

The background of the cover is a photograph of a smiling blonde woman in athletic wear (a teal and white tank top and black leggings) sitting on a grassy field. A large teal circle is on the left side, containing the Blackmores logo and the number 17. The text 'SUSTAINABILITY REPORT 2017' is positioned below the number 17.

BLACKMORES®

17

SUSTAINABILITY
REPORT 2017



Cover Image: Amy Wagner, Blackmores Australia, Integrated Communications and Sponsorship Manager, during an outdoor training session.

At Blackmores, health and wellbeing is core to our values starting with how we treat our employees around the world. We actively support them towards a healthy future by focusing on safe work practices, providing a range of above market benefits, and the opportunity to participate in health-related community events. Health and wellbeing is at the heart of our business.

As a company that relies on the bounty of our natural environment it makes sense that Blackmores is committed to environmental, social and economic sustainability practices.

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CEO MESSAGE

Blackmores is proud to be celebrating our 85th year of offering quality natural health solutions, research and education. Our commitment to sustainability dates back to when we first opened our doors and importantly the values that underpinned our business all those years ago remain at the heart of how we do business today.

Sustainability is about more than protecting the environment. For Blackmores it also extends to our corporate governance, workplace practices and responsibility to the community.

The publication of our sustainability report in 2016 provided a transparent documentation of our sustainability performance and provided a clear baseline from which to measure our progress. I'm pleased to share these results in our 2017 report.

In our quest for sustainable business outcomes, consultation with stakeholders plays an integral role, helping us identify and prioritise material risks and opportunities for our business.

This year's focus was to address key priorities identified in 2016 as material to our business and to understand how local, national and global public agendas influence our sustainability performance. With a change in the Global Reporting Initiative's requirements from the G4 Guidelines to the GRI Standards, we have aligned our report with the GRI Standards 'Core' requirements, providing greater transparency and accountability.

Blackmores acknowledges the United Nations 2030 Agenda for Sustainable Development and our priorities are closely aligned with the 17 Sustainable Development Goals. We also recognise the blight of modern slavery, climate change and counterfeiting and have provided initial commentary in this report with a full materiality assessment to follow over the next 12 months.

This 2017 report details progress across our four sustainability goals and 15 material topics:

- 01 Responsible Facilities Management;**
- 02 Sustainable Supply Chain Management;**
- 03 Industry Leadership;**
- 04 People & Community.**

Initially focused on our primary facility, we are now adopting a global approach to embedding sustainability across the business. Some highlights are:

- Enhancing our Corporate Governance Framework to include the development of values-led Employee and Supplier Codes of Conduct;
- Broadening our greenhouse gas emissions assessment to include our national carbon footprint; and
- Strengthening our measures of on-site energy and water usage through new and improved metering.

Throughout this sustainability report, we place strong emphasis on transparency to reflect our true position. By doing this, we hope to bring our customers, staff, suppliers and many other stakeholders with us on this journey towards a more sustainable future.



Richard Henfrey
Chief Executive Officer



SUSTAINABILITY AT BLACKMORES

THIS REPORT

Blackmores' Sustainability Report details our performance in the financial year ending 30 June 2017 (FY17) and is prepared under the guidance of the:

- Environmental Social and Governance (ESG) Guidelines for Australian companies published by the Australian Council of Superannuation Investors (ASCI) and the Financial Services Council (FSC); and
- The Global Reporting Initiative (GRI) Standards 'Core' requirements which represent global better practice for reporting publicly on a range of economic, environmental, social and governance impacts.

The Blackmores sustainability strategy, governance framework and policy cover all operations in the Blackmores Group, unless stated otherwise.

The scope of the information collated including material issues, boundaries, performance and measures are deemed to reflect those significant economic, environmental, and social impacts identified within the reporting period, based on ongoing feedback we received from internal and external stakeholders.

The 2017 report focuses on sustainability priorities as identified through extensive consultation to ensure we report on the matters of greatest importance to our stakeholders and on the measures we can influence.

We have adopted the change in the GRI's from G4 to Standards and aligned our disclosures to core guidelines reflecting our increased impetus on sustainability reporting, in particular the number of inclusions, level of detail and transparency.

Integral to the core disclosures are the documented management approaches (MAs) which provide narrative on how our organisation is managing our material issues and their associated impacts.

In undertaking this new approach, we have expanded our reporting boundaries. With much of our 2016 disclosures associated with the Blackmores Campus at Warriewood, the data collection and disclosures in 2017 now encompass Australia and, where possible, global operations. We are committed to expanding these as we progress our sustainability journey.

This report initiates the first year in reporting trend data so that we can observe year-on-year variations and improvements.

Our sustainability focus is placed on finding opportunities for positive change, embracing new ways of doing business whilst continuing to drive sustainable growth, better social outcomes and long-term financial performance.

We recognise that FY17 marked the completion of our five-year business strategy. Our sustainability goals remain aligned to these priorities:

- Consumer Centricity;
- Product Leadership;
- Asia Growth; and
- Operational Effectiveness.

In FY18 we are committed to aligning our sustainability goals to the new strategic priorities. Read more about our Group strategy in the Blackmores 2017 Annual Report, on page 22.

Our thanks to the team at Deloitte, our assurance partners, who have provided independent limited assurance of selected subject matter contained in this report to provide additional credibility to our disclosures.

OUR APPROACH

This report details the most material issues across our four sustainability commitments of:

01

Responsible Facilities Management

To reduce the environmental intensity and carbon footprint of our facilities through innovation, best practice management, staff cooperation and a quest for continual improvement.

02

Sustainable Supply Chain Management

To encourage, support and facilitate an environmentally and socially responsible approach to procurement, supplier management and product accountability and transparency.

03

Industry Leadership

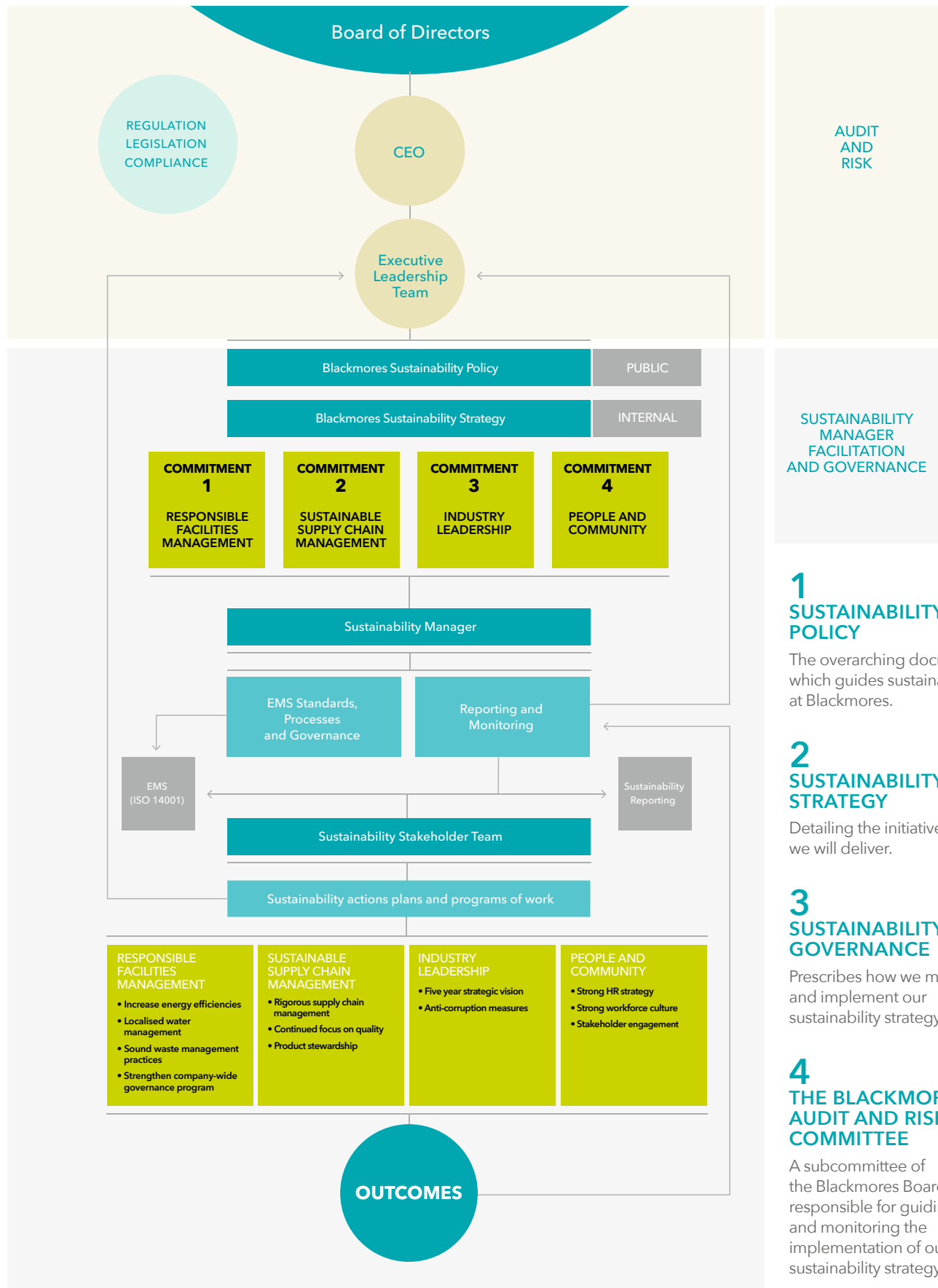
To be a leader in natural health solutions through innovation, research, education and a robust corporate governance framework.

04

People and Community

To foster a responsible workforce, a safe and secure workplace and to maintain our 'licence to operate' in our communities and markets.

SUSTAINABILITY GOVERNANCE FRAMEWORK





We actively consider the environmental, social and economic impacts and influences of our business while seeking ways to use our unique capabilities and resources to make a positive contribution beyond our core products and services.

PRIORITISING OUR MATERIAL TOPICS

Our 'Materiality Assessment Process' refers to how we determine the needs, concerns and expectations raised by both our internal and our external stakeholders and how significantly each of the aspects influences the success of our business.

Our approach to identifying and prioritising material topics considers economic, environmental, social and governance impacts associated across all aspects of our business operations.

To ensure we prioritise the issues that are of most interest to our stakeholders and of highest importance to our business, we conduct a formal review of our material topics every two years.

Our initial 2016 assessment involved the identification and prioritisation of material issues based on our stakeholder concerns using the guidelines set out in the Global Reporting Initiative (GRI) and we were able to identify areas of concern through peer benchmarking. This enabled us to gain a greater understanding of how industry peers and best practice organisations within the Australian Securities Exchange (ASX) were reporting on sustainability. This work included identifying the frequency of material aspects raised by peers along with how they were presented, measured and reported.

For the 2017 reporting period we have undertaken a high level review of our material issues to ensure ongoing relevance. We based this on a number of factors including stakeholder feedback, current operations, strategic business objectives and emerging global and local agendas in relation to the topic of sustainable development.

This process enabled us to confirm that the 15 material topics identified and disclosed in the 2016 period remain material to both our business and stakeholders for the 2017 period. We have also identified some emerging issues, including climate change and human rights/modern slavery, that are becoming increasingly important topics at a national and global level. In our 2017 report, we acknowledge the importance of these topics to our business and commit to undertake detailed assessments of our risk management practices in these areas in the forthcoming year.

STAKEHOLDER ENGAGEMENT

In our quest for sustainable business outcomes, we engage with an increasingly complex range of stakeholders with diverse expectations surrounding key issues. These stakeholders, both internal and external, play an integral role in the way we identify and prioritise material risks and opportunities for our business.

We engage with our stakeholders in a variety of ways. Through formal and informal settings across the globe we are able to deepen our understanding of what our stakeholders expect of us, and to communicate with them on how we are responding to their priorities and concerns. We see dialogue with stakeholders as an active and ongoing conversation and encourage interested parties to raise topics as they evolve.

Stakeholder engagement helps us to manage key risks and achieve far greater positive impacts on environmental, social and economic issues. It allows us to:

- Participate actively in society;
- Learn and gain relevant knowledge regarding our business and the expectations of our stakeholders;
- Make strategic adjustments across our operations to optimise business success;
- Build trust and reach common understanding when differences arise; and
- Correct misperceptions and voice our opinions.

Throughout the past year, we have listened to, and communicated with multiple stakeholders through a number of engagement platforms and have responded to additional information requests as needed.

UNDERSTANDING OUR STAKEHOLDERS

| STAKEHOLDER | WHY IT IS IMPORTANT | MECHANISMS FOR ENGAGEMENT AND COMMUNICATION | KEY INTEREST AREAS |
|---------------------------------|---|---|---|
| Workforce | Employees seek a safe and engaging workplace that supports their personal and professional aspirations in a diverse and inclusive environment. | <ul style="list-style-type: none"> • Values • Company intranet • Employee survey • Code of Conduct • Group monthly meetings • Stakeholder focus group workshops • Daily media • eLearning modules • Weekly staff huddles • Staff Liaison Committee • WH&S committee • Community volunteer day | <ul style="list-style-type: none"> • Sustainable business growth • Development capability • Safety, health and wellbeing • Employee engagement • Rewards and recognition • Inspiring leadership and career opportunities |
| Consumers | Consumers are seeking products from a trusted brand, that are of high quality, are safe and effective. | <ul style="list-style-type: none"> • Blackmores websites and social media platforms • Product labelling • Advertising, marketing and promotions • Consumer advisory services • Media releases • Community events | <ul style="list-style-type: none"> • Product quality and safety • Trusted knowledge to empower health and wellbeing • Access to timely information • Suitable products to meet evolving needs |
| Healthcare professionals | Healthcare professionals seek an evidence-based approach to the development of natural medicine products and the management of health conditions with current information and the tools to help patients make informed choices about complementary medicines. | <ul style="list-style-type: none"> • Blackmores websites • Professional conferences and symposia • Professional learning and education events • eLearning modules • In-store training • In-store advisors • Newsletter mail-outs | <ul style="list-style-type: none"> • Products that are supported by science • Safe, high quality and effective products • Access to education and information on natural medicine |
| Retail Customers | Retail customers seek an engaging relationship enabling two-way communication and high quality and reliable products that satisfy consumer expectations. | <ul style="list-style-type: none"> • Blackmores websites • In-store training • In-store advisors • Customer business meetings • Industry events • Industry organisations | <ul style="list-style-type: none"> • Safe, high quality and effective products, complemented by trusted information and education • Range of products to meet expanding consumer needs, in turn supporting business growth • Responding to demands for unique channel offerings • Competitive pricing |
| Supply Chain | Business conducted across our supply chain should be ethical and transparent, so we can identify opportunities to meet sustainable business outcomes. | <ul style="list-style-type: none"> • Quality audit program • Supplier tenders • Supplier Code of Conduct • Supplier conference and awards • Industry organisations | <ul style="list-style-type: none"> • Increasing transparency over supply chain • Continuing to pursue opportunities to source locally-based raw materials • Continued demand for Blackmores products • Strengthened, long-term and profitable partnerships with Blackmores |

| STAKEHOLDER | WHY IT IS IMPORTANT | MECHANISMS FOR ENGAGEMENT AND COMMUNICATION | KEY INTEREST AREAS |
|---|--|--|--|
| Government and Regulatory Bodies | We acknowledge the regulatory environments in which we operate globally and seek opportunities to strengthen our relationship with government and regulatory bodies. | <ul style="list-style-type: none"> • Industry organisations • Advocacy through our Government Relations function • Regulatory bodies and licensing • Representation on industry boards • Community events | <ul style="list-style-type: none"> • Supporting the public health agenda • Compliance with laws and regulation, including industry-specific codes, standards and accreditation • Industry leadership on export practices • Shared economic prosperity |
| Industry | Industry seeks leadership, advocacy and promotion, representation and action. | <ul style="list-style-type: none"> • Industry organisations • Trade association memberships • Representation on industry boards • Industry forums | <ul style="list-style-type: none"> • Industry leadership in emerging health areas • Assistance with communicating concerns to key stakeholders, such as government bodies and regulatory officials • Leadership in responding to industry-wide issues |
| Non-Governmental Organisations | Non-governmental organisations, through a shared interest, seek targeted outcomes on significant agendas. | <ul style="list-style-type: none"> • Shared interest forums • Partnerships • Sponsorships • Conferences and events | <ul style="list-style-type: none"> • Providing a platform for health and wellbeing community initiatives • Financial sponsorships, support and credibility |
| Research and Education Bodies | Research and educational bodies seek to advance science and research while developing talent through education and learning. | <ul style="list-style-type: none"> • Relationships and partnership arrangements • Research development • Clinical trials • Online education • Conferences and symposia | <ul style="list-style-type: none"> • Provision of products for clinical research • Research on consumer needs to support future product development • Financial support for research • Support to integrate complementary medicine with Western medicine to develop a holistic approach to healthcare • Content for curriculum to educate future healthcare professionals |
| Communities | Communities have a growing expectation for organisations to act in a responsible manner and provide opportunities for employment and engagement. | <ul style="list-style-type: none"> • Community events • Employee volunteering activities • Matched donations scheme • Fundraising • Social media | <ul style="list-style-type: none"> • Shared growth • Employment opportunities • Support for local community initiatives • Opportunities for engagement |

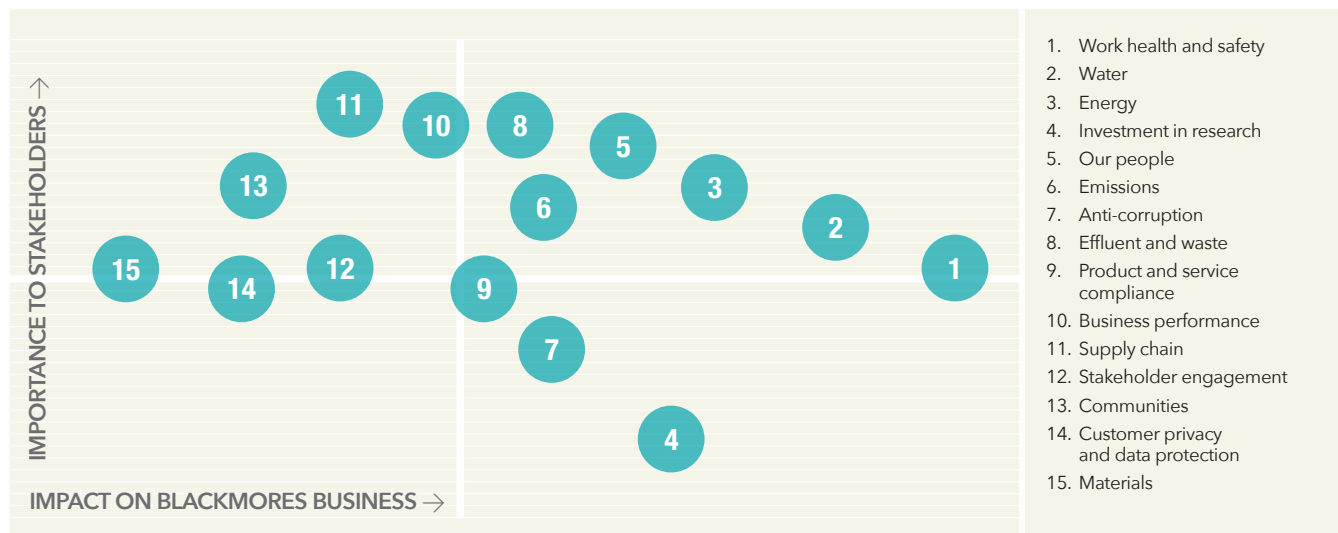
OUR MATERIAL TOPICS

Through our extensive materiality assessment process undertaken in 2016, fifteen key focus topics were identified and confirmed again during our 2017 review process. These topics represent both opportunities and risks for our business.

We considered many topics and prioritised these based on:

- Importance to stakeholders and evaluating their concerns
- Alignment with our vision, values, purpose and strategic priorities
- Potential risk and impact to the business
- Blackmores ability to impact
- Fit with the international guidelines on sustainability – GRI Standards.

OUR MATERIAL PRIORITIES CONSIDERING SOCIAL, ENVIRONMENTAL AND ECONOMIC IMPACTS



DEVELOPING AREAS

Blackmores is aware of and responding to evolving local and global sustainable development agendas which we believe represent both opportunities and risks for our business. A comprehensive review of these areas and how they will impact our business and approach to sustainability in the future will form part of our next materiality assessment. These include:

- **Sustainable Development Goals** – We recognise the United Nations 2030 Agenda for Sustainable Development and are integrating the 17 Sustainable Development Goals (SDGs) into our approach. Our biennial comprehensive materiality assessment will communicate the outcomes of this.
- **Modern Slavery** – An inquiry into establishing a Modern Slavery Act is currently before the Australian Federal Parliament, with this issue aligned with Goal 8 of the SDGs. As Blackmores strives to positively contribute to the communities in which we operate, we are monitoring the parliamentary outcomes and strengthening our governance systems to ensure our supply chains uphold our values.
- **Climate Change** – Blackmores relies on the supply of quality raw materials from diverse regions. We acknowledge the impact of changing weather patterns on ingredients and

the communities from which they are sourced. In 2016, Blackmores conducted its first greenhouse gas emissions assessment of our Warriewood operations. This year we increased our scope to all Australian operations and in the coming years we will cover all global operations. Understanding our impact will guide action on emission-intensive operational activities, including working with supply chains to ensure the long-term supply of safe, quality ingredients.

- **Counterfeiting** – As our business enters new markets and broadens consumer reach, we recognise counterfeiting is an important issue for our stakeholders. As consumer safety is our priority we continue to focus on technologies relating to the design, packaging and labelling of our products.
- **Anti-Corruption** – We recognise that corruption has a disastrous impact on sustainable development and particularly affects poor communities. As we expand our operations globally and as new and tougher anti-corruption regulations continue to emerge worldwide, we are committed to developing robust anti-corruption measures and practices to protect the reputations and interests of our stakeholders.

PRIORITY FOCUS AREAS

01 Responsible Facilities Management

| | BOUNDARY | WHY IT IS IMPORTANT | FOCUS AREA | PRIORITY |
|--------------------------------------|----------|--|--|----------|
| Water | A | Clean, accessible water is essential to life. At Blackmores we recognise the importance of water especially to those who are exposed to inadequate water supply, sanitation and hygiene. The consequences of water scarcity, poor water quality and inadequate sanitation are likely to negatively impact our food and ingredient security. | Our focus is placed on the management of water, waste water and storm water at our significant locations of operations which represent the major elements of our sustainable water program. | 2 |
| Energy | A | We recognise that burning fossil fuels produces large amounts of greenhouse gases and, as a business that relies on energy, we must act to reduce the carbon intensity of energy associated with our business operations. We recognise Goal 7 'Affordable and Clean Energy' of the United Nations SDGs. In doing so we acknowledge our responsibility as an organisation to influence climate change through responsible energy management. | Our energy management strategy is to improve energy efficiency across all of our operations, which include offices, manufacturing, warehouse and distribution sites. Our focus will include aligning our actions to the SDGs accordingly. We will adopt renewable energy sources where available and feasible. | 3 |
| Effluent and Waste | W | We recognise the vital role business must play in pursuing sustainable and habitable cities. Aligned to Goal 11 of the United Nations SDGs, Blackmores is focused on minimising our impact on the environment through sound waste management practices. The more we reduce, reuse, recycle and recover the greater the cost savings in materials, energy, transport and disposal. | Our waste management program will roll-out across all sites of significant operations, adopting positive change and influencing building owners or operators of leased premises. We will expand our commitment to the Australian Packaging Covenant Organisation (APCO) by implementing an action plan that incorporates group activities aligned to our waste management objectives. | 8 |
| Emissions | A | We accept the Intergovernmental Panel on Climate Change (IPCC) position and the undeniable consequences that greenhouse gas emissions resulting from human activities places on the planet. We acknowledge that the 'The Paris Agreement', with 195 participating countries committed to a global response to the threat of climate change by keeping a 'global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius'. As a business we recognise our responsibility in seeking a sustainable low-carbon future. | As our business grows, our aim is to limit our impact on climate change through responsible resource management. Our focus is placed on determining areas of operations that have the greatest intensity, and implementing strategies that deliver an increase in resource efficiency while decreasing our greenhouse gas emissions. Our aim is to adopt efficient technologies while applying best practices. | 6 |
| Customer Privacy and Data Protection | G | We recognise data as an important asset that we need to safeguard. The loss of personal information can potentially lead to serious reputational, financial and legal consequences. It can also lead to a loss of trust. As a consumer-centric company we understand our responsibility to protect the privacy of our consumers, employees and other stakeholders. This responsibility includes limiting the collection of personal information (e.g. name, address, or other information leading to the identification of an individual) to that which is necessary for certain business purposes, and treating information in accordance with our Privacy Policy. | We are committed to the continuous enhancement of our data security program and seek new and innovative technologies to protect our data and reduce the risk of cyber security breaches. We seek to highlight the importance of data protection throughout our Group. To this end we have internal policies and procedures and for certain audiences, training is also provided. | 14 |

A Australia **W** Warriewood **G** Global

PRIORITY FOCUS AREAS

02 Sustainable Supply Chain Management

| | BOUNDARY | WHY IT IS IMPORTANT | FOCUS AREA | PRIORITY |
|--------------------------------|----------|---|---|----------|
| Supply Chain | G | <p>Our supply chain includes suppliers, distributors and other organisations with which there is a transfer of value.</p> <p>We recognise the competitive advantage that effective supply chain management can provide our organisation and seek to work with third parties who share our commitment to high ethical standards and operate in a responsible way.</p> <p>In sourcing ingredients from around the world, we seek opportunities to work collaboratively with suppliers across many regions to positively influence sustainable societies.</p> | <p>We engage in relationships with suppliers who are aligned to our corporate values and sustainability goals, operating transparently and ethically to deliver goods and services that meet our business needs.</p> <p>In collaboration with these third parties we seek to create transparent supply chains that consider the economic, social and environmental impacts of our actions.</p> <p>The Blackmores Code of Conduct and Supplier Code of Conduct sets out the behaviours expected of both our employees and our suppliers.</p> <p>We are committed to conducting business in a manner that ensures a competitive environment where our suppliers and/or potential suppliers compete independently, fairly and transparently for the goods or services we wish to acquire on the basis of price, quality, service and other criteria.</p> | 11 |
| Product and Service Compliance | G | <p>Customer and consumer expectations are placed on companies delivering products and services that are of high quality, are safe and are fit for purpose.</p> <p>Blackmores' strong commitment to quality ensures that our products and services consistently meet or exceed the expectations of our consumers as well as comply with Australia's high regulatory standards and requirements.</p> <p>Our rigorous standards underpin high quality natural healthcare products and services.</p> <p>We act responsibly, providing information on our products through product labelling, marketing and point of sale material. We are committed to observing consumer laws.</p> | <p>Under the governance and guidelines of relevant regulatory bodies, our robust quality processes aim to ensure that all our products comply with all mandatory standards before they are offered for sale.</p> <p>We are committed to the ongoing assessment and improvement of our quality standards, across all aspects of our business and our supply chains to provide products and services that are safe, efficacious and comply with the regulatory standards in each market in which we operate.</p> | 9 |
| Materials | G | <p>Consumers and other stakeholders increasingly want to know the origin of ingredients and how products are produced.</p> <p>We recognise the positive effect managing natural resources has on the quality of ingredients and products.</p> <p>We are aligning our actions to Goals 11, 14 and 15 of the United Nations SDGs and in doing so, remain committed to strengthening relationships across our supply chain and in partnering with reputable organisations that are committed to sustainable farming, harvesting, processing and/or restorative actions.</p> | <p>We will build effective and transparent relationships with suppliers who are aligned to our corporate values, sustainability goals and business strategy, in order to deliver goods and services to meet our business needs.</p> <p>Our aim is to source ingredients of the highest quality, supporting local communities and economies while minimising the environmental impact.</p> <p>We seek innovative processes and technologies that minimise waste and yield losses, allowing us to do more with fewer resources.</p> <p>Our commitment to packaging stewardship will continue, focusing on packaging design, material selection, consumer ease of use and end-of-life packaging waste decisions.</p> | 15 |

PRIORITY FOCUS AREAS

03 Industry Leadership

| | BOUNDARY | WHY IT IS IMPORTANT | FOCUS AREA | PRIORITY |
|------------------------|----------|--|--|----------|
| Business Performance | G | <p>Strong economic performance enables us to invest in our future growth. Incorporated into the broader set of business practices, our sustainability program will provide long-term benefits for both the business and the communities in which we operate. We recognise the actions we take today will secure a viable outlook for future generations.</p> <p>We have a reputation for trust and integrity delivering quality products to assist consumer health needs.</p> <p>We are committed to supporting scientifically rigorous research that improves the understanding of health professionals and the community on the role of complementary medicine (CM) in advancing public health.</p> <p>We seek innovative solutions to meet current and emerging trends associated with the health and wellbeing of our consumers.</p> | <p>We seek responsible, timely actions and outcomes aligned to the strategic priorities and sustainable business growth.</p> <p>Our experienced Board and Executive Team (governance body) fosters a culture which empowers our diverse workforce to deliver outcomes against our strategic priorities.</p> <p>Our economic performance will enable us to continue to support communities.</p> <p>In FY18, we launched a new set of strategic priorities and the sustainability strategy will be reviewed to ensure alignment to these new priorities.</p> | 10 |
| Anti-Corruption | G | <p>Our stakeholders increasingly expect more from Blackmores, not just in terms of what we do, but how we do it.</p> <p>Our goal is to mitigate risk by maintaining consistent standards of business practices across the Blackmores Group. Compliance with internal policies, behaviours and our corporate values, and with relevant external standards and regulations will ultimately provide long-term business success.</p> | <p>Our focus is on strengthening our anti-corruption measures and practices to protect our brand and the interests of all our stakeholders including our shareholders, employees, customers and consumers.</p> <p>We seek to ensure employees understand the values-based behaviours expected of them as they conduct business on behalf of Blackmores. This is supported by the proper segregation of duties, competitive bidding and the supplier selection process, assurance on external service providers, our Code of Conduct and Anti-Bribery and Anti-Corruption Policy.</p> | 7 |
| Investment in Research | G | <p>Our aim is to improve public health through natural medicine. Blackmores Institute is the academic and professional arm of Blackmores Limited, established to support and drive an evidence-based approach to natural medicine. The Institute's focus is on research and education; its primary purpose is to improve the quality use of natural medicine by translating the evidence base into practical healthcare education, resources and advisory services.</p> | <p>We will continue to invest in and strengthen our research, academic and education activities and partnerships to deliver the best health outcomes for our consumers and communities.</p> <p>Blackmores Institute seeks to further science, research and education in natural medicine through collaborative relationships with educational bodies.</p> | 4 |

A Australia **W** Warriewood **G** Global

PRIORITY FOCUS AREAS

04 People and Community

| | BOUNDARY | WHY IT IS IMPORTANT | FOCUS AREA | PRIORITY |
|------------------------|----------|---|---|----------|
| Our People | G | <p>Much of our success relies on our ability to attract, develop and retain a high quality, motivated, engaged and diverse workforce. We aim to have the very best talent and provide a flexible, inclusive and supportive workplace that enables good decision-making, fosters innovation and productivity.</p> <p>We are committed to providing our people with a work environment that supports their wellbeing and personal development, where they are engaged by their work and enabled to perform at their best.</p> | <p>Our strong culture, corporate values and business principles unite our workforce across our global operations.</p> <p>Aligned to our strategic business objectives, our human resources management plan provides a supportive and inclusive environment and a flexible workforce where employees are able to build skills and capabilities to perform at their best while supporting operational growth.</p> | 5 |
| Work Health and Safety | G | <p>At Blackmores, our people are valued and the health and safety of our workforce is a key priority.</p> <p>We want our employees to work in a safe environment which meets or exceeds relevant regulatory expectations, addresses health and safety concerns as they arise and mitigates opportunities for reoccurrence of incidents.</p> <p>We are aligning our actions to Goal 3 of the United Nations SDGs.</p> | <p>Our focus is to maintain a working environment that inspires people to grow their knowledge and skills and be healthy.</p> <p>Consultation with our people is a priority. Our diverse operations include office and administration, manufacturing, warehouse and distribution and on-road sales teams.</p> <p>We will continue to drive a culture that places Work Health and Safety (WHS) as a key focus, supporting the wellbeing of all our employees.</p> | 1 |
| Communities | G | <p>At Blackmores, we understand that long-term meaningful relationships create lasting benefits.</p> <p>We value the worth of our community and recognise our business plays a role in enhancing economic prosperity, health and wellbeing, education and employment opportunities.</p> | <p>We will continue to support local communities, focusing on areas where we believe we can add the most value while ensuring alignment to our corporate values.</p> <p>We will strengthen our processes around donations and sponsorship to ensure we are making sound investments which positively impact the communities in which we operate.</p> <p>Our staff are encouraged to actively participate in the community and we provide a platform for them to do so.</p> | 13 |
| Stakeholder Engagement | G | <p>Stakeholder engagement helps us to prioritise material issues most relevant to our business. Through continuous dialogue we are able to understand what social, environmental and economic issues matter most to our stakeholders. This informs our business and influences our company's strategy and operations.</p> <p>Stakeholder engagement and our materiality assessment and prioritisation processes allow us to make positive changes today to ensure a sustainable future.</p> | <p>We engage with our stakeholders in a variety of ways. Through formal and informal settings across the globe we are able to deepen our understanding of what our stakeholders expect of us, and to communicate with them on how we are responding to their priorities and concerns.</p> <p>To ensure we prioritise the issues that are of most interest to our stakeholders and of highest importance to our business, we will conduct a formal materiality assessment every two years.</p> | 12 |

A Australia **W** Warriewood **G** Global



SUSTAINABILITY PERFORMANCE

01

Responsible Facilities Management

TO DELIVER OPERATIONAL EFFICIENCIES WHILE REDUCING OUR
ENVIRONMENTAL INTENSITY AND CARBON FOOTPRINT.

ACHIEVEMENTS



OF ONSITE WASTE
DIVERTED FROM
LANDFILL TO
RECOVERY
STREAMS.



REDUCTION IN OFFICE
PAPER CONSUMPTION
THROUGH NEW ONLINE
ACCOUNTS AND HR
SYSTEMS. EXPANDED



GREENHOUSE GAS
EMISSIONS ASSESSMENT
TO ENCOMPASS NATIONAL
OPERATIONS.



FIRST HYBRID FLEET
VEHICLE DELIVERED.



Siony Castillo and Suma Kennaway,
Production Operators at Blackmores Campus

In the prior year (FY16), our focus was placed on embedding sustainable practices across our primary operating facility at Warriewood. In the last year, we've taken these learnings and formed a Group-wide approach to facilities management with a focus on programs and processes to better manage our energy and water consumption and waste management.

After experiencing unprecedented demand over the last few years, we've taken proactive steps to build a capable operational footprint that sets the foundation for long-term growth. We have invested in new technology and infrastructure that will help us to work more efficiently enabling our business to grow including the integration of Global Therapeutics into Group operations and reporting, commissioning a purpose-built, state-of-the-art warehouse in Western Sydney, leasing offices in Daydream Street, Warriewood and expanding the Victorian state sales office.

BUNGARRIBEE, WESTERN SYDNEY

Under a leasing arrangement, our new purpose-built 16,000 square metre warehouse in Bungarribee, Western Sydney will future proof us for anticipated growth. To drive operational efficiencies, we are installing a state-of-the-art warehouse management system which will also support customer order picking lines. A mezzanine level has been designed to accommodate additional order picking lines to enable future increases in capacity and improve our responsiveness to meet our customers' needs. In designing this new site, the opportunity to work collaboratively with the building's owner has enabled us to include sustainable features such as storm water reclamation and solar panels on the roof to supplement purchased energy. Installation of roof and wall insulation will help reduce thermal load.

INVESTING IN TECHNOLOGY

Supporting technology upgrades is core to our global approach in driving efficiencies to improve internal and external stakeholder experiences. This includes investing in system upgrades that will streamline core business processes such as paperless processes, cloud-based technologies, integrated human resources management, warehouse automation and international payment systems such as AliPay.

Paperless Systems

Several paperless processes were adopted in the past twelve months. These include Blackmores accounts payable invoice system, credit card system and human resources recruitment and on-boarding.

Prior to this, every single invoice was printed, copied, stamped and sent through internal mail for payment approval. All credit card receipts were printed and kept in hard copy in a monthly employee envelope. The new paperless accounts payable invoice system saves more than 200 reams of paper per year (approximately 400kg).

All recruitment and human resource on-boarding processes were manual and required printing. We have seen a 100% reduction in paper relating to these activities.

Together these initiatives have resulted in approximately one tonne of paper reduction per year.

Office 365

The majority of our business now operates from the Office365 platform. This is a cloud-based platform that allows staff to collaborate using email, chat and video and share important documents online safely, working in virtual teams, which means they do not need to be in the same room, office or country to deliver value. Deploying a common I.T. platform and infrastructure has enabled us to retire our in-house server resulting in energy savings.

ON-SITE RESOURCE DATABASE

A detailed database was developed to capture on-site energy, water and waste for our Warriewood Campus. This information allows us to track billing data against on-site measures to ensure month-by-month accuracy in resource data, in turn providing visibility of trends that we can associate back to significant changes in operational activities.

This database has set a foundation for reporting consistent metrics across all Blackmores operational sites.

Some initial findings included observations in data trends in energy, water and waste with the addition of a third shift and highlighted billing errors which were subsequently resolved.

CUSTOMER PRIVACY AND DATA PROTECTION

Maintaining consumer confidentiality and the security of our systems is of paramount importance given the threat of cyberattacks and the evolving nature of technology. We are progressively reviewing privacy controls as part of our compliance framework and in preparation for the new Australian mandatory privacy breach reporting requirements which will come into effect in February 2018. As part of continually enhancing our framework, target staff are also being educated on our privacy obligations including only collecting personal information which is necessary for fulfilling certain business purposes, and ensuring personal information is handled in accordance with our privacy policy.

THE BLACKMORES BEEHIVE

Blackmores has incorporated a hive of stingless bees into our garden at our Warriewood Campus. The bees provides a small amount of honey each year, though the real benefits are in improved biodiversity to the natural landscape as the bees are very efficient pollinators for our native wildflowers. The Blackmores beehive has become a living symbol of our commitment to sustainability.

HIGHLIGHT

National Greenhouse Gas Emissions Assessment

At Blackmores, we recognise our business activities contribute to greenhouse gas (GHG) emissions and therefore our approach is to adopt solutions that we can implement today providing a cleaner operational footprint and long-term sustainable business.

Building on the work completed in FY16, this year Blackmores completed our first national (Australia) greenhouse gas emissions assessment. This work formed Scope 1, 2 and 3 of emissions for Blackmores, with energy, water, waste, transport fuels, business travel and synthetic gases (refrigerants) activities included in the assessment. This will enable us to determine areas of operations that have the greatest intensity, implementing strategies that deliver an increase in resource efficiency while decreasing our greenhouse gas emissions.

Paul Brazel, Grocery Team Leader at Blackmores Bungaribee warehouse

01 Responsible Facilities Management

WATER

Through localised management of water, waste water and storm water we will improve water efficiency and sustainability across our operations.

| ACTIONS/STRATEGIES | PROGRESS |
|--|--|
| <p>Blackmores' head office at Warriewood is where we believe we can make the greatest positive impact on water consumption.</p> <p>We will undertake an assessment of all significant locations of operation across Australia including leased sites.</p> <p>We will map our onsite water, identifying all activities that withdraw and discharge water. We will determine the significance of each activity identifying potential impacts and risks.</p> <p>We will investigate repurposing on-site water through an on-site water treatment plant.</p> <p>We will investigate metering including on-site rainwater collection.</p> | <p>On-site Water Mapping:</p> <ul style="list-style-type: none"> As part of our first national greenhouse gas emissions assessment, we have undertaken the mapping of all significant locations of operation across Australia including leased sites. This has provided us with a detailed understanding of our sites, correlating the footprint, headcount and activities performed to the billing of water withdrawal and water discharge. A detailed mapping of our water infrastructure at Warriewood was conducted and on-site metering calibrated to ensure greatest level of accuracy. <p>Purchased Water:</p> <ul style="list-style-type: none"> All third-party quarterly billing data is recorded on our facilities database and correlated out to real days per month to enable visibility of trends and correlate them to changes in our activities (such as a third shift in production), or to extreme weather events such as increased use of air-conditioning. <p>Sustainable Water Program:</p> <ul style="list-style-type: none"> Having detail on each site's water consumption and discharge will provide Blackmores with an understanding of the areas that require focus. The program of work will be detailed in our action plan for FY18. |

PERFORMANCE DATA - WATER

| INDICATOR | BOUNDARY | GRI REFERENCE | FY16 | FY17 | ASSURANCE |
|---|-----------|---------------|--------|--------|-----------|
| On-site water supply withdrawal (KL) ¹ | Australia | 303-1 | 42,098 | 41,069 | ✓ |
| On-site water supply withdrawal by type (KL) ¹ | Australia | 303-1 | 42,098 | 41,069 | ✓ |
| Municipal water supplies or other public or private water utilities | Australia | 303-1 | 42,098 | 41,069 | ✓ |
| Total on-site water withdrawal (KL/1000 units of product sold) ² | Australia | N/A | 0.93 | 0.94 | ✓ |

1. FY16 restated to capture all significant operations in AUS; it does include some assumptions for smaller sites where data was not complete.

2. While capacity to store collection of on-site rainwater is currently not metered and therefore excluded.

For information on assurance approach, see page 49.

01 Responsible Facilities Management

ENERGY

Our five-year energy program will focus on implementing strategies to increase energy efficiencies and adopting green energy solutions across our operations to reduce our greenhouse gas emissions.

| ACTIONS/STRATEGIES | PROGRESS |
|--|---|
| <p>At our Warriewood Campus, Australia, running parallel to the grid, is our on-site natural gas-fired trigeneration plant. We regard this technology as an extremely efficient source in providing electricity, heating and cooling.</p> <p>Measure and monitor energy consumption, expanding across Australian operations.</p> <p>Identify opportunities to implement energy saving technologies including renewable energy into sites of significant operations including leased premises.</p> <p>We will align our actions to Goal 7 'Affordable and Clean Energy' of the United Nations SDGs.</p> <p>We acknowledge the Australian Government's Clean Energy Regulator and will comply with National Greenhouse Energy Reporting (NGER).</p> <p>Implementation of Group-wide Environmental Management System (EMS).</p> | <p>On-site Generated Natural Energy:</p> <ul style="list-style-type: none"> Our on-site gas-fired trigeneration (trigen) plant provides a significant proportion of our energy, cooling and heating needs. Monthly invoice data is apportioned according to the consumption of electricity, heating and cooling. The use of the trigen plant to satisfy our energy needs is constrained by the plant's allowable operational hours. As a result, we continue to use purchased electricity outside these hours and when excess energy is required. On-site energy consumption also stems from the hot water boiler. <p>Purchased Energy:</p> <ul style="list-style-type: none"> The supplementation of purchased energy is necessary to meet our current energy needs. This year, we have expanded our review to incorporate leased premises across Australia. <p>Reduction of Energy Consumption:</p> <ul style="list-style-type: none"> Following the undertaking of our energy efficiency audit in FY16, a comprehensive energy program is now in place to deliver energy efficiencies and ultimately reduce GHG emissions. Our energy efficiency program ensures energy considerations are given appropriate attention; examples include compressed air systems, LED lighting and fleet. The amalgamation of the Group's warehousing and distribution has provided an opportunity to adopt a number of energy efficient technologies in our leased premises at Bungarribee. Our collaborative approach with the building's owner has enabled the installation of photovoltaics (solar technologies). <p>SDGs - Affordable and Clean Energy:</p> <ul style="list-style-type: none"> We have identified Goal 7 as a key focus area for our business. In the coming year, we will identify activities which we can place into our Action Plan. We are aware of the National Greenhouse and Energy Reporting legislation and its associated annual reporting requirements for organisations that meet the corporate and/or facility reporting thresholds. Consistent with prior years, we confirm that our operations for FY17 did not meet these reporting thresholds. We will continue to assess our responsibilities associated with this legislation and others in future reporting periods. <p>Environmental Management System:</p> <ul style="list-style-type: none"> Roll out of EMS has commenced at Warriewood. Once completed it will be extended to include our global operations. |

PERFORMANCE DATA – ENERGY

| INDICATOR | BOUNDARY | GRI REFERENCE | FY16 | FY17 | ASSURANCE |
|--|-----------|---------------|------------|------------|-----------|
| Total energy consumption (GJ) ³ | Australia | 302-1 | 32,019 | 34,491 | ✓ |
| Electricity | Australia | 302-1 | 19,433 | 21,836 | ✓ |
| Hot/Chilled Water | Australia | 302-1 | 2,339 | 4,648 | ✓ |
| Hot Water Boiler | Australia | 302-1 | 4,380 | 2,275 | ✓ |
| Fuel consumption from non-renewables by type (GJ) ⁴ | Australia | 302-1 | 5,867 | 5,732 | ✓ |
| Post 2004 Diesel | Australia | 302-1 | 5,680 | 5,644 | ✓ |
| Post 2004 Gasoline | Australia | 302-1 | 187 | 88 | ✓ |
| Total on-site energy consumption intensity (GJ / 1000 units of product sold) | Australia | 302-3 | 0.71 | 0.79 | ✓ |
| Units of product sold (EA) ⁵ | Global | N/A | 45,384,288 | 43,644,705 | ✓ |

3. FY16 restated to capture all significant operations in AUS; it does include some assumptions for smaller sites where data was not complete.

4. Fuel consumption includes leased vehicles.

5. Units of product sold is total for Group.

For information on assurance approach, see page 49.

01 Responsible Facilities Management

EFFLUENT AND WASTE

Sound waste management practices will minimise our environmental footprint. The more we reduce, reuse, recycle and recover the greater the cost savings in materials, energy, transport and disposal.

| ACTIONS/STRATEGIES | PROGRESS |
|---|--|
| <p>Blackmores is focused on minimising our impact on the environment through sound waste management practices.</p> <p>Our waste management plan currently covers our on-site management of waste at our Warriewood head office encompassing waste reduction and waste management associated with all activities including administration, production, warehousing and distribution.</p> <p>Our waste management plan will expand to include significant locations of operations across Australia. We will expand our understanding of waste by type and volume through regular review and auditing.</p> <p>We will align our actions to Goal 11 'Sustainable Cities and Communities' of the United Nations SDGs.</p> <p>We acknowledge the Australian Federal Government's National Environmental Protection Measure (Used Packaging Materials) 2011 legislation and have opted to take a proactive response by signing up to the Australian Packaging Covenant (APC). Our long-standing commitment includes delivering against our written action plan and annual reporting.</p> | <p>Waste Management Plan:</p> <ul style="list-style-type: none"> The Blackmores Waste Management Plan assists our business to understand the significant activities that generate on-site waste. It has enabled the implementation of waste reduction and waste diversion to recovery streams. Monthly data collection allows us to monitor trends against our plan and adjust activities accordingly. This year, we recorded a 69% diversion in waste from landfill. This is broadly in line with last year (71%). This year, we have expanded our review to incorporate our leased premises across Australia. A waste audit was conducted of our BioCeuticals site at Alexandria in NSW. In the next year our waste management plan will be reviewed to ensure its currency and alignment. <p>Workforce Commitment to Reduce Waste:</p> <ul style="list-style-type: none"> Teams and departments are encouraged to consider improvement in their activities to reduce waste generated. One example in this past year is the implementation of a paperless accounts payable system. <p>Australian Packaging Covenant Organisation (APCO):</p> <ul style="list-style-type: none"> As a brand owner, we recognise our responsibility in minimising environmental impact through good packaging design, consumer ease of use and label messaging. In 2016, we received our third consecutive award for our achievements and went on to receive APCO's inaugural Signatory of the Year. As a founding signatory, we are committed to delivering outcomes against our action plan. This year we engaged a third party, Deloitte, to complete limited assurance of the disclosures in our APCO annual report. In draft are the Blackmores Sustainable Packaging Guidelines. Targeted for release in 2018 these guidelines will support internal stakeholders in decision making for packaging. Country or market specific labelling addressing responsible disposal messaging is applied to all products. For Australian products we continue to use the cloud-based 'PREP' tool which assists our teams to make packaging material decisions aligned with kerbside recyclable. |

PERFORMANCE DATA - EFFLUENT AND WASTE

| INDICATOR | BOUNDARY | GRI REFERENCE | FY16 | FY17 | ASSURANCE |
|--|------------|---------------|--------|--------|-----------|
| Total volume of water discharge (KL) ⁶ | Warriewood | 306-1 | 14,617 | 12,792 | |
| Total water discharge to sewage (KL) ⁶ | Warriewood | 306-1 | 14,617 | 12,792 | |
| Discharge to sewage | Warriewood | 306-1 | 14,617 | 12,792 | |
| Total waste generated for disposal (metric tonnes) | Warriewood | 306-2 | 904.50 | 808.80 | ✓ |
| Total waste for disposal to landfill (MT) ⁷ | Warriewood | 306-2 | 266.30 | 248.69 | ✓ |
| Total waste diverted (recycled or recovered), by type (MT) | Warriewood | 306-2 | 638.20 | 560.19 | ✓ |
| Cardboard/Paper | Warriewood | 306-2 | 536.82 | 452.87 | ✓ |
| Commingle ⁸ | Warriewood | 306-2 | 15.10 | 14.84 | ✓ |
| Compost ⁹ | Warriewood | 306-2 | 7.66 | 7.45 | ✓ |
| Plastic shrink film | Warriewood | 306-2 | 78.33 | 84.71 | ✓ |
| Printer cartridges | Warriewood | 306-2 | 0.17 | 0.25 | ✓ |
| Lamps/Light globes ¹⁰ | Warriewood | 306-2 | 0.01 | 0.02 | ✓ |
| Batteries ¹⁰ | Warriewood | 306-2 | 0.03 | 0.01 | ✓ |

6. Unable to measure beyond sewage.

7. Of the 249 metric tonnes that went to landfill, 225 metric tonnes was diverted to best practice landfill, Woodlawn.

8. Commingle includes glass, some plastics and some metals.

9. Sent to EarthPower.

10. Program to support the collection of our staffs' household waste.

For information on assurance approach, see page 49.

PERFORMANCE DATA – EFFLUENT AND WASTE (CONT.)

| INDICATOR | BOUNDARY | GRI REFERENCE | FY16 | FY17 | ASSURANCE |
|--|------------|---------------|------|------|-----------|
| Mobile Muster ¹¹ | Warriewood | 306-2 | 0.02 | | ✓ |
| Coffee Pods ¹¹ | Warriewood | 306-2 | 0.00 | 0.01 | ✓ |
| Laptops ¹² | Warriewood | 306-2 | 0.09 | 0.03 | ✓ |
| Total waste generated for disposal (MT/1000 units of product sold) | Warriewood | | 0.02 | 0.02 | ✓ |

11. Program to support the collection of our employees' household waste.

12. Laptops reconditioned prior to donation for remote education in Australia.

01 Responsible Facilities Management

EMISSIONS

Limiting our operational carbon footprint through responsible resource management and environmental compliance with government regulations in the markets in which we operate.

| ACTIONS/STRATEGIES | PROGRESS |
|--|---|
| <p>Blackmores is committed to undertaking annual greenhouse gas emission assessments associated with both direct and indirect business operations.</p> <p>Identify emission intensive activities to understand what are major contributors to greenhouse gas.</p> <p>Develop relationships with government bodies to help guide us through the development of our sustainability approach to ensure that it is compliant and best practice.</p> <p>Achieve industry endorsement of sustainability practices.</p> <p>Take a leadership approach to help local businesses understand and adopt sustainability practices.</p> | <p>Greenhouse Gas Emission Assessment:</p> <ul style="list-style-type: none"> We are taking a step-by-step approach to measuring our emission intensity, expanding our inclusions and boundary year-on-year to capture global operations. We are committed to undertaking annual assessments to provide awareness of operational activities that have the greatest emission intensity. <p>Approach to Emission Reporting:</p> <ul style="list-style-type: none"> We will continue to review activity sources included in our greenhouse gas emissions footprint on an annual basis. We have utilised a combination of Australian and international emission factors to calculate our footprint. Underpinned by the GHG Protocol's Corporate Accounting and Reporting, and Corporate Value Chain (Scope 3) Accounting and Reporting Standards, we have undertaken an assessment of activity sources contributing to our Scope 1, Scope 2 and Scope 3 emissions across our Australian operations. <p>FOR THE FY17 PERIOD:</p> <p>Scope 1 Activity Sources Include:</p> <ul style="list-style-type: none"> transport fuels and refrigerants. <p>Scope 2 Activity Sources Include:</p> <ul style="list-style-type: none"> electricity, hot water boiler and hot/chilled water. <p>Scope 3 Activity Sources Include:</p> <ul style="list-style-type: none"> electricity, hot water boiler and hot/chilled water, water withdrawal, business flights, accommodation, transport fuels, waste to landfill, recycling waste and waste water. Consistent with prior years, our Scope 1 and Scope 2 emissions continue to be below the required reporting thresholds of the National Greenhouse and Energy Reporting (NGER) legislation. We will continue to review this on an annual basis going forward. <p>Taking Action to Reduce Emissions:</p> <ul style="list-style-type: none"> Developing our approach to emissions is still quite new to us. As such we are yet to set intensity reduction targets or participate in carbon offsetting programs. We continue to partner with New South Wales (NSW) Office of Environment and Heritage (OEH) under the Sustainability Advantage program. OEH provides access to independent technical experts who can support our approach to key aspects of our sustainability program. This year OEH acknowledged our commitment to sustainability by awarding Blackmores with a Silver Partnership Award. |

PERFORMANCE DATA – EMISSIONS

| INDICATOR | BOUNDARY | GRI REFERENCE | FY16 | FY17 | ASSURANCE |
|---|-----------|---------------|-------|-------|-----------|
| Gross Direct GHG Emissions (Scope 1) (tCO ₂ -e/yr) ¹³ | Australia | 305-1 | 639 | 670 | ✓ |
| Indirect GHG Emissions (Scope 2) (tCO ₂ -e/yr) ¹³ | Australia | 305-2 | 5,382 | 4,896 | ✓ |
| Other Indirect GHG Emissions (Scope 3) (tCO ₂ -e/yr) ^{13, 14} | Australia | 305-3 | 3,224 | 3,466 | |
| Direct GHG Emissions (Scope 1) (Emissions/1000 units of product sold) ¹³ | Australia | 305-4 | 0.01 | 0.02 | |
| Indirect GHG Emissions (Scope 2) (Emissions/1000 units of product sold) ¹³ | Australia | 305-4 | 0.12 | 0.11 | |
| Indirect GHG Emissions (Scope 3) (Emissions/1000 units of product sold) ^{13, 14} | Australia | 305-4 | 0.07 | 0.08 | |

13. FY16 restated to capture all significant operations in AUS. Where data was not complete for smaller sites assumptions were made - based on square meterage for each site.
14. Scope 3 emissions includes third party transport, corporate air travel, hotel accommodation, waste, water and wastewater, and consumption of electricity by end users.

For information on assurance approach, see page 49.

01 Responsible Facilities Management

ENVIRONMENTAL COMPLIANCE

PERFORMANCE DATA – ENVIRONMENTAL COMPLIANCE

| INDICATOR | BOUNDARY | GRI REFERENCE | FY16 | FY17 | ASSURANCE |
|--|----------|---------------|------|------|-----------|
| Total number of non-monetary sanctions for non-compliance with environmental laws and regulations (EA) ¹⁵ | Global | 307-1 | 1 | 2 | |

15. Two non-compliance issues (noise and building work) addressed by local council, with corrective and preventative actions in process.

01 Responsible Facilities Management

CUSTOMER PRIVACY AND DATA PROTECTION

As a consumer-centric company we have a duty to protect our consumers and the information we collect by complying with local laws, implementing robust systems and being ethical.

| ACTIONS/STRATEGIES | PROGRESS |
|---|--|
| <p>Our business operates under the Australian Privacy Act regulated by the Federal government. The Privacy Act defines personal information as an individual's name, signature, address, telephone number, date of birth, medical records and bank account details. It also includes commentary or opinion about a person.</p> <p>We recognise the seriousness of protecting personal information and are committed to continuous improvement in the robustness and security of our IT systems across all company operations.</p> <p>Enhanced privacy training will be rolled out and progressively. Our Code of Conduct and Privacy Compliance Policy sets out guidelines and acceptable behaviours and actions in accordance with the law and our values.</p> | <p>Customer Privacy and Data Protection:</p> <ul style="list-style-type: none"> Blackmores Limited received no complaints regarding breaches of customer privacy arising as a result of its conduct. A third-party managing the Blackmores sponsored Sydney Running Festival (BSRF) event experienced a cyber breach of their database and as a result, certain individuals had some personal information compromised. After the third-party advised us of the breach, Blackmores took immediate action to consider whether its conduct caused or contributed to these matters and if additional controls were required. We also assessed the corrective actions that the third-party took to inform individuals and mitigate future occurrences. We are progressively reviewing privacy controls as part of our compliance framework and in preparation for the new mandatory privacy breach reporting requirements which will come into effect in February 2018. <p>Policy and Workforce Responsibility:</p> <ul style="list-style-type: none"> The Blackmores Privacy Policy sets out the way we handle personal information. We are continually enhancing our framework, and education on our privacy obligations and encouraging staff to identify improvements in the way we handle personal information. In preparation for the change in privacy breach reporting requirements coming into effect in February 2018, Blackmores is reviewing the Australian privacy compliance framework. |

PERFORMANCE DATA – CUSTOMER PRIVACY AND DATA PROTECTION

| INDICATOR | BOUNDARY | GRI REFERENCE | FY16 | FY17 | ASSURANCE |
|--|----------|---------------|------|------|-----------|
| Total number of substantiated complaints received concerning breaches of customer privacy (EA) ¹⁶ | Global | 418-1 | 1 | 0 | ✓ |
| Complaints from outside parties, substantiated by the organisation | Global | 418-1 | 1 | 0 | ✓ |
| Complaints from regulatory bodies | Global | 418-1 | 0 | 0 | ✓ |

16. In FY17 Blackmores was notified of a data breach of third-party event management system. Blackmores Audit and Risk assessed the breach.

For information on assurance approach, see page 49.

02 Sustainable Supply Chain Management

TO ENCOURAGE, SUPPORT AND FACILITATE AN ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE APPROACH TO PROCUREMENT, SUPPLIER MANAGEMENT AND PRODUCT ACCOUNTABILITY AND TRANSPARENCY.

ACHIEVEMENTS



OF BLACKMORES' INVENTORY SPEND SUPPORTS LOCAL ECONOMIES (AUSTRALIA)



OF BLACKMORES' MANUFACTURING AND DIRECTLY-SOURCED RAW MATERIAL SUPPLIERS COMMITTED TO OUR NEW SUPPLIER CODE OF CONDUCT



AWARDED THE 2017 AUSTRALIAN PACKAGING COVENANT ORGANISATION SIGNATORY OF THE YEAR

Evan Hayes, Director of Sourcing meeting with Leandro Ravetti, Technical Director at Boundary Bend, one of Blackmores' ingredient suppliers

SUPPLY CHAIN MANAGEMENT

With more than 1,300 products across the Blackmores Group we have both an extensive and complex supply chain utilising raw materials and ingredients sourced from all over the world.

Our rapid growth in recent years highlighted the volatility of our complex supply chain and the challenges facing Blackmores. These include ensuring the continuous supply of natural ingredients and the impact that changes in weather patterns could have on the supply of raw materials used in our products.

We acknowledge climate change and the pressure it places on our ingredients and the communities from which they are sourced. We also acknowledge that consumers increasingly want to know what's in the products they purchase, where they come from and how they are made.

Strategic management of, and continued investment in, our supply chain and environmental resources is increasingly important. Our aim is to 'future proof' our supply while maintaining high quality standards, managing risk, improving traceability and supporting global communities.

As we continue to source ingredients from around the world and as our business grows, we have an opportunity to work collaboratively with suppliers and positively influence change across many regions.

RAW MATERIALS AND CONTRACT MANUFACTURING REVIEW

Recently the business completed a major manufacturing and raw materials review with the aim of delivering of a simpler and more responsive supply chain, better able to overcome economic, social and environmental volatility to ensure continuous availability of ingredients.

This review supports our ability to source high quality ingredients from suppliers who are aligned to our values and sustainability goals and ensure the long-term competitiveness of our products.

Sixty-nine suppliers took part in this review during FY17, with implementation and benefits to be realised in FY18

The new supplier agreements will better enable Blackmores to accommodate growing volumes, adapt to demand changes and support increased traceability without compromising Blackmores' commitment to unrivalled quality.

For example, we are transitioning to Marine Stewardship Council (MSC) certified fish oil in Blackmores Lutein Vision Advanced and MSC certified cod liver oil. We are working closely with fish oil suppliers to enhance traceability across our fish oil range. This includes electronically accessing catch certificates detailing when and where the fish were harvested.

The newly negotiated supplier agreements will bring a number of benefits:

- Increased commitment to sustainability and transparency in the supply chain will enhance our understanding of where our ingredients come from and allow us to make informed decisions and manage risks more effectively.
- Access to a broader selection of raw materials will enable innovation and new product development.
- Our dual supply model for key ingredients across the Group will provide a safety net in times of unanticipated demand or restricted supply of certain ingredients.
- Strengthened supplier relationships support long-term commercial value and better leveraging of Blackmores' size and scale.

Both sustainability and economic benefits will be realised in the coming years with more detailed reporting of outcomes anticipated in the FY18 sustainability report.

PARTNERING WITH SUPPLIERS

Our business philosophy is based on working with suppliers who have the ability to consistently meet our high quality standards and specifications and are committed to best practice, continuous improvement and a collaborative approach to sustainability.

Supplier Questionnaire

As part of the raw material and manufacturing tender, suppliers were asked to complete a sustainability questionnaire. Their responses enabled us to understand their level of engagement regarding, and commitment to, sustainability and areas for collaboration.

Supplier Code of Conduct

We have aligned our existing Code of Conduct with a comprehensive Supplier Code of Conduct. Our Supplier Code of Conduct details our expectations for suppliers to take a collaborative and transparent approach, focused on economic, environmental and social outcomes across our supply chain. The Code provides the basis for working with our suppliers and sets out how our values influence decisions throughout our supply chain. Similar to a roadmap, the Code identifies our expectations that suppliers' sustainable business practices will create genuine change across the communities in which they operate.

The Code includes 'required actions' that we consider important to address before we enter into a contractual relationship with a supplier. It also includes 'preferred actions' which are not mandated, but which we strongly encourage our suppliers to adopt as good and best practice over the course of the contract.

The Code draws on overarching principles of the United Nations Global Compact, Global Reporting Initiative (GRI), Australian Council of Superannuation Investors (ASCI) and the Financial Services Council (FSC), subject matter experts, non-government organisations (NGOs), suppliers and literature on current best practice.

It is important to recognise that the Code is a living document that will be periodically reviewed as required to align to current best practices and to ensure continuing relevance and currency.

HIGHLIGHT

Improved Sustainability Through Our Advanced Dynamic Extraction Process*

While striving for greater efficiencies in product development and raw material potency, Blackmores is ever mindful that this should not come at a cost to the environment. This year, Global Therapeutics, Australia's leading Chinese herbal medicine company which is part of the Blackmores Group, developed an Advanced Dynamic Extraction Process (ADEP).

In partnership with one of Australia's leading extract manufacturers, this highly efficient process yields increased potency from smaller amounts of dried herb starting material. An example is Astragalus 8, where the constituent yield is increased by 35% and dry herb used is reduced by 28.6%.

"ADEP optimises herb particle size before extraction, therefore increasing the surface area so more herbal constituents are extracted," said Paul Keogh, Technical Director of Global Therapeutics. "It also controls the temperature and flow of extraction solvents to maximise herbal constituents, producing a practitioner-standard dry herb to extract ratio of 1:2."

Committed to reducing our environmental footprint, Blackmores is excited to be strengthening the sustainability of our supply chain by using less herb material. This brings the added benefits of helping maintain competitive pricing and encouraging growers to cultivate high-value, high potency herbal crops.

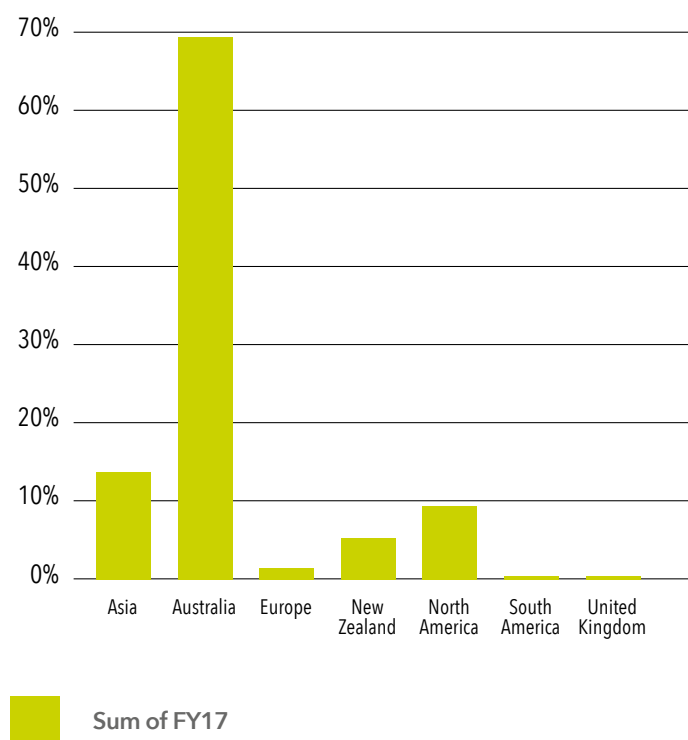
* Proprietary to the Blackmores Group

INVENTORY SPEND BY REGION

Blackmores is proud to be a well-known and trusted Australian brand both within Australia and overseas. We are committed to supporting the local economy and, where possible, to sourcing key components locally to support economic growth and prosperity.

In FY17, 68% of our inventory spend was with local suppliers. This was up from 53% in the prior year due to increased capacity within our Australian supplier base and new commercial supply agreements.

Inventory Spend By Region %



BLACKMORES PRODUCT QUALITY

Our quality products pass 30+ pre-market tests and checks.

To achieve our quality commitment, Blackmores takes utmost care to control those aspects of the product lifecycle that impact our product quality.

Our team of expert formulators strive to use the best available ingredients in our products, supported by the latest scientific research for safety, quality and efficacy.

We source premium ingredients from approved raw material suppliers around the world, testing them in accredited laboratories for identity, purity and potency.

Blackmores' suppliers including contract product manufacturers, contract packers, component manufactures and laboratories are assessed and approved for quality compliance.

Our supplements are manufactured to a pharmaceutical standard in facilities licensed by Australia's Therapeutic Goods Administration using the latest technology.

Blackmores' products generally pass through more than 30 quality checks and tests before being released for sale. This includes ongoing physical, chemical and microbiological testing to confirm that our products will retain their potency for the duration of shelf life.

Our quality team investigates reported customer queries relating to our products. This year, our disclosures indicate an increase in adverse event occurrences. We prioritise investigations, focusing on identifying possible causes and corrective actions. While substantiating a direct correlation to a product is often difficult, our adverse event register is reviewed regularly to identify trends and determine actions for prevention or improvement.

PRODUCT STEWARDSHIP

We continued our partnership with World Wide Fund for Nature (WWF) and have introduced MSC certified oil into to our Cod Liver Oil and Lutein Vision Advanced. We have carried out additional ecological assessments on our fish oil sourcing regions to verify our sourcing decisions.

Blackmores is a sponsor of the Peruvian Anchovy Fishery Improvement Project and we are working with them on our journey towards MSC certification for our fish oil range.

We are a founding signatory of the Australian Packaging Covenant Organisation (APCO formally APC), a sustainable packaging initiative which aims to change the culture of business to design more sustainable packaging and increase recycling rates.

In FY17 our Sustainability Manager was nominated by the Australian Institute of Packaging to represent industry on the Board of the APCO and, after three years of being awarded leader in the category of Health and Beauty, Blackmores was recognised as the APCO's Australian Signatory of the Year.

02 Sustainable Supply Chain Management

SUPPLY CHAIN

Blackmores will continue to encourage its suppliers to reduce their environmental footprint, act in an ethical and responsible manner, and support their local communities.

| ACTIONS/STRATEGIES | PROGRESS |
|---|---|
| <p>We are committed to initiating an open dialogue with suppliers and will share the Blackmores' sustainability goals and program to allow our business partners to better understand our approach and material priorities. Understanding our suppliers' sustainability practices is equally important.</p> <p>Our aim is to gain greater transparency across our supply chain and to ensure our direct suppliers meet or exceed our expectations. A collaborative approach to sourcing will help Blackmores mitigate risks in our upstream supply chain.</p> <p>The 'Supplier Questionnaire' will form part of our business tendering process aimed at providing a benchmark of a potential supplier's commitment to sustainability.</p> <p>Our approach is to guide suppliers and recognise their achievements in sustainability.</p> | <p>FY17 Supply Tender:</p> <p>The contract manufacturing and raw ingredient material tender across 69 suppliers has been completed in FY17 with implementation and benefits to be realised in FY18.</p> <p>Understanding Our Suppliers:</p> <p>In FY17 as part of our major business tender a supplier questionnaire was developed and integrated into our supply tendering pack.</p> <p>Supplier Selection:</p> <p>Supplier selection is conducted in a competitive manner where our suppliers or potential suppliers compete independently, fairly and transparently for the goods or services we wish to acquire. Our selection criterion includes, but is not limited to supplier capability and capacity, technical capability, quality, value or competitiveness, compliance, collaboration and sustainable practices.</p> <p>Supplier Code of Conduct:</p> <p>The launch of our new Supplier Code of Conduct affirms our values-based approach to sustainability. Suppliers are required to sign up to the Code and work collaboratively across the supply chain to ensure economic, social and environmental outcomes occur.</p> <p>Supplier Relations:</p> <p>Regular business meetings with suppliers provides a platform to address business performance and discuss topics including sustainability. They also provide an opportunity to work collaboratively on projects that create positive change across our supply chain.</p> <p>Visibility across our Supply Chain:</p> <p>We have made significant progress in identifying software we believe will create efficiencies in ingredient and source selection, identifying regional risks including social, environmental, geo-political and economic. More detail will be shared in next year's Sustainability Report.</p> <p>Supplier Recognition:</p> <p>Our biennial supplier conference will provide an opportunity to have open discussions with our stakeholders. Sustainability is included in the program. The conference provides a platform where we can recognise our suppliers' achievements.</p> |

PERFORMANCE DATA - INVENTORY SUPPLY CHAIN

| INDICATOR | BOUNDARY | GRI REFERENCE | FY16 | FY17 | ASSURANCE |
|--|----------|---------------|------|------|-----------|
| Global Supply Chain Quality Audits completed (%) | Global | | 22 | 19 | |
| Proportion of inventory spend on local suppliers to significant locations of operation (% inventory spend) ¹⁷ | Global | 204-1 | 53% | 68% | ✓ |
| Total partnerships with third parties to protect or restore habitat areas (EA) | Global | 304-3 | 2 | 2 | |

17. Materials or services directly related to a product. Please refer to disclosures index for detailed commentary.

For information on assurance approach, see page 49.

02 Sustainable Supply Chain Management

PRODUCTS AND SERVICE COMPLIANCE

Commitment to quality and safety underpins all Blackmores products and services.

| ACTIONS/STRATEGIES | PROGRESS |
|--|---|
| <p>Our product and service priorities remain focused on quality and safety.</p> <p>We demonstrate our diligence through tight regulatory compliance processes which review and approve ingredients, products, label claims and consumer messaging. We act responsibly to ensure compliance with relevant medical, labelling and advertising regulations.</p> <p>We will implement a new quality management system to align with the integration of Group quality.</p> <p>To ensure product integrity and consumer safety we will seek and adopt appropriate technologies including solutions to prevent or deter counterfeiting.</p> | <p>Blackmores Quality and Safety:</p> <ul style="list-style-type: none"> We are dedicated to achieving the highest levels of product quality and customer safety. <p>Product Quality:</p> <ul style="list-style-type: none"> Blackmores' products are manufactured to an international medicine standard enforced by the Australian regulator, the TGA. Our focus is placed on continuous improvement of our quality management program. In FY17 our quality team completed 19 quality audits across our global supply chain. <p>Product Safety:</p> <ul style="list-style-type: none"> In the past year there were no incidents of non-compliance resulting in product recall. In total the Blackmores' Advisory and Technical Services responded to 46,508 technical, general health and wellbeing enquiries from around the globe. There were 26 customer reported adverse events of which 18 individuals sought medical attention. While we are unable to substantiate direct correlation to our product we take each case seriously. The reporting and investigations are logged so that we can identify any trends correlating to a particular product or ingredient. Blackmores did receive a monetary penalty from Shanghai Administration for Industry and Commerce (AIC) for misleading advertising. As a result, advertising review processes have been tightened. <p>Product Integrity:</p> <ul style="list-style-type: none"> Blockchain technology is being investigated as a measure to ensure product integrity and prevent or deter counterfeiting. |

PERFORMANCE DATA - PRODUCTS AND SERVICE COMPLIANCE

| INDICATOR | BOUNDARY | GRI REFERENCE | FY16 | FY17 | ASSURANCE |
|--|----------|---------------|------|------|-----------|
| Proportion of new products that have undergone a Quality Assessment (%) | Global | 416-1 | 100% | 100% | |
| Proportion of new products that have undergone a Regulatory Assessment (%) | Global | 416-1 | 100% | 100% | |
| Proportion of new products that have undergone a Health and Safety Assessment (%) | Global | 416-1 | 100% | 100% | |
| Total number of non-compliance with regulations, concerning the Health and Safety impacts of products and services, resulting in penalty (EA) | Global | 416-2 | n/a | 0 | ✓ |
| Total number of non-compliance with regulations, concerning the Health and Safety impacts of products and services, resulting in a warning (EA) | Global | 416-2 | n/a | 0 | ✓ |
| Total number of non-compliance with regulations, concerning the Health and Safety impacts of products and services, voluntary codes (EA) ¹⁸ | Global | 416-2 | n/a | 0 | ✓ |
| Total number of products and services cancelled by medical regulator (EA) | Global | 417-2 | 0 | 4 | |
| Total number of products and services banned by competition regulator (EA) | Global | 417-2 | 0 | 0 | |
| Total number of products banned from sale (EA) | Global | 417-2 | 0 | 0 | |
| Proportion of new products that have undergone Regulatory assessment of labelling (%) | Global | 417-1 | 100% | 100% | |
| Total number of incidents of non-compliance concerning product labels (EA) | Global | 417-2 | n/a | 0 | |
| Total number of incidents of non-compliance concerning product marketing (EA) | Global | 417-2 | n/a | 1 | |
| Total monetary value of regulatory authority fines for non-compliance (\$'000) ¹⁹ | Global | 417-2 | n/a | \$65 | |

18. Through our monitoring program, 19 events reported where consumer sought medical attention, however unable to substantiate direct correlation to our product.

19. Received monetary penalty for misleading advertising (Shanghai Administration for Industry and Commerce).

For information on assurance approach, see page 49.

02 Sustainable Supply Chain Management

MATERIALS

Our aim is to do more with fewer resources and less waste to help preserve our natural environment.

| ACTIONS/STRATEGIES | PROGRESS |
|---|---|
| <p>Our focus is placed on product and packaging stewardship to minimise the environmental impact from the design phase through the product's life to the disposal of packaging.</p> <p>Annually, we review our ingredients to ensure our focus is placed on key ingredients which, if compromised, may pose the greatest risk to the business.</p> <p>We also identify opportunities to deliver innovative processes and technologies that minimise waste and yield losses, allowing us to do more with fewer resources.</p> <p>We seek to form partnerships with third parties to protect or restore habitat areas to provide a more sustainable outcome for future generations.</p> | <p>Sustainability Assessments:</p> <p>Our annual review of ingredients follows criteria that we consider most relevant to mitigating risk. Criteria include material access and availability, volumes to meet potential increases in demand, financial impact and stakeholder concerns.</p> <p>To enhance our approach, we have completed an extensive review of software to assist in identification and mitigation strategies for supply chain risks. Currently in early implementation, this software is designed to provide us with information identifying regional risks including social, environmental, geo-political and economic risks.</p> <p>Sustainable Packaging Guidelines:</p> <p>Our sustainable packaging guidelines are in draft. Targeted for release in 2018 these guidelines will support internal stakeholders as they make decisions regarding packaging. These guidelines are intended to complement the generic guidelines set by APCO. Together they will assist us in optimising our consumer packaging so that we efficiently use resources and reduce our environmental impact without compromising product safety and quality.</p> <p>Innovation in Material Processing:</p> <p>In collaboration with one of Australia's leading extract manufacturers we have developed an innovative proprietary process. The 'Advanced Dynamic Extraction Process' is a highly efficient process that yields increased potency from smaller amounts of dried herb starting material. This allows us to do more with fewer resources.</p> <p>Partnerships:</p> <p>Blackmores continues to partner with World Wide Fund for Nature (WWF) which provides independent assessment and guidance in our sourcing decisions. Blackmores is also Marine Stewardship Council (MSC) Chain of Custody Certified and in the past year we have incorporated MSC certified fish oil in to Blackmores Lutein Vision Advanced and have identified a MSC source of cod liver oil for use in Blackmores Cod Liver Oil product.</p> |

PERFORMANCE DATA - MATERIALS

| INDICATOR | BOUNDARY | GRI REFERENCE | FY16 | FY17 | ASSURANCE |
|---|------------|---------------|------------|------------|-----------|
| Total production (packing) volume (EA) ²⁰ | Warriewood | | 32,749,225 | 28,558,425 | ✓ |
| Raw material Supply Chain Risk Assessment (% of top 10 ingredients) ²¹ | Global | | 100% | 100% | |

20. Warriewood is the Blackmores Group primary packing facility.

21. Desktop supply chain assessment conducted on top 10 identified raw materials.

For information on assurance approach, see page 49.

Adam Martin, Team Leader, Blackmores Eastern Creek Warehouse



03

Industry Leadership

TO BE A LEADER IN NATURAL HEALTH THROUGH
INNOVATION, RESEARCH, EDUCATION AND A
ROBUST CORPORATE GOVERNANCE FRAMEWORK

ACHIEVEMENTS

NO1

BLACKMORES
#1 VITAMIN AND
SUPPLEMENT
BRAND IN
AUSTRALIA*

#1

BIOCEUTICALS
#1 PRACTITIONER-
ONLY BRAND OF
SUPPLEMENTS IN
AUSTRALIA***

1.2
MILLION

TOUCHPOINTS
EDUCATING CONSUMERS,
CUSTOMERS AND
HEALTHCARE
PROFESSIONALS

40

RESEARCH
PROJECTS INCLUDING
CLINICAL TRIALS AND
RESEARCH PAPERS

Howard Dawson, Blackmores
Australia Head of Grocery and
Emerging Channels



BUSINESS PERFORMANCE AND RESULTS

Blackmores Group delivered \$693 million in sales for the FY17 (down 3%) on the prior year and net profit after tax (NPAT) of \$58 million (down 42%) on the prior year.

Sales and profit in the first quarter of the financial year were impacted by speculation in April 2016 about regulatory changes in China which changed the buying patterns of Chinese entrepreneurs and tourists purchasing through Australian retailers.

Though sales recovered significantly as the year progressed, the changing retail environment and competitive pricing diminished our profits.

Despite the challenging results Blackmores remained the #1 vitamin and supplement brand and Group in Australia* and the most trusted brand in Australia for the ninth consecutive year, as well as most trusted brand in Malaysia, Singapore and Thailand**.

Management responded to the lower sales levels by realigning expenses without compromising our growth initiatives.

BLACKMORES STRATEGIC PRIORITIES

Blackmores is committed to superior business performance. Our strategic direction is focused on delivering growth and continuous improvement to maintain Blackmores' leading position in the industry and to achieve ongoing success for our company, our people and our shareholders. We are pleased with our progress against four strategic priorities:

Consumer Centricity

- Blackmores #1 vitamin and supplement brand and Group in Australia*.
- Most Trusted Brand in our category in Australia (nine years running) and key markets in Asia including Malaysia, Thailand and Singapore**.
- Strengthened our digital footprint, with 5.2 million touchpoints across social media channels in Asia-Pacific.
- Welcomed new brand ambassadors Lauren Burns, taekwondo Olympic gold medallist for Oriental Botanicals and Dr. Katrina Warren, celebrity vet, for Pure Animal Wellbeing.
- Opened two new Blackmores flagship stores in Hong Kong, plus increased airport presence in Sydney, Bangkok and Kuala Lumpur.
- Expanded our supermarket reach across Australia, launching Blackmores products in Costco and Aldi and was number one vitamin brand in Coles and Woolworths.
- Supported Australia's top athletes through sponsorships with Collingwood Football Club, Collingwood Magpies Netball Team and an elite IsoWhey Sports cycling team.
- Sponsored key sporting events in Australia and Asia, including the Blackmores Sydney Running Festival, Byron Bay Lighthouse Run, Run&Move in Thailand and Penang International Triathlon/ Duathlon in Malaysia.

Product Leadership

- 110 new products launched across the Group, including an innovative fridge-free probiotic range in Australia and market-leading beauty supplements in Asia.
- Explored nutrigenomic testing for personalised nutrition and progressed partnerships in medicinal cannabis through BioCeuticals.

- Developed a new herbal extraction process through Global Therapeutics, delivering increased product potency, using less herbs and decreasing environmental footprint.
- BioCeuticals FX Medicine podcasts were downloaded more than one million times in 100 countries achieving a #2 ranking in its category on iTunes.
- More than 1.2 million educational touchpoints across the Group, reaching healthcare professionals, pharmacy students, retailers, vets and vet practice nurses.
- Launched an online drug, herb and nutrient interactions portal for healthcare professionals through BioCeuticals in partnership with IM Gateway and the University of Sydney.
- 40 research projects, clinical trials and scholarly activities across the Group, including a diabetes study in Thailand and a traditional herbs study in Malaysia.
- Four research symposia in Australia, Thailand and Singapore with 1,860 delegates and esteemed international keynote speakers.
- Blackmores Institute signed Memorandums of Understanding for educational partnerships with the Royal Melbourne Institute of Technology, Rangsit University Thailand, Malaysian Pharmaceutical Society, National University of Malaysia, Taylors University Malaysia and University of Hawaii.
- Our Advisory Service and Technical Services lines responded to 46,508 enquiries including telephone calls, emails, live chats and web posts.
- Blackmores Institute launched a global multi-language online learning platform.

Asia Growth

- Asian consumers represent almost 50% of Group sales and show strong loyalty to the Blackmores brand.
- Chinese consumers, both in China and Australia, influence approximately \$250 million of Group sales and our business is still growing.
- Progressed our upcoming launch in Vietnam via a distribution agreement with the Mesa Group, which has a strong retail network of 150,000 stores.
- First year of operations in Indonesia through Kalbe Blackmores Nutrition joint venture - 300 staff, 12 cities and 30 products launched.
- Blackmores infant nutrition range was launched in 27 provinces in China, with an infant nutrition flagship store in Changsha, Hunan Province.
- Built international relations by participating in a series of high profile events including the Australia China Economic and Trade Cooperation Forum (ACETCF), Business Council of Australia-China CEO Roundtable, Australia Week in China, and Australia Indonesia Business Week in Indonesia.
- Blackmores was appointed Vice President Company of the China Association for Quality Inspection (CAQI). Blackmores Managing Director for Asia, Peter Osborne was appointed Vice Chairman of their Advisory Committee - the first and only foreign citizen to hold a CAQI board position.

* Source: IRI MarketEdge, Vitamin and Dietary Supplement, Australia Grocery Pharmacy, Estimated Local Demand Sales MAT to 14/05/2017.

** Source: Reader's Digest annual Most Trusted Brand surveys.

*** BioCeuticals is #1 brand with 67% value share. Source: Aztec Scan sales MAT 14/05/2017.

BLACKMORES STRATEGIC PRIORITIES (CONT.)

Operational Effectiveness

- Packed over 28 million finished products that we shipped to 33,000 points of distribution globally.
- Leased and fitted out a state-of-the-art 16,000m² warehouse and distribution facility at Bungarribee in Western Sydney, doubling our capacity and supporting long-term growth.
- Signed a Memorandum of Understanding with Alibaba for blockchain anti-fraud technology to assure product integrity.
- First manufacturing and raw materials review completed to drive continuous improvement of supply chain, product innovation and sustainable partnerships.
- Launched Supplier Code of Conduct with 100% direct inventory suppliers on board.
- Launched the first Blackmores Group Sustainability Report to affirm our corporate governance, workplace practices and responsibility to the community.
- 100% reduction in office paper forms for accounts payable and HR recruitment and induction processes.
- 185 different learning and development sessions for staff, including our Leadership Development Program and Blackmores Business Acumen Academy.

AWARDS AND RECOGNITION

The Blackmores Group has been recognised with more than 40 awards for product innovation, education and training, industry leadership and our commitment to sustainability.

Best in Class

- Induction into the Queensland Business Leader's Hall of Fame
- Reader's Digest Most Trusted Brand - Vitamins and Supplements (Australia)
- Reader's Digest Trusted Brand - Platinum Award (Malaysia)
- Brand Laureate - Brand Influencer Award (Malaysia)
- Reader's Digest Trusted Brand (Singapore)
- Superbrand Award (Thailand)

Product Leadership, Education and Training

- Complementary Medicines Australia - Vince Russell Retailer of the Year
- Complementary Medicines Australia - Most Outstanding Contribution to Research, Education or Training (BioCeuticals FX Medicine)
- Australian Pharmaceutical Industries - Excellence in Training
- Sigma - Supplier of the Year
- Chemmart - Supplier of the Year
- Terry White - Most Effective Supplier of the Year
- National Pharmacies - Supplier of the Year
- Priceline - Excellence in Training (BioCeuticals)
- NZ Self Medication Industry Association - Best Integrated Marketing Campaign
- NZ Self Medication Industry Association - Supreme Award Winner
- Natural Products NZ - James & Wells Innovation in Marketing Award
- Canstar Blue - Most Satisfied Customers, Weightloss Shakes (IsoWhey)
- Leyou - Favourite Brand (China)
- Yunji - Brand Contribution (China)
- VIP.com - Most Popular Brand (China)
- JD.com - Fastest Growing Brand (China)

- Watsons Health, Wellness & Beauty Award - Silver, Blackmores Evening Primrose Oil (Hong Kong)
- Watsons Health, Wellness & Beauty Award - Best Selling Pre-Natal Supplement (Singapore)
- Watsons Health, Wellness & Beauty Award - Best Selling Post-Natal Supplement (Singapore)
- Watsons Health, Wellness & Beauty Award - Best Selling Fish Oil Supplement (Singapore)
- Watsons Health, Wellness & Beauty Award - Best Selling Glucosamine Supplement (Singapore)
- Guardian Health, Wellness and Beauty Award - Best Seller Award (Singapore)
- Guardian Health, Wellness and Beauty Award - Radiance Awards x2 (Singapore)
- FashionGuide - Beauty Award, Blackmores Vitamin E Cream (Taiwan)
- Lisa Beauty Choice Award | Editor's Choice - Best Supplement for Women, Blackmores Marine Q10 CPlus (Thailand)
- Lisa Beauty Choice Award | Reader's Choice - Best Selling Vitamin C, Blackmores Bio C (Thailand)
- Watsons Health, Wellness & Beauty Award - Best Supplement, Blackmores Bio C (Thailand).

Industry Growth and Leadership

- Australian Packaging Covenant - APC Signatory of the Year
- Australian Packaging Covenant - APC Category Winner
- NSW Government Sustainability Advantage program - Bronze and Silver Partner
- NSW Export Awards - Exporter of the Year
- NSW Export Awards - Health & Biotechnology
- China Association for Quality Inspection - Product and Service Quality Demonstration Company Certificate
- HKABA National Business Awards - Business Excellence
- NSW Business Chamber Awards - Excellence in Export
- CEO Magazine Executive of the Year - MD of the Year
- CEO Magazine Executive of the Year - HR Leader of the Year.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

The Blackmores Group has a comprehensive risk management framework, with each business unit required to update their risk assessment quarterly. Changes in, or new, material risks are reported to the Audit and Risk Committee of the Board as necessary. Appropriate controls or initiatives are then identified and implemented to manage or limit the impact of such risks to the Company and our stakeholders.

We are continually seeking to enhance awareness of risks within the business and communicating the types of conduct expected from employees in order to minimise such risks arising.

In the past year we've enhanced our Corporate Governance and Risk Management program. This included training sessions for staff in Australia and New Zealand on diverse topics including competition law, social media, and work health and safety. We have also communicated our anti-bribery and corruption policies across the Group with 100% of our workforce and 92% of our Governance body (our Board and Executive team) completing anti-corruption training. (Noting that one Board member was on extended leave and will complete the training in FY18).

For information, relating to our Risk Management see Blackmores 2017 Annual Report, page 30.



TAX CONTRIBUTIONS

As Australia's leading natural health company with global operations, Blackmores contributes a substantial amount in taxation across the countries we operate in, including income taxes, stamp duties, payroll taxes and other taxes. We also collect and remit a number of taxes including salary withholding taxes and indirect taxes such as GST and VAT.

We recognise that the taxes Blackmores pays and collects contribute to the economies in the countries in which we operate.

INVESTMENT IN RESEARCH AND EDUCATION

Investment in research, education and scholarly activities underpins the quality use of natural medicine and enhances health outcomes for the community. Led by our research and education arm, Blackmores Institute, and BioCeuticals, our practitioner-only range, we have achieved more than 1.2 million educational touchpoints across Asia-Pacific with healthcare professionals, customers and consumers about natural health and wellbeing.

Blackmores and BioCeuticals free advisory and technical services attracted more than 46,000 interactions with consumers and healthcare professionals. While this represents a decline compared to prior year, we have seen a substantial increase in consumer engagement with digital media including electronic newsletters, website queries, Twitter, Facebook and Instagram from one million interactions to more than five million.

This year Blackmores Institute launched a global multi-language online learning platform, with modules accredited by leading universities and governing bodies. Blackmores Institute and BioCeuticals hosted four research symposia for healthcare practitioners in Australia, Thailand and Singapore. The BioCeuticals FX Medicine podcasts, featuring a wide range of educational integrative medicine topics, was downloaded more than one million times in 100 countries achieving a #2 ranking in its category on iTunes.

In March 2017, Blackmores and the Blackmore Foundation, Marcus and Caroline Blackmore's personal philanthropic trust, each gifted \$5 million to the National Institute of Complementary Medicine (NICM) at Western Sydney University to further natural health research. We have 40 research projects, clinical trials and scholarly activities underway across the Group, and 23 alliances and partnerships with academic research and education bodies including:

- Australian Research Centre in Complementary and Integrative Medicine at University of Technology Sydney
- Chulalongkorn University, Thailand
- National Institute of Complementary Medicine at Western Sydney University, Australia
- Royal Melbourne Institute of Technology, Australia
- Malaysian Pharmaceutical Society
- National University of Malaysia (Universiti Kebangsaan Malaysia)
- National University of Singapore
- Rangsit University, Thailand
- Taylors University, Malaysia
- University of Hawaii, USA
- University of Sydney, Australia.

HIGHLIGHT

The Blackmores Way: Values-Based Behaviours

Over the last 12 months, focus on those behaviours which clearly demonstrate our values ('the PIRLS' has been enhanced. We call these values-based behaviours 'The Blackmores Way' and they are set out in our revised Code of Conduct which was published in October 2016.

"Our Code of Conduct should do no more and no less than simply document the values-based behaviours which are the hallmark of how we work together." Marcus Blackmore.

The Code not only sets out the values-based behaviours for our employees, it also emphasises the same behaviours of those who act on our behalf, as well as those with whom we do business including our suppliers, distributors, customers and others.

'The Blackmores Way' is focused on 'doing the right thing' in all locations where we work and is not only at the heart of our brand and reputation, it is a key component of our corporate governance framework. In FY17, it has been brought to life through internal campaigns, staff training and revised policies and procedures.

B! Protect

To ensure employees understand the values-based behaviours expected of them as they conduct business on behalf of Blackmores we have launched a program called 'B!Protect'. The objective of 'B!Protect' is to protect our brand, employees and shareholders. Initiatives to date have included regular live training on topics such as competition law, work health and safety, and the use of social media for targeted audiences.

Novembication

Both the Governance Body (Board and Executive team) and employees throughout the Group were required to confirm their commitment to 'The Blackmores' Way', and our anti-bribery and corruption related policies through a mandatory program called Novembication.



Edward Allardice, Head of Sales, Global Therapeutics



Leanne McLean, Advisory Naturopath and Chairperson of the Staff Liaison Committee with the native Australian Beehive at Blackmores Campus

03 Industry Leadership

BUSINESS PERFORMANCE

Deliver on the five-year strategic vision to build a diverse and sustainable business.

| ACTIONS/STRATEGIES | PROGRESS |
|--|---|
| <p>We will ensure we have a strong and effective leadership team to foster a culture that will deliver against our four strategic priorities:</p> <p>Consumer Centricity; Product Leadership; Asia Growth; and Operational Effectiveness.</p> <p>Our corporate governance focuses on the practices, processes and behaviours which define our organisation.</p> <p>We are committed to the continuous improvement of the risk management framework to strengthen processes, outcomes and decision making, aiming to balance the interests of our varied stakeholders.</p> <p>We will conduct business under the laws and regulations in the countries we operate and the markets we have brand presence.</p> <p>Emphasis on corporate governance will set the foundations for strong economic performance, brand trust, industry leadership enabling us to support the communities in which we operate.</p> <p>We will seek opportunities to voice, promote or campaign with government, industry and peak bodies with an aim to deliver outcomes that benefit our organisation, industry and communities.</p> | <p>Continuing with five-year strategic vision with measurable goals to build a diverse and sustainable business.</p> <ul style="list-style-type: none"> Cascade of the company strategy at the beginning of the financial year provided employees across the Group with an understanding of business goals and their role in supporting the company vision. Creation of a one-page strategic framework, mapping our values-based behaviours, objectives, business principles, strategic priorities and our approach. Each employee has easy access to this to ensure the Group vision remains at the forefront of day-to-day operations. Blackmores Group delivered \$693 million in sales (down 3%) and a net profit after tax (NPAT) of \$58 million (down 42%) on the prior year. For full commentary of our FY17 results please refer to the Blackmores Annual Report. Blackmores remained #1 vitamin and supplement brand in Australia*, BioCeuticals the #1 practitioner-only brand of supplements in Australia** and Fusion Health #1 modern Chinese herbal medicine brand in Australia with a leading position in health food stores. In the past year we've enhanced our Corporate Governance and Risk Management program through staff education and training. We launched in new markets via a distribution agreement in Vietnam with the Mesa Group and a partnership in Iran with Tasnim Pharma. We now have significant locations of operations within 10 countries and brand presence expanding across 17 countries and growing. The company participated in overseas trade missions and other activities in support of Australia's trade policy agenda. Blackmores was appointed Vice President Company of the China Association for Quality Inspection (CAQI). Blackmores Managing Director for Asia, Peter Osborne was appointed Vice Chairman of their Advisory Committee. Blackmores employees participate in an employee giving program and Blackmores matched the employee donations in the amount of AUD \$191,000. |

PERFORMANCE DATA – BUSINESS PERFORMANCE

| INDICATOR | BOUNDARY | GRI REFERENCE | FY16 | FY17 | ASSURANCE |
|---|----------|---------------|-----------|-----------|-----------|
| Total number of markets in which product or services are sold in (EA) | Global | 201-1 | 17 | 17 | |
| Total revenue (\$'000) | Global | 201-1 | \$599,988 | \$550,172 | ✓ |
| Total operating costs (\$'000) | Global | 201-1 | \$319,331 | \$343,348 | ✓ |
| Total employee wages and benefits (\$'000) | Global | 201-1 | \$134,933 | \$120,209 | ✓ |
| Total payments to government (by country) (\$'000) ²² | Global | 201-1 | \$62,581 | \$70,254 | ✓ |
| Australia | Global | 201-1 | \$51,430 | \$60,513 | ✓ |
| New Zealand | Global | 201-1 | \$482 | \$2,312 | ✓ |
| Singapore | Global | 201-1 | \$970 | \$814 | ✓ |
| Malaysia | Global | 201-1 | \$1,731 | \$1,213 | ✓ |
| Thailand | Global | 201-1 | \$2,537 | \$1,712 | ✓ |
| Hong Kong | Global | 201-1 | \$45 | \$55 | ✓ |
| Taiwan | Global | 201-1 | \$229 | \$247 | ✓ |
| South Korea | Global | 201-1 | \$1,969 | -\$421 | ✓ |
| China | Global | 201-1 | \$3,175 | \$3,583 | ✓ |
| Indonesia | Global | 201-1 | \$12 | \$226 | ✓ |

22.Cash Payments to government.

For information on assurance approach, see page 49.

* Source: IRI MarketEdge, Vitamin and Dietary Supplement, Australia Grocery Pharmacy, Estimated Local Demand Sales MAT to 14/05/2017.

** BioCeuticals is a #1 brand with 67% value share. Source: Aztec Scan sales MAT 14/05/2017.

PERFORMANCE DATA – BUSINESS PERFORMANCE (CONT.)

| INDICATOR | BOUNDARY | GRI REFERENCE | FY16 | FY17 | ASSURANCE |
|---|----------|---------------|----------|----------|-----------|
| Total Investments (\$'000) | Global | 201-1 | \$59,976 | \$63,132 | ✓ |
| Dividends paid to shareholders (\$'000) | Global | 201-1 | \$57,704 | \$58,568 | ✓ |
| Interest payments (\$'000) | Global | 201-1 | \$2,272 | \$4,564 | ✓ |
| Matched donations scheme (\$'000) ²³ | Global | 201-1 | \$189 | \$191 | ✓ |
| Other community investment (\$'000) ²⁴ | Global | 201-1 | \$868 | \$1,502 | ✓ |
| Total monetary value of financial assistance received by the organisation from governments (\$'000) | Global | 201-4 | \$948 | \$689 | ✓ |
| Australia | Global | 201-4 | \$946 | \$600 | ✓ |
| New Zealand | Global | 201-4 | \$- | \$- | ✓ |
| Singapore | Global | 201-4 | \$- | \$87 | ✓ |
| Malaysia | Global | 201-4 | \$- | \$- | ✓ |
| Thailand | Global | 201-4 | \$- | \$- | ✓ |
| Hong Kong | Global | 201-4 | \$- | \$- | ✓ |
| Taiwan | Global | 201-4 | \$- | \$- | ✓ |
| South Korea | Global | 201-4 | \$- | \$- | ✓ |
| China | Global | 201-4 | \$- | \$- | ✓ |
| Indonesia | Global | 201-4 | \$2 | \$2 | ✓ |

23. Matched Donations Scheme supports employee voluntary donations to charity.
 24. Community Investment does not include the Blackmores Sydney Running Festival.

For information on assurance approach, see page 49.

Jessica Jong, Product Development
 Project Manager and Elaine McCarthy, Strategic
 Sourcing Quality Associate, Blackmores

03 Industry Leadership

ANTI-CORRUPTION

Protecting the integrity of our brand through systems, controls and training.

| ACTIONS/STRATEGIES | PROGRESS |
|---|--|
| <p>Our corporate governance focuses on the practices, processes and behaviours which define our organisation and how we conduct business ethically.</p> <p>We recognise that corruption has a severe impact on sustainable economic and social development and particularly affects poor communities.</p> <p>As our significant locations of operations expand we are likely to be further exposed to corruption. We are investing considerable time and resources, continuously and systematically, to strengthen our anti-corruption processes.</p> <p>We are attentive and responsive to improvements that stakeholders and authorities may believe are necessary.</p> | <p>Supporting our brand and reputation is our Corporate Governance Framework.</p> <p>In the past year focus has been placed on strengthening the link between our values-based behaviours and corporate governance. This has included:</p> <ul style="list-style-type: none"> • The revision of our Code of Conduct and the launch of a training program called 'B!Protect', reinforcing the behaviours we expect from employees and those with whom we do business. • The launch of a Supplier Code of Conduct which provides a basis for how we plan to work with our suppliers and the importance of our values in influencing decisions throughout our supply chain. • Our workforce, including the Governance Body were required to confirm their commitment to 'The Blackmores' Way' and our anti-bribery and corruption related policies. • Other corporate governance training has included competition law, work health and safety, and the responsible use of social media. |

PERFORMANCE DATA - ANTI-CORRUPTION

| INDICATOR | BOUNDARY | GRI REFERENCE | FY16 | FY17 | ASSURANCE |
|--|----------|---------------|------|------|-----------|
| Total number of operations assessed for risks related to corruption (%) | Global | 205-1 | 100% | 100% | |
| Communication and training on anti-corruption policies and procedures for Governance Body (EA) ²⁵ | | | | | |
| AUS/NZ | Global | 205-2 | N/A | 12 | ✓ |
| ASIA | Global | 205-2 | N/A | 1 | ✓ |
| Communication and training on anti-corruption policies and procedures for Governance Body, by region (%) ²⁵ | | | | | |
| AUS/NZ | Global | 205-2 | N/A | 92% | ✓ |
| ASIA | Global | 205-2 | N/A | 100% | ✓ |
| Communication and training on anti-corruption policies and procedures for employees by region (EA) ²⁶ | | N/A | | | |
| AUS/NZ | Global | 205-2 | N/A | 584 | ✓ |
| ASIA | Global | 205-2 | N/A | 319 | ✓ |
| Communication and training on anti-corruption policies and procedures for employees by region (%) ²⁶ | | | | | |
| AUS/NZ | Global | 205-2 | N/A | 100% | ✓ |
| ASIA | Global | 205-2 | N/A | 100% | ✓ |
| Total number and nature of confirmed incidents of corruption (EA) | Global | 205-3 | 0 | 0 | |
| Total monetary value of financial political contributions made (\$'000) | Global | 415-1 | \$25 | 0 | |
| Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices (EA) | Global | 206-1 | 0 | 0 | |

25. We define 'Governance Body' as our Board and Executive Team members, noting one member on leave.
26. The 'employee' number excludes the Governance Body. 205-2 (c) Refer to Disclosures Index.

For information on assurance approach, see page 49.

03 Industry Leadership

INVESTMENT IN RESEARCH

Continue to invest and strengthen our leadership in research, academic and educational activities.

| ACTIONS/STRATEGIES | PROGRESS |
|---|---|
| <p>To ensure we continue to deliver the best health outcomes for our consumers and communities we will strengthen our leadership in research and education.</p> <p>We seek collaborative partnerships with world-class academics and institutions who are leaders in science and research to deliver innovative complementary medicines.</p> <p>We will leverage relationships with accredited education bodies to provide opportunities to develop young academics strengthening their knowledge. These platforms will in turn provide explorative and investigative approaches to complementary medicines.</p> <p>We will provide education and training to our various stakeholders including healthcare professionals, veterinarians, retail customers and consumers to name a few.</p> | <p>Blackmores Institute and BioCeuticals work with world renowned education and research bodies and support a wide range of complementary medicine research.</p> <ul style="list-style-type: none"> • 40 research projects, clinical trials and scholarly activities are currently in progress across the Group. • 23 alliances and partnerships with academic research and education bodies including: <ul style="list-style-type: none"> - Australian Research Centre in Complementary and Integrative Medicine at University of Technology Sydney; - Chulalongkorn University, Thailand; - National Institute of Complementary Medicine at Western Sydney University, Australia; - Royal Melbourne Institute of Technology, Australia; - Malaysian Pharmaceutical Society; - National University of Malaysia (Universiti Kebangsaan Malaysia); - National University of Singapore; - Rangsit University, Thailand; - Taylors University, Malaysia; - University of Hawaii, USA; - University of Sydney, Australia. • NICM at Western Sydney University: Blackmores and the Blackmore Foundation, Marcus and Caroline Blackmore's personal philanthropic trust, each gifted a \$5 million commitment to the National Institute of Complementary Medicine (NICM) at Western Sydney University to further natural health research. Blackmores' contribution is paid over a seven-year period. • In the past year Blackmores' financial contributions to research institutions have totalled \$650,000. • Blackmores Institute signed Memorandums of Understanding for educational partnerships with the Royal Melbourne Institute of Technology, Rangsit University Thailand, Malaysian Pharmaceutical Society, National University of Malaysia, Taylors University, Malaysia and University of Hawaii, USA. • Our educational reach expanded to over 1.2 million touchpoints through a variety of mediums to meet our diverse stakeholder needs including face-to-face, instore, in-practice, podcasts, eLearning, websites and webinars. Topics include general health and wellbeing, condition specific, nutrition, complementary medicine, ingredients and products. • Our learning modules have also been translated into several languages to accommodate our stakeholders internationally. • Blackmores Institute invested in a global multi-language online learning platform which will be rolled out in FY18. |

PERFORMANCE DATA - INVESTMENT IN RESEARCH

| INDICATOR | BOUNDARY | GRI REFERENCE | FY16 | FY17 | ASSURANCE |
|---|----------|---------------|-----------|-----------|-----------|
| Total monetary value of financial assistance to Research Institutions (\$'000) | Global | 201-1 | \$589 | \$650 | ✓ |
| Relationships with Research Bodies (EA) | Global | | | | |
| Touchpoints ²⁷ | Global | | 24 | 46 | |
| Partnerships ²⁸ | Global | | 7 | 23 | |
| Research Projects ²⁹ | Global | | 24 | 40 | |
| Number of educational touchpoints with external stakeholders (EA) ³⁰ | Global | | 447,816 | 1,215,300 | |
| Number of Advisory Line touchpoints with external stakeholders (EA) ³¹ | Global | | 47,951 | 46,508 | |
| Number of touchpoints with external stakeholders through digital media (EA) | Global | | 1,054,993 | 5,218,933 | |
| Email/Newsletter | Global | | 234,881 | 848,984 | |
| Website | Global | | 616,978 | 4,019,144 | |
| Twitter | Global | | 16,545 | 14,066 | |
| Facebook | Global | | 159,314 | 307,006 | |
| Instagram | Global | | 19,041 | 22,538 | |
| LinkedIn | Global | | 8,234 | 7,195 | |

27. Number of research bodies Blackmores has a relationship with.

28. Number of research bodies Blackmores has a commercial partnership with.

29. Number of research projects, including clinical trials.

30. Number of participants in Blackmores educational sessions.

31. Number of phone calls to the Blackmores advisory teams relating to product or conditions.

For information on assurance approach, see page 49.



CENTRE - Marcus and Caroline
Blackmore at NICM launch



Marcus Blackmore



Eddy Ong, Country Manager,
Malaysia, accepting Readers' Digest
Most Trusted Brand

04 People and Community

TO FOSTER A RESPONSIBLE WORKFORCE; A SAFE AND SECURE WORKPLACE AND TO MAINTAIN OUR 'LICENCE TO OPERATE' IN OUR COMMUNITIES AND MARKETS.

ACHIEVEMENTS

189

NEW EMPLOYEES
(21% OF OUR TOTAL
WORKFORCE)

60

NUMBER OF LOCAL COMMUNITY
ORGANISATIONS AND CHARITIES
WHO PARTICIPATED IN BLACKMORES
CHRISTMAS TWILIGHT MARKETS

100%

PARENTAL LEAVE
RETURN RATE

16

NUMBER OF DAYS
ADDITIONAL PAY
AWARDED TO STAFF
AS PROFIT SHARE



BUILDING A FLEXIBLE AND DIVERSE WORKFORCE

Blackmores employed 917 permanent full-time and part-time staff during FY17. This does not include temporary or contract staff or those employed through a partnership such as the Kalbe Blackmores Nutrition joint venture in Indonesia or product advisers in Malaysia and Thailand. With the addition of these roles, Blackmores is responsible for the employment of more than 1,200 people.

We value the importance of diversity and how it elevates our company through a rich blend of experience across age, gender, skills and culture. With offices in Australia, New Zealand and markets in Asia, we also encourage the cross-border and inter-group exchange of knowledge, supporting 26 secondments in FY17. More than 71% of Blackmores staff are female and 16% aged 50 years or older.

We are committed to creating a flexible working environment, with many employees working in part-time arrangements. In the past year, 55 staff took parental leave with 100% of staff due to return from leave choosing to remain with Blackmores. Employees on parental leave are invited to attend monthly parent groups to keep connected and maintain their wellbeing.

DEVELOPING OUR PEOPLE

As the leading natural health brand in Australia and several markets in Asia, Blackmores places strong emphasis on developing talent. In FY17 we launched our first Group-wide careers site to allow us to build our own proprietary talent database and enhance how we recruit staff across the region. We also conducted a Group-wide global salary review and participated in the Mercer International Salary Survey to ensure we have a robust remuneration framework across the APAC region.

Blackmores is continually investing in our people through training and development programs. More than 185 learning sessions were conducted in FY17, including our Leadership Development Program and Business Acumen Academy with the latter open to all staff. Popular topics ranged from 'Naturopathic Philosophies' to 'Negotiations Training' and 'Developing People's Potential through Training and Development'.

HUMAN RESOURCES MANAGEMENT SYSTEM - PHASE 2 LAUNCH

With a desire to shift towards a less transactional-focused HR team and improve our ability to utilise data to make sound workforce decisions, we launched the second phase of our Global HRM project. This involved the design and implementation of a fully automated recruitment and on-boarding solution and Blackmores Group Careers Hub and the introduction of an internal Talent Acquisition function. This has resulted in a near 100% reduction in associated paper-based processes, greatly reducing our environmental footprint. It has also enabled us to directly appeal to prospective candidates which further enhances our brand as a recognised employer of choice.

B!SAFE, B!HEALTHY

As a company in the health and wellbeing category we are focused on protecting the health and safety of our employees through safe work practices, a formal reporting process for workplace incidents, injuries and potential risks and the publication of a quarterly B!Safe newsletter for employees.

In FY17, we've seen an overall improvement in WHS performance metrics. This has predominately been due to automation, training and risk mitigation in Production. For example, the introduction of automated packing cells in 2016 removed almost half of the manual lifting in the production operator role and completely eliminated the two most significant manual handling risks in the production area.

While Blackmores records every workplace incident (including minor first aid) GRI requirements stipulate the reporting only of injuries that occur with an impairment.

- Minor incidents (first aid only) are down 14% on last year
- 86% of reported incidents resulted in no impairment with the remaining 14% experiencing short-term impairment only
- Workforce recordable injury rate is down on last year from 1.01% to 0.92%
- Workers compensation lost hours have decreased by 35% on the prior year

Recognising the diversity of our workforce, we have rolled out several programs to support staff at differing stages of their life. This includes a Working Parents program, Design Your Future seminars, and Be a Wellbeing at Work - Mental Wellbeing sessions.

STAFF WELLBEING

Health and wellbeing is core to Blackmores' values, starting with how we treat our employees around the world.

To help improve health and wellness outcomes for our staff we have an on-site corporate wellness centre at Warriewood Campus including treatment rooms, a gymnasium and swimming pool. In FY17, we conducted 1,000 fitness and yoga classes and 50 meditation sessions. A corporate wellness program is also offered to staff at BioCeuticals and Global Therapeutics. A healthy on-site staff café with subsidised meals further supports staff wellbeing.

Notably, our belief in holistic wellbeing extends to financial health with staff eligible for a long-standing profit share scheme, employee share plan and salary continuance.

PROFIT SHARE

Blackmores recognises the contribution our people make to our success through a profit share scheme. Profit share has been a key feature of the Blackmores' workplace for the last forty years. Blackmores' founder, Maurice Blackmore used to pay staff an extra weeks pay before Christmas and at the end of the financial year if it was a good year. When his son Marcus Blackmore took over the company in the mid-seventies, he changed the scheme to align the number of days extra pay to the amount of profit the company had delivered. Profit Share is now written into our Enterprise Agreement and up to 10% of company NPAT is shared amongst all permanent staff members proportionate to their salary twice a year.

SUPPORTING OUR COMMUNITIES

Blackmores recognises our responsibilities within the communities in which we operate. Each market has its own local charity initiatives, ranging from health and mental wellbeing to environment and community.

This year Blackmores supported almost 100 charitable organisations and inspirational individuals who are helping to create a brighter future.

The Blackmores Sydney Running Festival is an annual event attracting 33,000 participants in 2016 and raising more than \$1.35 million dollars for charitable organisations. The Byron Bay Lighthouse Run sponsored by Global Therapeutics and the Blackmores Run&Move event in Thailand have also helped raise funds for worthy causes.

Blackmores Malaysia employees paired charitable giving with teamwork and painted the National Cancer Society building in Kuala Lumpur bright yellow, while executive team members in Sydney donned superhero costumes to raise \$13,000 for Bear Cottage which provides respite and end-of-life care for children.

Recognising that charity starts at home, Group employees gave \$191,000 to a further 91 registered charities of their choice through our matched donations scheme whereby 0.5% of their taxable pay is donated with Blackmores matching this amount.

HIGHLIGHT

BLACKMORES CHRISTMAS TWILIGHT MARKET

Blackmores is passionate about supporting local communities and helping make a difference to health and wellbeing by working hand-in-hand with organisations who share our values.

Last December, 2,500 Christmas shoppers were able to feel good about buying gifts that give back to communities in need at the first Blackmores Twilight Charity Market.

"Blackmores is passionate about fair trade, sustainability and giving back to the community, so we supported sellers who share our view of the world to take part in a market with a difference," said Cecile Cooper, Blackmores Director of Corporate Affairs.

Held at our Warriewood Campus, the event attracted more than 60 stallholders including social enterprises and charities including:

- **Sacred by Design:** Beautiful jewellery made by landmine affected communities in Laos
- **Spirited Clothes:** Handcrafted garments made by women who have escaped sex trafficking in India and the Philippines
- **Moeloco:** For every pair of flip flops sold, a pair of sneakers is donated to an underprivileged child in India to attend school

In addition, local children's charity, Be Centre, ran a free kids crafts and activity zone whilst Exodus Foundation served up healthy nutritious meals, their profits helping to support Sydney's disadvantaged and homeless.

More than 50 Blackmores staff volunteers contributed their time to help make this charitable event a great success.





04 People and Community

OUR PEOPLE

Our success relies on our ability to attract, develop and retain a high quality, engaged and diverse workforce.

| ACTIONS/STRATEGIES | PROGRESS |
|---|--|
| <p>We strive to create a work environment which is inclusive of all people regardless of gender, age, race, disability, sexual orientation, cultural background, religion, family responsibilities or other areas of potential difference.</p> <p>We recognise the value that different perspectives and levels of experience can bring to our organisation; enabling us to attract top talent with broadened skills, experiences and ideas.</p> <p>We will create and retain a flexible workforce and working environment providing staff opportunities to manage life, family and work.</p> <p>We will focus on our strength in the ability to attract the right people with the requisite skills who are the right fit for the business.</p> <p>Blackmores will provide opportunities for our staff to develop their skills and talents through a vast array of learning and training opportunities.</p> | <p>Our Workforce:</p> <ul style="list-style-type: none"> 917 employees globally in permanent full-time and part-time roles. 70% aged between 30-49 years of age and 16.5% are over 50. 71% are females. 35% based in Asia. Numerous staff speak two or more languages. Employee turnover: Asia 11.9%, Australia 16.9%. <p>Foster an inclusive culture:</p> <ul style="list-style-type: none"> Blackmores' Diversity Policy was reviewed in August 2017. We have achieved our current diversity targets with representation of women equating to 28% of the Board of Directors and 33% of Group Executives (being direct reports to the CEO). We are on track to meet our target of 50% of the Governance Body by 2025. <p>Mature Workforce Plan:</p> <ul style="list-style-type: none"> We recognise Australia's ageing population and value mature age workers as knowledgeable employees, whose skills and experience we wish to nurture and retain within our company. We have signed up to the Corporate Champions Program, through the Australian Government, Department of Employment. <p>Flexibility at Work:</p> <ul style="list-style-type: none"> Our flexible working conditions include flexible work hours across the work week, opportunities for full-time and part-time employment, shift work and parental leave. 12% of our workforce works part-time. Our Parental Return to Work Rate was 100% for both males and females. <p>Recruitment Practices:</p> <ul style="list-style-type: none"> Launched Phase 2 of B!Connect, our global HR platform which encompassed a Blackmores Group Careers Site, full automation of our recruitment, offer and on-boarding processes and the appointment of an inaugural in-house Talent Acquisition function. Aligned to our strategic priorities, these initiatives have facilitated direct candidate sourcing, engagement and tracking, a 100% reduction in paper-based HR processes and a decreased reliance on external recruitment agencies. <p>Talent Management:</p> <ul style="list-style-type: none"> Appointed a Talent Acquisition Manager responsible for adoption of best-practice workforce and succession planning, talent pipeline creation and internal capability development and enhanced our on-boarding and off-boarding process to proactively manage new hire engagement and retention. <p>Learning and Development:</p> <ul style="list-style-type: none"> Under good governance, our employees must undertake a number of mandatory training and learning sessions on policies and procedures throughout the year. Staff also have the opportunity to participate in voluntary learning sessions through a variety of formats including lunch-and-learns, eLearning, workshops and business acumen training providing insights into different aspects of our day-to-day business. More than 185 voluntary learning sessions were conducted in FY17. 100% of our workforce participate in regular performance reviews. |

PERFORMANCE DATA - OUR PEOPLE

| INDICATOR | BOUNDARY | GRI REFERENCE | FY16 | FY17 | ASSURANCE |
|--|----------|---------------|------|------|-----------|
| Total Workforce (EA) ³² | Global | 102-7 | 843 | 917 | ✓ |
| Total Workforce, by age group (EA) ³² | | | | | |
| <30 years of age | Global | 401-1 | 125 | 122 | ✓ |
| 30 - 49 years of age | Global | 401-1 | 574 | 643 | ✓ |
| >50 years of age | Global | 401-1 | 144 | 152 | ✓ |

32. 'Workforce' includes all permanent full-time and part-time employees inclusive of the Executive Team. It does not include casual or contract staff.

For information on assurance approach, see page 49.

PERFORMANCE DATA – OUR PEOPLE (CONT.)

| INDICATOR | BOUNDARY | GRI REFERENCE | FY16 | FY17 | ASSURANCE |
|--|----------|---------------|-------|-------|-----------|
| Workforce, by gender (EA) ³² | | | | | ✓ |
| Male | Global | 401-1 | 240 | 254 | ✓ |
| Female | Global | 401-1 | 603 | 663 | ✓ |
| Workforce, by region (EA) ³² | | | | | |
| AUS/NZ | Global | 401-1 | 578 | 597 | ✓ |
| ASIA | Global | 401-1 | 265 | 320 | ✓ |
| Workforce Gender Ratio (Male: Female) ³² | Global | 401-1 | 29:71 | 28:72 | |
| Temporary Employees, by age group (EA) ^{32, 33} | | | | | |
| <30 years of age | Global | 102-8 | N/A | 23 | ✓ |
| 30 - 49 years of age | Global | 102-8 | N/A | 38 | ✓ |
| >50 years of age | Global | 102-8 | N/A | 7 | ✓ |
| Temporary Employees, by gender (EA) ^{32, 33} | | | | | |
| Male | Global | 102-8 | N/A | 12 | ✓ |
| Female | Global | 102-8 | N/A | 56 | ✓ |
| Temporary Employees, by region (EA) ^{32, 33} | | | | | |
| AUS/NZ | Global | 102-8 | N/A | 50 | ✓ |
| ASIA | Global | 102-8 | N/A | 18 | ✓ |
| New Employee Hires (EA) ³² | Global | 401-1 | 91 | 189 | ✓ |
| New Employee Hire Rate (%) ³² | Global | 401-1 | 11% | 21% | ✓ |
| New Employee Hires, by age group (EA) ³² | | | | | |
| <30 years of age | Global | 401-1 | 27 | 34 | ✓ |
| 30 - 49 years of age | Global | 401-1 | 57 | 139 | ✓ |
| >50 years of age | Global | 401-1 | 7 | 16 | ✓ |
| New Employee Hires, by gender (EA) ³² | | | | | |
| Male | Global | 401-1 | 34 | 44 | ✓ |
| Female | Global | 401-1 | 57 | 145 | ✓ |
| New Employee Hires, by region (EA) ³² | | | | | |
| AUS/NZ | Global | 401-1 | 62 | 100 | ✓ |
| ASIA | Global | 401-1 | 29 | 89 | ✓ |
| Workforce Terminations (EA) ³² | | | N/A | 122 | |
| Employee Terminations, by age group (EA) ³² | | | | | |
| <30 years of age | Global | 401-1 | N/A | 17 | ✓ |
| 30 - 49 years of age | Global | 401-1 | N/A | 93 | ✓ |
| >50 years of age | Global | 401-1 | N/A | 12 | ✓ |
| Employee Terminations, by gender (EA) ³² | | | | | |
| Male | Global | 401-1 | N/A | 34 | ✓ |
| Female | Global | 401-1 | N/A | 88 | ✓ |

32. 'Workforce' includes all permanent full-time and part-time employees inclusive of the Executive Team. It does not include casual or contract staff.

33. Temporary Employees refers to contract staff; it excludes casual staff managed by third-party employment agencies.

For information on assurance approach, see page 49.

PERFORMANCE DATA – OUR PEOPLE (CONT.)

| INDICATOR | BOUNDARY | GRI REFERENCE | FY16 | FY17 | ASSURANCE |
|---|-----------|---------------|-------|-------|-----------|
| Employee Terminations, by region (EA) ³² | | | | | |
| AUS/NZ | Global | 401-1 | N/A | 71 | ✓ |
| ASIA | Global | 401-1 | N/A | 51 | ✓ |
| Workforce Terminations, by region (%) ³² | | | | | |
| AUS/NZ | Global | 401-1 | 5.9% | 11.9% | ✓ |
| ASIA | Global | 401-1 | 7.3% | 16.9% | ✓ |
| Total Employees under benefits scheme (EA) ^{32, 34} | Global | 401-2 | 69% | 100% | |
| Number of Employees entitled to parental leave, by gender (EA) ³² | | | | | |
| Male | Global | 401-3 | N/A | 254 | ✓ |
| Female | Global | 401-3 | N/A | 663 | ✓ |
| Number of Employees taking parental leave, by gender (EA) ³² | | | 34 | 54 | ✓ |
| Male | Australia | 401-3 | 4 | 8 | ✓ |
| Female | Australia | 401-3 | 30 | 46 | ✓ |
| Parental leave, return to work rate, by gender (%) ³² | | | | | ✓ |
| Male | Australia | 401-3 | 0% | 100% | ✓ |
| Female | Australia | 401-3 | 0% | 100% | ✓ |
| Number of Employees who returned to work after parental leave ended, by gender (EA) ³² | | | 34 | 25 | ✓ |
| Male | Australia | 401-3 | 4 | 8 | ✓ |
| Female | Australia | 401-3 | 11 | 17 | ✓ |
| Terminated Employment | Australia | 401-3 | 2 | 0 | ✓ |
| Ongoing ³⁵ | Australia | 401-3 | 17 | 29 | ✓ |
| Employees who received a regular performance review (%) ³² | Global | 404-3 | 100% | 100% | |
| Average training hours per Employee, by gender (Hours) ³² | | | 12.53 | | |
| Male | Global | 404-1 | 0 | 8.4 | ✓ |
| Female | Global | 404-1 | 0 | 9.5 | ✓ |
| Average training hours per Employee, by employee category (Hours) ³² | | | | | |
| Governance Body ³⁶ | Global | 404-1 | 0 | 2.6 | ✓ |
| Employees ³⁷ | Global | 404-1 | 0 | 9.3 | ✓ |
| Total number of profit share days, by employee (EA) | Global | | 44 | 16 | |

32. 'Workforce' includes all permanent full-time and part-time employees inclusive of the Executive Team. It does not include casual or contract staff.

33. Temporary Employees refers to contract staff; it excludes casual staff managed by third-party employment agencies.

34. Our benefits schemes include Enterprise Agreement (AUS) and comparative benefits for other countries (refer to Disclosure Index).

35. 'Ongoing' refers to employees who remain on parental leave as at 30/6/17.

36. When defining 'Governance Body' it refers to our Board and Executive Team members.

37. When defining 'Employees' we exclude Governance Body members.

For information on assurance approach, see page 49.

04 People and Community

WORK HEALTH AND SAFETY

Ensuring the health and safety of our workforce is a key priority.

| ACTIONS/STRATEGIES | PROGRESS |
|--|---|
| <p>Work health and safety laws aim to protect our workforce.</p> <p>Our management approach involves compliance with applicable relevant legislation relating to our significant locations of operations.</p> <p>In accordance with our values-based behaviours, the Blackmores B!Safe B!Healthy Policy sets out the organisation's overarching obligations as well as those expected of all employees in relation to health and safety.</p> <p>We will improve the health and wellbeing of our staff.</p> | <ul style="list-style-type: none"> The Governance Body is accountable for the implementation of the work health and safety policy. All Blackmores employees, contractors and visitors have a personal responsibility for the application of policy across the Blackmores Group globally. Blackmores' WH&S committees consisting of both Executive Team and employees meet monthly. These committees guide our approach to managing and implementing work health and safety commitments across our workforce. In FY17 the WH&S policy was reviewed and updated. Our workforce received training on the new policy to ensure work health and safety remains a focus. Formal reporting process for workplace incidents, injuries and potential risks are in place. B!Safe newsletter published quarterly highlighting WH&S activities and changes for all staff as well as tips on health and wellbeing. On-site corporate wellness centre including treatment rooms, gymnasium and swimming pool. Opportunities for health and wellness have been implemented across many of our sites. |

PERFORMANCE DATA – WORK HEALTH AND SAFETY

| INDICATOR | BOUNDARY | GRI REFERENCE | FY16 | FY17 | ASSURANCE |
|---|----------|---------------|-------|-------|-----------|
| Total workforce represented in formal joint management-worker health and safety committee (%) ³⁸ | Global | 403-1 | 100% | 100% | |
| Levels of formal joint management-worker health and safety committees (EA) ³⁸ | Global | 403-1 | 0 | 3 | |
| Workforce Recordable Injury, by type (EA) ^{38, 39} | | | | | |
| Fatalities | Global | 403-2 | 0 | 0 | ✓ |
| Injuries with permanent impairment | Global | 403-2 | 0 | 0 | ✓ |
| Injuries with long term impairment | Global | 403-2 | 2 | 0 | ✓ |
| Injuries with short term impairment | Global | 403-2 | 8 | 16 | ✓ |
| Workforce Recordable Injury, by gender (EA) ^{38, 39} | | | | | |
| Male | Global | 403-2 | 5 | 4 | ✓ |
| Female | Global | 403-2 | 5 | 12 | ✓ |
| Workforce Recordable Injury Rate (%) ^{38, 39, 40} | Global | 403-2 | 1.01% | 0.92% | ✓ |
| Male | Global | 403-2 | 0% | 0.81% | ✓ |
| Female | Global | 403-2 | 0% | 0.96% | ✓ |

38. 'Workforce' includes all permanent full-time and part-time employees inclusive of the Executive Team. It does not include casual or contract staff.

39. Please refer to Disclosures Index for commentary on Occupational Diseases.

40. Based on 100,000 standard work hours. Permanent full-time and part-time employees only. Excludes overtime and contractors.

For information on assurance approach, see page 49.

04 People and Community

COMMUNITIES

We will continue to build on our support of local communities, global partnerships, research and education initiatives to help cultivate a culture of health and wellbeing.

| ACTIONS/STRATEGIES | PROGRESS |
|--|---|
| <p>We work within many communities across Australia and overseas.</p> <p>We are committed to open and transparent communication, providing opportunities for recognising the important role that trust plays in facilitating our social licence to operate.</p> <p>We are committed to making a positive contribution to the communities in which we operate. We actively seek opportunities to engage with our communities.</p> | <ul style="list-style-type: none"> • Our Advisory Service and Technical Services lines responded to 46,508 enquiries including telephone calls, emails, live chats and web posts. • Enhanced social media presence has supported our ability to engage with our communities. Consumer interactions with digital media including electronic newsletter, website queries, Twitter, Facebook and Instagram followers increased from 1 million interactions to more than five million in FY17. • We have revised our corporate sponsorships and donations policy to ensure alignment to business priorities, sustainability goals and our corporate values. • Community events provide opportunities to engage with our stakeholders, listen to their needs and concerns, share our story and showcase our facilities. The Blackmores Christmas Twilight Market held at our Warriewood Campus attracted 60 social enterprises and local causes and 2,500 locals. • The 2016 Blackmores Sydney Running Festival drew 33,000 participants and raised more than \$1.35 million dollars for charitable organisations. • We take pride in engaging with community organisations and charities, either financially or in kind. In FY17, we gifted \$1.69M to charities and community causes including through our matched donation scheme. • The Blackmores Group supported more than 40 charitable organisations. For a full list go to Blackmores Annual Report. |

PERFORMANCE DATA - COMMUNITIES

| MEASURE | BOUNDARY | FY16 | FY17 | ASSURANCE |
|--|------------|--------|--------|-----------|
| Community Day (EA) ⁴¹ | | | | |
| Number of Charities, NGOs or Local Government bodies represented | Warriewood | 0 | 64 | |
| Number of External Attendees | Warriewood | 0 | 2,500 | |
| Number of Employees who volunteered | Warriewood | 0 | 55 | |
| Blackmores Sydney Running Festival | | | | |
| Number of Participants | Australia | 32,000 | 33,048 | |
| Number of Employees, Family & Friends who participated | Australia | 1,000 | 1,054 | |
| Number of Employees who volunteered | Australia | 30 | 15 | |

41. Community Day in FY17, refers to Blackmores Christmas Twilight Markets.

For information on assurance approach, see page 49.



DISCLOSURES INDEX

Deloitte, Blackmores' independent assurance provider, has provided limited assurance over selected subject matter included in Blackmores' 2017 Sustainability Report. Refer to Deloitte's limited assurance statement on page 60 for further detail on the scope of this assurance. Other aspects of the 2017 Sustainability Report have been subject to internal reviews and approvals.

| GRI STANDARD | DISCLOSURE | PAGE NUMBER(S) AND/OR URL(S) | COMMENTARY | OMISSION | | ASSURANCE |
|-----------------------------------|--|---|--|-----------------|--|-----------|
| | | | | PART OMITTED | REASON/ EXPLANATION | |
| GRI 101: Foundation FY16 | | | | | | |
| General Standard Disclosures | | | | | | |
| GRI 102: General Disclosures FY17 | Organisational profile | | | | | |
| | 102-1 Name of the organisation | Blackmores 2017 Annual Report, page 119 | Blackmores Ltd | | | ✓ |
| | 102-2 Activities, brands, products, and services | Blackmores 2017 Sustainability Report, page 63 | Blackmores is Australia's leading natural health company. Founded by visionary naturopath Maurice Blackmore in 1932, we combine traditional naturopathic expertise with scientific research to help people achieve optimal health and wellbeing. Our innovative high quality product range spans more than 600 vitamins, herbal and mineral supplements, and nutritional foods and is sold to consumers in 17 international markets. The primary brands are Blackmores, PAW, BioCeuticals, Blackmores Institute, IsoWhey, IsoWhey Sports, Fusion Health, and Oriental Botanicals. | | | ✓ |
| | 102-3 Location of headquarters | Blackmores 2017 Annual Report, page 119 | 20 Jubilee Avenue, Warriewood, NSW, Australia | | | ✓ |
| | 102-4 Location of operations | Blackmores 2017 Sustainability Report, page 64 | Our 'Significant locations of operation' are defined as the countries in which we operate, where we have permanent workforce and/or office. These countries are; Australia, New Zealand, Malaysia, Singapore, Hong Kong, Taiwan, Thailand, Korea, China and Indonesia. | | | ✓ |
| | 102-5 Ownership and legal form | Blackmores 2017 Annual Report, page 118 | Full commentary around ownership can be found in our Annual Report | | | ✓ |
| | 102-6 Markets served | Blackmores 2017 Sustainability Report, page 64 | Blackmores has market presence in the following countries: Australia, New Zealand, Malaysia, Singapore, Hong Kong, Taiwan, Thailand, Korea, China , Indonesia, USA, Cambodia, Kazakhstan, Mongolia, Macau, Japan, UK. The industry sector we operate in is Natural Health and our customer offerings relate to human and animal complementary medicine. Our customers are diverse and include individuals seeking natural health solutions for specific conditions and those seeking general wellbeing through supplementation. Our distribution channels include Grocery, Wholesale Pharmacy, Traditional Pharmacy and direct retail through retail store, airports and B2C. | | | ✓ |
| | 102-7 Scale of the organisation | Blackmores 2017 Sustainability Report, page 18 Blackmores 2017 Sustainability Report, page 35 Blackmores 2017 Sustainability Report, page 45 Blackmores 2017 Annual Report, page 2 | | | | ✓ |
| | 102-8 Information on employees and other workers | Blackmores 2017 Sustainability Report, page 44-46 | | ✗ | We are unable to report on employees by type, by gender. Our aim is to categorise current roles and formalise the approach taken, so that we will be able to disclose this number in future reporting. | ✓ |

For information on assurance approach, see page 49.

| GRI STANDARD | DISCLOSURE | PAGE NUMBER(S) AND/OR URL(S) | COMMENTARY | OMISSION | | ASSURANCE |
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| | | | | PART OMITTED | REASON/ EXPLANATION | |
| GRI 101: Foundation FY16 | | | | | | |
| General Standard Disclosures | | | | | | |
| GRI 102: General Disclosures FY17 | Organisational profile | | | | | |
| | 102-9 Supply chain | Blackmores 2017 Sustainability Report, page 26-28 | | | | ✓ |
| | 102-10 Significant changes to the organisation and its supply chain | Blackmores 2017 Annual Report, page 26-28 Blackmores 2017 Annual Report, page 118 | | | | ✓ |
| | 102-11 Precautionary Principle or approach | Blackmores Website - Audit and Risk Committee Charter blackmores.com.au/investorcentre | | | | ✓ |
| | 102-12 External initiatives | | All Blackmores therapeutic goods are manufactured to an international medicine standard enforced by the Australian Therapeutic Goods Administration (TGA). Blackmores' headquarters, and home of operations, is TGA licensed. | | | ✓ |
| | 102-13 Membership of associations | | NSW Business Chamber Complementary Medicine Australia (CMA) Australian Packaging Covenant Organisation (APCO). Australian Food and Grocery Council (AFGC) | | | ✓ |
| | Strategy | | | | | |
| | 102-14 Statement from senior decision-maker | Blackmores 2017 Sustainability Report, page 1 | | | | ✓ |
| | Ethics and integrity | | | | | |
| | 102-16 Values, principles, standards, and norms of behaviour | Blackmores 2017 Sustainability Report, page 10-12 | | | | ✓ |
| | Governance | | | | | |
| | 102-18 Governance structure | Blackmores 2017 Sustainability Report, page 3 | | | | ✓ |
| | Stakeholder engagement | | | | | |
| | 102-40 List of stakeholder groups | Blackmores 2017 Sustainability Report, pages 6-7 | | | | ✓ |
| | 102-41 Collective bargaining agreements | Blackmores 2017 Sustainability Report, page 41 | | | | ✓ |
| | 102-42 Identifying and selecting stakeholders | Blackmores 2017 Sustainability Report, pages 5-7 | | | | ✓ |
| | 102-43 Approach to stakeholder engagement | Blackmores 2017 Sustainability Report, page 5 | | | | ✓ |
| | 102-44 Key topics and concerns raised | Blackmores 2017 Sustainability Report, page 8 | | | | ✓ |

For information on assurance approach, see page 49.

| GRI STANDARD | DISCLOSURE | PAGE NUMBER(S) AND/OR URL(S) | COMMENTARY | OMISSION | | ASSURANCE |
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| | | | | PART OMITTED | REASON/ EXPLANATION | |
| GRI 101: Foundation FY16 | | | | | | |
| General Standard Disclosures | | | | | | |
| GRI 102: General Disclosures FY17 | Reporting practice | | | | | |
| | 102-45 Entities included in the consolidated financial statements | Blackmores 2017 Annual Report, page 106 | | | | ✓ |
| | 102-46 Defining report content and topic boundaries | Blackmores 2017 Sustainability Report, pages 5-12 | Performance Data indicated in this report been disclosed according to three reporting boundaries, Warriewood encompasses Warriewood Facility, Australia-based operations including BioCeuticals, Global operations beyond Australia. | | | ✓ |
| | 102-47 List of material topics | Blackmores 2017 Sustainability Report, page 8 | | | | ✓ |
| | 102-48 Restatements of information | Restatements of information are captured within the Disclosures Index and footnotes in associated Performance Data tables where relevant | Restatements in FY16 disclosures have been made. In our first 2016 Sustainability Report the majority of disclosures were based on indicators and data relating to our headquarters (and primary facilities) in Warriewood, Australia. This year the boundary has been expanded with many disclosures now broadened to include Australian operations. Where applicable, these have been identified as restatements within footnote commentary. | | | ✓ |
| | 102-49 Changes in reporting | Blackmores 2017 Sustainability Report, page 2 | | | | ✓ |
| | 102-50 Reporting period | Blackmores 2017 Sustainability Report, page 2 | Financial year 01/07/2016 - 30/06/2017 | | | ✓ |
| | 102-51 Date of most recent report | Blackmores 2016 Sustainability Report blackmores.com.au | Blackmores Sustainability Report, 2016 | | | ✓ |
| | 102-52 Reporting cycle | Blackmores 2017 Sustainability Report, page 2 | Annual | | | ✓ |
| | 102-53 Contact point for questions regarding the report | | Jackie Smiles, Environment and Sustainability Manager. jackie.smiles@blackmores.com.au or sustainability@blackmores.com.au | | | ✓ |
| | 102-54 Claims of reporting in accordance with the GRI Standards | Blackmores 2017 Sustainability Report, page 2 | This report has been prepared in accordance with the Global Reporting Initiative Standards: Core option | | | ✓ |
| | 102-55 GRI content index | Blackmores 2017 Sustainability Report, page 49 | | | | ✓ |
| | 102-56 External assurance | Blackmores 2017 Sustainability Report, pages 60-62 | | | | ✓ |
| Material Topics Disclosures | | | | | | |
| GRI 200 Economic Standard Series | | | | | | |
| Economic Performance | | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Blackmores 2017 Sustainability Report, page 11 | | | | ✓ |
| | 103-2 The management approach and its components | Blackmores 2017 Sustainability Report, page 35-36 | | | | ✓ |
| | 103-3 Evaluation of the management approach | Blackmores 2017 Sustainability Report, page 35-36 | | | | ✓ |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | Blackmores 2017 Sustainability Report, page 35-36 | | | | ✓ |
| | 201-4 Financial assistance received from government | Blackmores 2017 Sustainability Report, page 36 | | | | ✓ |

For information on assurance approach, see page 49.

| GRI STANDARD | DISCLOSURE | PAGE NUMBER(S) AND/OR URL(S) | COMMENTARY | OMISSION | | ASSURANCE |
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| | | | | PART OMITTED | REASON/ EXPLANATION | |
| Material Topics Disclosures | | | | | | |
| GRI 200 Economic Standard Series | | | | | | |
| Procurement Practices | | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Blackmores 2017 Sustainability Report, page 10 | | | | ✓ |
| | 103-2 The management approach and its components | Blackmores 2017 Sustainability Report, page 26-28 | | | | ✓ |
| | 103-3 Evaluation of the management approach | Blackmores 2017 Sustainability Report, page 26-28 | | | | ✓ |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | Blackmores 2017 Sustainability Report, page 25 | 68% of our spend directly related to inventory (ingredients, materials or services), occurs within Australia and therefore deemed 'local' to our significant location of operation in Australia. | | | ✓ |
| Anti-corruption | | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Blackmores 2017 Sustainability Report, page 11 | | | | ✓ |
| | 103-2 The management approach and its components | Blackmores 2017 Sustainability Report, page 37 | | | | ✓ |
| | 103-3 Evaluation of the management approach | Blackmores 2017 Sustainability Report, page 37 | | | | ✓ |
| GRI 205: Anti- corruption 2016 | 205-1 Operations assessed for risks related to corruption | Blackmores 2017 Sustainability Report, page 37 | | | | |
| | 205-2 Communication and training about anti-corruption policies and procedures | Blackmores Sustainability Report, page 37 | Focus on our values-based behaviours 'the Blackmores Way' are set out in our revised Code of Conduct which was launched in October 2016. 'The Blackmores Way' is a key component of our corporate governance framework. In November 2016 a group wide certification process called 'Novembication' was undertaken. The Governance Body (Executive Team) and our Employees were required to confirm their commitment to. 'The Blackmores' Way', and our anti-bribery and corruption related policies. The Board were asked to undertake 'Novembication' separately in 2017. | ✗ | Our disclosures do not include data on the 'Total number and percentage of business partners that the organisation's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region'. We do not currently have systems in place to record this information. However, our anti-corruption policies and procedures are communicated to all suppliers and contractors as part of our contractual documentation and more reinforced through our Supplier Code of Conduct. | ✓ |
| | 205-3 Confirmed incidents of corruption and actions taken | Blackmores Sustainability Report, page 37 | | | | |

For information on assurance approach, see page 49.

| GRI STANDARD | DISCLOSURE | PAGE NUMBER(S) AND/OR URL(S) | COMMENTARY | OMISSION | | ASSURANCE |
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| | | | | PART OMITTED | REASON/ EXPLANATION | |
| Material Topics Disclosures | | | | | | |
| GRI 200 Economic Standard Series | | | | | | |
| Anti-competitive Behaviour | | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Blackmores Sustainability Report, page 11 | | | | |
| | 103-2 The management approach and its components | Blackmores Sustainability Report, page 37 | | | | |
| | 103-3 Evaluation of the management approach | Blackmores Sustainability Report, page 37 | | | | |
| GRI 206: Anti-competitive Behaviour 2016 | 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | Blackmores Sustainability Report, page 37 | | | | |
| GRI 300 Environmental Standards Series | | | | | | |
| Energy | | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Blackmores 2017 Sustainability Report, page 9 | | | | ✓ |
| | 103-2 The management approach and its components | Blackmores 2017 Sustainability Report, page 18 | | | | ✓ |
| | 103-3 Evaluation of the management approach | Blackmores 2017 Sustainability Report, page 18 | | | | ✓ |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organisation | Blackmores 2017 Sustainability Report, page 18 | | | | ✓ |
| | 302-3 Energy intensity | Blackmores 2017 Sustainability Report, page 18 | | | | ✓ |
| Water | | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Blackmores 2017 Sustainability Report, page 9 | | | | ✓ |
| | 103-2 The management approach and its components | Blackmores 2017 Sustainability Report, page 10 | | | | ✓ |
| | 103-3 Evaluation of the management approach | Blackmores 2017 Sustainability Report, page 11 | | | | ✓ |
| GRI 303: Water 2016 | 303-1 Water withdrawal by source | Blackmores 2017 Sustainability Report, page 17 | Actual water consumption data is captured for our Warriewood facility. Water consumption for our other Australian-based locations has been estimated based on owned or leased areas, using the Warriewood consumption as a proxy. | | | ✓ |
| Biodiversity | | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Blackmores 2017 Sustainability Report, page 10 | | | | |
| | 103-2 The management approach and its components | Blackmores 2017 Sustainability Report, page 28 | | | | |
| | 103-3 Evaluation of the management approach | Blackmores 2017 Sustainability Report, page 28 | | | | |
| GRI 304: Biodiversity | 304-3 Habitats protected or restored | | Since Blackmores’ partnership with the World Wide Fund (WWF) in 2012, considerable work has been done to protect the oceans and to ensure our fish oil is being sourced sustainably. We entered into a Fisheries Improvement Program for our Peruvian fishery which addresses the ecological issues the fishery faces and assists in achieving MSC certification. | | | |

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| | | | | PART OMITTED | REASON/ EXPLANATION | |
| Material Topics Disclosures | | | | | | |
| GRI 300 Environmental Standards Series | | | | | | |
| Emissions | | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Blackmores 2017 Sustainability Report, page 9 | | | | ✓ |
| | 103-2 The management approach and its components | Blackmores 2017 Sustainability Report, page 20 | | | | ✓ |
| | 103-3 Evaluation of the management approach | Blackmores 2017 Sustainability Report, page 21 | | | | ✓ |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Blackmores 2017 Sustainability Report, page 20 | Scope 1 emissions includes fleet (transport fuels) and synthetic refrigerants | | | ✓ |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Blackmores 2017 Sustainability Report, page 20 | Scope 2 emissions includes electricity, hot water boiler and hot/chilled water | | | ✓ |
| | 305-2 Energy indirect (Scope 3) GHG emissions | Blackmores 2017 Sustainability Report, page 20 | Scope 3 - Business travel air - FY16 and FY17 air travel includes DEFRA's required distance uplift and includes radiative forcing. | | | |
| | 305-4 GHG emissions intensity | Blackmores 2017 Sustainability Report, page 20 | | | | |
| Effluent and Waste | | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Blackmores 2017 Sustainability Report, page 9 | | | | ✓ |
| | 103-2 The management approach and its components | Blackmores 2017 Sustainability Report, page 19 | | | | ✓ |
| | 103-3 Evaluation of the management approach | Blackmores 2017 Sustainability Report, page 19 | | | | ✓ |
| GRI 306: Effluent and Waste 2016 | 306-1 Water discharge by quality and destination | Blackmores 2017 Sustainability Report, page 19 | We recognise the boundary for this set of disclosures is Warriewood. Over the next 12 months our aim is to expand this include all Australian operations. | | | |
| | 306-2 Waste by type and disposal method | Blackmores 2017 Sustainability Report, page 19 | We recognise the boundary for this set of disclosures is Warriewood. Over the next 12 months our aim is to expand this include all Australian operations. All waste is non-hazardous. | | | ✓ |
| Environmental Compliance | | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | | | | | |
| | 103-2 The management approach and its components | | | | | |
| | 103-3 Evaluation of the management approach | | | | | |
| GRI 307: Environmental Compliance 2016 | 307-1 Non-compliance with environmental laws and regulations | Blackmores 2017 Sustainability Report, page 21 | In the past year Blackmores received two 'notices to comply' from Northern Beaches Council. 1. Noise Conditions detailed in Blackmores DA Consent for 20 Jubilee Ave Warriewood was received on 9th August 2016 2. Notice of unauthorised works undertaken on 15 Jubilee Ave was received on 13th October 2016 Corrective actions have been undertaken to ensure compliance. | | | |

For information on assurance approach, see page 49.

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| | | | | PART OMITTED | REASON/ EXPLANATION | |
| Material Topics Disclosures | | | | | | |
| Corrective actions have been undertaken. | | | | | | |
| Employment | | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | Blackmores 2017 Sustainability Report, page 12 | | | | ✓ |
| | 103-2 The management approach and its components | Blackmores 2017 Sustainability Report, page 44-46 | | | | ✓ |
| | 103-3 Evaluation of the management approach | Blackmores 2017 Sustainability Report, page 44-46 | | | | ✓ |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | Blackmores 2017 Sustainability Report, page 45 | | ✗ | The New Employee Hire Rate has only been calculated based on the total number of New Employee Hires by the Total Workforce (Permanent), and has not been broken down by age group, gender and region. However, the number of new hires per these breakdown have been included. Similarly, while the number of terminations by age group, gender and region have been disclosed, the Employee Turnover Rate has only been disclosed by region. This omission is due to a lack of available systems to capture this data. | ✓ |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Blackmores 2017 Sustainability Report, page 46 | Our workforce refers to permanent full-time/part-time employees working for Blackmores group. Temporary employees refers to staff who work for and are paid by Blackmores: it does not include contract staff who are managed by third-party employment agencies or are employed under JVs. | | | |
| | 401-3 Parental leave | Blackmores 2017 Sustainability Report, page 46 | Parental leave calculations are based on our workforce which refers to permanent full-time/part-time employees working for Blackmores Group. | ✗ | As noted in the 2017 Blackmores Sustainability Report, our disclosures do not include data on the number of employees retained 12 months after returning from parental leave, by gender. This omission is due to a lack of available systems to capture this data. | ✓ |

For information on assurance approach, see page 49.

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| | | | | PART OMITTED | REASON/ EXPLANATION | |
| Material Topics Disclosures | | | | | | |
| Corrective actions have been undertaken. | | | | | | |
| Occupational Health and Safety | | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Blackmores 2017 Sustainability Report, page 12 | | | | ✓ |
| | 103-2 The management approach and its components | Blackmores 2017 Sustainability Report, page 47 | | | | ✓ |
| | 103-3 Evaluation of the management approach | Blackmores 2017 Sustainability Report, page 47 | | | | ✓ |
| GRI 403: Occupational Health and Safety 2016 | 403-1 Workers representation in formal joint management-worker health and safety committees | Blackmores 2017 Sustainability Report, page 47 | Blackmores has multi-facility Work Health & Safety Committees in place as well as regional and Group reporting. | | | |
| | 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | Blackmores 2017 Sustainability Report, page 47 | Recordable Injury Rate per 100,000 work hours is based on our total workforce hours and therefore refers to permanent full-time/part-time employees working for Blackmores Group. | | Disclosures do not include data on occupational disease rate, lost day rate and absentee rate. The occupational disease rate has been omitted due to the low risk nature of Blackmores' operations - hence this indicator is not material. Minor (first aid level) injuries have been excluded in the recordable injury rate. The omission of the absentee rate is due to a lack of available systems to capture this information In addition, Blackmores also notes that there was one recordable incident relating to a contractor during the reporting period. Given that Blackmores does not capture hours worked for contractors, the respective recordable injury rate for contractors has not been disclosed. | ✓ |
| | | | | ✗ | | |
| | 403-3 Workers with high incidence or high risk of diseases related to their occupation | Blackmores 2017 Sustainability Report, page 47 | Blackmores operations and activities are deemed 'low risk' in relation to occupational diseases. | | | |
| | 403-4 Health and safety topics covered in formal agreements with trade unions | Blackmores 2017 Sustainability Report, page 45 | | | | |

For information on assurance approach, see page 49.

| GRI STANDARD | DISCLOSURE | PAGE NUMBER(S) AND/OR URL(S) | COMMENTARY | OMISSION | | ASSURANCE |
|--|---|---|--|-----------------|------------------------|-----------|
| | | | | PART OMITTED | REASON/ EXPLANATION | |
| Material Topics Disclosures | | | | | | |
| Corrective actions have been undertaken. | | | | | | |
| Training and Education | | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Blackmores 2017 Sustainability Report, page 12 | | | | ✓ |
| | 103-2 The management approach and its components | Blackmores 2017 Sustainability Report, page 44-46 | | | | ✓ |
| | 103-3 Evaluation of the management approach | Blackmores 2017 Sustainability Report, page 44-46 | | | | ✓ |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | Blackmores 2017 Sustainability Report, page 46 | Blackmores’ recorded training and average training hours are based on course or module completion dates. The disclosure includes training undertaken by individuals conducted at external venues, hosted by third parties and where our employees have recorded their attendance in our internal training system. | | | ✓ |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | Blackmores 2017 Sustainability Report, page 46 | | | | |
| Public Policy | | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Blackmores 2017 Sustainability Report, page 11 | | | | |
| | 103-2 The management approach and its components | Blackmores 2017 Sustainability Report, page 37 | | | | |
| | 103-3 Evaluation of the management approach | Blackmores 2017 Sustainability Report, page 37 | | | | |
| GRI 415: Public Policy 2016 | 415-1 Political contributions | Blackmores 2017 Sustainability Report, page 37 | | | | |
| Customer Health and Safety | | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Blackmores 2017 Sustainability Report, page 10 | | | | ✓ |
| | 103-2 The management approach and its components | Blackmores 2017 Sustainability Report, page 27 | | | | ✓ |
| | 103-3 Evaluation of the management approach | Blackmores 2017 Sustainability Report, page 27 | | | | ✓ |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | Blackmores 2017 Sustainability Report, 25 and 27 | All new products undergo a detailed quality and regulatory assessment. | | | |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | Blackmores 2017 Sustainability Report, 27 | While there have been no ‘incidents of non-compliance with voluntary codes concerning the Heath and Safety of our products or services’, over the FY17 period, Blackmores received 19 reports of adverse events from customers. Following detailed investigations, 12 of these adverse events were justified and reported to the Therapeutic Goods Administration as part of our voluntary monitoring program. | | | ✓ |

For information on assurance approach, see page 49.

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|--|--|--|--|-----------------|------------------------|-----------|
| | | | | PART OMITTED | REASON/ EXPLANATION | |
| Material Topics Disclosures | | | | | | |
| Corrective actions have been undertaken. | | | | | | |
| Marketing and Labelling | | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Blackmores 2017 Sustainability Report, page 10 | | | | |
| | 103-2 The management approach and its components | Blackmores 2017 Sustainability Report, 27 | | | | |
| | 103-3 Evaluation of the management approach | Blackmores 2017 Sustainability Report, 27 | | | | |
| GRI 417: Marketing and Labelling 2016 | 417-1 Requirements for product and service information and labelling | Blackmores 2017 Sustainability Report, 27 | | | | |
| | 417-2 Incidents of non-compliance concerning product and service information and labelling | Blackmores 2017 Sustainability Report, 27 | This metric refers to reporting Section 30s under the Therapeutic Goods Administration. | | | |
| Customer Privacy | | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Blackmores 2017 Sustainability Report, page 9 | | | | ✓ |
| | 103-2 The management approach and its components | Blackmores 2017 Sustainability Report, page 21 | | | | ✓ |
| | 103-3 Evaluation of the management approach | Blackmores 2017 Sustainability Report, page 21 | | | | ✓ |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Blackmores 2017 Sustainability Report, page 21 | <p>Blackmores received no complaints regarding breaches of customer privacy arising as a result of its conduct. A third party managing the Blackmores sponsored Sydney Running Festival ('BSRF') event experienced a cyber breach of their database and, as a result, certain individuals had some personal information compromised. After the third party advised us of the breach, Blackmores took immediate action to consider whether its conduct caused or contributed to these matters and if additional controls were required. We also assessed the corrective actions that the third party took to inform individuals and mitigate future occurrences.</p> <p>Attempts to use fraudulently obtained credit card information to purchase goods from Blackmores e-commerce websites are not uncommon to us, or for that matter, any commercial entity selling online. Blackmores has in place third-party fraud management and payment platforms to ensure these activities are detected and managed in the appropriate fashion.</p> <p>In preparation for the change in privacy breach reporting requirements coming into effect in February 2018, Blackmores is reviewing its privacy compliance generally.</p> | | | ✓ |

For information on assurance approach, see page 49.



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Independent Limited Assurance Opinion to the Management of Blackmores Limited in relation to Blackmores Limited's 2017 Sustainability Reporting

We have carried out a limited assurance engagement on the subject matter detailed below (the 'Subject Matter') presented in Blackmores Limited's 2017 Sustainability Report in order to state whether anything has come to our attention that would cause us to believe that the Subject Matter has not been reported and presented fairly, in all material respects, in accordance with the reporting criteria described below ('Reporting Criteria').

SUBJECT MATTER AND REPORTING CRITERIA

The Subject Matter and Reporting Criteria for our limited assurance engagement for the year ended 30 June 2017 is as follows:

| Subject Matter | Reporting Criteria |
|---|--|
| <p>Selected Standard Disclosure Indicators</p> <p>The following selected Sustainability Standard Disclosure Indicators ('Sustainability Indicators') for the period ended 30 June 2017 included within the Specific Standard Disclosure requirements of the Global Reporting Initiative's Standards ('GRI Standards'):</p> <ul style="list-style-type: none"> • Direct economic value generated and distributed [Disclosure 201-1] • Financial assistance received from government [Disclosure 201-4] • Proportion of spending on local suppliers [Disclosure 204-1] • Communication and training on anti-corruption policies and procedures [Disclosure 205-2] • Energy intensity [Disclosure 302-3] • Water withdrawal by source [Disclosure 303-1] • Direct (Scope 1) GHG Emissions and Energy indirect (Scope 2) GHG Emissions [Disclosure 305-1] [Disclosure 305-2] • Waste by type and disposal method [Disclosure 306-2] • New employee hires and employee turnover [Disclosure 401-1] • Parental leave [Disclosure 401-3] • Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities [Disclosure 403-2] • Average hours of training per year per employee [Disclosure 404-1] • Incidents of non-compliance concerning the health and safety impacts of products and services [Disclosure 416-2] • Substantiated complaints concerning breaches of customer privacy and losses of customer data [Disclosure 418-1] • Total production (packing) volume [Blackmores Specific Disclosure] | <p>Specific standard disclosure requirements of the GRI Standards, Blackmores' 2017 GRI Index, and relevant internal policies and procedures</p> |

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| Subject Matter | Reporting Criteria |
|---|---|
| GRI Standards FY17 Sustainability Report in accordance with the core option prepared in accordance with the requirements of the GRI standards | The GRI Standards and related information, publicly available at GRI's website at https://www.globalreporting.org/standards/ |

BLACKMORES' RESPONSIBILITIES

The Directors of Blackmores are responsible for the preparation and presentation of the Subject Matter in the 2017 Sustainability Report in accordance with the Reporting Criteria. This responsibility includes establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter in the 2017 Sustainability Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate reporting criteria; maintaining adequate records and making estimates that are reasonable in the circumstances.

DELOITTE'S INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

DELOITTE'S RESPONSIBILITIES

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('ASAE 3000'), issued by the Australian Auditing and Assurance Standards Board in order to express a conclusion whether, based on the procedures performed and the evidence obtained, anything has come to our attention that causes us to believe that the Subject Matter has not been prepared and presented in all material respects in accordance with the Reporting Criteria. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter is free from material misstatement.

A limited assurance engagement in accordance with ASAE 3000 involves identifying areas where a material misstatement of the Subject Matter information is likely to arise, addressing the areas identified and considering the process used to prepare the Subject Matter in the 2017 Sustainability Report. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and consisted primarily of:

- Interviewing respective Sustainability Indicator data owners to confirm approach for collating, calculating and reporting respective Sustainability Indicators in the draft 2017 Sustainability Report
- Completing walkthroughs of key systems and processes used / relied upon to compile the Sustainability Indicators
- For each selected Sustainability Indicator, obtaining and reviewing underlying evidence to assess the accuracy and completeness of the reported Indicators and supporting audit trail
- Completing analytical reviews over material data streams to identify any anomalies / gaps for selected Sustainability Indicators.



The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express an opinion providing reasonable assurance about whether the Subject Matter in the 2017 Sustainability Performance Report has been properly prepared and presented, in all material respects, in accordance with the Reporting Criteria.

INHERENT LIMITATIONS

Non-financial information, including the Subject Matter may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating and sampling or estimating such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments. The Subject Matter should be read in the context of Blackmores' Reporting Criteria as set out in the 2017 Sustainability Performance Report.

LIMITATIONS OF USE

This report is made solely to the Directors of Blackmores in accordance with our engagement letter dated 20 February 2017, for the purpose of providing limited assurance over Blackmores' Sustainability Report for the year ended 30 June 2017. We disclaim any assumption of responsibility for any reliance on this report or on the Subject Matter to which it relates, to any person other than the Directors of Blackmores or for any purpose other than that for which it was prepared.

MATTERS RELATING TO ELECTRONIC PRESENTATION OF INFORMATION

Our limited assurance engagement included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of the 2017 Sustainability Report after the date of this assurance statement.

CONCLUSION

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been properly prepared and presented, in all material respects, in accordance with the Reporting Criteria for the year ended 30 June 2017.

A handwritten signature in black ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink that appears to read "PR Dobson".

PR Dobson
Partner
Sydney, 4 October 2017

About Blackmores

Blackmores is Australia's leading natural health company. Founded by visionary naturopath Maurice Blackmore in 1932, Blackmores combines traditional naturopathic expertise with scientific research to help people achieve optimal health and wellbeing. Committed to developing innovative natural health products and services of the highest quality, Blackmores reaches consumers in 17 countries.



Blackmores' extensive range of vitamins, herbal and mineral supplements, and nutritional foods uses premium ingredients from around the world, with products made to strict Australian manufacturing standards with rigorous quality checks. Blackmores respects the innate link between healthy people and a healthy planet, implementing sustainable packaging and waste-reduction practices and supporting charitable community initiatives.

Industry leaders for more than 85 years, Blackmores established the Blackmores Institute to drive an evidence-based approach to natural health through education, research and professional advisory services. For health professionals and consumers alike, Blackmores is a trusted source of natural health advice.

With a strong naturopathic heritage, Blackmores is an ASX 200 publicly listed company. The Group manages more than 1,200 people including 917 permanent full-time and part-time staff across Asia-Pacific and includes:

- Blackmores, our flagship brand of more than 600 products;
- BioCeuticals, Australia's leading practitioner range;
- Pure Animal Wellbeing, natural health products for pets; and
- Global Therapeutics, Australia's leading provider of Chinese herbal medicine.

The Blackmores Campus head office and production facility is located on Sydney's Northern Beaches.



OUR VALUES

Blackmores' values are at the heart of our business. These values, known as PIRLS, are both behavioural and aspirational. They underpin our work practices and are supported by legal policies and procedures.

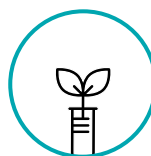
Passion for Natural Health

Integrity

Respect

Leadership

Social Responsibility



OUR PURPOSE

Blackmores improves people's lives by delivering the world's best natural health solutions. We achieve this by translating our unrivalled heritage and knowledge into innovative, quality branded healthcare solutions that work.

OUR BRANDS



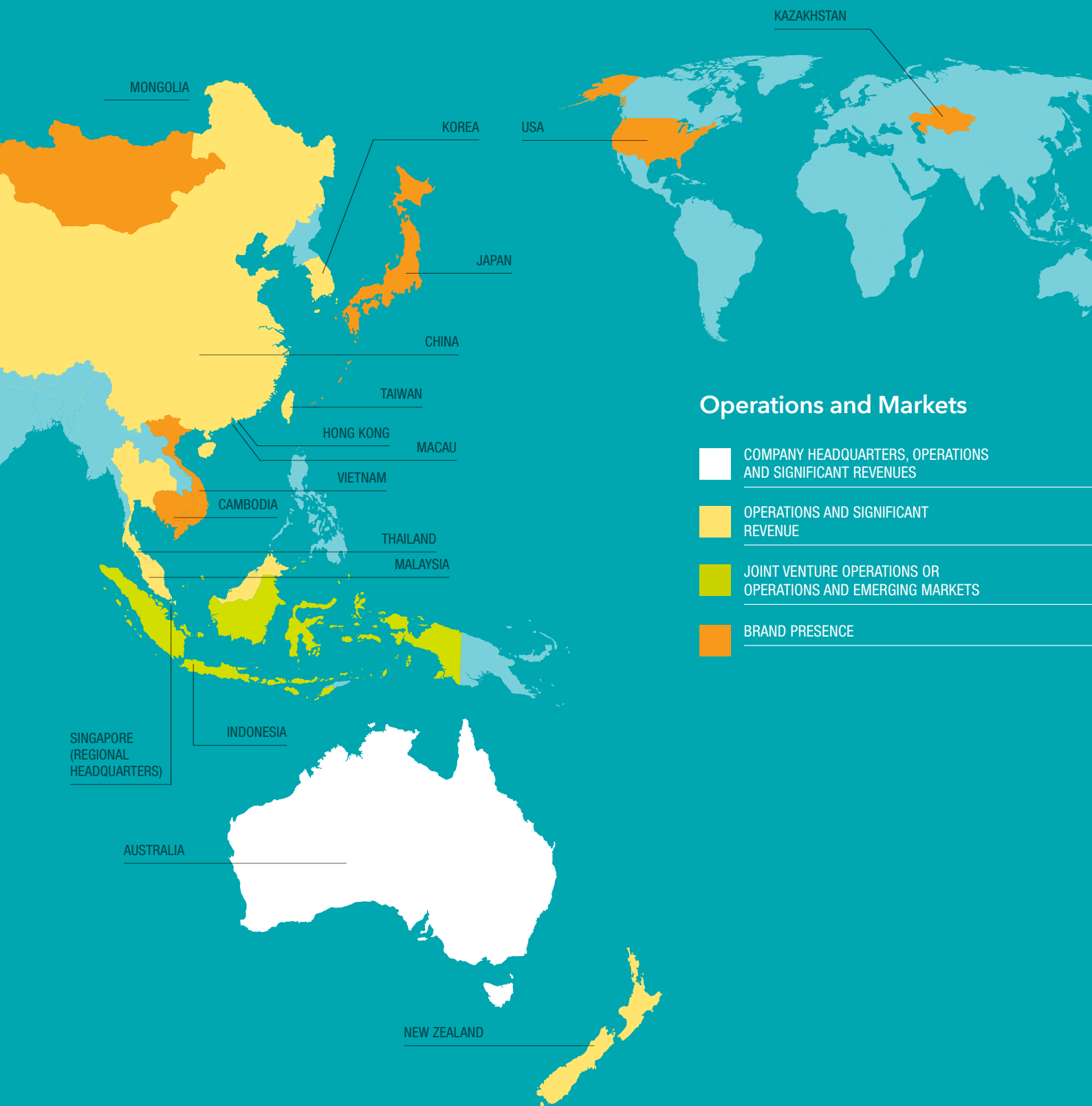
ISOWHEY

BIOCEUTICALS

BLACKMORES

PURE ANIMAL
WELLBEINGFUSION
HEALTHORIENTAL
BOTANICALS

GLOBAL FOOTPRINT





The background is a solid teal color. On the right side, there is a large, dark teal circular shape that partially overlaps the main background. The company name and contact details are positioned within this circular area.

BLACKMORES®

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