



Sustainability Report 2022

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www.pediatrx.com

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FY 2021-22 Key Highlights



Revenue and Return

\$1.91 Billion
Net revenue for 2021

\$265.5 Million
Adjusted EBITDA for 2021

13.1%
Return on equity for 2021



Environment

28,000+
20oz. plastic bottles saved

2575.58* mn KJ
Total energy consumption

307.42* tCO₂e
Total GHG emission
(Scope 1 and Scope 2)



Social

80%
Women in the workforce

35,170
Training hours

43%
Associates who identify
as people of color



Our Workforce and Service Lines

2,780+
Affiliated physicians

20+
Service offerings

7,200+
Affiliated physicians,
clinicians & other associates



Strong Partnerships

1,190+
Hospital and health care
facility partners

360+
Neonatal contracts

2,600+
Hearing screens performed
daily in partner facilities



Prioritizing Health and Safety of Community

500+
PICU and pediatric unit
patients seen daily

450+
Pediatric cardiology
patients seen daily

1,600+
MFM visits daily



Specializing in Women and Children's Care

5,600+
NICU babies daily

2,400+
Newborns cared for in
the nursery daily

400+
Deliveries attended
daily

*Data for January 2022 to August 2022

About the Report

At Pediatrix Medical Group, Inc. (Pediatrix), we are committed to providing reliable and transparent Environmental, Social and Governance (ESG) information to help our key stakeholders take appropriate actions and make well-informed investment decisions. Sustainability reporting is one of the best approaches for conveying our ESG initiatives and performance to our wide range of key stakeholders, including patients, associates, hospital partners, shareholders, government agencies and the community. Our first sustainability report demonstrates our commitment to sustaining a positive impact on the natural environment and society in which we operate.

This sustainability report outlines our ESG commitment, vision and strategy, along with our ESG approaches to defining what we believe is most material to our business and stakeholders.



Scope and Boundaries

Our first sustainability report provides information on ESG initiatives and performance of Pediatrix, from January 2021 to October 2022. As per the Global Reporting Initiative (GRI) requirements, the report defines the internal and external boundaries of our key material issues.



Global Reporting Frameworks

This report has been developed according to the reporting processes outlined by GRI standards. We have adopted the 10 principles of the GRI: stakeholder inclusiveness, sustainability context, materiality, completeness, balance, comparability, accuracy, timeliness, clarity and reliability to define the content and quality of this report. The report is further guided by the Sustainability Accounting Standards Board (SASB) and United Nations Sustainable Development Goals (UN SDGs) frameworks. Our response and index to the GRI, SASB and UN SDGs frameworks are provided in the appendices.



Materiality and Stakeholder Management

We conducted a comprehensive materiality assessment through effective stakeholder management to evaluate our key business priorities and set the context of this report. The report outlines our approach used for the materiality assessment and how the identified material issues impact our business. The materiality assessment also led us to engage stakeholders in ESG decision-making to understand and prioritize their ESG concerns. The materiality assessment and stakeholder engagement have been performed according to the recommendations outlined by the GRI framework.



Responsibility Statement

Our Board of Directors are engaged in the oversight and performance of our sustainability efforts. Based upon the recommendation and support of the Board of Directors, the company embarked upon the production of this report.



Feedback

We appreciate your feedback to further enhance our sustainability reporting.

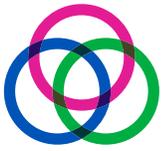
For feedback, please contact our ESG chairs:

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Bethany Forss

Senior Director of Diversity, Equity & Inclusion
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Message from the ESG Executive Committee

Mark S. Ordan

CEO

James D. Swift, M.D.

EVP, Chief Operating Officer

Mary Ann E. Moore

EVP, General Counsel & Secretary

C. Marc Richards

EVP, Chief Financial Officer

Curtis B. Pickert, M.D.

Chief Physician Executive

EVP, Clinical Services Division

Dana Dreher Rodwell

VP, Chief Compliance Officer

Bethany Forss

Sr. Director, Diversity, Equity & Inclusion

At Pediatrix, we have created healthy beginnings for more than 40 years. We want our patients to grow and thrive in a healthy environment. That is why we are committed to responsible and transparent ESG practices.

Our physician-led health care organization partners with hospitals, health systems and health care facilities to offer professional clinical services spanning the women's and children's continuum of care. Together with our growing network of office-based specialists, we make a difference in the lives of our patients and their families. We want that difference to expand beyond just the care that we provide, to include how we are fostering the well-being of our associates and stewarding precious resources. In our first sustainability report, you will see how Pediatrix — driven by our mission to Take great care of the patient, every day and in every way™ — is using global responsibility principles to frame and drive our ESG work, and how leadership at every level is committed to sustained progress.

We acknowledge that our mission can only be achieved by ensuring that the needs of our stakeholders — such as our patients, associates, hospital partners, shareholders, government agencies and the community — are met. We have a corporate social responsibility to ensure that the decisions that we make concerning ESG matters are made with proper forethought for how they impact our key stakeholders.

We are proud to be a leading provider of services for women, babies and children. We are dedicated to applying that same level of care and standard of excellence to our associates and communities.

Thank you for investing in the future with us.



Pediatrix at a Glance

Pediatrix is a leading provider of physician services, pediatric specialty and pediatric subspecialty care. As a physician-led and stakeholder-centric health care organization, we collaborate with hospitals, health systems and other health care facilities to provide clinical services covering the continuum of care for women and children.

Our national network is affiliated with approximately 2,780 physicians, including physicians specializing in neonatology, providing care in hospital-based neonatal intensive care units (NICUs) for infants who were born prematurely or with complications. We also offer maternal-fetal medicine (MFM) and obstetrical (OB) care for expectant mothers experiencing complicated pregnancies through our affiliated physicians. Through our facilities and network of office-based specialists, we believe we have improved the lives of thousands of patients and their families.



Our Mission

Take great care of the patient, every day and in every way.™



Our Vision

We strive to be the leading health care provider for women, children and babies. Our health solutions and services are chosen for the value we bring through:

- The care we provide
- The service we deliver
- The partnerships we hold

Our Values



Build Trust



Empower All



Embrace Change



Demonstrate Respect

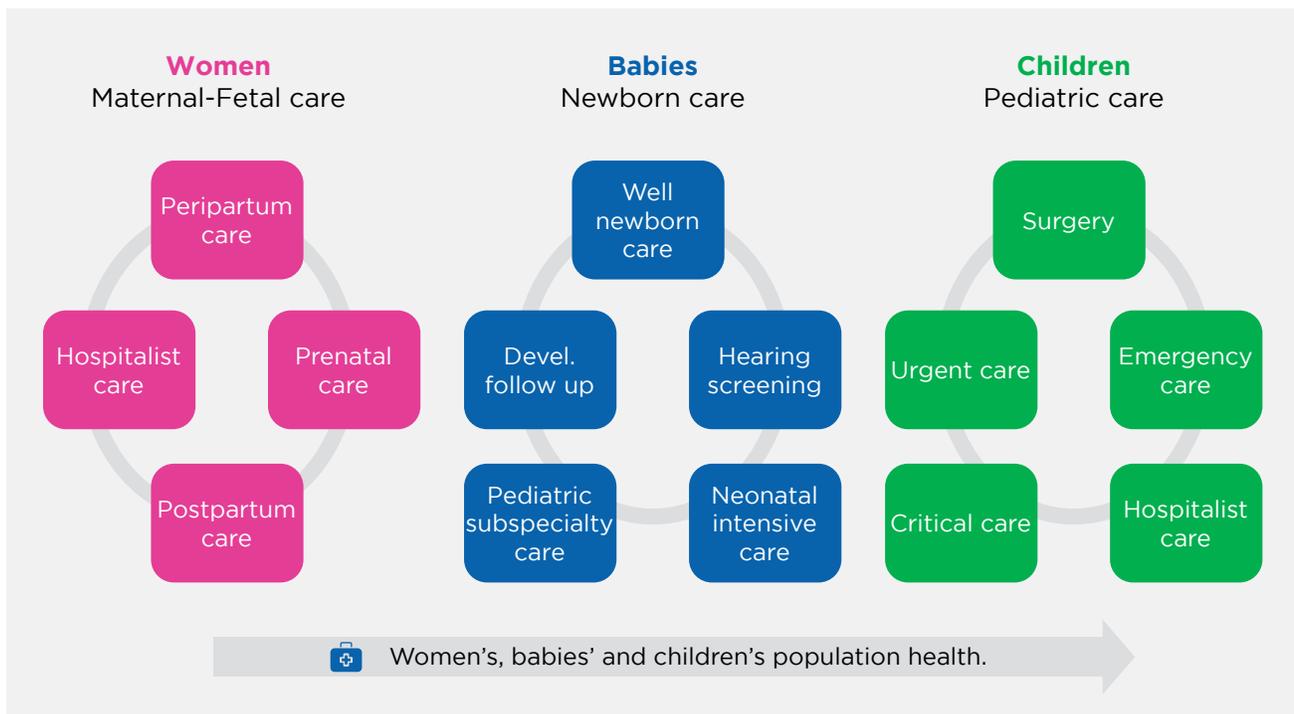


Be Accountable



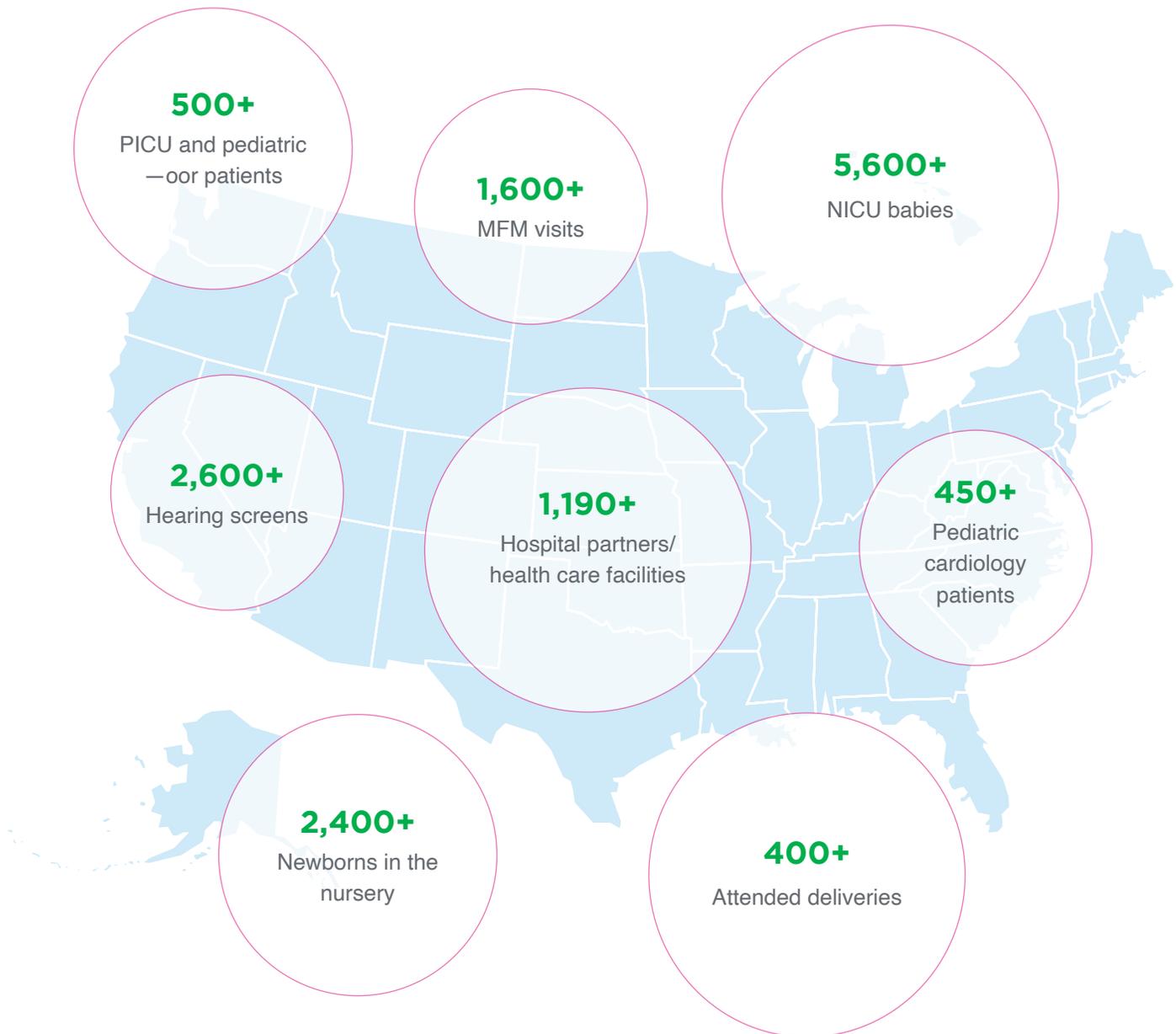
Celebrate Success

Clinical Continuum and Care



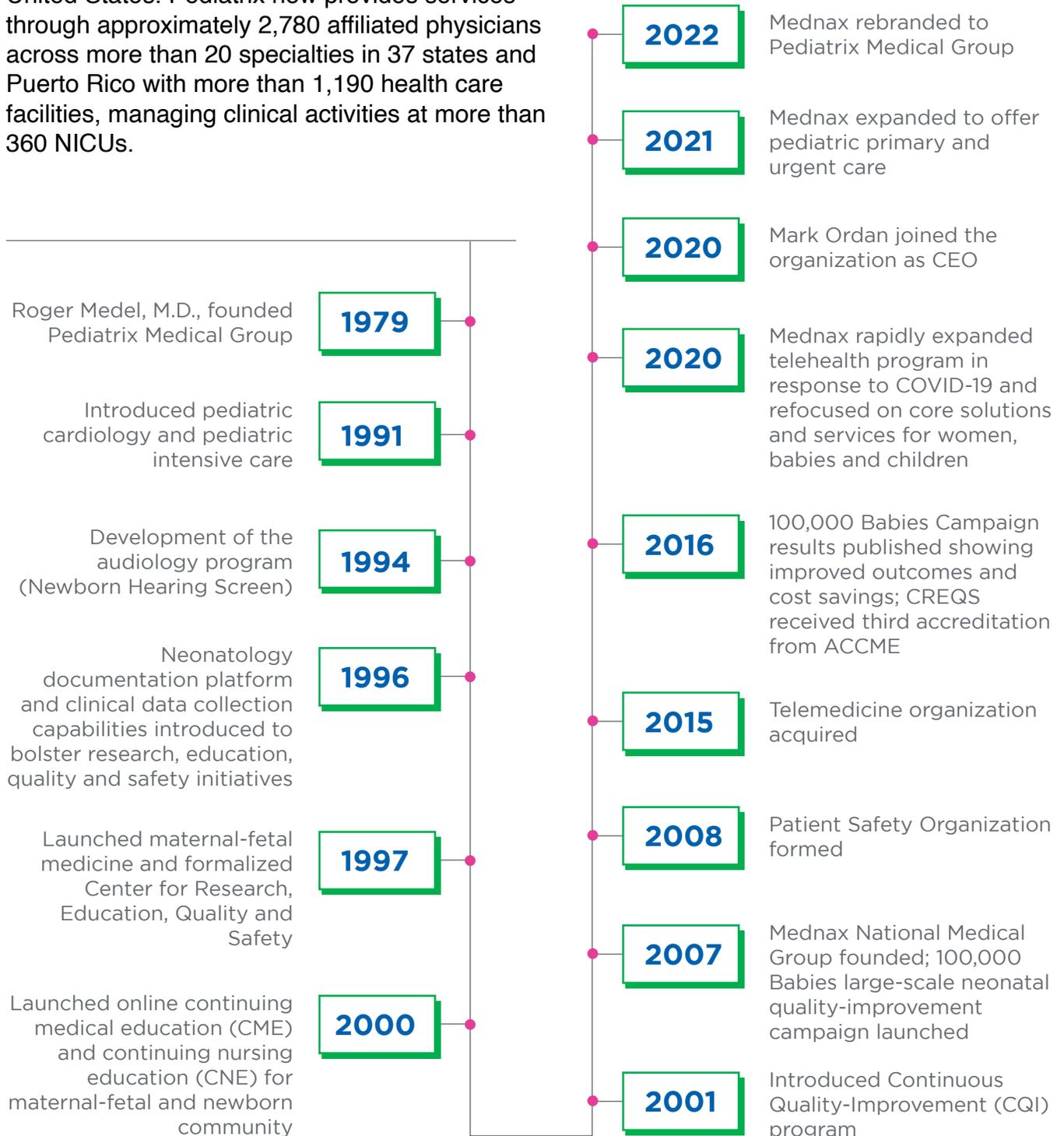
Our Impact

Our commitment to health, equity, inclusivity and sustainability is the bedrock of the company, which is driven by the support of our team and our ability to maintain strong partnerships. Pediatrix strives to lead by example in the field of women’s, babies’ and children’s health care. The collaborative guidance and efforts of our key stakeholders have helped us make a positive impact on the environment and society where we operate through our operations and initiatives. Our daily impact on our patients includes:



Our Journey over the Past 40 Years

Started in Florida in 1979, with one NICU contract and two physicians, Pediatrix is one of the leading health care service providers in the United States. Pediatrix now provides services through approximately 2,780 affiliated physicians across more than 20 specialties in 37 states and Puerto Rico with more than 1,190 health care facilities, managing clinical activities at more than 360 NICUs.



Our Solutions and Services

At Pediatrix, we provide a breadth of solutions and services that can be broadly categorized into prenatal care, neonatal care and pediatric care. Patient care is provided in-person as well as through telehealth services.



Prenatal

- Maternal-Fetal Care
- OB/GYN Hospitalist Care
- OB/GYN Maternity Care

Neonatal

- Neonatology
- Newborn Nursery
- Newborn Hearing Screening
- Sub-Speciality Support



Pediatric

- Pediatric Emergency Medicine
- Pediatric Intensive Care
- Pediatric Hospitalist Services
- Pediatric Surgery
- Pediatric Cardiology
- Developmental Pediatrics
- Pediatric Otolaryngology
- Pediatric Urology
- Pediatric Ophthalmology
- Pediatric Neurology
- Pediatrics Gastroenterology
- Pediatric Infectious Disease
- Pediatric Endocrinology

Telehealth

Services we Offer

Pediatric Specialty Telehealth Services

- Cardiology
- Endocrinology
- Gastroenterology
- Infectious disease
- Neonatology
- Neurology
- Ophthalmology (telerop screening)
- Otolaryngology (ENT)
- Surgery
- Urology

Pediatric Teleneurology Services in the NICU, PICU and other Hospital Environments

- Brain injury
- Central nervous system infection
- Developmental disorders
- Electroencephalogram reads
- Epilepsy and seizure management
- Neuromuscular disorders

Benefits



Specialty-specific clinical services using advanced telehealth hardware (camera capabilities, device integration, etc.)



Remote interpretations (e.g., EKGs, Echocardiograms, Ultrasounds, EEGs)



Video or phone consult services (M.D. to M.D., M.D. to patient)

Our Approach



Reduce transfers



Improve access



Provide exceptional care



Support our clinicians



Manage costs effectively

Center for Research, Education, Quality and Safety (CREQS)

The Pediatrix Center for Research, Education, Quality and Safety (CREQS) empowers health care providers to **Take great care of the patient, every day and in every way™**. As part of our ongoing commitment to improving patient care through evidence-based medicine, we engage in clinical research, education, continuous quality improvement and safety initiatives. Our goal is to discover, understand and foster health care practices that enhance the abilities of clinicians to deliver quality care, thereby contributing to better patient outcomes and reduced long-term health care costs, not only for our patients and hospital partners, but for all patients and providers across our specialty areas.



Improve patient outcomes



Reduce long-term health care costs



Improve clinical operations



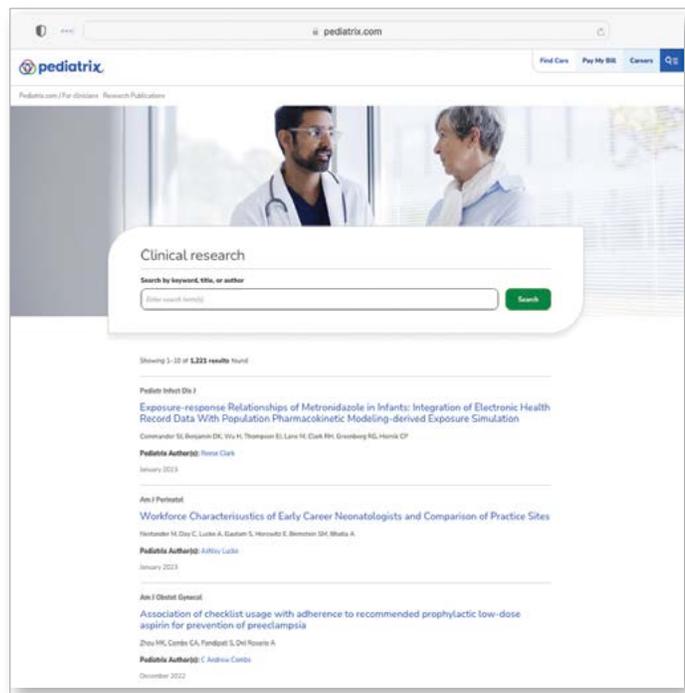
Enhance practice collaboration



Attract and retain high-quality clinicians

Our ongoing commitment to clinical and research excellence is evidenced by the extensive educational and professional development opportunities we offer online and during live sessions. Each year, thousands of health care providers worldwide take advantage of educational programs hosted by Pediatrix's affiliated physicians. The Pediatrix Center for Research, Education, Quality and Safety is accredited with recommendation by the Accreditation Council for Continuing Medical Education (ACCME) and accredited by the American Nurses Credentialing Center's Commission.

Pediatrix-affiliated clinicians have written over 1,000 scholarly papers in the past 20 years and have been published in nearly 200 peer-reviewed journals since 2017. Learn more at pediatrix.com/research-publications.





Our ESG Approach

As part of a strong commitment toward a sustainable future, we have integrated sustainability into our operations and aligned it with our overarching business strategy. With strong ESG governance, we adhere to environmental, social and governance policies and regulations and have developed various ESG strategies to create a positive environmental and social impact.



“ In today’s environment, it is no longer appropriate to measure companies by growth and profitability alone. Discerning investors, boards of directors and executive leaders also look at companies based on their environmental conscience, social commitment and corporate governance best practices. Pediatrix® Medical Group is proud to steadfastly adhere to best practice environmental, social and governance policies, ensuring that we foster mutually beneficial and healthy relationships with patients, associates and shareholders alike.

Mark S. Ordan
CEO and ESG Executive Oversight Committee Member





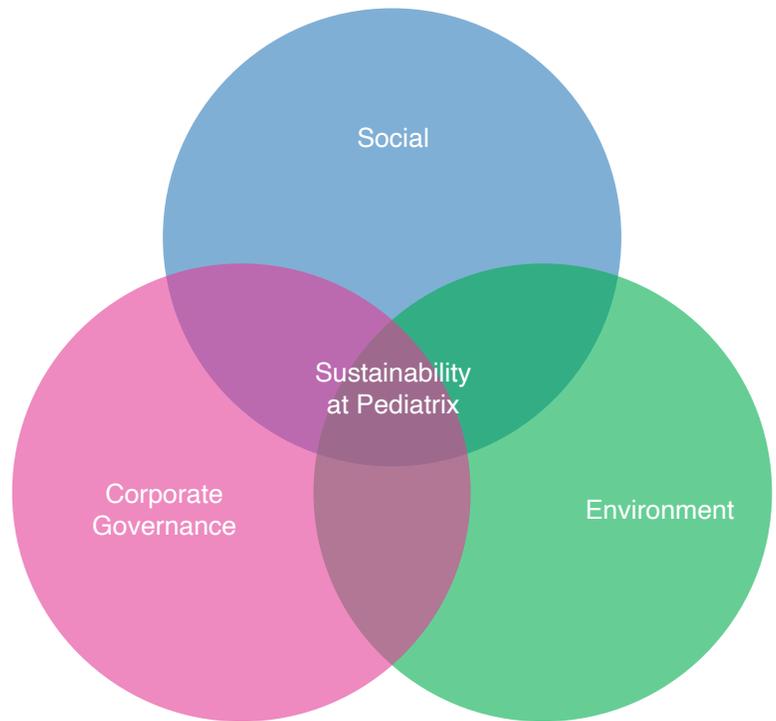
ESG Mission

With a commitment to improving patient outcomes, we are on a mission to continuously evolve our social and environmental responsibilities for the greater good of the planet and its various populations.



ESG Priority

Our ESG focus includes our patients, our associates and the environment, along with our strong corporate governance, which also leads us to maintain our focus on our sustainability journey and priority areas.



Our ESG Policy Architecture



Environmental

- Enterprise environmental policy
- GHG emissions policy
- Waste management policy
- Water management policy



Governance

- Code of conduct
- Compliance program
- Corporate Governance Principles
- Supplier code of conduct

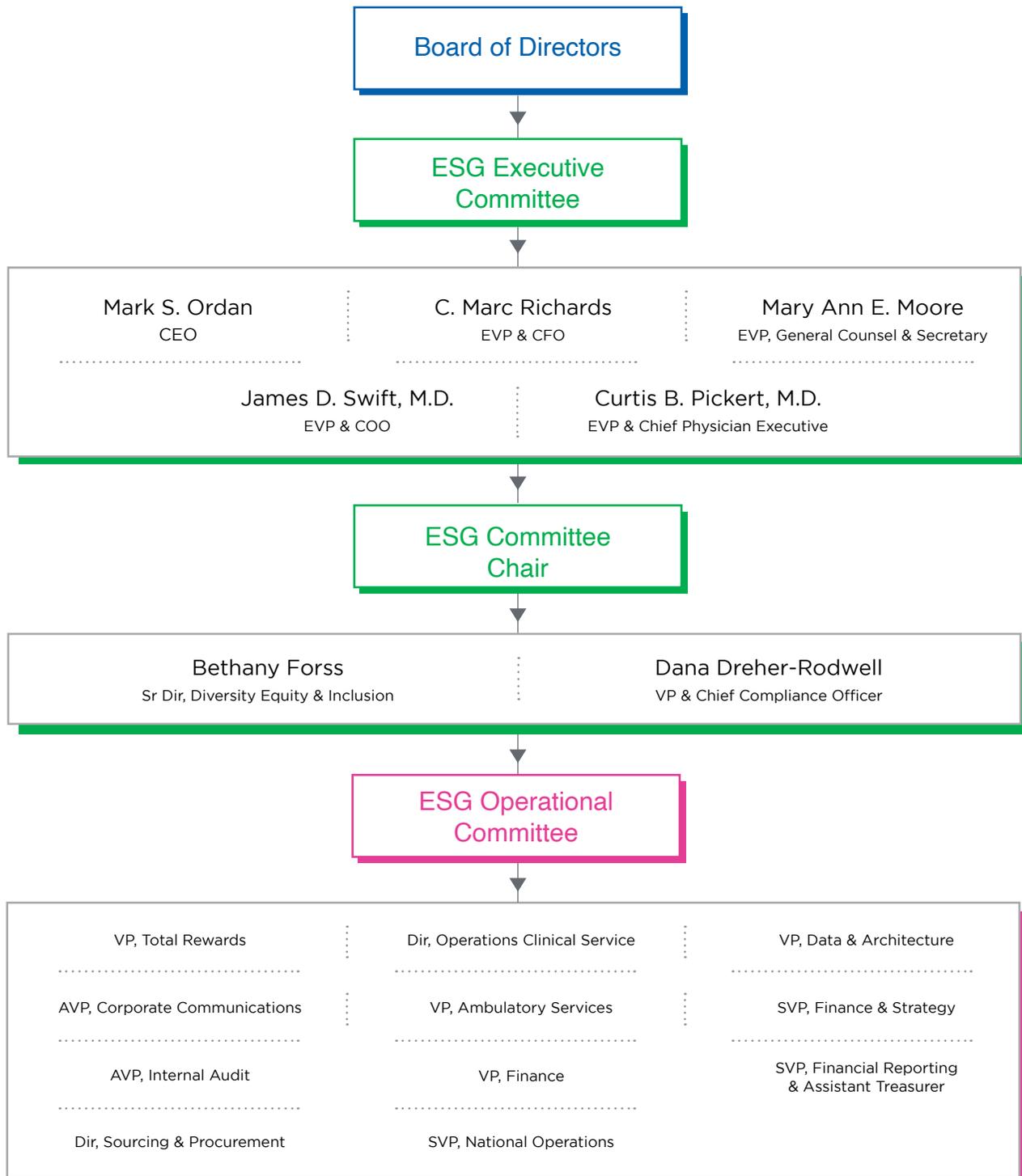


Social

- Patient privacy and security
- Policy on diversity and inclusion
- Policy on equal employment opportunity
- Policy on forced labor, human trafficking and modern slavery
- Policy on health and safety
- Policy on workers' compensation
- Statement on human rights

ESG Governance

At Pediatrix, a diverse ESG Executive Committee and Operational Committee (collectively, the “ESG Committees”) play a critical role in developing our ESG priorities, strategies and goals. The ESG Committees represent a wide variety of departments and functional expertise. The ESG Executive Committee, led by CEO Mark Ordan and consisting of senior management, guides the strategies and priorities of our appointed ESG Operational Committee, while our Board of Directors oversees and monitors the effectiveness of our ESG strategies and their implementation.



Stakeholder Engagement

At Pediatrix, we have adopted a stakeholder-driven approach to engage a range of internal and external stakeholders in our decision-making to understand their concerns. This is critical to outlining our sustainability strategy and creating a roadmap for its implementation.

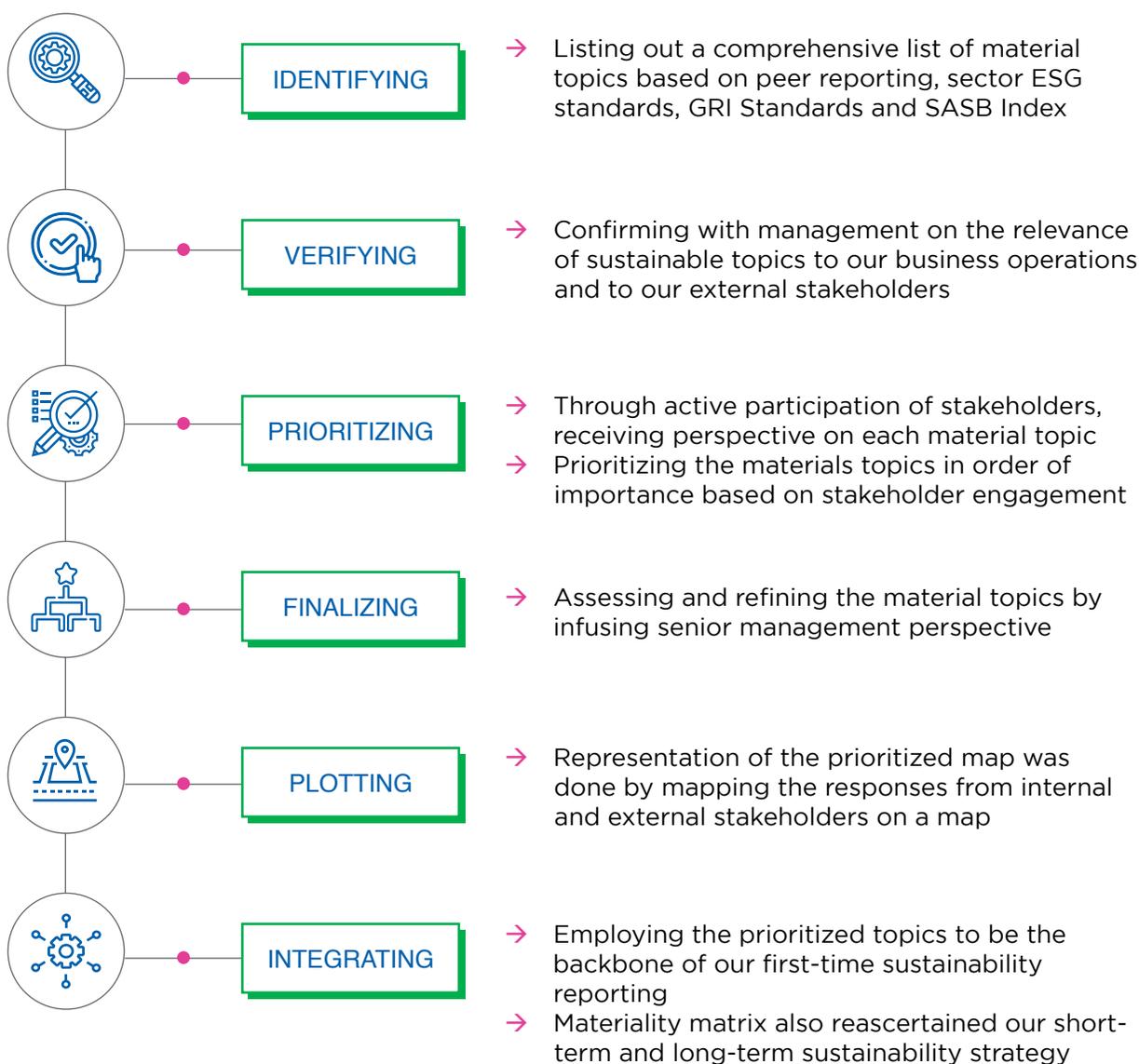
We engage with our stakeholders (patients, associates, hospital partners, shareholders, government agencies and the community) through various initiatives and activities. Additionally, we conducted our first comprehensive materiality assessment in 2022 to identify and prioritize our response to the sustainability topics that are significant to our business operations and internal and external stakeholders.

	Areas of interest to stakeholders	Modes of engagement	Engagement frequency
	<p>Patients</p> <ul style="list-style-type: none"> • Safety and quality of services • Confidentiality and transparency • Affordability and access to health care • Exceptional customer service 	<ul style="list-style-type: none"> • Customer survey and feedback • Research and relevant content • Social engagement 	<ul style="list-style-type: none"> • Ongoing
	<p>Shareholders</p> <ul style="list-style-type: none"> • Compliance • Quality of services • Business performance • Fair business practices 	<ul style="list-style-type: none"> • Quarterly engagements • Annual reports • Annual general meetings • Investor presentations 	<ul style="list-style-type: none"> • Ongoing • Quarterly, as required
	<p>Associates</p> <ul style="list-style-type: none"> • Diversity and inclusion • Associate well-being • Health and safety • Human rights • Training • Talent attraction and retention 	<ul style="list-style-type: none"> • Internal engagement and communications • Training sessions • Engagement survey 	<ul style="list-style-type: none"> • Ongoing
	<p>Local Community</p> <ul style="list-style-type: none"> • Local hiring • Access to health care • Medication cost 	<ul style="list-style-type: none"> • Social media • Community events 	<ul style="list-style-type: none"> • Ongoing
	<p>Government and Department of Health</p> <ul style="list-style-type: none"> • Compliance • Ethical business • Environmental stewardship 	<ul style="list-style-type: none"> • Close interactions on health care, employment and legal matters • Participation in health policy formulation • One-on-one meetings 	<ul style="list-style-type: none"> • As required • Quarterly
	<p>Suppliers</p> <ul style="list-style-type: none"> • Supply chain standards • Business performance 	<ul style="list-style-type: none"> • Supplier assessment and audits • Supplier development program 	<ul style="list-style-type: none"> • Ongoing • As required

Materiality Assessment

As a critical aspect of our sustainability focus at Pediatrix, we conducted a materiality assessment to understand our key stakeholders’ priorities and aligned our existing ESG practices with emerging sustainability standards and megatrends. This allowed us to identify key sustainability topics relevant to our business and align them to our ESG focus areas.

Materiality topics are focus areas that identify our stakeholders’ expectations and have the ability to create value directly or indirectly for our stakeholders. As the first step of the materiality assessment, we aligned our ESG policies, business strategies and operations with Global Reporting frameworks such as GRI, SASB and UN SDGs. We also performed peer benchmarking and evaluated emerging ESG trends to identify key material issues relevant to our business. Through this detailed process, we identified 20 key focus areas and evaluated stakeholder perspectives to understand their importance and impact on our business. We used the following approach to achieve the materiality matrix:





Environmental

- 1 Greenhouse Gas (GHG) Emissions
- 2 Energy Management
- 3 Hazardous & Non-Hazardous Waste Management
- 4 Water Management
- 5 Environmental Stewardship



Social

- 6 Patient Privacy & Electronic Health Records
- 7 Access for Low-Income Patients
- 8 Customer Welfare
- 9 Innovation & Technology
- 10 Pricing & Billing Transparency
- 11 Diversity, Equity and Inclusion (DEI)
- 12 Occupational Health & Safety
- 13 Associate Engagement
- 14 Engaging Local Communities
- 15 Human Rights



Governance

- 16 Economic Performance
- 17 Corporate Governance
- 18 Policy Statements & Risk Management Practices
- 19 Grievance Mechanism
- 20 Business Ethics & Values

Our Material Issues and their Alignment with Global Reporting Standards

The following table contains the codes for the materiality topics included in the materiality analysis as established in the GRI Standards and the SASB Standards' supplement representing the "health care delivery" sector. Pediatrix is aligned with SASB's "health care delivery" sector. Our materiality assessment leads us to address the SDGs 3, 4, 5, 6, 7, 8, 10, 12 and 13 directly and indirectly.

Material Topic	GRI Standards	SASB Standards	Impact Boundary	Report Linkage
Greenhouse gas emissions	103-1, 103-2, 103-3, 305-1, 305-2		Internal: We have provided our policies and initiatives to reduce greenhouse gas emissions.	Environmental sustainability: Climate change
Energy management	103-1, 103-2, 103-3, 302-1	HC-DY-130	Internal: We have provided our policies and initiatives for energy management.	Environmental sustainability: Climate change
Hazardous & non-hazardous waste management	103-1, 103-2, 103-3, 306-3	HC-DY-150	Internal and external: We have provided insights into our waste disposal and waste recycling methodology. Our waste management policy is focused on recycling and reusing waste generated to reduce waste disposed to landfill.	Environmental sustainability: Waste management
Water management	103-1, 103-2, 103-3, 303-5		Internal and external: We have measures to ensure efficient and judicious consumption of water at all facilities under our direct control. Our water management policy outlines responsible water use and consumption.	Environmental sustainability: Water management
Environmental stewardship	103-1, 103-2, 103-3, 307-1	HC-DY-450	Internal and external: We engage with our associates and suppliers for responsible consumption and protection of the natural environment through effective sustainability engagement practices.	Environmental sustainability: Climate change
Access for low-income patients		HC-DY-240	Internal: We develop health-related programs and allocate funds to build a strong health system for people with low-income.	Responsible business: Access and affordability

Material Topic	GRI Standards	SASB Standards	Impact Boundary	Report Linkage
Customer welfare	103-1, 103-2, 103-3, 416-1, 416-2	HC-DY-240	External: Through our patient-first values, patient safety and quality health care remain our top priorities. In-person and telemedicine service offerings assist patients with accessing health care services.	Responsible business: Access and affordability
Diversity, equity and inclusion	103-1, 103-2, 103-3, 405-1, 405-2	HC-DY-250, HC-DY-260	Internal and external: We have a robust focus in this area with aligned programs and practices.	Social sustainability: Diversity, equity and inclusion
Employee engagement			Internal: We hold multiple trainings and participation events to ensure employee engagement.	Social sustainability: Human capital development
Occupational health and safety	103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-5, 403-8, 403-9	HC-DY-330	Internal: Our facilities comply with all government regulations and rules related to workplace health and safety. We have policies, procedures, practices and tools to promote workplace health and safety and protect associates from potential hazards.	Social sustainability: Occupational health and safety
Pricing & billing transparency		HC-DY-320	Internal: We disclose detailed price information to our consumers and customers.	Responsible business: Access and affordability
Engaging local communities	103-1, 103-2, 103-3, 413-1, 413-2	HC-DY-270	Internal: We continuously engage with our local communities to provide health care service.	Responsible business: Caring for our community
Human rights	103-1, 103-2, 103-3, 412-1, 412-2		Internal and external: We conduct regular training and awareness-raising activities. We provide necessary tools to uphold our human rights statement commitment.	Social sustainability: Human rights
Innovation and technology	103-1, 103-2, 103-3		Internal: We focus on innovation and effective technology implementation to not only improve our operational performance but also meet the needs of a diverse patient population.	Responsible business: Innovation and technology

Material Topic	GRI Standards	SASB Standards	Impact Boundary	Report Linkage
Economic performance	103-1, 103-2, 103-3, 201-1		Internal: We create value for our key stakeholders including associates, governments and communities through economic value distribution.	Governance: Economic value generation and distribution
Corporate governance	102-18, 102-19, 102-20, 102-21, 102-22, 102-23, 102-26	HC-DY-000	Internal: We have developed a strong corporate governance structure that considers the interest of every stakeholder and guides management to create value for them.	Governance: Board of directors
Policy statement & risk management practices	102-30		Internal and External: We have an integrated risk management approach, which covers significant risks across our operations, which also extends to our value chain.	Governance: Responsible governance
Business ethics & values	1102-16, 102-17	HC-DY-230	Internal and External: We have adopted compliance policies to ensure our compliance with applicable laws and regulations.	Governance: Business ethics and values
Patient privacy & electronic health records	103-1, 103-2, 103-3, 418-1	HC-DY-510	Internal: We maintain a patient privacy program that protects each patient's right to privacy of his or her Protected Health Information (PHI), as required by the Health Insurance Portability and Accountability Act (HIPAA) and applicable federal regulations and interpretive guidelines.	Responsible business: Patient privacy and electronic health records
Grievance mechanisms	103-2		Internal: Any concerns on conduct can be communicated confidentially or anonymously and may be submitted via email, in writing or reported by phone.	Governance: Business ethics and values

Aligning our ESG approach with the United Nations' Sustainable Development Goals (UN SDGs)

We integrated UN SDGs with our materiality assessment to identify our sustainability goals based on priorities developed from the assessment. SDGs provide a sustainable framework for organizations to focus on global challenges such as natural disasters, social inequities and economic concerns. We have mapped the SDGs with the global sustainability reporting standards such as SASB and GRI to provide effective context for our corporate sustainability report. We have been progressing on nine SDGs directly and indirectly through our responsible business activities.





Environmental Sustainability

At Pediatrix, we strive to achieve sustainable development aimed at both social and economic progress and environmental protection. We acknowledge our responsibility by ensuring that our services are provided in an environmentally responsible, safe and sound manner. Therefore, we have developed an [Enterprise Environmental Policy](#) to effectively address environmental concerns in our operations and communicate our objectives and approach to our internal and external stakeholders.



Climate Change

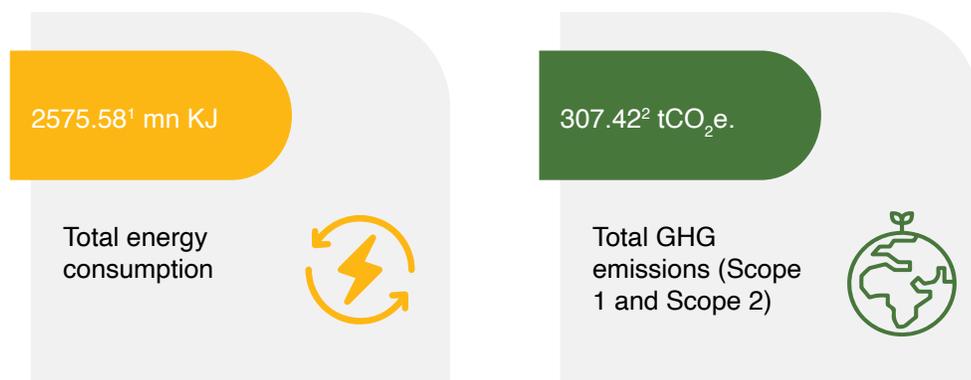
As an environmentally responsible organization, Pediatrix is committed to the implementation and maintenance of efficient energy consumption and reducing its GHG emissions.

Limiting factors that contribute to climate change amid increased global warming are an important part of our ESG program. The increasing demand for energy and its growing consumption due to expanding businesses have negatively impacted the environment while causing irreversible damage to the ecosystem. Changing global weather patterns are responsible for more frequent and severe weather events destroying habitats and wreaking havoc on communities.

Risks arising from climate change have also led various stakeholders, including regulators, investors, customers, associates and the public at large, to urge businesses to identify, measure, monitor and reduce their energy consumption, carbon footprint and emissions. Responsible energy consumption is required to ensure continued economic development along with environmental sustainability. Therefore, it is critical that businesses dramatically reduce their carbon footprints.

Climate change from rising GHG emissions also has a negative health impact, leading to an increase in disease and injury from hurricanes, floods, droughts, forest fires, etc., thereby putting an added burden on the health care field. As the health care field grows globally, so does the cost to administer health care services and the environmental impact of health care from its operations. Therefore, the health care field plays a pivotal role in addressing its own environmental footprint for the benefit of the planet and society at large.

In response, we have developed an [Energy, Carbon and GHG Emissions Policy](#) aimed at evaluating the status of our carbon footprint and defining our approach to managing it within our business operations over time. Pediatrix will practice responsible energy consumption at all locations and facilities under our direct control. Pediatrix will encourage responsible energy consumption in other locations and facilities where Pediatrix has no direct control but conducts business operations. Over time, we will develop goals and targets based on the data collected. Our total energy consumption for the reporting period was 2575.58 mn KJ. For the reporting period, our total GHG emissions (including Scope 1 and Scope 2) amount to 307.42 tCO₂e.



¹Total energy consumption: We began tracking our energy consumption in January 2022. Therefore, we have provided the energy consumption for the period of January 2022 through August 2022.

²Total GHG emissions: We began tracking our GHG emission levels from January 2022. Therefore, we have provided our total GHG emissions for the period of January 2022 through August 2022.

Our Approach

We have developed a 10-stage approach to deal with the issue of climate change:



Measure the energy consumption from our operations in locations and facilities under our direct control.



Estimate the carbon footprint from our operations in locations and facilities under our direct control.



Identify areas for improvement in energy consumption in our operations and in locations and facilities under our direct control.



Improve energy efficiency by implementing an organization-wide energy management program for our operations in locations and facilities under our direct control.



Identify the need to develop low-carbon strategies for climate change mitigation and adaptation.



Improve energy efficiency and reduce carbon emissions in operations and owned facilities by applying wherever financially viable, the most modern and efficient technology and equipment, along with following appropriate work practices.



Track our energy consumption and provide updates to stakeholders.



Communicate Pediatrix's objectives to relevant stakeholders, including associates, vendors, suppliers, shareholders and other relevant stakeholders.



Create awareness and educate all relevant stakeholder groups regarding energy management and how to save energy.



Evaluate the incorporation of energy management as an important criterion in the selection of vendors, suppliers, contractors and facilities, thus improving the energy management in our supply chain.

Key Initiatives

Replacing the Uninterrupted Power Supply (UPS)

We are currently in the process of replacing our legacy UPS system. The old unit was a Liebert S600/S610 with 40 sealed batteries and a capacity of 225kVA, which provided support to our data center. The unit will be replaced with a new, right-sized model that will decrease our energy consumption under-load transfer, as well as reduce the number of batteries needing replacement as a part of general maintenance. The new unit is a Liebert EXM single module system with 24 batteries, which is scalable to accommodate any future load changes from 40kVA to 100kVA.

Earth Day Celebration

At Pediatrix, we proudly celebrated Earth Day, which is a collective effort by like-minded people around the world to educate and demonstrate support for environmental protection. This year’s theme, “Invest in Our Planet,” focused on accelerating solutions to combat the effects on the climate and encouraged everyone — governments, citizens and businesses — to do their part. A communication was sent to all associates emphasizing the importance of environmental sustainability and key initiatives to reduce the company’s environmental impact. This communication highlighted the role for each associate to contribute to this effort.



Help us reduce our company’s environmental impact this Earth Day by utilizing some or all of the below suggestions!

<p>Turn off the lights when you leave a room</p> 	<p>Consider office cleanup and utilize recycling bins</p> 
<p>Unplug devices that aren’t being utilized to conserve energy</p> 	<p>Reduce the brightness on your computer monitor to decrease energy consumption</p> 
<p>Use a reusable bottle and refill via water refilling stations, where available</p> 	<p>Put your computer on “sleep mode” when not in use</p> 



Annual Training

As part of our annual training program, we have curated a course for our associates to further educate themselves about sustainability and underscore the company’s commitment to corporate social responsibility. This helps our associates play an active part in making a positive societal impact.



6 CLEAN WATER AND SANITATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Water Management

As an environmentally responsible organization, Pediatrix is committed to the implementation and maintenance of measures to ensure efficient and judicious consumption of water at all facilities under its direct control.

Climate change and increasing industrial operations are threatening access to and the quality of water. In many regions, growing demand and competition for water has severely affected the availability of water for human, agricultural, ecological and industrial consumption.

Climate change also has a negative health impact, leading to an increase in diseases and injuries from growing frequency and severity of hurricanes, floods, droughts, forest fires, etc., thereby putting an additional burden on the health care field. As the health care field grows globally, so does the cost to administer health care services and the environmental impact from its operations. Therefore, the field plays a pivotal role in addressing its own environmental footprint by reducing the use of natural resources like water for the benefit of society at large.

94,000¹ gallons

Water consumed during the reporting period

¹Water consumption: We started to track our water consumption from January 2022. Therefore, we have provided the water consumption for the period of January 2022 through August 2022.

Our Approach



Measure Pediatrix’s water management across all locations and facilities under its direct control.



Evaluate opportunities to reduce water consumption across all locations and facilities under our direct control by implementing and instituting corporate-wide guidelines for responsible water consumption and conservation.



Regularly review the quality and availability of water, both from traditional and non-traditional resources, to meet current and future demand of Pediatrix operations and locations and facilities under direct control.



Implement water management oversight for locations and facilities under our direct control.



Create awareness and educate all relevant stakeholder groups, including associates, physicians, patients and shareholders, regarding judicious management of water.



Evaluate the viability of various water recycling technologies at locations and facilities under our direct control.





Waste Management

As an environmentally responsible organization, Pediatrix is committed to the implementation and maintenance of measures to manage and dispose of hazardous and non-hazardous waste generated at all facilities under its direct control. Facilities under our direct control emit limited hazardous and non-hazardous waste. We align and cooperate with hospitals and health facilities' ESG efforts in which we provide services but do not have direct control.

Organizations are recognizing the importance of protecting the environment as an integral part of sustaining their business operations and are committing to improving environmental performance. Focusing on environmental sustainability is also pivotal in enhancing corporate responsibility.

Risks arising from environmental degradation have also led various stakeholders, including regulators, investors, customers, associates and the public at large, to urge businesses to identify, measure, monitor and reduce their natural resource consumption, pollution and waste generation.



28,000+

20oz. plastic bottles saved since time of water filter purchase¹

¹Waste management: Water filter purchased in June 2019.

Industrial waste has the potential to cause significant damage to terrestrial and marine vegetation and wildlife, adversely impacting biodiversity. Improper disposal of waste causes air, water and soil contamination, resulting in a negative impact on the environment. Improper waste disposal can also cause an increase in disease-causing agents, thus having a negative impact on human health. As the health care field grows globally, so does the cost to administer health care services and the environmental impact. Hence, the health care field must play a pivotal role by monitoring, measuring and reducing its waste generation for the benefit of the planet and society at large.

As a part of our initiatives, we replaced the legacy water fountain units with bottle fillers to reduce the need for bottled water, which resulted in a significant reduction in the usage of plastic water bottles. Through this initiative, we saved more than 28,000 20 oz. plastic bottles. Over time, we will develop goals and targets based on data collected.

Our Waste Management Approach

We have adopted a four-stage approach to manage our hazardous and non-hazardous waste

<p>Identification</p> <ul style="list-style-type: none"> Identify all streams of waste generated at locations and facilities under our direct control and classify them as hazardous or non-hazardous waste. 	<p>Segregation, Storage, Handling and Disposal</p> <ul style="list-style-type: none"> Ensure that proper segregation of hazardous and non-hazardous waste is always followed. Develop, implement and refine strategies and systems to ensure proper waste segregation, storage, handling and disposal. Adopt environmentally sound and safe disposal of hazardous waste through legally authorized channels of disposal.
<p>Reduction</p> <ul style="list-style-type: none"> Promote practices that reduce the volume of hazardous and non-hazardous waste generated. Identify areas of improvement in its business operations, wherever financially viable, to reduce the amount of hazardous and non-hazardous waste generated and utilize the most modern and efficient technology and equipment. 	<p>Responsible Work Practices</p> <ul style="list-style-type: none"> Evaluate incorporating energy management as an important criterion in the selection of vendors, suppliers, contractors and facilities, thus improving the energy management in our supply chain. Promote adoption of safe practices while handling and disposing of hazardous waste. Build a comprehensive waste management approach, addressing responsibilities and resource allocation for handling and disposing of hazardous and non-hazardous waste. Select and promote safe and environmentally friendly options to protect stakeholders from hazards arising from the collection, handling, storage, transportation, treatment and disposal of waste. Implement waste management oversight for locations and facilities under its direct control with the aim to implement and maintain strong organizational oversight of hazardous and non-hazardous waste management. Implement an annual training and education program to raise awareness among associates about the risks arising from improper waste segregation, handling, storage and disposal. Explore opportunities to reuse, recover and recycle non-hazardous waste. Assess the amount of waste being sent to landfills and incinerated and explore alternate, environmentally friendly options for disposal of these wastes. Stay updated on all relevant local, state and federal waste management standards.



Social Sustainability

The key to our success is our people, including our patients, associates, hospital partners, shareholders, government agencies and the community. We foster a strong work culture where our affiliated clinicians and other associates feel engaged and supported in their growth and development, while connecting with our organizational mission. Through our various approaches and initiatives, we positively impact the lives of our various stakeholders, paving the way for the development of a more equitable and inclusive society.



Diversity, Equity and Inclusion (DEI)

At Pediatrix, diverse perspectives encourage different solutions, and inclusion inspires ideas. Fully embracing diversity helps avoid or minimize the detrimental effects of bias and discrimination. Pediatrix welcomes new ways of thinking and works diligently to ensure an environment where everyone is welcome and treated as equals and where everyone's voice can be heard.

Diversity reflects all the ways a company is unique and distinctive, and combines those attributes with its many similarities to form a cohesive workforce. Inclusion fosters an environment in which coworkers can proudly come to work every day and have the opportunity to contribute their best work. Pediatrix believes that when it embraces differences and intentionally includes all stakeholders — patients, associates, hospital partners, shareholders, government agencies and the community — it provides the utmost opportunity to win together, drive superior results and maximize shareholder value.

DEI is one of the most critical aspects in the success of any organization. Customers, associates, suppliers and shareholders look to businesses to use their influence and ability to affect social change. In the current labor market, prospective associates have a wide range of employment possibilities. When they join an organization, they want to be certain that they will have the proper support and opportunity to grow and flourish.

We work diligently to foster an environment where everyone is welcome and treated as equals and where each voice is heard. We do not discriminate on any grounds, be it race, class, religion, color, ancestry, marital status, gender, sexual orientation, nationality, ethnic origin or disability. This is reflected in our [Diversity, Equity, Inclusion Policy](#).

In October 2021, Pediatrix hired our first ever Senior Director of Diversity, Equity and Inclusion. This position and function was created to deepen our DEI focus and enhance cultural support for our associates, patients and business.



2021 Demographics

56%

Diversity hiring ratio for 2021

80%

Women in the workforce

43%

Associates¹ who identify as people of color

41%

Women at a leadership² level across Pediatrix

33%

Women in the ESG Committee³

4,550

Associates above 40 years of age or older

¹People of color includes persons that identify as: Hispanic or Latino, Black or African American, Asian, Two or More races, American Indian/Alaskan Native, Native Hawaiian or Other Pacific Islander. The remaining population includes persons who identify as White or are not specified.

²Leadership: Vice Presidents, Executives and Market Directors as of 1/1/2021.

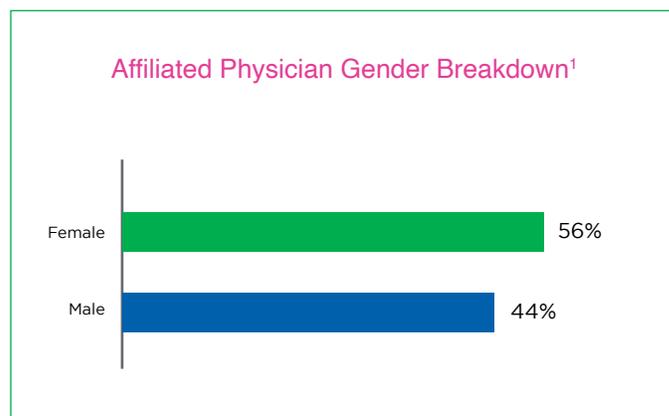
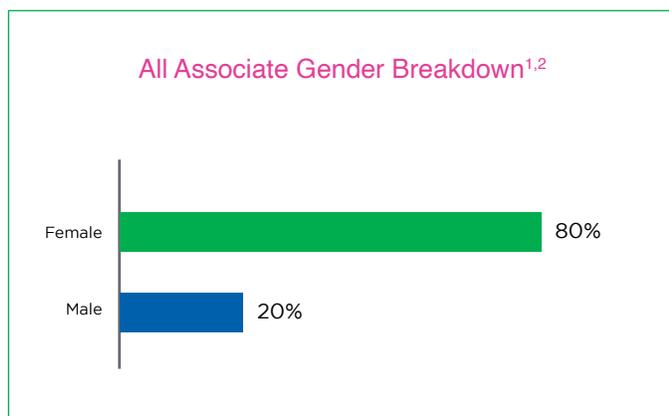
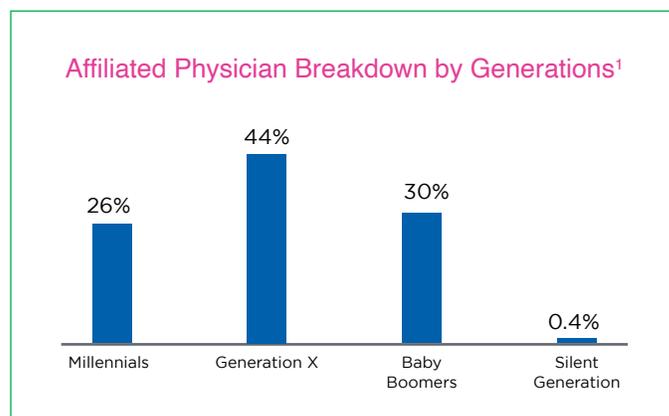
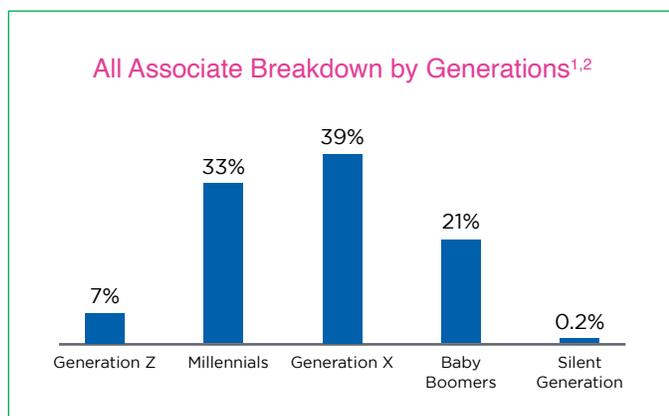
³ESG Committee: Current ESG Committee members as of 10/1/2022.

Creating a Diverse Culture

At Pediatrix, we focus on having diverse representation across our organization. As of December 31, 2021, our total associate count was more than 7,200, which included 80% female associates and more than 43% of our total headcount identified as a person of color. In addition, approximately 56% of our affiliated physicians and other clinical professionals are women and more than 44% identified as a person of color. Among the executive and senior executive level and manager group, more than 41% were female and approximately 20% identified as a person of color. This enhancement has been strongly supported by our [DEI policy](#) and continued efforts toward diversifying hiring.

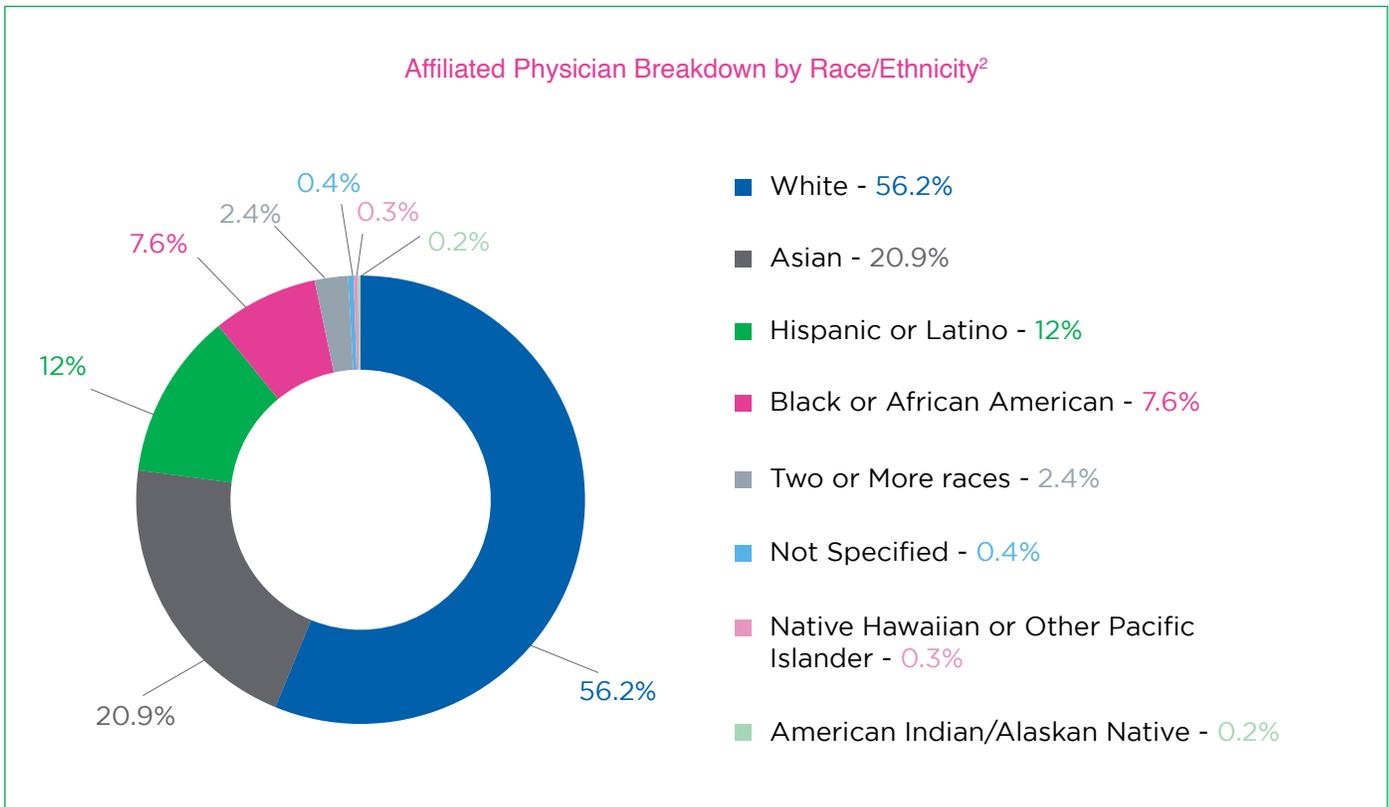
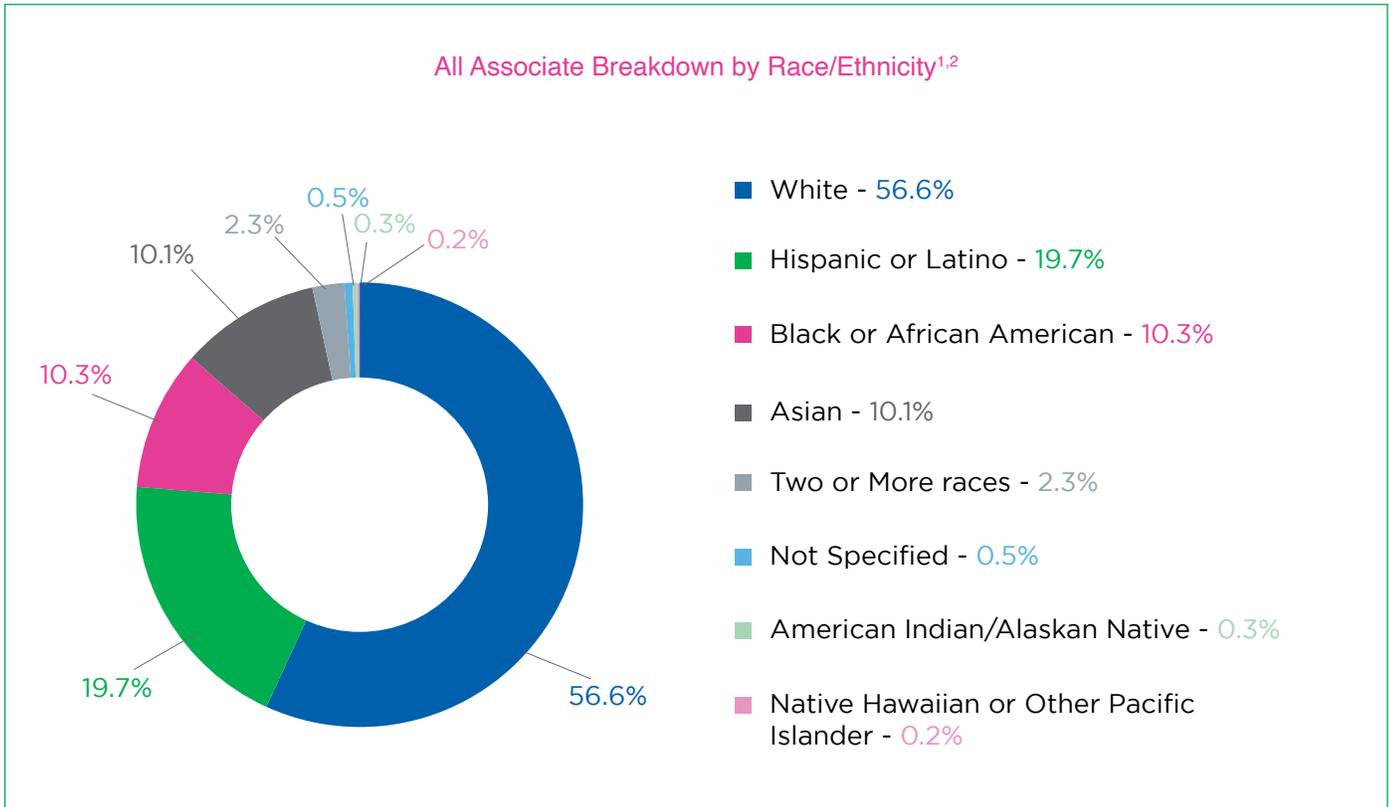
To foster an open and equal environment, we are focused on strengthening our already strong Pediatrix culture by partnering with a leading DEI consulting firm, The Kaleidoscope Group, to conduct a current-state assessment. This will allow us to learn about our associates' experiences within the organization, what they think about the company's culture and where they believe there is room for improvement. Our DEI strategic plan will be based on that feedback and will aid in determining the priorities for our work.

At Pediatrix, DEI is not just an internal aspect, it has been extended to our suppliers as well. We have developed a Small Business and Supplier Diversity Program committed to developing and expanding relationships with diverse businesses owned by minorities, women, persons with disabilities, LGBTQ, veterans, disabled veterans, service-disabled veterans and others.



¹All associate and physician breakdown as of 12/31/2021.

²All associates defined as affiliated physicians, clinicians and other associates



¹All associate and physician breakdown as of 12/31/2021.

²All associates defined as affiliated physicians, clinicians and other associates

Recognizing Juneteenth

At Pediatrix, we are dedicated to DEI. We are committed to protecting the rights of our patients, affiliated physicians and other associates, partners, clients and vendors, and our policies foster a secure work environment in which associates may come to work every day feeling safe and supported.

We celebrated Juneteenth, also known as Emancipation Day or Freedom Day, to honor our history and educate ourselves on Black and African American culture and achievements. Through this initiative, we encouraged our associates to:

- Engage through documentaries, podcasts, books or television showing focus on racial inequities and barriers specific to the Black and African American community.
- Support a local Black-owned business by purchasing their goods or services or leaving a review to build their brand.

Beginning in 2023, Juneteenth has been added to the company's observed holidays.



Understanding LGBTQ Identity in a Health Care Setting

At Pediatrix, we arranged an “Understanding LGBTQ Identity in a Health Care Setting” webinar to help our affiliated clinicians and other associates build a shared language, develop a deeper understanding of the experiences of LGBTQ people and learn tips for active allyship with opportunities for reflection.



International Women's Day celebration

This year we recognized International Women's Day to celebrate the social, economic, cultural and political achievements of women. A communication was sent to all associates to build awareness and emphasize the importance of gender parity and women's equality.



Certified Diversity and Inclusion Recruiter

Our Talent Acquisition department attended a robust training program to become Certified Diversity Recruiters. This course provided an opportunity to learn strategies to help create and improve our diversity and inclusion talent acquisition practices.



Solve the Racial Disparity Problem in Newborn Care

At Pediatrix, we arranged an educational session titled "How to Solve the Racial Disparity Problem in Newborn Care" to enhance clinician knowledge in the ever-changing field of neonatology as well as highlight promising new techniques and interventions for improving outcomes on this persisting societal issue faced by health care providers across the nation. The presentation addressed racial disparities that exist and persist in the NICU setting and patient outcomes, including infant mortality. The activity also reviewed actionable steps that can be taken in order to address the problem of racial disparity in newborn care.



Equal Opportunity

Our business activities subscribe to the requirements of federal laws, regulations and executive orders, as well as the laws of the states and municipalities where we conduct business, regarding equal employment opportunity. We hire and develop the most qualified individuals from the available workforce in the communities where we operate. We honor the basic rights and fundamental freedom inherent to all human beings, and do not discriminate against any qualified individual.

We are subscribed to the tenets of the Age Discrimination in Employment Act of 1967 (ADEA) and the Older Workers Benefit Protection Act (OWBPA). We do not discriminate against any associate or applicant, including those 40 years of age or older. We do not consider this as a critical factor in recruiting, hiring, training, promoting, compensating, providing benefits, taking corrective action or separating an associate or any other term or condition of employment. In addition, we also comply with the Americans with Disabilities Act of 1990 (ADA) and the ADA Amendments Act of 2008 (ADAAA) for our employment practices. These alignments are reflected in our [Equal Employment Opportunity Policy](#).

Parental Leave for our Associates

At Pediatrix, we offer a parental leave program that provides our associates with protected time off for the birth or placement of a child. We provide 8 weeks of parental leave for primary caregivers and 8 weeks for secondary caregivers. In 2021, 320 women and 31 men benefited from this program and 86% of women returned to work after maternity leave.



320

Women availed
maternity leave



31

Men availed
paternity leave



276

Women returned
to work post
maternity leave

Remuneration and Benefits

At Pediatrix, we strive to provide all our colleagues with a competitive and comprehensive total rewards package. We have robust compensation and benefits programs in place to help meet the needs of our associates. Our cash-based compensation packages are reflective of the market value for the work that our colleagues perform. We also regularly evaluate our benefit offerings to fully support our associates. Along with base salaries, for eligible associates we provide other benefits including annual bonuses, stock-based compensation awards, an associate stock purchase plan, a 401(k) plan, health care and insurance benefits, health savings and flexible spending accounts, paid time off, family leave, adoption assistance, associate assistance programs and continuing education among many others. In 2023, we will implement enhanced fertility benefits to support our team members facing family planning challenges due to infertility, LGBTQ+ status or other reasons.

Sexual Harassment

At Pediatrix, all our associates are entitled to work in an environment completely free of implicit or explicit physical and/or verbal harassment of sexual nature. Sexual harassment is unacceptable and will not be tolerated among our ranks. Our sexual harassment policy applies not only to the workplace during normal business hours, but also to all work-related functions, whether on or off the company's premises and to business-related travel. Associates violating this policy are subject to corrective action that may include immediate termination of employment. Our sexual harassment policy applies to all directors, officers and associates of the company. We also expect our vendors and contractors to comply with this policy.

Any associate can raise a complaint and bring it to the attention of the People Services department, a People Services generalist, a People Services director or the vice president of People Services; company management; the chief compliance officer; and/or the confidential compliance helpline at 1-877-835-5764. The detailed complaint procedure is outlined in our Equal Employment Opportunity Policy.



Key Associate Benefits for 2022

We are proud of the benefits we offer our employees. This overview highlights some of the extensive benefits available to associates for being part of Pediatrix.



IDENTIFICATION	DESCRIPTION	WHAT YOU PAY
<p>Medical and Prescription Drugs</p> <p>You can cover yourself and your eligible family members.</p>	<p>Employees can choose from three medical plan options that offer both in-and out-of-network coverage through the Blue Cross Blue Shield BlueCard Preferred Provider Organization:</p> <ul style="list-style-type: none"> • Platinum PPO Option • Gold High Deductible Plan/HSA Option • Silver High Deductible Health Plan/HSA Option <p>*Prescription drug coverage is included with all medical plans.</p>	<p>Based on the plan you select, your coverage level and salary, you and the company share in the cost of coverage. Your contributions are deducted from your paycheck on a pre-tax basis.</p>
<p>Dental</p> <p>You can cover yourself and your eligible family members.</p>	<p>The Dental Plan provides percentage-based benefits. The plan pays 100% for preventive care, 80% for basic services and 50% for major services. Orthodontia services are covered at 50% with a lifetime maximum benefit of \$1,500.</p>	<p>Based on your coverage level, you and the company share in the cost of coverage. Your contributions are deducted from your paycheck on a pre-tax basis.</p>
<p>Vision</p> <p>You can cover yourself and your eligible family members.</p>	<p>VSP offers vision assistance services through a nationwide provider network. Covered expenses include eye exams, prescription glasses and contacts. Discounts on certain services are also included.</p>	<p>Based on your coverage level, you and the company share in the cost of coverage. Your contributions are deducted from your paycheck on a pre-tax basis.</p>

IDENTIFICATION	DESCRIPTION	WHAT YOU PAY
Family Medical Leave Act (FMLA)	Entitles eligible employees to take unpaid, job-protected leave for specified family and medical reasons.	Eligible after one year of service and work a minimum of 1,250 hours.
Basic Life Insurance	You receive coverage equal to one - time your basic annual salary rounded up to the next \$1,000 to a maximum coverage of \$500,000.	The company pays 100% of the premium.
Accidental Death & Dismemberment (AD&D)	You receive coverage equal to one - time your Basic Life Insurance coverage.	The company pays 100% of the premium.
Employee Optional Life Insurance (includes AD&D coverage)	You can purchase additional coverage for yourself in \$1,000 increments. Evidence of Insurability (EOI) applies on coverage greater than \$500,000. The maximum coverage available is \$1,000,000.	You pay 100% of the cost. Your premiums are deducted from your paycheck on an after-tax basis.
Spouse Life Insurance	You can purchase coverage for your spouse in \$1,000 increments up to a maximum of \$250,000. Evidence of Insurability (EOI) applies on coverage greater than \$50,000.	You pay 100% of the cost. Your premiums are deducted from your paycheck on an after-tax basis.
Child Life Insurance	You can purchase coverage for all eligible children in \$1,000 increments up to a maximum of \$25,000.	You pay 100% of the cost. Your premiums are deducted from your paycheck on an after-tax basis.
Long-Term Care Insurance	A type of insurance developed specifically to cover the costs of long-term care services, most of which are not covered by traditional health insurance or Medicare. These include services in your home such as assistance with Activities of Daily Living and care in various facility and community settings. You can select a range of care options and benefits to get the services you need in the settings that suit you best.	You pay 100% of the cost. Your premiums are deducted from your paycheck on an after-tax basis.
Short-Term Disability (STD)	May provide up to 11 weeks of income replacement if you cannot work due to a non-work-related illness or injury. Benefits are equal to 60% of your weekly base salary, subject to plan limits. Benefits begin after a 14-day elimination period.	You and the company share in the cost of coverage. Your share of the premium is deducted from your paycheck on an after-tax basis.

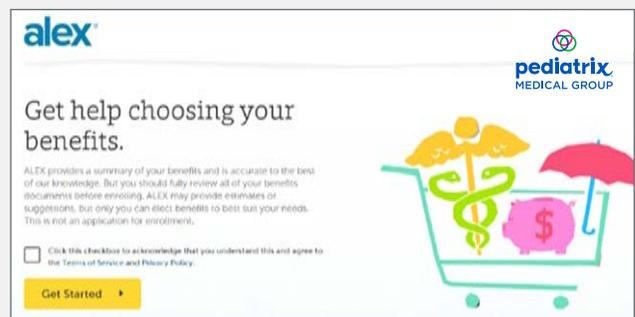
IDENTIFICATION	DESCRIPTION	WHAT YOU PAY
Long-Term Disability (LTD)	Replaces 50% of your eligible compensation up to a monthly maximum benefit of \$10,000 if you are disabled and unable to work for an extended period. Long-Term Disability benefits begin when Short-Term Disability benefits end.	You and the company share in the cost of coverage. Your share of the premium is deducted from your paycheck on an after-tax basis.
Health Savings Account (HSA)	A savings product that offers you a unique way to pay for eligible out-of-pocket health care costs. Your contributions, earnings and withdrawals to pay for eligible health care expenses are all tax-free. Unlike a Flexible Spending Account (FSA), there is no "use it or lose it" rule.	You decide how much you want to contribute on a pre-tax basis. Subject to IRS regulations.
Healthcare Flexible Spending Account (FSA)	You can set aside pre-tax dollars to pay for eligible out-of-pocket medical, dental, vision and prescription drug expenses for you and your eligible dependents.	You decide how much you want to contribute from your paycheck on a pre-tax basis. Subject to IRS regulations.
Dependent Care Flexible Spending Account (FSA)	You can set aside pre-tax dollars to pay the cost of dependent care expenses so that you (or you and your spouse, if you are married) can work or so your spouse can attend school full time.	You decide how much you want to contribute from your paycheck on a pre-tax basis. Subject to IRS regulations.
401(k) Thrift & Profit Sharing Plan	You can save up to 60% of your eligible compensation on a pre-tax or Roth after-tax basis or a combination of each, subject to IRS limits. The plan also allows you to save even further on an after-tax basis. The plan provides a solid mix of investment options and includes an annual discretionary Company matching contribution that is subject to Board approval each year.	You decide how much you want to contribute from your paycheck on a pre-tax, Roth, or after-tax basis subject to IRS regulations.
Employee Stock Purchase Plan (ESPP)	Provides a 15% discount on purchasing Company stock without brokerage fees.	You contribute from your paycheck up to maximum contribution of \$25,000 annually on an after-tax basis. The company pays 100% of the cost to administer the ESPP.
To be eligible, an employee must be regularly scheduled to work a minimum of 20 hours per week for five months in a calendar year and complete two months of service before the start of the next quarterly offering period.		

IDENTIFICATION	DESCRIPTION	WHAT YOU PAY
<p>Employee Assistance Program (EAP)</p>	<p>Provides confidential counseling services to help address personal issues that you or your dependents may face.</p>	<p>The Company pays 100% of the cost to administer the EAP.</p>
<p>Parental Leave Benefit</p>	<p>The Company provides up to eight weeks of paid leave to eligible employees for the birth of an employee’s own child or the adoption of a child. An eligible employee is one who is full-time (working 30 hours or more per week) and who has been employed with the company for at least one year prior to the commencement of the leave. Prorated benefits are available if the employee reaches their one year of service during the first eight weeks of their leave.</p>	<p>The Company pays 100% of the cost of this benefit.</p>
<p>Other:</p> <ul style="list-style-type: none"> • Group Aflac Policies • Continuing Education Assistance • Identity Theft Protection • Various Discount Programs 	<p>You receive coverage equal to one - time your Basic Life Insurance coverage.</p>	<ul style="list-style-type: none"> • You pay 100% of the cost. Your premiums are deducted from your paycheck on an after-tax basis. • 100% Company paid if scheduled to work 40 hours per week. • You pay 100% of the cost from your paycheck with after-tax premiums.

This summary should serve as a guideline only. Specific coverage and cost-sharing arrangements are subject to change, with or without prior notice. If what is listed in this summary contradicts the Plan Documents or Policies, the plan Documents or Policies will govern. Employees scheduled to work at least 30 hours per week are eligible for benefits as of the first of the month following their hire date, unless otherwise noted.

ALEX

We have contracted with ALEX, an online decision support tool from JellyVision that acts as an informative, personalized benefits counselor. ALEX helps our associates to learn more about the benefits that Pediatrix offers and make the benefit plan decisions that may be best for our associates and their families.





4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



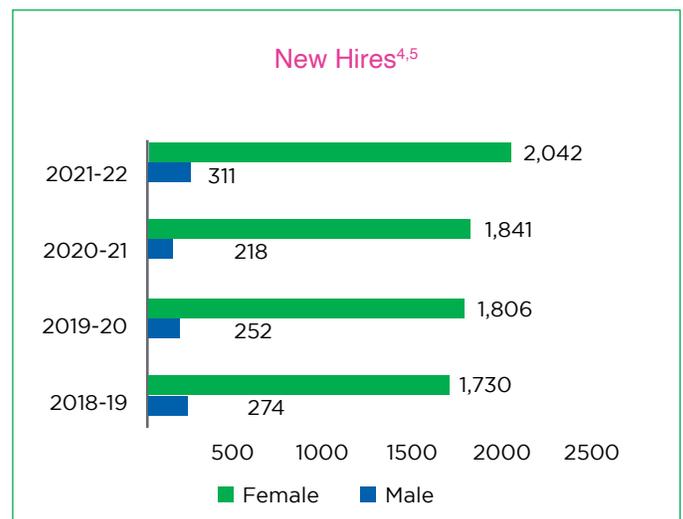
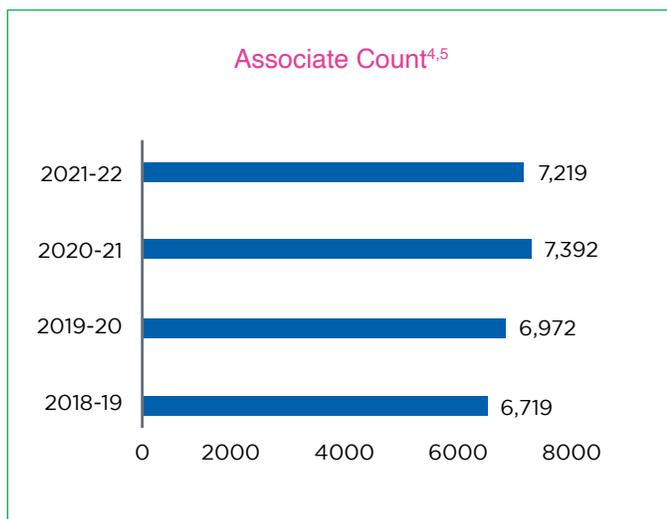
Human Capital Development

At Pediatrix, our affiliated clinicians and associates are our key strength. Our success is largely attributed to the capable leadership provided by our talented associates. Therefore, we put our human capital first and focus on nurturing talent.

Talent Management and Retention

Our associates are our key assets and play a crucial role in providing a better and healthy life to our community. At Pediatrix, we believe that our mission to **Take great care of the patient, every day and in every way™** is realized by the engagement and empowerment of our associates. They also lead us to provide the best health care services and strengthen our position in the health care sector. Therefore, we understand the importance of talent and retention to operate as an effective health care company and to provide exceptional health care services.

Our People Services Department plays a critical role in developing and executing our human capital strategy. The People Services Department is a core administrative support function of Pediatrix. This team provides support, guidance and consultation in the areas of talent acquisition; associate wellness and safety programs; diversity, equity and inclusion; workplace policies and procedures; training and development; and rewards strategies, which include compensation, benefits and other rewards. They also support the needs of our organization and our workforce while serving as a trusted strategic partner to our management team.

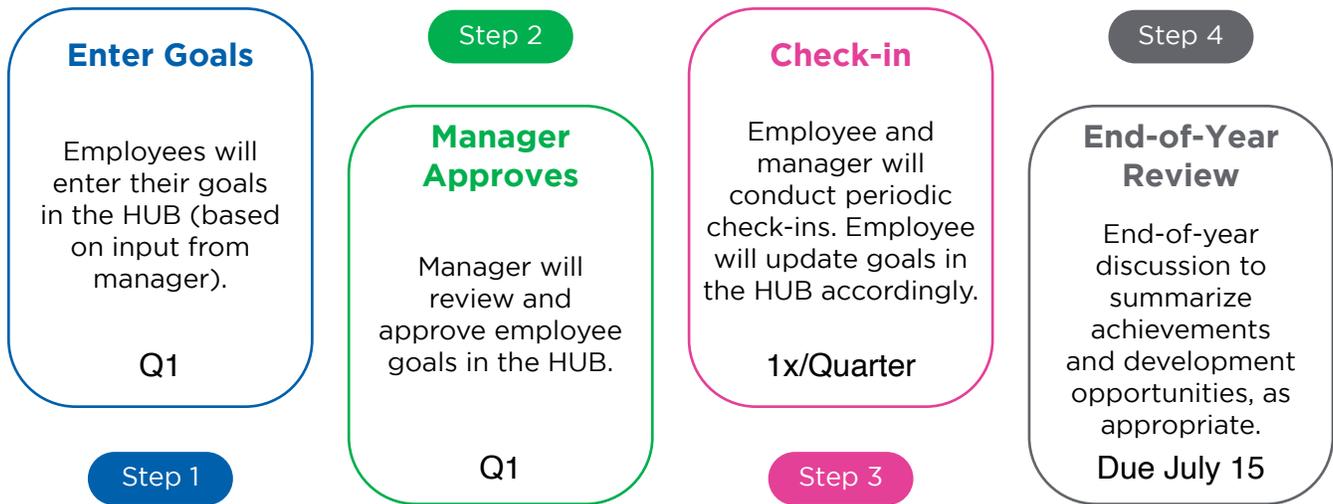


⁴2018-2021: Counts as of Point in Time: 1/1/2018, 1/1/2019, 1/1/2020 and 1/1/2021.

⁵Pediatric & Obstetric and Shared Services Divisions included. Divestitures are excluded [Anesthesiology, divestiture date: 5/6/2020. Radiology, divestiture date: 12/15/2020. Surgical Directions, divestiture date: 12/31/2020].

Performance Management

Our performance evaluation approach focuses on discussions between managers and associates about strengths, areas of improvement and future-oriented goals to achieve. This interactive and conversation-based and goal-focused evaluation process allows managers and associates to focus on achievements and development as opposed to evaluating against static competencies. Our performance evaluation process is outlined below.



Training and Leadership Development

At Pediatrix, we are committed to the continuous development of our affiliated physicians, other clinical professionals and our administrative associates. We have developed a learning culture that fosters both individual and organizational development. We arrange various training and educational programs for associates to develop their capabilities and strengthen their commitment toward the organization and support our mission. We have a catalog of more than 4,000 courses focused on business skills, leadership and management, office productivity, health and wellness and personal development, among others.

We also have a Training and Development Department through which our associates can obtain resources related to individual and organizational assessment, change management, coaching, conflict management, organizational and individual development and problem-solving.

2021 Training and Development Metrics

147,937

Course completions

50+

In-house developed trainings added to the catalog

8,574

Unique learners who have completed at least one module

35,170

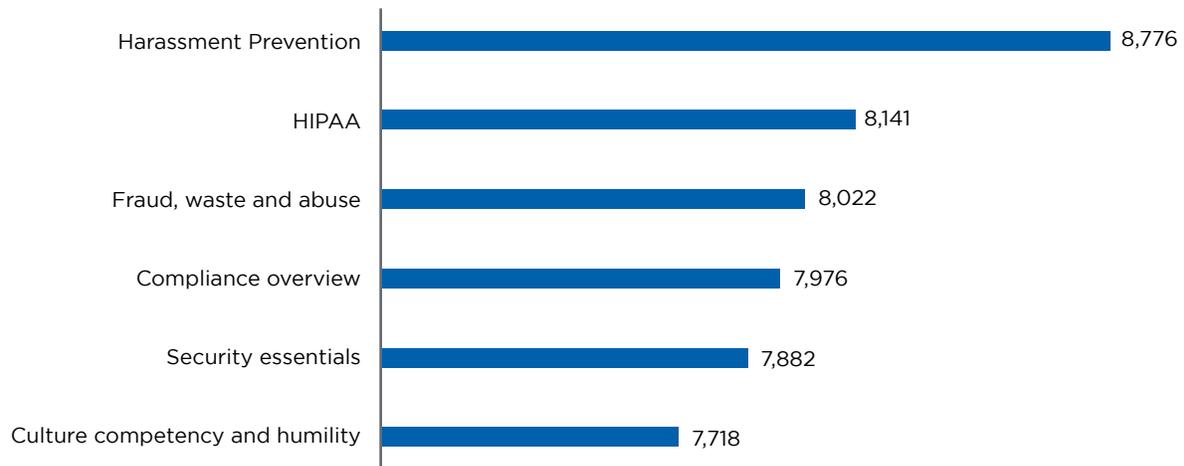
Total learning hours

4 hours 6 minutes

Average learning person days



Top Courses by Learners



Our Learning Management Systems

The Pediatrix HUB

Through this internal learning management system, our associates can find thousands of e-learning programs to fit all topics of interest.

Birkman Assessment and EQ 2.0

Several team and individual assessments are offered to help gain insight, align team dynamics and create an environment of mutual success.

Marshal Goldsmith Stakeholder Centered Coaching Process

Individual Leadership coaching.

Crucial Accountability and The OZ Principle

A series of educational workshops focused on accountability.

Getting Stuff Done

An educational workshop focused on time management.

The Power of Habit

An educational workshop focused on improving personal habits.

Teamsteps

A robust health care-oriented series geared toward improving teamwork, communication and patient outcomes.

Franklin Covey Program

A program that covers the most important aspects of working as a front-line leader.

Leaderfish

A powerful educational experience that focuses on the role a leader plays in obtaining results.

Korn Ferry Leadership Architect

A tool utilized to create core competencies for success.

Clinical, Business and Operational Leadership Development Program for 2022

At Pediatrix, clinical and non-clinical leadership education is an ongoing organizational initiative. Therefore, we launched the clinical, business and operational leadership development program to accelerate the leadership skills of our associates. The leadership development series of workshops is designed to help Pediatrix leaders learn about the business of health care and focus on their success strategies. All associates, including medical directors, unit directors, future clinical leaders and organizational leaders, benefited from the following training programs:

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Allyship in action: Cultivating a culture of equity and awareness in the workplace. | <ul style="list-style-type: none"> • Addressing clinical consensus development, clinical standardization and reduction in clinical variance. |
| <ul style="list-style-type: none"> • Understanding hospital leadership dynamics | <ul style="list-style-type: none"> • Crucial conversations, ways to address difficult conversations |
| <ul style="list-style-type: none"> • Resilience, burnout, fulfillment and ways to address. | <ul style="list-style-type: none"> • Influence and change management concepts |



3 GOOD HEALTH AND WELL-BEING



Occupational Health and Safety

At Pediatrix, achieving and maintaining the physical, emotional, physiological and financial well-being of our associates and their families is one of our key priorities. Therefore, we are committed to building a workplace that is safe and equitable for our associates.

As a health care organization, our associates are exposed to health-related risks. Therefore, occupational health and safety remains a critical priority at Pediatrix. We support all our associates in encouraging habits of wellness, increasing awareness of the factors and resources that contribute to overall well-being and inspiring individuals to take responsibility for their own health.

We are committed to providing a hazard-free and productive work environment. Our facilities comply with all government regulations and rules related to workplace health and safety. Our [Health and Safety Policy](#), procedures and practices lead us to promote workplace health and safety at our premises. The policy articulates our approach and commitment toward maintaining health and safety at our facilities. We have developed an occupational health and safety management system to minimize any risks and identify new opportunities to strengthen our health and safety activities and procedures. This system also investigates safety incidents to identify root causes and avoid the recurrence of those risks in the future.

We have developed an Employee Assistance Program (EAP) for our associates, which offers free and confidential assessments, short-term counseling, referrals and follow-up services to associates who have personal and/or work-related problems. This program addresses a broad and complex body of issues affecting mental and emotional well-being, such as alcohol and other substance use, stress, grief, family challenges and psychological disorders. Our EAP counselors also work in a consultative role with managers and supervisors to address associate and organizational challenges and needs. Additionally, we have partnered with the American Heart Association (AHA) to provide heart-healthy information and programs to our associates and encourage local participation in the AHA's annual Heart Walk.



Workers' Compensation

We provide our associates with workers' compensation insurance to assist in covering their medical expenses and partial salary continuation in the event of a work-related accident or illness. The duration and benefits of this insurance varies according to the nature of the injury or illness.

Key Initiatives

Employee Assistance Program (EAP)

This program is designed to help associates lead a happier and more productive life at home and at work.

A Licensed Professional Counselor can help our associates with:

- Stress, depression and anxiety
- Relationship issues and divorce
- Job stress and work conflicts
- Family and parenting problems
- Anger, grief and loss



Work/Life Balance

Our associates can also reach out to a specialist for help with balancing work and life issues.

Associates can ask our Work/Life Specialists about:

- Childcare
- Elder care
- Legal questions
- Identity theft
- Financial services, debt management and credit report issues
- Reducing your medical/dental bills



Clinical Wellness

Pediatrix provides access to health care resources that provide education and support on clinician health and wellness, with a specific focus on promoting resilience and prevention of burnout. A host of resources such as articles, webinars and training sessions are available to clinicians.

Clinical Wellness: Burnout, Resilience and Professional Fulfillment

We hosted a clinical wellness session titled “Burnout, Resilience and Professional Fulfillment” to help our associates understand the consequences of burnout and how to address and prevent it.

Our internal SharePoint site provides a wealth of evidence-based resources that reflect current thinking on physician wellness. Our Vice President of Medical Affairs and clinical wellness leader received expert training through the Stanford Chief Wellness Officer course and faculty. Additionally, our National Director of Training & Development holds a Ph.D. in Psychology and shepherds our clinical wellness and associate development programs for our clinical and non-clinical workforce. Benefits of our clinical wellness program:

- Creating organizational awareness of the evidence-based contributors to health care worker well-being, by promoting a culture of wellness, efficiency of practice and individual and team resiliency through education, consultation, resources and collaboration across disciplines.
- Creating a framework for benchmarking and improving.

Peer-to-Peer Support Program

Among the many resources offered, our Peer-to-Peer Support Program, led by our Medical Professional Liability Department, is designed to serve as a support mechanism which assists physicians and other clinicians with managing the distress associated with litigation or adverse clinical events. Clinicians, who are trained to provide peer support, engage with colleagues to assist with navigating adverse clinical events. The program promotes awareness of definitive emotional support and counseling resources for ongoing care if needed.

COVID-19 Support

We developed a COVID Associate Resource page for all our associates, which serves as a repository for internal updates and links to trusted health care resources. In an effort to ensure business continuity at the onset of COVID, we pivoted to a remote work environment for associates who were not providers of direct clinical care. Doing so allowed for continuous business operations and support for our affiliated clinicians providing direct patient care.





Human Rights

At Pediatrix, we are committed to ensuring the fundamental rights of our people and operating with respect for internationally recognized human rights standards, including the rights of minority groups and women, and with respect for those rights affirmed in the United Nations Universal Declaration of Human Rights (UDHR).

Our [Code of Conduct](#) outlines our values, mission, vision and approach toward human rights. It also ensures we build trust, empower all, embrace change and demonstrate respect. These principles comprise our [Human Rights Policy](#), which is fundamental to our commitment to operate with respect and accountability in everything we do. This policy is supported by our Code of Conduct and Supplier Code of Conduct.

Moreover, we operate in accordance with internationally recognized human rights frameworks, including those affirmed in the United Nations' UDHR. As stated in our Code of Conduct and Human Rights Policy, the violation of human rights is a non-negotiable offense. We have zero tolerance for any act of discrimination and illegal practices, including forced and compulsory labor and child labor. We also expect all our vendors and contractors to comply with our Human Rights Policy and Code of Conduct. We conduct regular compliance training and awareness-raising activities to provide associates with guidance on cultural competence to help our stakeholders navigate various aspects of cultural diversity.

Human Trafficking

At Pediatrix, we prohibit the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, military labor, modern forms of slavery and any form of human trafficking. We have developed a [Forced Labor Human Trafficking Modern Slavery Policy](#) accordingly. This policy also applies to our associates, agents, contractors, suppliers and subcontractors.

This policy prohibits our associates from:

- Engaging in trafficking of persons, including sex trafficking and any recruiting or obtaining of workers through force, fraud, coercion and involuntary servitude or slavery.
- Procuring commercial sex acts.
- Using forced labor in company business or the performance of a contract.
- Withholding or destroying an associate's identification or immigration documents.
- Using fraudulent tactics in recruiting workers or using recruiters who use dishonest tactics.



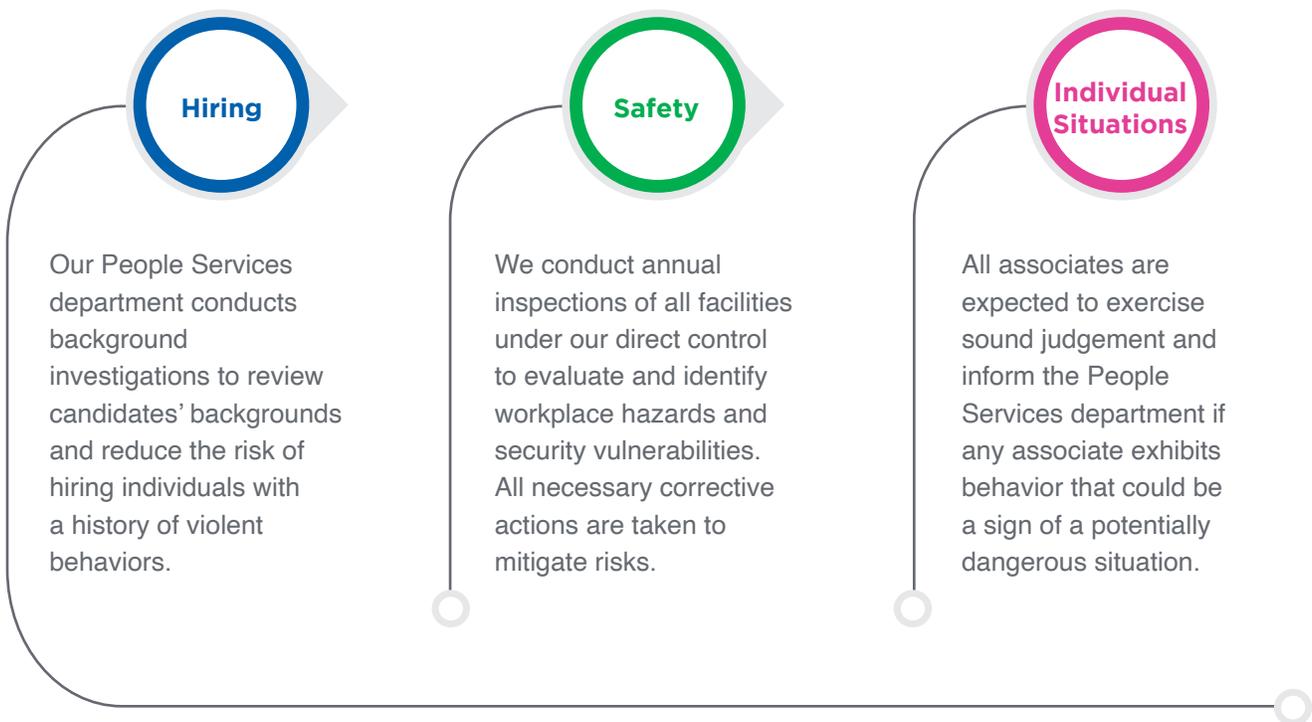
Freedom of Association and Collective Bargaining

We recognize and acknowledge the fundamental rights of our associates. Our associates are entitled to freely associate and collectively bargain in compliance with federal and state laws. We believe in open and active communication and in developing the one-on-one relationship between a leader and a team member.

Violence at the Workplace

At Pediatrix, we are committed to providing a safe workplace for all associates. We do not tolerate any workplace violence committed by or against an associate. Any associate who is determined to have committed such acts will be subject to corrective action, up to and including termination of employment. Non-employed persons engaged in violent acts on company premises will be reported to the proper authorities and fully prosecuted. On an annual basis, we require all associates to review the workplace violence policy. Additionally, a workplace violence training video is available to all associates.

We have adopted three extensive risk-reduction measures to ensure a violence-free environment for associates and the company.





Governance

Pediatrix strives for long-term economic growth for its stakeholders through sustainable business practices. Our governance structure allows us to conduct business in compliance with the highest ethical standards and integrity.

Economic Value Generation and Distribution

At Pediatrix, we are driven to provide both short-term and long-term value to our stakeholders, including customers, associates, government agencies, communities and shareholders.

We recognize our role in creating a strong and sustainable society. Therefore, as a responsible business, we make it our priority to support stakeholders by providing economic value to assist with addressing their needs.

2021 Financial Performance

\$1.91 Billion

Net revenue

\$135.2 Million

Income before taxes

\$108.0 Million

Net income

\$265.5 Million

Adjusted EBITDA¹

\$113.8 Million

Cash flow from operations

13.1%

Return on equity

2021 Economic Value Contribution

Direct Economic Value Generated

Net revenue
\$1.91 Billion

Economic Value Distributed

Total operating expenses
\$1.71 Billion

Practice salaries and benefits
\$1.30 Billion

Income tax provision
\$27.2 Million

Community investments
\$2.2 Million

¹See reconciliation of Adjusted EBITDA on the page 88

Responsible Governance

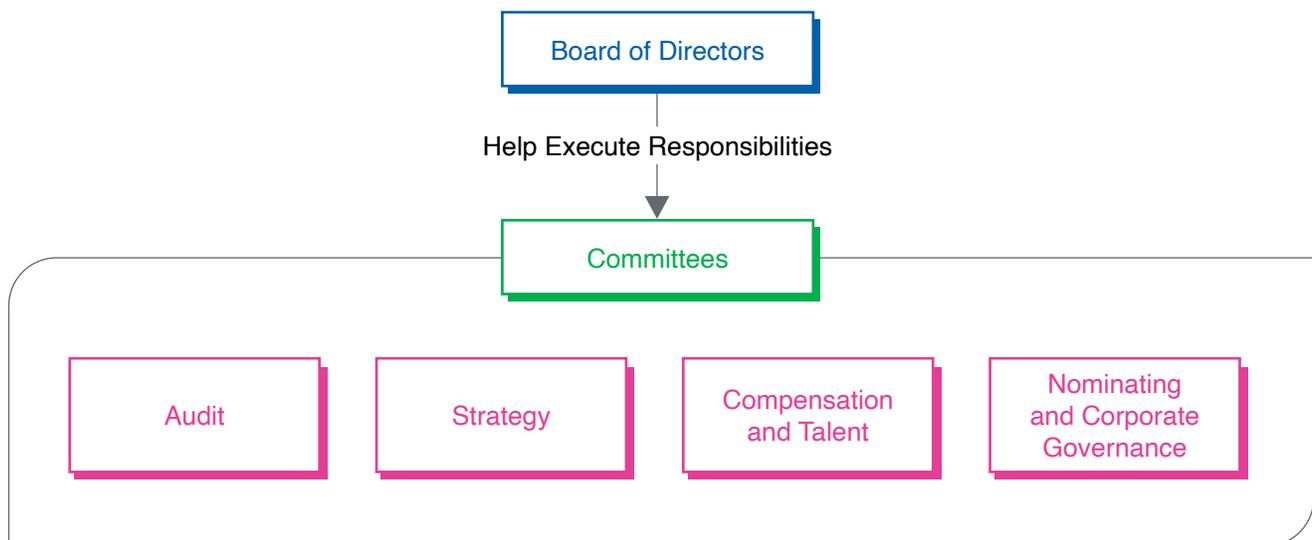
At Pediatrix, governance plays a critical role in developing and maintaining relationships between management and stakeholders while creating value for all stakeholders. It also defines the standards and regulations through which we conduct our operations as an ethical business.

We believe corporate governance is a critical mechanism through which we operate ethically and responsibly. We have developed a strong corporate governance framework that defines the roles of the company as well as its board members, facilitates the efficient use of resources and builds legitimacy between our organization and stakeholders.

Our Governance Framework

Our corporate governance framework is guided by our values and considers the expectations of all our stakeholders. Our board of directors are the highest governance body in the organization. Our directors have vast experience across several industries such as real estate, asset management, health care, financial advisory, non-profit and medical technology. These highly qualified leaders, equipped with various skills, play a key role in overseeing and directing the company's affairs, operations, strategy and performance through the establishment of a clear responsibility framework. The Code of Conduct and Corporate Governance Principles establish the expectations by which the organization is governed.

Our board of directors meet regularly to oversee management's performance with the goal of furthering the long-term interest of our shareholders. The key responsibilities of the board of directors are selecting and overseeing the CEO, providing counsel during the selection of senior management, reviewing financial and business strategies, assessing major risks and monitoring processes to ensure integrity and compliance.



Board of Directors



MARK S. ORDAN

Currently serves as the CEO of the company.

Mr. Ordan has vast experience in real-estate, senior health care services and the retail industry.

He is the board chair for the U.S. Chamber of Commerce. He has received the Hitchcock Humanitarian Award from the Cystic Fibrosis Foundation and is an inductee of the Washington Business Hall of Fame. He has a Master's degree in Business Administration from Harvard Business School.



GUY P. SANSONE

Guy P. Sansone has been Chair of the Board of Directors since July 2020. He has experience across various health care offerings like physical rehabilitation services, clinician staffing solutions, financial advisory and many more.

He holds a B.S. from the State University of New York at Albany.



LAURA A. LINYNSKY

Laura A Linynsky has been a Director since May 2022. She brings forth more than 20 years of corporate finance, accounting and tax experience and more than 10 years' experience in the senior housing health care industry. Ms.

Linynsky served as a consultant focused on health care management, providing operational, quality care, employment, ESG and regulatory guidance for both start-ups and expanding organizations, since August 2018. She has a Bachelor of Science from the University of South Carolina, Columbia.



THOMAS A. MCEACHIN

Mr. McEachin has been a Director since July 2020. He brings forth a vast pool of experience from various industries like medical devices, health care products, aerospace and building industries and computer software. He

served as a trustee and officer of the Wadsworth Atheneum (Hartford, CT), the oldest public art institution in the United States, and holds an MBA from Stanford University.



ROGER J. MEDEL, M.D.

Roger J. Medel, M.D., has been a Director since he co-founded the company in 1979 and served as its President until May 2000 and as Chief Executive Officer until July 2020. He has served as a member of the Board of Directors

of OPKO Health, Inc., since December 2020 and the Board of Trustees of the Dana Farber Cancer Institute, Inc., since January 2016. He participates as a member of several medical and professional organizations.



MICHAEL A. RUCKER

Michael A. Rucker was elected as a Director in May 2019. He has served in the role of an executive officer of various health care companies. He is also a member of the Board of Directors of Ivy Rehab Network, Inc., one of the

largest networks of physical therapy clinics in the United States.



JOHN M. STARCHER, JR.

John M. Starcher, Jr. has been a Director since July 2020. He has managed several practices like non-profit health care, acute care hospitals, home health agencies and several other clinical practices. He holds a doctorate

in Jurisprudence from the University of Toledo and is licensed to practice law in the State of Ohio (currently inactive).



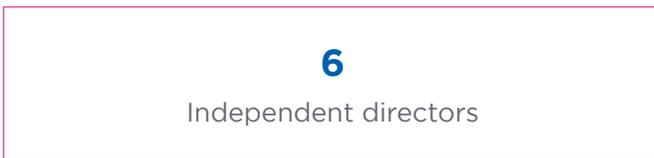
SHIRLEY A. WEIS

Shirley A. Weis has been a Director of the Company since July 2020. She has experience in health care management, strategic planning and leadership development and non-profit medical practice and research.

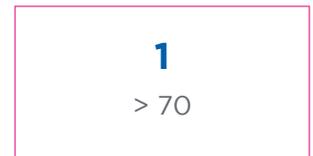
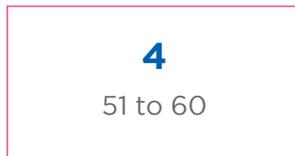
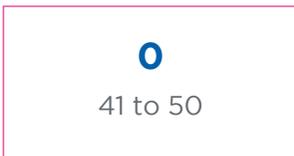
She has a Master of Management degree from Aquinas College and was named one of the Top 25 Women in Health Care by Modern Healthcare magazine for 2007 and 2013.

Board Diversity

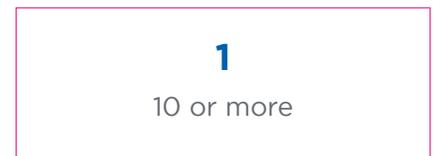
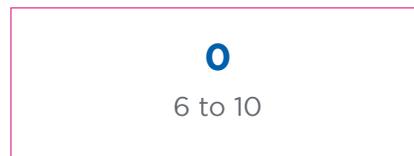
Board independence



Age group (in years)



Length of service (in years)



Executive Committee



MARK S. ORDAN

Currently serves as the CEO of the company.

Mr. Ordan has vast experience in real-estate, senior health care service and retail industry.

He is the board chair for the U.S. Chamber of Commerce, has received the Hitchcock Humanitarian Award from the Cystic Fibrosis Foundation and is an inductee of the Washington Business Hall of Fame. He has a Master's degree in Business Administration from Harvard Business School.



CURTIS B. PICKERT, M.D.

Curtis B. Pickert, M.D., joined the company in 2009 and was appointed to Executive Vice President, Clinical Services Division in 2021 and Chief Physician Executive

in 2022. Dr. Pickert has vast experience in pediatric health care. He completed medical school and a residency in pediatrics at the University of Kansas. He received fellowship training in pediatric hematology/oncology at St. Jude Children's Research Hospital in Memphis, Tennessee, after which he completed a fellowship program in pediatric critical care medicine at Arkansas Children's Hospital in Little Rock.



C. MARC RICHARDS

C. Marc Richards was appointed Executive Vice President and Chief Financial Officer in October 2020. He brings forth vast experience across real estate investment

trust focused on post-acute/skilled nursing and memory care/assisted living properties. He has served in many C-level roles in various real estate and health care companies.



MARY ANN E. MOORE

Mary Ann E. Moore joined the company in 2006 as Associate General Counsel and has served in various senior roles in the Legal Department, including Vice President, Deputy General

Counsel of Operations, Senior Vice President, Chief Legal Officer of Operations and Executive Vice President, Chief Enterprise Risk and Legal Operations Officer since that time. Ms. Moore was appointed to her current role as Executive Vice President, General Counsel and Secretary in 2022. Prior to joining the company, Ms. Moore was Senior Counsel for Tenet Health System in South Florida. She was previously with the Adventist Health System in Chicago, and prior thereto, she was in private legal practice, focusing her career on health care law and litigation. Ms. Moore holds a Juris Doctor Degree from Duquesne University School of Law and a Bachelor's Degree in Nursing from Carlow College, both in Pittsburgh.



JAMES D. SWIFT, M.D.

James D. Swift, M.D., was appointed as Executive Vice President, Chief Operating Officer in 2022. He co-edited the clinical textbook titled "Pediatric Hospital Medicine:

Textbook of Inpatient Management." Dr. Swift received his medical degree from the University of Health Sciences/The Chicago Medical School and completed his internal medicine/pediatrics residency program at Loma Linda University Medical Center. He completed a fellowship in pediatric critical care at Harbor-UCLA Medical Center, Children's Hospital of Orange County and Martin Luther King Jr. Medical Center.

Business Ethics and Values



Code of Conduct

All Pediatrix associates, independent contractors, executives and directors as well as those of its subsidiaries, professional corporations, partnerships, associations and other connected companies are expected to comply with our [Code of Conduct](#).

The Code is a key component of the Company's Compliance Program. The Code underscores the company's commitment to compliance and its corporate values, sets the organizational tone and expectations with respect to compliance and provides specific guidance to associates on how to properly address common legal and ethical issues faced in the performance of their job duties. In addition, compliance standards and procedures have been established to supplement the Code.

Associates with access to, and responsibility for, the finances of Pediatrix hold an important and elevated role in corporate governance and are uniquely capable and empowered to ensure that the interests of shareholders are appropriately served. [The Code of Professional Conduct-Finance](#) provides principles under which Pediatrix finance associates are expected to govern their conduct. Finance associates are expected to abide by the Code of Professional Conduct-Finance and any other applicable policies or guidelines of Pediatrix. Any violations of the Code of Professional Conduct-Finance may result in disciplinary action, including possible termination of employment.



Anti-Corruption

The company is dedicated to upholding all applicable federal, state and local laws, rules and regulations and has zero tolerance for corruption within the organization. We maintain a high standard of accuracy and completeness in our financial reports; provide accurate claims for our services; and train our staff to prevent false claims and fraudulent activities. Measures have been taken to prevent conflicts of interest, infringement of copyrights, personal use of company resources and insider trading.



Whistleblowing and Grievance Mechanisms

Anyone who has concerns about Pediatrix's conduct, accounting, internal accounting controls or auditing issues can bring them up directly with the board chair, non-management directors or the audit committee. Every associate at Pediatrix is forbidden by the company's code of conduct from retaliating against or otherwise harming anyone who raises or reports a concern in good faith.

Anyone with questions or concerns related to compliance, including fiscal and accounting practices, can contact the Chief Compliance Officer. Confidentiality will be preserved to the extent allowed by the law.

Compliance Program

At Pediatrix, we maintain a compliance program that adheres to our ethical obligations in conducting business, including the seven elements of an effective program. The purpose of the compliance program is to set forth an organizational and operational structure that will help promote sound compliance practices throughout the company, ensure that the company meets all applicable laws and regulations in the conduct of its business and minimize the risk that such requirements will be violated.



Responsible Business

Our Code of Conduct and corporate governance form the basis of our business practices. Each and every action, beginning with providing affordable health care to ensuring a sustainable supply chain and protecting our patients' information, is ingrained in our business DNA.

We take great pride in serving our community as a responsible leader in health care services. Our business operations encompass our desire to support the interests of our stakeholders and we have actively taken steps to create many positive impacts.

Access and Affordability

At Pediatrix, we have developed a patient care model that is aligned with the Quadruple Aim to pursue quality care, enhanced patient experience and quality provider experience while reducing the cost of care.

The Institute for Healthcare Improvement created a framework that eventually evolved into what is now known as the Quadruple Aim in response to the Affordable Care Act's requirement that health care providers and systems provide high-quality care at lower costs. By reducing costs and providing our affiliated clinicians with a culture that values and respects their work and prevents burnout, we believe the patient experience is improved and overall population health is enhanced through accessible, affordable and effective access to health care.

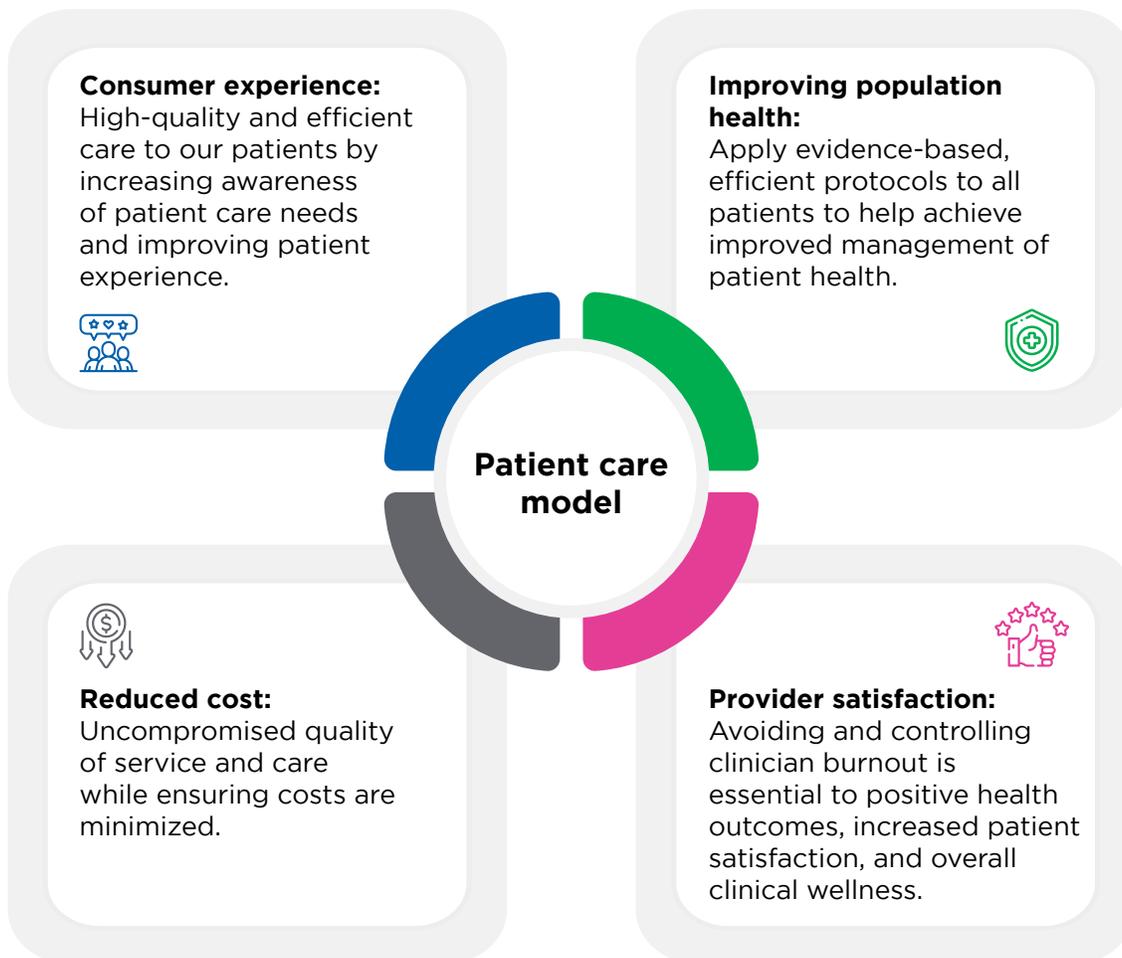


1,748,210

Number of patients who received care from a Pediatrix provider in 2021

Our Patient Care Model

Our patient care model allows us to offer:





Sustainable Supply Chain

At Pediatrix, we understand the importance of suppliers providing exceptional services. Therefore, we strive to develop long-term and mutually beneficial relationships with our suppliers who are committed to quality, service, innovation and compliance with expectations.

As a responsible business, we conduct our operations ethically and expect the same from our suppliers. We collaborate with suppliers who comply with the law and follow high ethical standards. Therefore, we have developed a [Supplier Code of Conduct](#) that clarifies our expectations from our suppliers in the areas of human rights, labor practices, business integrity, anti-corruption, export controls, associate health and safety and environmental management. This code compliments our other policies, procedures and standards referenced therein. All our suppliers, vendors, contractors, consultants, agents, subsidiaries, joint ventures, divisions, affiliates and other providers of goods and services are expected to follow the Supplier Code of Conduct. We do not tolerate illegal or unethical behavior from our associates or from suppliers or their subcontractors.

Supplier Diversity Program

We have developed a Small Business and Supplier Diversity Program to actively pursue and develop partnerships with suppliers who enhance Pediatrix's commitment to delivering exceptional customer service, driving economic growth and increasing market share. This program reflects our commitment to developing and expanding relationships with diverse businesses owned by minorities, women, persons with disabilities, LGBTQ, veterans, disabled veterans, service-disabled veterans and others. We have focused on integrating this program in all of our functional business areas.

Supplier Diversity Inclusion in the Strategic Sourcing Process



Innovation and Technology

Pediatrix continues to identify innovative approaches to ensure we *Take great care of the patient every day, in every way™* by leveraging technology solutions to achieve the best patient outcomes.



Some of our Key Initiatives include:

BabySteps® Cloud

Pediatrix upgraded its homegrown legacy neonatology documentation platform, BabySteps 1.0 on-premise environment used for its neonatology practices, to a cloud-based solution that eliminates the need for a physical/on-premise system utilizing hardware, circuitry, etc. The data inside our Clinical Data Warehouse (de-identified data source used for clinical reporting and research) is captured 100% by BabySteps® Cloud for improved access and efficiency. Additionally, BabySteps® Cloud provides the following benefits:

- Expanded documentation modules to encompass well newborn and consultative services to optimize clinical workflow and allow for documentation and billing in one application. Clinicians using BabySteps® Cloud are able to report more efficiently, resulting in a 20-30% faster average documentation completion rate than BabySteps 1.0.
- Decreased the timeframe to onboard new growth opportunities and acquisitions from 12-16 weeks to 4 weeks given the elimination of physical systems in hospital locations.
- Improved accessibility, including the ability to document from any location, access to records from multiple facilities and the ability to utilize portable devices (tablets) during rounding.
- Expanded reporting capabilities built within PowerBI to support Pediatrix clinical and quality reporting initiatives.
- Leverages NeoLogic, an admission assistance feature that accelerates the admit process by using decision logic to suggest potential diagnoses based upon gestation and birth data. The selected diagnosis auto-populates for the clinician and lists the history, assessment and plan.
- System enhancements are released every 2-4 weeks, which provides clinical workflow improvements.

Modern Data Warehouse

At Pediatrix, we have developed a modern data warehouse, which:

- Gathers, curates and aggregates source data
- Provides an easy-to-use Pediatrix dataset based on needs
- Is hosted in the cloud
- Is designed to be platform abstracted
- Has various import speeds based on need
- Has the ability to keep current and historical data
- Works with our Master Data Management tools
- Provides data to internal and external stakeholders
- Integrates with various platforms and systems to create efficiencies, reduce costs and increase productivity



Phreesia

We implemented Phreesia software, a digital contactless intake solution for patients and our office-based practices. It allows electronic patient check-in and form completions, reduces patient time in the office and directs patient communications.

77%

Payment rate

77% of patients that check-in using a Phreesia modality make payment at the time of service compared to only 47% collections with staff intake.

95%

Self-service utilization

95% of patients choose to use Phreesia's digital check-in, automatically capturing updated demographics, insurance, clinical data, signed consent and balance collections. On average, 5-10 minutes time saved per patient, resulting in the reduced need for Pediatrix staff to coordinate the collection, scanning and indexing of necessary paperwork.

87%

Mobile registrations

About 87% of patients complete their intake on their own mobile devices, providing a true contactless intake, keeping staff safe and providing a more sustainable patient experience. Approximately 10-20 sheets of paper saved per patient, equating to nearly 5,000,000 sheets (15 per patient) of paper since the implementation of Phreesia.

Adaptation and Expansion of Telehealth

We have developed robust telehealth programs that offer the latest in telemedicine (the use of telecommunication and information technology) in order to provide clinical health care at a distance. Telemedicine services are well documented as a high-quality, safe and efficient means of expanding physician services into metropolitan and rural communities.

We have expanded our services to provide these remote programs to our hospital partners. Telehealth can reduce overall health care spending, improve access to quality care and facilitate collaboration with specialists while improving patient engagement and satisfaction. As a result, these programs can enhance the overall health care experience and improve patient outcomes.



TeleNICU

Support for neonatal resuscitation (training and/or remote assistance), outreach/transfer and post-discharge.



TeleMFM

Cutting-edge program providing remote access to high-risk pregnancy experts.



TeleCardiology

Remote consultation and patient follow-up for pediatric cardiology patients.



TeleROP

Remote image interpretation by pediatric ophthalmologists and vitreoretinal surgeons to detect retinopathy of prematurity (ROP), a leading cause of blindness, in newborns.

Clinical Interoperability Platform

At Pediatrix, we have adopted the Clinical Interoperability Platform, which is essentially a data lake that serves as the connecting point of data from our internal systems to external business partners such as hospitals, vendors and subcontractors. It allows us to exchange real-time information with our hospital/third-party partners and create a centralized, cross-platform, cross-specialty health data repository containing a patient's episode of care. This platform delivers benefits across many areas, which result in a more seamless and automated experience for our clinicians and patients.

Benefits



Providers

- Improved data accuracy and quality results in less data entry/(re)work and more time for patient care
- New options for data exchange between providers (e.g., CCD)



Pediatrix Clinical Applications

- Secure, real-time encrypted data exchange between hospitals
- Aligns with CURES Act Interoperability requirements
- Reduces/eliminates needs for hospital portal access



Patients

- Improved provider/patient experience (eyes on patient instead of screen)
- Improved quality of medical records
- Improved patient billing experience



Pediatrix Clinical Applications

- Automated population of demographic data in BabySteps, pMD
- Elimination of manual clinical documentation back to hospital EHR



Third-Party Service Providers

- Accelerated registration, eligibility and billing, resulting in accelerated cash and timely filing risk reductions
- Simplified and expedited data exchange
- Improved data quality and standards

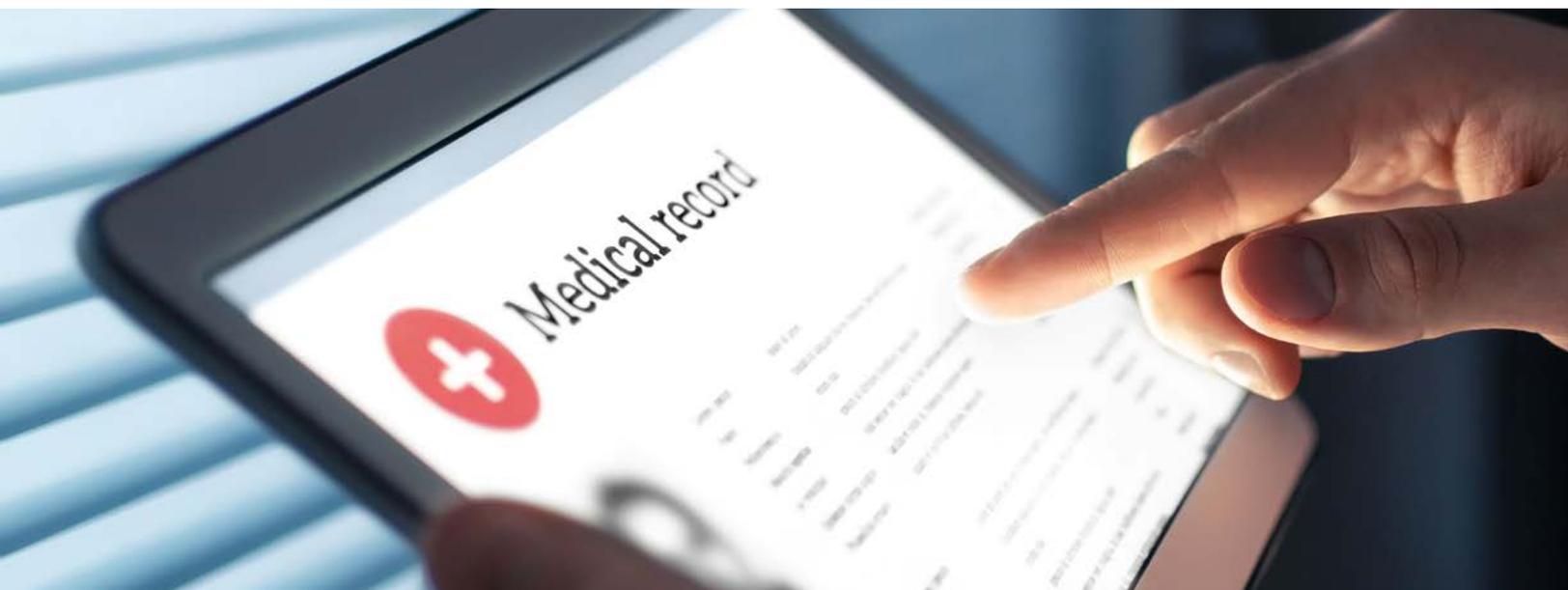
Patient Privacy and Electronic Health Records

At Pediatrix, we are dedicated to safeguarding the confidentiality of patient information, including the patient's health history, current medications and family illnesses.

We have developed a patient privacy program to ensure the privacy of health information of our patients as required by Health Insurance Portability and Accountability Act (HIPAA), applicable federal regulations and interpretive guidelines.

This program plays a critical role in fostering the culture of privacy that demonstrates our commitment to appropriately safeguarding the information privacy of our patients. The program focuses on the creation of company privacy policies, implementation policies and appropriate administrative, technical and physical safeguards. Through this program, we also educate all our associates regarding the HIPAA Privacy Rule, as amended, the Health Information Technology for Economic and Clinical Health (HITECH) Act and company privacy policies and procedures. This program also leads us to develop and implement processes to routinely monitor compliance with the company's privacy policies and procedures, HIPAA standards and the HITECH Act.

Our privacy officer and the compliance committee manage and oversee this program. We train our associates at the commencement of their employment and annually on the appropriate collection, usage, retention, disclosure and destruction of PHI. Administrative, technical and physical safeguards are implemented to protect health information from any intentional or unintentional use or disclosure that violates privacy policies, the HIPAA Privacy Rule or the HITECH Act. Our privacy officer, the legal department and the IT department jointly investigate all suspected or potential privacy incidents.



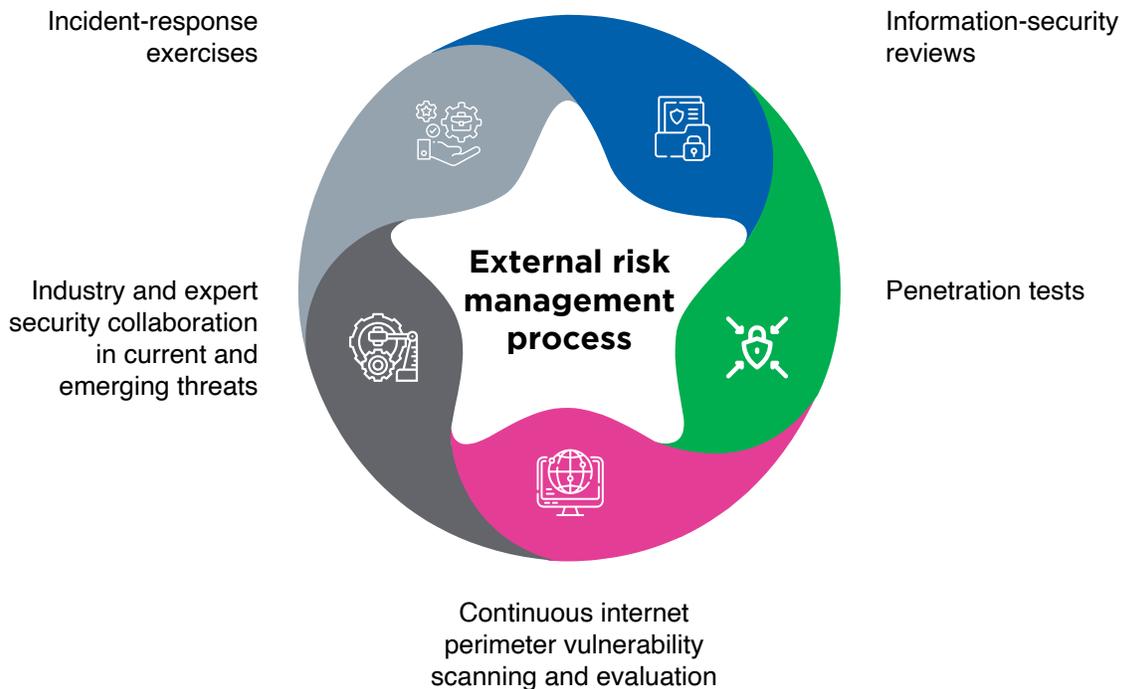
Information Security and Data Privacy

At Pediatrix, customer privacy, integrity and security of information systems and data are critical to our business. Therefore, electronic clinical information systems play a significant role in our operations.

Information Security

We have adopted extensive measures to protect the security of systems and the data included in them. We continually test the suitability of our security and disaster-recovery measures and have implemented administrative, technical and physical safeguards within our systems to help prevent unauthorized access. We follow the National Institute of Standards Technology cybersecurity framework, which provides best practices to prevent, detect and respond to cyberattacks.

We developed a modern information security program, through which we continually monitor, evaluate and test the tactics, tools, techniques and processes used by threat actors to provide a trusted environment for patients, clinicians, associates and other stakeholders. We have also adopted the external risk-assessment framework to identify and assess risks and develop mitigation strategies to avoid those risks. We conduct compliance, HIPAA Privacy Rule and Security training on an annual basis as well as within 30 days of hire. Additionally, Compliance, Security and Operations leadership work collaboratively to provide ad-hoc training based on identified concern representing trends in a particular risk area and/or emerging challenges.



We practice resilience on a routine basis through:



An annual incident-response-plan exercise

Penetration tests and risk assessments performed by external parties.



Disaster-recovery exercises

Continual security awareness training for all associates and board members, including quarterly email phishing exercises.



Corporate business continuity exercises

Continual advancements of tools and techniques that focus on vulnerability threat intelligence, discovery and patching to protect and defend the environment.



Caring for Our Community

Taking care of our community not only helps us fulfill our duty as a responsible business but also builds trust and future success. We aim to fulfill the expectation of stakeholders and make a commitment toward social responsibility through community programs, fundraisers, health care programs and other initiatives.

We have undertaken multiple steps to provide care for our society. Our service to the community is influenced by our expertise in medical care which allowed us to help groups of women, people of color and new parents. We understand that collaboration aids in making a better impact on society, hence, we joined hands with similar-minded organizations to advance our goal of promoting a healthy community through our various initiatives and investments.

Our Key Initiatives



Go Red for Women

The American Heart Association (AHA) hosts an annual luncheon to recognize and support the community of women and their medical professionals. Pediatrix proudly sponsored the American Heart Association's GoRedSFL luncheon where awareness on heart health was raised by powerful women from the community.



Black Maternal Health Week

At Pediatrix, we make an active effort to address social and racial inequalities. Black Maternal Health Week is recognized in April for the disparities faced by Black women in pregnancy-related deaths. Through various campaigns like this, we aim to educate our stakeholders about ongoing social concerns and the importance of fighting disparities through a collective effort.



Infant CPR Kit

As a responsible health care provider, we make sure to educate our stakeholders, including new parents, with the best possible ways to take care of their children. In Florida, we partnered with Joe DiMaggio Children's Hospital to provide every new parent with AHA's Infant CPR kit in case of a respiratory or cardiac emergency at home. The kit is a self-directed personal learning program that teaches AHA's research-proven practice-while-watching technique, which allows a person to practice on a personal inflatable infant CPR mannequin while observing a demonstration on video. New parents, grandparents, babysitters, nannies and anyone who wants to learn life-saving infant CPR and choking relief techniques can benefit from the Infant CPR kit.

Our Community Investments

As a leading provider of specialty physician services, we have the highest level of moral and ethical responsibility to support our communities with our expert service, leadership and financial support.

We contributed nearly \$2.2 million to various foundations in 2021. This includes:

- Leadership, service and financial support for hospital foundations, associations and health care charities
- Natural disaster recovery relief contributions to Haiti and Ukraine
- Financial and in-kind support for local charitable organizations

The Way Forward

Our sustainability approach recognizes the planet and people’s interconnectivity, and we recognize sustainability to be a key driver of Pediatrix’s performance. We look forward to maintaining this momentum and enhancing our positive impact on the natural environment and society while providing affordable and accessible health care to the thousands of people across the United States.

For more information about sustainability, please refer to:

[Sustainability](#)

[Supplier Sustainability](#)

[ESG Governance](#)

[Enterprise
Environmental Policy](#)

[Social Sustainability](#)

[Governance](#)

[10-K](#)

Appendices

SASB Index

Indicator number	Indicator description	Page number/ section	Remarks
Energy Management			
HC-DY-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	27	
Patient Privacy & Electronic Health Records			
HC-DY-230a.2	Description of policies and practices to secure customers' protected health information (PHI) records and other personally identifiable information (PII)	75	
Access for Low-Income Patients			
HC-DY-240a.1	Discussion of strategy to manage the mix of patient insurance status	68	
Employee Recruitment, Development & Retention			
HC-DY-330a.2	Description of talent recruitment and retention efforts for health care practitioners	37, 38, 39	
Climate Change Impacts on Human Health & Infrastructure			
HC-DY-450a.1	Description of policies and practices to address: (1) the physical risks due to an increased frequency and intensity of extreme weather events and (2) changes in the morbidity and mortality rates of illnesses and diseases associated with climate change	28	

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GRI Index

GRI 102: General Disclosures 2016

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102-2	Activities, brands, products and services	11	
102-3	Location of headquarters	10	
102-4	Location of operations	14	
102-5	Ownership and legal form	4	Pediatrix is a publically listed organization
102-6	Markets served	14	
102-7	Scale of the organization	3	
102-8	Information on employees and other workers	37, 38	
102-9	Supply chain	69-70	
102-11	Precautionary Principle or approach		Page No. 12 and 26 of the 10-K report
102-12	External initiatives	24	
Strategy			
102-14	Statement from senior decision-maker	6	
102-15	Key impacts, risks and opportunities		Page No. 12 and 26 of the 10-K report
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102-16	Values, principles, standards and norms of behavior	8	
102-17	Mechanisms for advice and concerns about ethics	66	
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Indicator number	Indicator description	Page number/ section	Remarks
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102-42	Identifying and selecting stakeholders	18	
102-43	Approach to stakeholder engagement	18	
102-44	Key topics and concerns raised	18	
Reporting practice			
102-45	Entities included in the consolidated financial statements		Please refer to the 10-K report
102-46	Defining report content and topic boundaries	4	
102-47	List of material topics	20, 21, 22	
102-48	Restatements of information		There has been no restatement of information for the reporting period
102-50	Reporting period	4	
102-51	Date of most recent report	4	
102-52	Reporting cycle	4	
102-53	Contact point for questions regarding the report	5	
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GRI 103: Management Approach 2016			
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GRI 203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	78, 79, 80	
203-2	Significant indirect economic impacts	78, 79, 80	

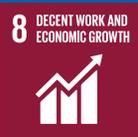
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Indicator number	Indicator description	Page number/ section	Remarks
GRI 205: Anti-corruption 2016			
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GRI 302: Energy 2016			
302-1	Energy consumption within the organization	27	
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305-1	Direct (Scope 1) GHG emissions	27	
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GRI 306: Waste 2020			
306-3	Waste generated	32	
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	69	All our suppliers are required to adhere to our supplier code of conduct
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Indicator number	Indicator description	Page number/section	Remarks
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GRI 405: Diversity and Equal Opportunity 2016			
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409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	57	
GRI 412: Human Rights Assessment 2016			
412-1	Operations subject to human rights impact assessments or reviews	57	
412-2	Training of employees on human rights policies or procedures	57	
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments and development programs	78, 79, 80	
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	69	All our suppliers are required to adhere to our supplier code of conduct

UN SDGs Index

Goal	Page number
 3 GOOD HEALTH AND WELL-BEING Good Health and Well-Being	53, 78
 4 QUALITY EDUCATION Quality Education	47
 5 GENDER EQUALITY Gender Equality	35, 57
 6 CLEAN WATER AND SANITATION Clean Water and Sanitation	30, 32
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 12 RESPONSIBLE CONSUMPTION AND PRODUCTION Responsible Consumption and Production	30, 32
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Non-GAAP Measures

In our analysis of our results of operations, we use certain non-GAAP financial measures. Adjusted EBITDA consists of net income before interest expense, income taxes, depreciation and amortization and transformational and restructuring related expenses. Certain periods may also include additional adjustments that are only relevant to those periods.

We believe Adjusted EBITDA, in addition to income from operations and net income provides investors with useful supplemental information to compare and understand our underlying business trends and performance across reporting periods on a consistent basis. These measures should be considered a supplement to, and not a substitute for, financial performance measures determined in accordance with accounting principles generally accepted in the United States of America (“GAAP”). In addition, since this non-GAAP measure is not determined in accordance with GAAP, it is susceptible to varying calculations and may not be comparable as presented to other similarly titled measures of other companies.

For a reconciliation of Adjusted EBITDA to the most comparable GAAP measure for the year ended December 31, 2021, refer to the table below (in thousands):

Net income	\$108,014
Interest expense	\$68,722
Gain on sale of building	\$7,280
Loss on early extinguishment of debt	\$14,532
Income tax provision	\$27,241
Depreciation and amortization expense	\$32,147
Transformational and restructuring related expenses	\$22,100
Adjusted EBITDA	\$265,476

All the financial figures included in this report are in US dollars (US\$)

Disclaimer and Forward-Looking Statements

The information and opinions contained in this report are provided as of the date of this report and are subject to change without notice. Pediatrix does not undertake to update or revise any such statements, whether as a result of new information, future events or otherwise. This report represents current Pediatrix policies and intentions and is not intended to create legal rights or obligations. This report may contain or incorporate by reference public information not separately reviewed, approved, or endorsed by Pediatrix, and no representation, warranty, or undertaking is made by Pediatrix as to the accuracy, reasonableness, or completeness of such information. Inclusion of information in this report is not an indication that the subject or information is material to Pediatrix's business or operating results. Inclusion of stock images is for representation purposes only.

Certain information included or incorporated by reference in this report may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may include, but are not limited to, statements relating to our objectives, plans, initiatives, projections, goals, commitments, expectations and strategies, and all statements, other than statements of historical facts, that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. These statements are often characterized by terminology such as "believe," "hope," "may," "anticipate," "should," "intend," "plan," "will," "expect," "estimate," "project," "positioned," "strategy" and similar expressions, and are based on assumptions and assessments made by our management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. Important factors that could cause actual results, developments and business decisions to differ materially from forward-looking statements are described in Pediatrix's most recent Annual Report on Form 10-K, including the section entitled "Risk Factors," and in subsequent filings. The standards of measurement and performance contained in this report are developing and based on assumptions, and no assurance can be given that any plan, initiative, projection, goal, commitment, expectation, or prospect set forth in this report can or will be achieved



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