group’s global business. This includes setting a culture of accountability, the highest standards of ethical conduct and strong corporate values. Its core areas of oversight include strategy, executive performance, financial performance, risk management and internal control framework and ESG matters.

Our governance practices include:

- annual election of all directors by majority vote
- 100% committee independence
- oversight of corporate responsibility and ESG matters
- 50% of directors are independent

### Oversight and Management of ESG

- The ESG Working Group meets on a monthly basis and is chaired by the CEO
- The Group comprises – 3 Executive directors, two NEDs and 3 staff representatives

## UN Sustainability Development Goals

At the heart of the United Nation’s 2030 agenda for sustainable development are 17 Sustainable Development Goals (SDGs), which recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

The SDGs we consider to be the most relevant to Intelligent Ultrasound are:

At a product level we believe we have an impact through our classroom to clinic products helping to support, guide and speed up ultrasound which helps improve global health and well-being.

Specifically, this:

- improves access to better maternal health and health of new borns
- speeds up scanning and improves scanning skills in emergency medicine, critical care and intensive care
- enables safer ultrasound guided needling procedures

At a Group level, albeit in a small way, we align to the following SDGs by:

- Supporting the health and wellbeing of our employees
- Providing opportunities to continually develop our employees
- Commitment to ensure equal opportunities for all, irrespective of gender
- Supporting our local community
- Endeavouring to conduct our business in accordance with the best practices
- Standards of quality and safety





## Environmental, Social and Governance continued

### Case study

## Health Education England (HEE) are elevating the national standard of training in Echocardiography, with Intelligent Ultrasound's HeartWorks and BodyWorks ultrasound training simulators

HEE has invested in twenty-three combined HeartWorks and BodyWorks simulator systems to standardize training in ultrasound and echocardiography for healthcare scientists across NHS England.

As part of HEE, the National School of Healthcare Science has overall responsibility for the educational framework for healthcare scientists, across more than 40 specialties in NHS England. However, with a workforce gap in diagnostics and with departments understaffed there was a general lack of capacity to provide the required training.

The National School of Healthcare Science set up a new Echocardiography Training Programme designed to fast-track competence and elevate the standard of training in echocardiography.

Following a successful pilot across two sites, Intelligent Ultrasound worked with the HEE team, helping to create a bespoke package to meet their needs and twenty-three combined HeartWorks-BodyWorks systems were purchased so that all regions had access to simulation training.

The program also employed training coordinators for each area to provide some training away from the clinic, relieving the pressure on the clinical team and increasing training capacity.



“

In most regions that I work in, there are areas that have established centres that have good training, and there are lots of other centres that would love to provide that same training but just don't have the backup or the ability to take time out of their normal working day to provide training. This is about levelling everybody up and trying to get everybody to a better standard, and it's about bringing those departments that previously couldn't train into the fold so that they can.

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Jane Lynch,  
Scientist Training Programme Director

## Environmental, Social and Governance continued

### Case study

## HEIW Invests in NeedleTrainer to Drive Curriculum Changes and Learning Safely

Health Education and Improvement Wales (HEIW) has invested in Intelligent Ultrasound's (IU) NeedleTrainer to help drive curriculum changes and safely provide more learning opportunities for trainees.

HEIW's responsibilities include postgraduate training of all junior doctors in Wales and in 2022, in conjunction with the Welsh School of Anesthesia, decided to address the severely restricted learning opportunities for ultrasound-guided regional anaesthesia (UGRA).

UGRA is a practical skill which can broadly be split into two parts:

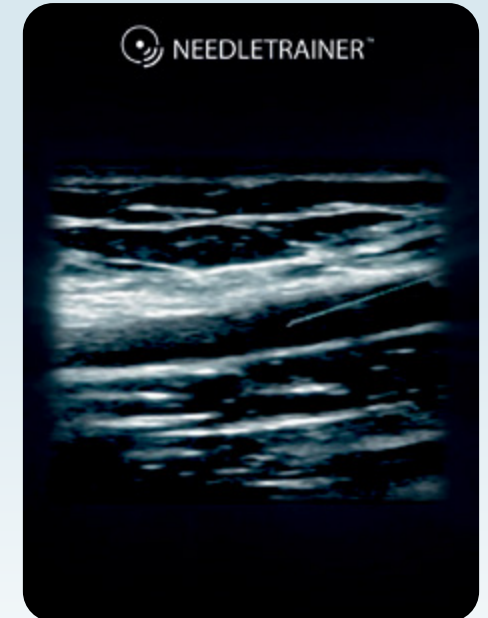
- acquiring and interpreting an optimal ultrasound image of the relevant sono-anatomy
- followed by needle-probe manipulation to maintain visualisation of the needle tip on the ultrasound image as it is advanced to the target where local anesthetic is deposited

The first skill is relatively easy to practice in a safe and non-invasive manner. The second skill is much harder, but essential to learn prior to performing needle insertion or an injection on a real patient in a clinical setting.

A number of training options were considered but NeedleTrainer was selected as it was considered "the most realistic simulated training available".

Dr Sarah Harries, Head of School for Anesthesia and HEIW Associate Dean, commented "While training and early clinical practice remained safe, as the trainee was always closely supervised, there were risks of needle misplacement leading to nerve damage, pneumothorax, or vascular puncture. We needed a learning solution that would allow trainees to practice and develop this skill prior to injecting a real patient, minimising risks."

Sarah continued "NeedleTrainer is a simulation device that inexperienced trainees can use to develop the essential needle-probe co-ordination required to ensure needle tip visualisation and safe clinical practice. Using human models allows trainees to learn about how to position the patient, and practice on different sides of the body, as well as different bodies, which all appear different under ultrasound."



“

NeedleTrainer will allow students to practice in a highly supervised environment, with no risk, before moving to a patient-facing environment and then independent practice. The platform will allow us to ensure all Welsh trainees have equitable access to consistent expert regional anaesthesia teaching, which meets curriculum requirements.

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Dr Sarah Harries,  
Head of School for Anaesthesia