



Sustainability Report 2018

BLACKMORES®

Healthy People,
Healthy Planet

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Assurance

Cover: Michael Evans, Head of Innovation & Development, Blackmores Australia and Cirby Denneman, Assistant Product Manager, Blackmores Australia, in the wholefoods garden at the Blackmores Campus.



SUSTAINABILITY CONTACTS

If you have any feedback or questions about Blackmores 2018 Sustainability Report or our sustainability initiatives, please contact:
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About This Report

Each year, Blackmores provides a transparent account of our performance in relation to the social, environmental and economic challenges and opportunities facing our business, our industry and the communities that we operate in.

This report details our performance in the financial year ending 30 June 2018 (FY18) 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 (ACSI) and the Financial Services Council (FSC).
- Global Reporting Initiative (GRI) Standards: Core option requirements which represent global best 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.

A review of our material issues considering economic, environmental and social impacts that have the potential to affect our ability to meet the needs of the present and future have been prioritised. This will enable us to focus on the matters of greatest importance to our stakeholders and on those issues where we can affect change.

The scope of the information collated, including material issues, boundaries, performance and measures is 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.

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.

Deloitte was engaged to undertake limited assurance of selected subject matter contained in this report, providing additional credence to our disclosures of the 2018 Sustainability Report.



12%
reduction in greenhouse gas emissions



71%
of waste diverted from landfill



74
research projects, clinical trials and scholarly activities in progress



82%
employee engagement



7,543
pairs of shoes donated to underprivileged students in Thailand

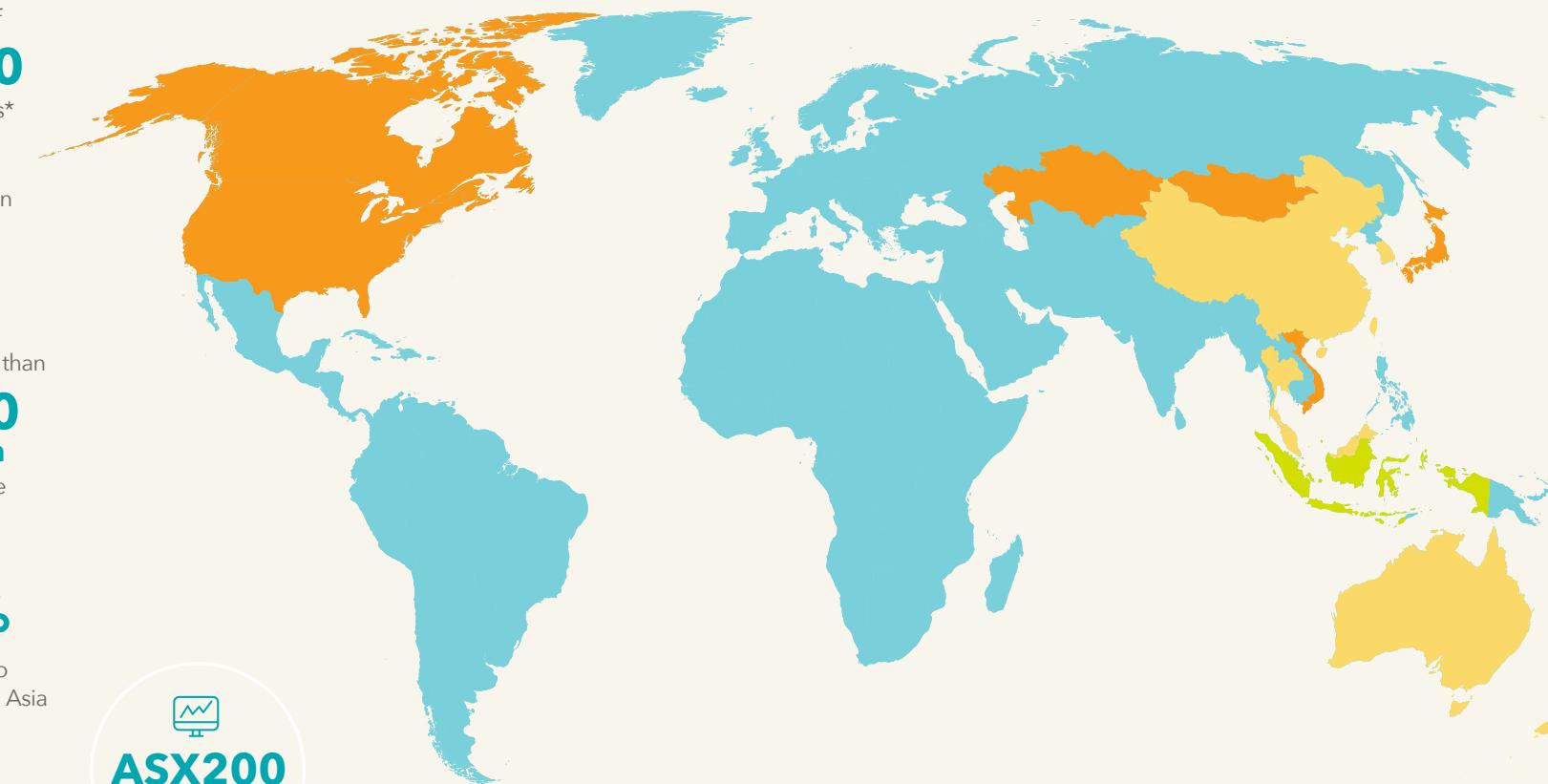
About Us

A team of
1,400
employees*

Operates in
17
markets

Delivers more than
\$600 million
in revenue

Almost
50%
of sales to
consumers in Asia



600
product
formulations

Produced
4.6 billion
tablets and
capsules

40,000+
points of
distribution

86
years of
heritage

Our Brands

01

BLACKMORES®

02

BioCeuticals

03

ISOWHEY®

04

FUSION® 康
ancient wisdom modern medicine™

05

Oriental Botanicals®
ancient wisdom modern medicine™

06

paw Pure Animal Wellbeing
by BLACKMORES

07

**BLACKMORES
INSTITUTE**

Operations and Markets

COMPANY HEADQUARTERS, OPERATIONS
AND SIGNIFICANT REVENUES

JOINT VENTURE OPERATIONS OR
OPERATIONS AND EMERGING MARKETS

BRAND PRESENCE

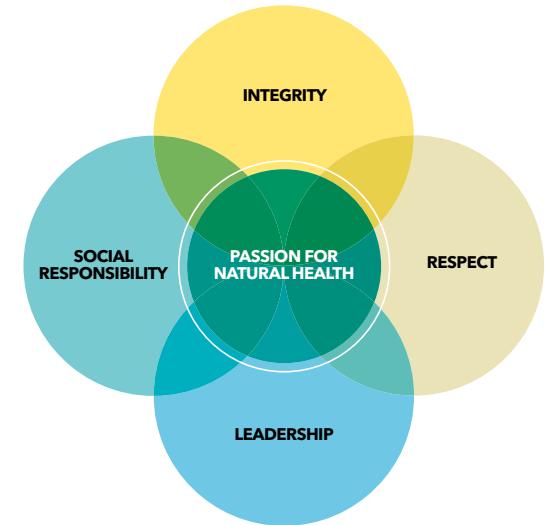
Our Purpose

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 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.



What We Do

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.

The Blackmores Group produces a range of 1,500 products including vitamin, herbal and mineral supplements and nutritional foods, using premium ingredients sourced from around the world. These products are made to strict Australian manufacturing standards with rigorous quality checks. In this past year, Blackmores sold 45 million product units through over 40,000 points of distribution including pharmacy, health food and grocery stores, television and e-commerce platforms. Our reach extends to 17 markets, with 10 locations of significant operations, predominantly across Asia-Pacific. The Blackmores Institute drives an evidence-based approach to natural health through education, research and professional advisory services.

Blackmores is committed to the environmental, social and economic sustainability of our actions and decisions and

how these impact all our stakeholders now and in the future. Industry leaders for 86 years, we are continually exploring new ways to ensure the responsible sourcing of ingredients, develop innovative sustainable packaging solutions and increase recycling rates. We work closely with our suppliers to preserve natural resources and partner with like-minded leaders in sustainability.

Blackmores has a long-term commitment to social responsibility and giving back to the communities in which we operate. Our company strives to make a difference to health and wellbeing by supporting charitable organisations and inspirational individuals who are helping to create a brighter future.

With a strong naturopathic heritage, Blackmores is an ASX200 publicly listed company with a net revenue of \$601 million. The Blackmores Group manages more than 1,400 people including 994 permanent full-time and part-time staff across Asia-Pacific. The Blackmores Campus head office and packaging facility is located on Sydney's Northern Beaches and our Asia headquarters is located in Singapore.

CEO's Message

In 2018 Blackmores was recognised as the Reader's Digest Most Trusted Vitamin and Supplement brand in Australia for the 10th consecutive year. Trust placed in our brand by consumers is testament to the strong values that have underpinned our business for 86 years. Our founder Maurice Blackmore had an unwavering commitment to social responsibility and the protection of the environment, based on his belief that you can't have healthy people without a healthy planet.

These values remain at the heart of Blackmores' business and are reflected in our corporate governance, workplace practices and support for the community.

As Australia's leading natural health brand, Blackmores is committed to creating positive social and economic change for the health and wellbeing of all our stakeholders, including our partners, customers, employees and the community at large.

Our sustainably focus for FY18 was based on consultation with our stakeholders to evaluate and prioritise the sustainability issues identified as material to our business. Our 2018 Sustainability Report details progress across these 16 material topics aligned to our four sustainability goals:

01 Tread Lightly

02 Source Responsibly

03 Lead the Change

04 Improve Wellbeing

This report has been prepared in accordance with the GRI Standards: Core option requirements and provides us with the opportunity for year-on-year measurement of our sustainability journey, highlighting our achievements, challenges and areas for improvement.

We have progressed against our sustainability goals:

- In our bid to reduce our carbon footprint we've reduced the greenhouse gas intensity of operations and recovered more from waste streams than in previous years.
- As part of our responsible sourcing journey, we adopted the ISO 20400 procurement framework and have developed an action plan to incorporate the *Modern Slavery Act 2018*.
- As industry leaders, we continued to invest in research and education, reaching 1.5 million consumers, customers and health professionals in FY18.
- To support wellbeing in the communities we operate in, we partnered with charitable initiatives across Asia-Pacific including the Bumi Sehat Foundation in Indonesia which works to improve maternal and child health.

In the 2018 financial year Blackmores achieved strong year-on-year revenue and profit growth. However, it was a challenging year across our supply chain, with supply constraints resulting in inventory out of stocks impacting sales across many of Blackmores' brands and regions. A program of work has been initiated to mitigate this challenge and we recognise the need for continued focus to strengthen our systems, processes and capabilities to support

greater visibility and insights across multiple tiers in our complex global supply chains.

We were very pleased with the results of our FY18 employee survey which showed an engagement score of 82%, 14 points above the industry benchmark. This is testament to our strong workplace practices and people-first culture which we are committed to continually improving.

I would like to this take this opportunity to thank our hardworking teams for their passion for our brand. It takes a committed team working together to continue providing quality natural health solutions now and into the future.

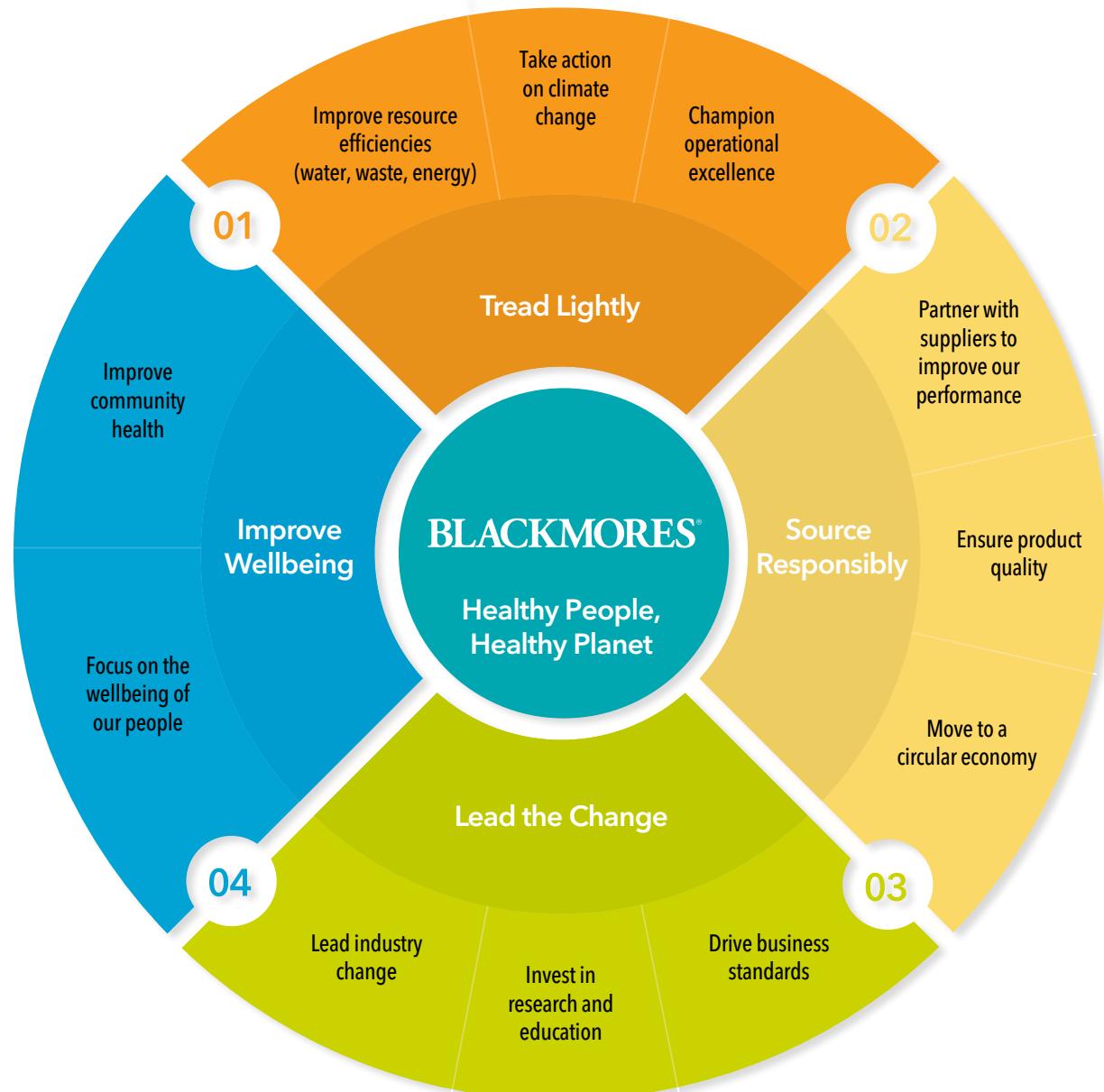
I hope you enjoy reading about our progress and plans for shaping our future and creating positive change to improve health and wellbeing.



Richard Henfrey
Chief Executive Officer



Our Sustainability Goals



Summary of the Year in Review*

01

Tread Lightly

Achievements

71% waste diverted from landfill, up from 69% (AUS)
12% reduction in direct greenhouse gas emissions (AUS)
11% less energy consumed per 1,000 units of product sold (AUS)

02

Source Responsibly

Achievements

A1 rating in Therapeutic Goods Administration audit
168 suppliers from 100 organisations attended the Blackmores Annual Supplier Conference
151 Olympic-sized pools water reduction (equivalent) in vegetarian glucosamine manufacturing process

03

Lead the Change

Achievements

\$601 million net revenue, up 9% from \$549 million
158 new products, up from 110
1.5 million educational touchpoints, up from 1.2 million
74 research projects, up from 40

04

Improve Wellbeing

Achievements

82% employee engagement
191 new employees, equating to 19% of total workforce
33,048 participants in the Blackmores Sydney Running Festival
105 charities supported by our employees' matched donations scheme

Challenges

New landscaping project resulted in a 27% increase in water use per 1,000 units of product sold (AUS)

Challenges

59% of inventory spent on local suppliers, down from 68%
Supply constraints limited ability to progress new sourcing initiatives

Challenges

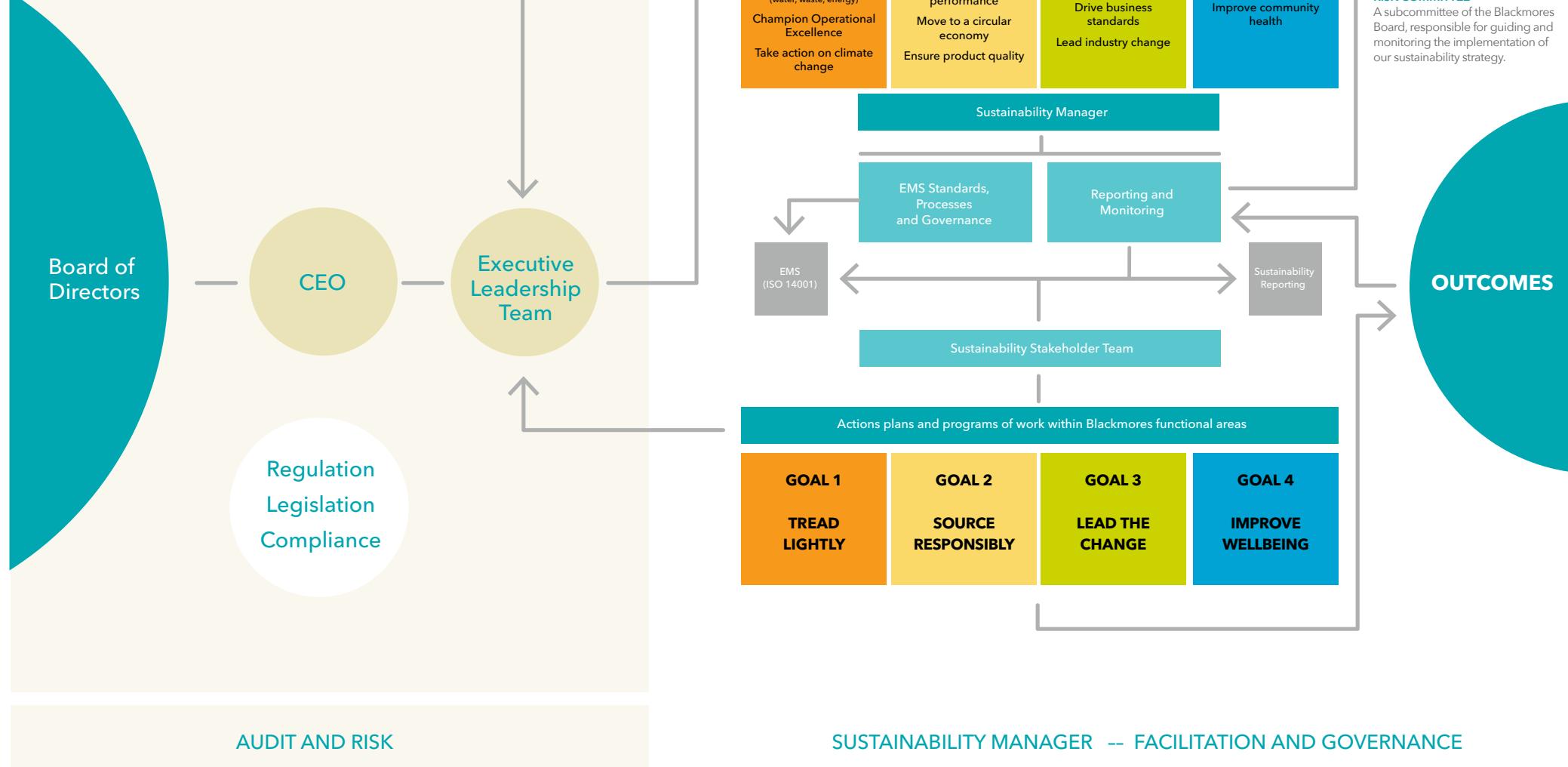
Heightened focus on data protection given increased reporting requirements and growing digitalisation

Challenges

Matched donations down 10%
25% of executive roles filled by women (women represent 71% of total employees)



Sustainability Governance Framework



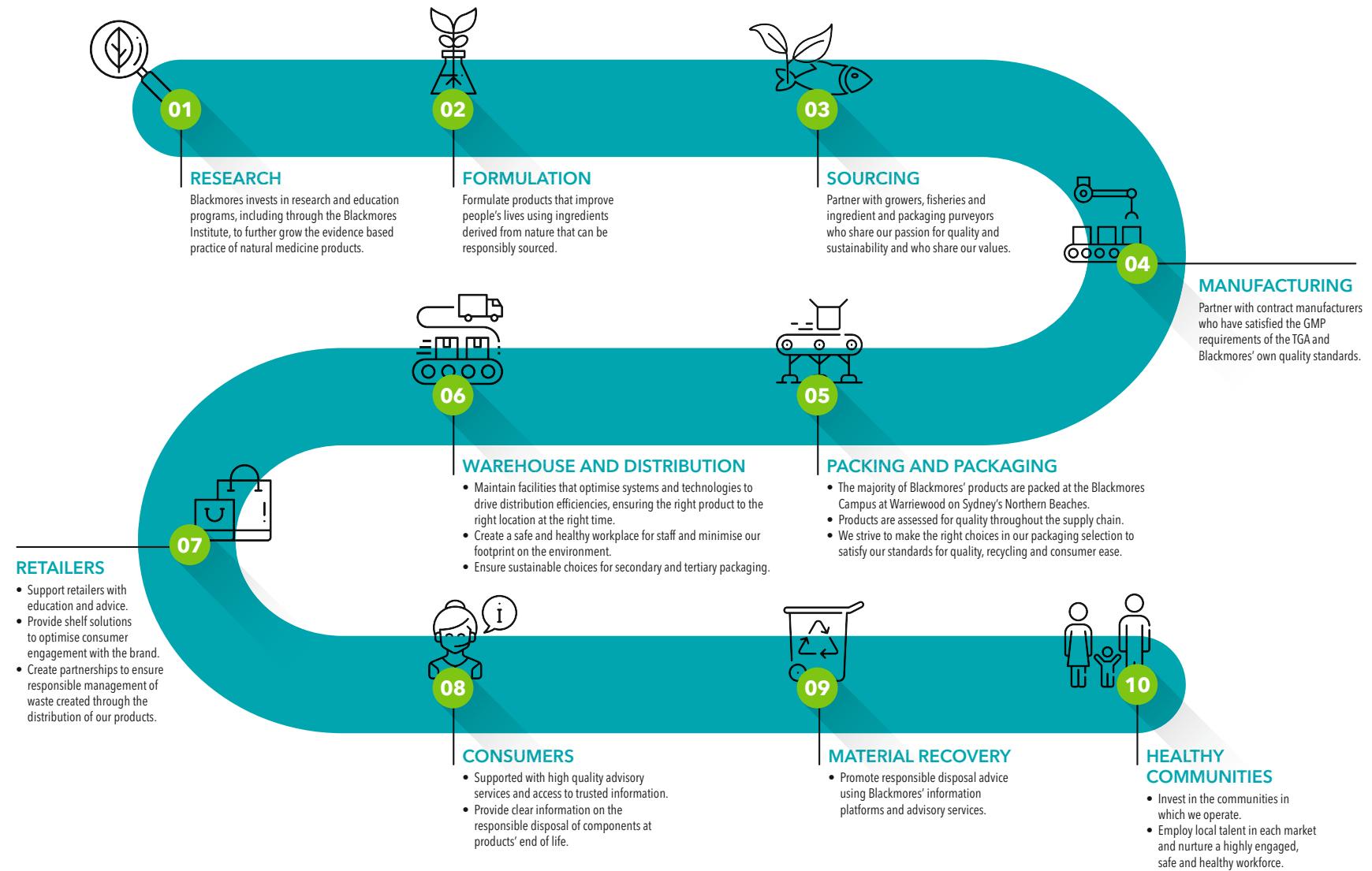
Blackmores' Value Chain

Blackmores recognises that our stakeholders want to understand the origins of their products. We are committed to strong, transparent partnerships across our total value chain, collaborating with suppliers and business partners who share our passion for quality and seek to minimise our collective impact on natural resources.

The Blackmores Value Chain assesses how value is added along the chain with the goal of supporting the long-term sustainability of our business.

Our success relies on collaboration with suppliers, made possible through open dialogue, transparency and a shared vision. In turn, this enables better product and packaging material selection and performance, greater efficiencies, cost reductions and strong governance.

This pictogram represents the interlinking of value-adding activities across our supply chain, converting inputs into outputs. As we progress our sustainability program, the current linear depiction will transition to a closed loop recognising a circular economy representing a lifecycle approach.



Understanding Our Stakeholders

With an increasing footprint across the Asia-Pacific region, the locations in which we operate have their own unique sustainability considerations. We value the engagement process as it helps to build stronger relationships with stakeholders and communities, resulting in improved business planning and influencing the way we identify and prioritise material risks and opportunities for our business.

In our quest for sustainable business outcomes, we engage in a variety of initiatives with a broad range of stakeholders with diverse expectations surrounding key issues. Through formal and informal engagement we are able to deepen our understanding of our stakeholders and communicate with them on how we are responding to their priorities and concerns. We communicate actively and regularly to 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
- 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
- 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.

Our Stakeholders

STAKEHOLDER	WHAT'S IMPORTANT	MECHANISMS FOR ENGAGEMENT AND COMMUNICATION	HOW WE RESPOND
Workforce	<p>Employees seek a safe and engaging workplace that supports their personal and professional aspirations in a diverse and inclusive environment.</p> <p>A business strategy that supports sustainable growth.</p>	<ul style="list-style-type: none"> • Staff Liaison Committee • Company intranet • Mobile news app • Biennial employee surveys and yearly pulse surveys • Monthly Group meetings • Daily media report • Weekly staff huddles • Annual strategy and culture conferences • Community volunteer days • Code of Conduct. 	<ul style="list-style-type: none"> • Strong company values embedded and regularly communicated • Staff training and education including regular face-to-face lunch and learn sessions through the Blackboard and e-learning modules • Above market benefits including profit share and medical-related salary continuance • Access to health and wellbeing programs including gym memberships, classes and mental health workshops • WHS framework, representative committee and regular meetings • Staff Liaison Committee fostering two-way communication between management and staff • Access to parental leave and working parents' program.
Consumers	<p>Consumers seek products and services from a trusted brand that are of high quality and are safe and effective.</p> <p>Access to trusted information and timely information to empower their health journey.</p>	<ul style="list-style-type: none"> • Consumer research and product testing • Blackmores Group websites • Blackmores Group social media platforms • Product labelling • Advertising, marketing and promotions • Consumer advisory services • Media engagement • Community events. 	<ul style="list-style-type: none"> • Product development based on consumer need and feedback • Free naturopathic advisory service • Consumer education through website and social media channels • Face-to-face opportunities with naturopaths at expos and sponsored events such as the Blackmores Sydney Running Festival and toddler and baby shows.

Understanding our Stakeholders

Our Stakeholders

STAKEHOLDER	WHAT'S IMPORTANT	MECHANISMS FOR ENGAGEMENT AND COMMUNICATION	HOW WE RESPOND
Healthcare Professionals	Healthcare professionals seek an evidence-based approach to the development of natural medicine products and the management of health conditions with accurate information and tools to help patients make informed choices about complementary medicines.	<ul style="list-style-type: none"> Blackmores Institute and BioCeuticals websites B!Academy online learning platform Professional conferences and symposia Professional learning and education events e-learning modules In-store training In-store advisors Newsletter mail-outs. 	<ul style="list-style-type: none"> A best-in-class online multi-language education hub Education symposia held in Australia and Asia Access to Blackmores' naturopaths at pharmacy expos and events Partnerships with leading universities and academic institutions Investment and facilitation of research on complementary medicine Peer-reviewed academic papers published Keynote speakers at Asia-Pacific industry events Serving on numerous advisory committees to benefit the industry and associated professions.
Retail Customers	Retail customers seek a collaborative relationship enabling two-way communication and a range of safe, high quality and effective products that are competitively priced to meet their consumer needs, which, in turn, supports their business growth.	<ul style="list-style-type: none"> Monthly e-newsletters and mail-outs Regular sales representative visits Blackmores Group websites In-store training In-store products advisors Customer business meetings Industry events. 	<ul style="list-style-type: none"> Best-in-class online multi-language education hub Access to product information fact sheets and online education Regular education seminars and symposia Creative in-store displays and best-in-class shelving solutions Opportunities to converse with Blackmores' senior management through roadshows Access to Blackmores' account managers and customer service representatives.
Suppliers	Suppliers seek a long-term and profitable partnerships with Blackmores and continued demand for Blackmores' products with a collaborative approach to increasing transparency over the supply chain.	<ul style="list-style-type: none"> Supplier Code of Conduct Blackmores' supplier conference and awards Regular supplier meetings Industry-led events Supply tenders. 	<ul style="list-style-type: none"> Clear processes and documentation expectations including quality audit program Supplier questionnaire drives greater focus on sustainability topics Fair and ethical tender process Code of Conduct stipulates our values and expectations of our business relationship.
Government and Regulatory Bodies	Government and regulatory bodies seek support for local economies and economic prosperity while complying with laws, regulations and industry-specific standards. Support of public health agenda.	<ul style="list-style-type: none"> Industry events Advocacy through our government relations function Regulatory bodies and licensing Representation on industry boards Community events. 	<ul style="list-style-type: none"> Seek regular opportunities to strengthen our relationship with government and regulatory bodies Comply with laws, regulation and industry-specific codes in the markets where we operate Employ a local regulatory team in each market Membership of key industry bodies such as Complementary Medicines Australia Work in partnership with leading education providers to support research into complementary medicines.
Industry	Industry seeks leadership in responding to the issues that impact the industry in emerging health areas and in communicating concerns to key stakeholders, such as government bodies and regulatory officials.	<ul style="list-style-type: none"> Industry organisations Trade association memberships Representation on industry boards Industry forums and events Monthly teleconferences. 	<ul style="list-style-type: none"> Membership of industry bodies such as CMA and Australian Packaging Covenant Organisation (APCO) Participate in industry roundtables Development of white papers and position papers.

Understanding our Stakeholders

Our Stakeholders

STAKEHOLDER	WHAT'S IMPORTANT	MECHANISMS FOR ENGAGEMENT AND COMMUNICATION	HOW WE RESPOND
Non-Governmental Organisations	Non-governmental organisations, through a shared interest, seek a platform and financial support for significant agendas including health, community and environmental initiatives.	<ul style="list-style-type: none"> Shared interest forums Roundtables Conferences and events Regular update meetings. 	<ul style="list-style-type: none"> Partnership agreements such as with World Wide Fund for Nature (WWF) Sponsorships of events and campaigns.
Research and Education Bodies	Research and educational bodies seek financial support to advance science and research for complementary medicine and in developing curriculums and content to educate future healthcare practitioners.	<ul style="list-style-type: none"> Online education Conferences and symposia Blackmores Institute and BioCeuticals newsletters Blackmores Institute and BioCeuticals websites. 	<ul style="list-style-type: none"> Relationships and partnerships in place with leading universities and academic institutions Investment in research projects, clinical trials and other scholarly activities Support the development of future leaders in the field of complementary medicine through research, academic and practice grants, scholarships and internships.
Communities	Communities have a growing expectation for organisations to act in a responsible manner, providing opportunities for employment and support for local initiatives.	<ul style="list-style-type: none"> Community events Blackmores Group websites Blackmores Group social media channels Community social media channels Paid advertising and promotion Local newspapers Employee volunteering activities 	<ul style="list-style-type: none"> Provide platform for community organisations to share their agenda through market days and other community events Sponsorship of events and community campaigns Opportunities for Blackmores' staff to volunteer at community events Employee matched donation scheme Invitations to community groups to present at company-wide meetings Staff fundraising for current events and disasters Mentoring leaders of community-based organisations Employee internship programs School group education on Blackmores' operations and activities.



Left: Supporting scientific research at the Australian Research Centre in Complementary and Integrative Medicine at the University of Technology Sydney (UTS) - (L-R) Attila Brungs, Vice-Chancellor and President of UTS; Eyal Wolstyn, Managing Director of BioCeuticals, Marcus Blackmore, Caroline Blackmore and Terri Albert, Chairperson of the Jacka Foundation at the signing ceremony of a \$1.5 million donation from the Blackmores Foundation, BioCeuticals and the Jacka Foundation.

Right: Blackmores' Well Beings Keep Running charitable initiative in Thailand donated 7,543 pairs of shoes to underprivileged schoolchildren - Rujiphat Vasunithianan, Administration Officer, Blackmores Thailand.



Prioritising our Material Topics

Material issues are those topics that have a direct or indirect impact on our ability to create economic, environmental and social value for Blackmores, its stakeholders and the communities in which we operate.

Materiality helps us identify and prioritise the issues that matter most to our business and stakeholders. It 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 issues influences the success of our business.

To ensure we prioritise those which 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.

To establish which topics are of most relevance, we consider a vast array of known sustainability challenges using a variety of methods and processes and then assess their significance for Blackmores and our stakeholders. With each material issue, we also consider alignment with our vision, strategy, values and brand(s) as well as any potential impact on our operations, supply chain and the degree to which we can affect change.

We refer to the guidelines of the Global Reporting Initiative (GRI) and consider the assessment criteria and feedback of various financial and sustainability-oriented ratings in our approach. The outcomes of this process are structured on the basis of our four sustainability commitment goals, in which we aim to drive sustainable development along the value chain through our business activities.

This past year, we conducted a detailed assessment using a variety of methods and

tools. Our assessment included benchmarking 10 peers, stakeholder engagement and feedback, a review of operations and markets, and review of past material issues and topics on the organisation's risk register.

Peer benchmarking 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 topics raised along with how they were presented, measured and reported.

Stakeholder engagement was limited to our internal stakeholders, who participated in an online sustainability questionnaire addressing 30 material topics. The material topics prioritised based on response rates.

By overlaying the material topics identified in peer benchmarking with those topics identified by internal stakeholders, we are certain that the material issues we identified are relevant topics trending across the industry. This process enabled us to confirm 16 material topics that were prioritised for focus for the FY18 period.

The last step was to understand the significance of the material topic relating to impact and the ease with which our business can affect positive change.

It's important to note, that the materiality topics identified as important to our stakeholders since our last materiality

assessment in FY16 have not changed but been broadened and now include; climate change which incorporate emissions, innovation which includes investment in research and education, sustainable supply chains which includes ethical and sustainable supply chains, corporate governance which includes anti-corruption as well as a new topic wellbeing (in the context of society).



Syed Ali, Distribution Operator,
Bungarribee Distribution Centre.

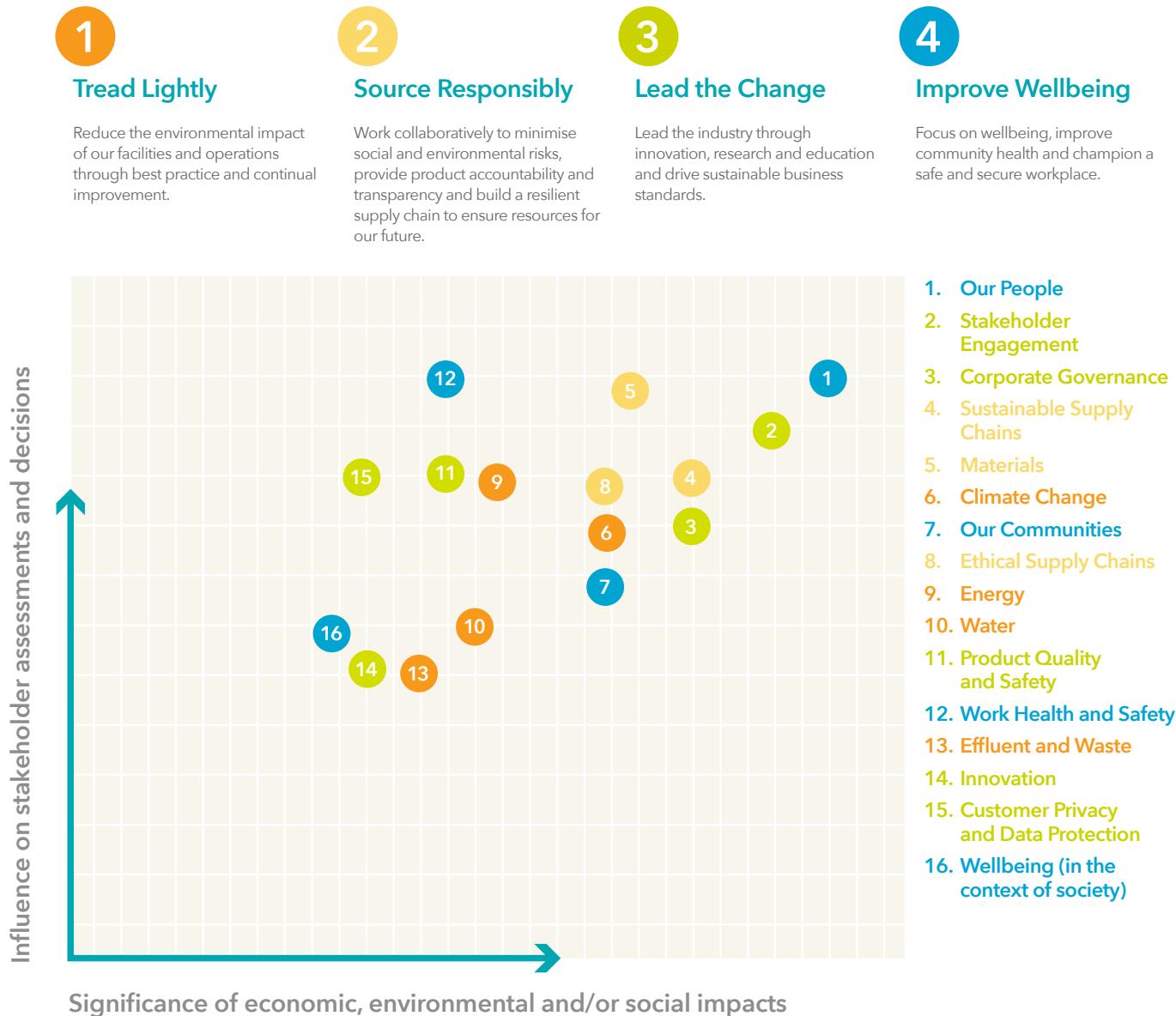
Prioritising our Material Topics

Our Material Topics

Through our extensive materiality assessment process undertaken in 2018, 16 key focus topics were identified. 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 make an impact
- Fit with the international guidelines on sustainability - GRI Standards.



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Sustainability Performance

- 01 Tread Lightly
- 02 Source Responsibly
- 03 Lead the Change
- 04 Improve Wellbeing

Wes Ipsen, Strategic Sourcing Quality Manager, Blackmores, inspecting the anchovy quality on location in Peru.



01

Tread Lightly





01

Tread Lightly

Reduce the environmental impact of our facilities and operations through best practice and continual improvement.

FACILITIES MANAGEMENT

Blackmores has continued to embed sustainable facilities management practices across our Australian operations, focusing on programs and processes to better manage energy consumption, water withdrawal and waste management. Last year we expanded our performance measurement to include the recently commissioned state-of-the-art distribution warehouse in Bungaribee, Western Sydney, Global Therapeutics headquarters in Byron Bay and newly-leased offices in Queensland.

We continued to invest in new technology that will help us to work more efficiently, enabling our business to grow.

WAREHOUSING

Blackmores' new state-of-the-art 16,000m² warehouse in Bungaribee, Western Sydney is now fully operational, with 3,500 orders shipped weekly. The warehouse has a number of sustainable design features such as stormwater reclamation, rooftop photo-voltaics and increased roof and wall insulation. After a full year of operation, the energy efficiency of the new warehouse has been measured at 61 kWh/m², less than half that of Blackmores' other major warehouse at Eastern Creek which is 135 kWh/m².

CLEAN ENERGY STRATEGY

The Blackmores Clean Energy Strategy is divided into two timeframes: Practical Strategy (2018-2024) and Visionary Strategy (2024-2030), with the following objectives:

- 1. Energy productivity:** Maximise the energy efficiency potential of our manufacturing, distribution and retail facilities.
- 2. Energy supply:** Deploy a mix of clean, renewable and reliable energy supply solutions that are cost effective and which reduce our exposure to an increasingly volatile energy market.
- 3. Energy management systems:** Adopt energy management procedures and systems to support decision making, enable best practice and achieve continuous improvement.
- 4. Communications & partnerships:** Establish win-win relationships with key suppliers and stakeholders, and establish our position as a thought leader in sustainability.

ENVIRONMENTAL PERFORMANCE DATABASE

In 2016, we developed an initial environmental performance database to capture information relating to on-site energy, water and waste at Warriewood. In 2017, this was extended to include all our Australian sites, including offices at Byron Bay and Alexandria. This year, we focused on improving accuracy and streamlining the information exchange in the database. This database allows us to track billing data against on-site measures to ensure month-by-month accuracy in metrics and identify any relation to significant changes in operational activities.

Teams engaged in this process include those responsible for recording relevant invoice data as well as facilities management. In addition to consolidating the trend performance of Warriewood's energy, water, waste and recycling activity, the database now provides a tool to engage other parts of the business, raise awareness, set a baseline for further efficiencies, and highlight billing errors outside Warriewood for resolution.

Achievements

- 1 71% of waste diverted from landfill to recovery streams
- 2 Reduced greenhouse gas emissions across Australian operations.
- 3 2017 Australian Packaging Covenant Organisation Award for Medium Size, Pharmaceutical, Personal Care and Medical.

01 Tread Lightly

Tread Lightly Highlight: Towards our Environmental Management System

Responsible facilities management is underpinned by a systematic and thorough approach to managing environmental risks and opportunities associated with operating large and complex facilities. The implementation of an effective Environmental Management System (EMS) – independently certified to the leading international standard – provides the framework for best practice leading to responsible facilities management.

Blackmores' Warriewood Campus includes the Blackmores Group head office, as well as the principal packaging site for millions of products going to market and associated warehousing. An EMS will significantly support our sustainability goals, demonstrate a high level of responsibility and accountability, and help minimise our environmental footprint. Initial planning of an EMS at Warriewood includes a framework and gap analysis conducted this year to help identify the synergies with existing quality and other management systems and practices. We have achieved clarity on the scope of the EMS and a plan for documentation, training and certification in FY19. Once completed, this will be extended to Blackmores' national operations, followed by our global operations.



Climate Change

We will take action on climate change by addressing potential climate change impacts from a risk management perspective.

MATERIAL TOPIC	MATERIAL PRIORITY	BOUNDARY*	WHY IT MATTERS	OUR COMMITMENT	PROGRESS
Climate Change	6	A	<p>We recognise climate change poses a risk for both our business and for society.</p> <p>Increasing temperatures and extreme weather events (storms, floods, droughts) can drastically impact our supply chains and the communities in which we operate.</p> <p>As temperatures rise, widespread, unanticipated health conditions will likely emerge.</p>	<p>We are committed to mitigating the impacts of climate change.</p> <p>We need to reduce the carbon footprint of the organisation; minimise the consumption of resources and source and sell sustainable products.</p> <p>Starting with measuring our footprint and adopting positive change, the business will measure our improvements over time.</p> <p>We will identify opportunities for improvement across our value chain.</p> <p>We strive to understand the risks that climate change could have on our business, including impacts on humans and disease.</p>	<ul style="list-style-type: none"> Our recent materiality assessment identified climate change as a priority topic. Over the coming year we will refine our position on climate change. Our initial approach will focus on improving business activities and measuring the outcomes of our actions. The clean energy strategy, waste management plan and fleet management will support our commitment. To understand the financial risks that climate change presents, we will undertake a high-level assessment across several products and supply chains to identify the potential impacts of 2°C and 4°C global warming scenarios.

*A=Australia. W=Warriewood. G=Global.

01 Tread Lightly

Climate Change

PERFORMANCE DATA - OPERATIONS

PERFORMANCE MEASURE	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Units of product sold (EA) ¹	G	-	45,384,288	43,644,705	45,539,158	✓
Number of significant locations of operations (EA) ²	G	102-4	8	10	11	

FOOTNOTES:

1. Units of product sold is total for Group.

2. Significant locations of operation include Australia, China, Hong Kong, Indonesia, South Korea, New Zealand, Malaysia, Singapore, Taiwan, Thailand and Vietnam.

PERFORMANCE DATA - EMISSIONS

PERFORMANCE MEASURE	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Gross direct GHG emissions (Scope 1) (tCO2-e/yr) ^{1,4}	A	305-1	639	670	587	✓
Indirect GHG emissions (Scope 2) (tCO2-e/yr) ¹	A	305-2	5,382	4,896	4,754	✓
Other indirect GHG emissions (Scope 3) (tCO2-e/yr) ^{1,2,3,5}	A	305-3	3,224	3,466	2,898	
Direct GHG emissions (Scope 1) (tCO2/1,000 units of product sold) ^{1,4}	A	305-4	0.01	0.02	0.01	
Indirect GHG emissions (Scope 2) (tCO2/1,000 units of product sold) ¹	A	305-4	0.12	0.11	0.10	
Indirect GHG emissions (Scope 3) (tCO2/1,000 units of product sold) ^{1,2,3,5}	A	305-4	0.07	0.08	0.06	

FOOTNOTES:

1. Where data was not complete for smaller sites assumptions were made based on square meterage for each site.

2. Scope 3 emissions includes third party transport, corporate air travel, hotel accommodation, waste, water and wastewater, and consumption of electricity by end users.

3. FY18 approach has separated landfill and recycling emission factors for improved accuracy.

4. FY18 includes, for the first time, emissions from use of E10 fuel in Blackmores fleet.

5. Flight emissions calculated from updated UK Government 2017 Air Transportation Emission Factors.

EA = each

01

Tread Lightly

Energy

Our energy program will focus on implementing strategies to increase energy efficiencies and adopting renewable energy solutions across our operations.

MATERIAL TOPIC	MATERIAL PRIORITY	BOUNDARY*	WHY IT MATTERS	OUR COMMITMENT	PROGRESS
Energy	9	A	<p>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.</p> <p>We acknowledge our responsibility as an organisation to influence climate change through responsible energy management and recognise Goal 7: Affordable and Clean Energy of the United Nations Sustainability Development Goals.</p>	<p>We are committed to reducing our absolute greenhouse gas (GHG) emissions.</p> <p>Our approach includes identifying opportunities in our business where we can reduce our energy consumption while also exploring and implementing new, more efficient technologies across our significant locations of operations, including leased premises.</p> <p>The results of our actions will be monitored through trend data as we continue to measure our energy consumption.</p> <p>A Group-wide approach to environmental management will be documented and controlled through our Environmental Management System (EMS).</p>	<ul style="list-style-type: none"> An on-site natural gas-fired trigeneration (trigen) plant runs parallel to the grid at our Warriewood Campus. In FY18, the plant provided 68% of the site's energy, cooling and heating needs. As such, we continued to use electricity from the grid to supplement our needs. Despite increased operating hours, the implementation of a third shift at our primary packing facility and a lengthy hot summer in Australia, we observed a decrease in electricity consumption across the reporting period. Factoring in increased sales, our energy intensity per 1,000 units of product sold improved significantly. With the view to adopt a 'clean energy strategy', an analysis of energy was undertaken. Identifying current energy markets, available and emerging technologies, and various approaches to energy management Blackmores Clean Energy Strategy (2018-2030) aims to address our goals, actions and aspirations. In FY18 a gap analysis was undertaken to identify the synergies across existing quality and other management systems with the requirements to be set in our proposed Environmental Management System (EMS).

*A=Australia. W=Warriewood. G=Global.

01

Tread Lightly

Energy

PERFORMANCE DATA - ENERGY

PERFORMANCE MEASURE	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Total energy consumption (GJ) ¹	A	302-1	32,019	34,491	32,171	✓
Energy consumption from non-renewables (GJ) ¹	A	302-1	26,152	28,759	27,484	✓
Electricity	A	302-1	19,433	21,836	16,929	✓
Hot/chilled water	A	302-1	2,339	4,648	9,391	✓
Hot water boiler	A	302-1	4,380	2,275	1,164	✓
Fuel consumption from non-renewables by type (GJ) (Fleet)	A	302-1	5,867	5,732	4,686	✓
Post 2004 diesel	A	302-1	5,680	5,644	3,794	✓
Post 2004 gasoline	A	302-1	187	88	885	✓
Post 2004 ethanol E10 ²	A	302-1	-	-	7	✓
Fuel consumption from non-renewables by type (GJ) (Third Party)	A	302-1	-	-	2,000	
Post 2004 diesel	A	302-1	-	-	2,000	
Post 2004 gasoline	A	302-1	-	-	-	
Post 2004 ethanol E10 ²	A	302-1	-	-	-	
Total energy consumption (GJ / 1,000 units of product sold)	A	302-3	0.71	0.79	0.71	✓

FOOTNOTES:

1. Where data was not complete for smaller sites assumptions were made based on square meterage for each site.

2. Ethanol E10 is an additional fuel type for our fleet.

01

Tread Lightly

Water

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

MATERIAL TOPIC	MATERIAL PRIORITY	BOUNDARY*	WHY IT MATTERS	OUR COMMITMENT	PROGRESS
Water	10	A	<p>Essential to all life, we recognise the importance of water.</p> <p>Water scarcity is a significant problem for people, society and business. The consequences include poor water quality, inadequate sanitation and hygiene.</p> <p>Constraints on the quality and quantity of available water would negatively impact our supply chains, affecting our ability to meet the needs of our consumers.</p> <p>Water is critical to our supply chain. From crop production to processing ingredients, manufacturing products and packaging, we rely on water.</p>	<p>We recognise our ability to achieve the greatest impact is through the operations we control. We prioritise the significance of each activity by measuring the withdrawal of water per 1,000 units of product sold.</p> <p>By routinely mapping the activities across our business, identifying and prioritising activities, we are continuously seeking to reduce our consumption, therefore reducing demand on municipal water and wastewater facilities.</p>	<ul style="list-style-type: none"> Last year we mapped all of our significant locations of operation across Australia. This has provided us with a detailed understanding of our sites, enabling us to make correlations across footprint, headcount and activities to the billing of water withdrawal and water waste discharge. Where billing information was not available from leased premises, informed assumptions have been made. In evaluating trend data, seasonality in the water used at Warriewood is evident. This past year we observed an increase in water usage. This can be linked back to the landscaping and irrigation schedule (subsequently modified) associated with the newly established gardens. Partnering with suppliers enables us to understand water usage associated with supply chain activities. We seek to influence water saving measures. For example, in this past year, one supplier was able to remove water from the vegetarian glucosamine process. The new process commenced in January 2018 and to date has eliminated wastewater equivalent to 75 Olympic-sized pools.

*A=Australia. W=Warriewood. G=Global.

PERFORMANCE DATA – WATER

PERFORMANCE MEASURE	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Onsite water supply withdrawal (KL) ¹	A	303-1	42,098	41,069	53,775	✓
Onsite water supply withdrawal by type (KL) ¹	A	303-1	42,098	41,069	53,775	✓
Municipal water supplies or other public or private water utilities ^{2,3}	A	303-1	42,098	41,069	53,775	✓
Total onsite water withdrawal (KL/1,000 units of product sold) ³	A	-	0.93	0.94	1.19	

FOOTNOTES:

1. Where data was not complete for smaller sites assumptions were made, based on square meterage for each site.

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

3. In FY18 water withdrawal increased; primarily due to newly established hard and soft landscaping and irrigation schedule at Warriewood (which has since been modified).

01

Tread Lightly

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.

MATERIAL TOPIC	MATERIAL PRIORITY	BOUNDARY*	WHY IT MATTERS	OUR COMMITMENT	PROGRESS
Effluent and Waste			<p>We acknowledge the Australian Commonwealth Government's National Environmental Protection Measure (Used Packaging Materials) 2011 legislation and have opted to take a proactive response by joining the Australian Packaging Covenant Organisation (APCO).</p> <p>Our long-standing commitment includes delivering against our published action plan and annual reporting.</p>	<p>Blackmores is focused on minimising our impacts 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 Campus. It encompasses 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 further 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 Sustainable Development Goals.</p> <p>As a founding signatory of APCO, we are committed to delivering outcomes against our action plan.</p>	<p>Our waste management plan enables our teams to identify the significant activities that generate on-site waste while focusing on waste reduction and waste diversion to recovery streams.</p> <ul style="list-style-type: none"> In FY18 we increased our recorded waste diversion from landfill to 71%. Of the 29% of recorded waste sent to landfill, 76% went to best practice landfill bioreactor energy generation at Woodlawn, NSW. We have expanded our review to incorporate our leased premises across NSW. As such, we now have the ability to record waste across several sites. <p>Teams are encouraged to look for innovative ways to reduce waste and support the environment.</p> <ul style="list-style-type: none"> The Blackmores e-commerce shipping box, previously comprising three separate pieces, now comprises one piece made from recyclable cardboard and printed with only two colours of plant-based ink. This has better met our customers' expectations, reduced assembly time by 200 hours per year, and reduced costs. Our Fusion Health and Oriental Botanicals brands switched from paper merchandise show bags to re-useable PET bags, removed all rubber bands from product neck tags, and ceased using non-recyclable plastic coated printing materials to support the recyclability of goods and reduce landfill. <p>As a brand owner, we recognise our responsibility in minimising environmental impacts through good packaging design, consumer ease of use and label messaging.</p> <ul style="list-style-type: none"> Blackmores' Sustainable Packaging Guidelines have been prepared. The guidelines will not only support the organisation's sustainability strategy but also ensure we operate within relevant Federal and State Government requirements and regulatory boundaries. We are committed to market-specific labelling, addressing responsible disposal messaging. For Australian products we continue to use the cloud-based PREP tool which assists our teams to make packaging material decisions aligned with kerbside recyclability. This allows us to use the Australasian Recycling Label. We were the recipient of the 2017 APCO award for Medium Size, Pharmaceutical, Personal Care and Medical.

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*A=Australia. W=Warriewood. G=Global.

01

Tread Lightly

Effluent and Waste

PERFORMANCE DATA – EFFLUENT AND WASTE

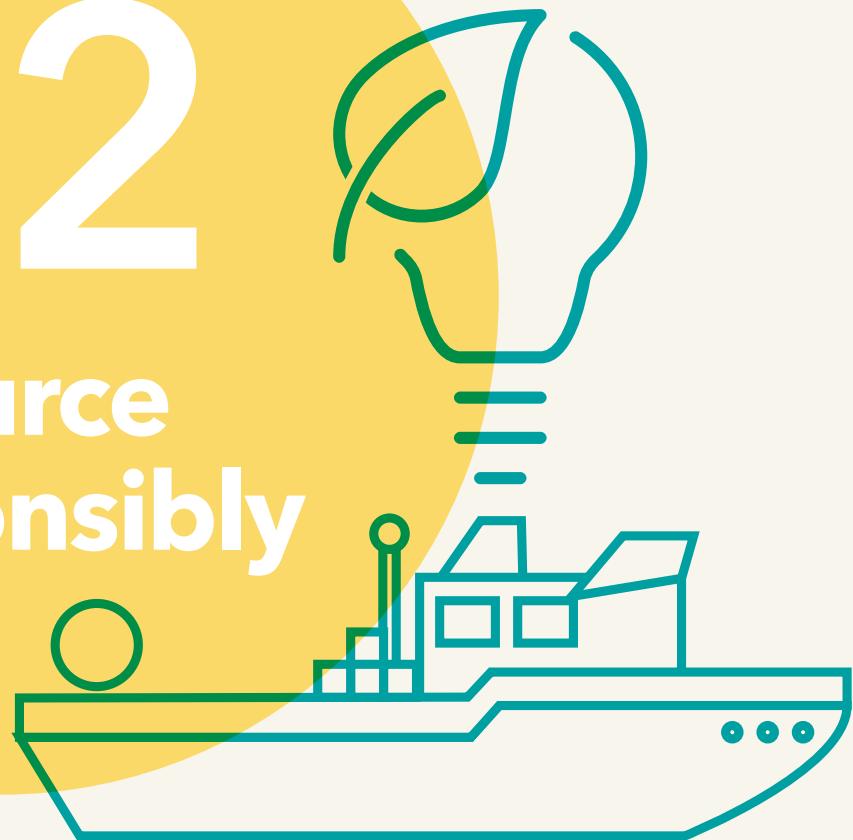
PERFORMANCE MEASURE	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Total volume of planned or unplanned water discharge (KL) ¹	A	306-1	14,617	12,792	17,044	
Total water discharge to sewage (KL)	A	306-1	14,617	12,792	17,044	
Discharge to sewage	A	306-1	14,617	12,792	17,044	
Total waste generated (landfill or recycled) for disposal (MT) ^{2,3}	W	306-2	904.50	808.80	847.66	
Total waste generated (landfill or recycled) for disposal (MT/1,000 units of product sold) ²	W	-	0.02	0.02	0.02	
Total waste for disposal to landfill (MT) ^{2,3}	W	306-2	266.30	248.69	248.00	✓
Total waste diverted (recycled or recovered), by type (MT) ²	N	306-2	638.20	560.19	599.66	✓
Cardboard/paper ²	N	306-2	536.82	452.87	489.73	✓
Commingled ^{2,4}	N	306-2	15.10	14.84	15.46	✓
Compost ⁵	N	306-2	7.66	7.45	7.63	✓
Plastic shrink film ⁶	N	306-2	78.33	84.71	86.52	✓
Printer cartridges ⁶	N	306-2	0.17	0.25	0.12	✓
Lamps/light globes ⁶	W	306-2	0.01	0.02	0.04	✓
Batteries ⁶	W	306-2	0.03	0.01	0.04	✓
Mobile Muster ⁶	W	306-2	0.02	0.00	0.00	✓
Coffee pods ⁶	W	306-2	0.00	0.01	0.06	✓
Laptops ⁷	W	306-2	0.09	0.03	0.06	✓
Total waste to landfill (MT/1,000 units of product sold) ²	W	-	0.01	0.01	0.01	

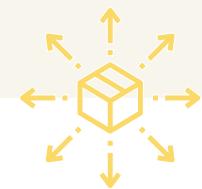
FOOTNOTES:

1. Unable to measure beyond sewage.
2. FY18 boundary for inclusions has expanded from Warriewood to NSW.
3. In FY18 248.5 metric tonnes went to landfill of which 189 metric tonnes was diverted to best practice landfill, Woodlawn.
4. Commingled includes glass, some plastics and some metals.
5. Sent to EarthPower.
6. Program to support the collection of our employees' household waste.
7. Laptops reconditioned prior to donation for remote education in Australia.

02

Source Responsibly





02

Source Responsibly

Work collaboratively to minimise social and environmental risks, provide product accountability and transparency and build a resilient supply chain ensuring resources for our future.

SUPPLY CHAIN MANAGEMENT

With more than 1,000 ingredients used in more than 1,500 product lines across the Blackmores Group we have both a broad and complex supply chain with a high reliance on natural resources sourced from all over the world.

FY18 was a challenging year across our supply chain, with constraints and inventory out of stocks impacting sales across many Blackmores brands and regions. These were caused by a number of factors including changes to the Australian contract manufacturing sector and long lead times to produce natural healthcare products.

Blackmores has implemented several changes to mitigate this challenge in the future. These include introducing new technology and processes to assist with global sales forecasting and demand planning. The announcement in April of Blackmores' commitment to acquire the Catalent Australia manufacturing facility in Victoria will also give us greater control over production volumes.

Our aim is to ensure continuity of our supply while maintaining high quality standards, managing risk, improving traceability and supporting global communities.

SUPPLIER ENGAGEMENT

Reinforcing Blackmores' commitment to building long-term partnerships with our suppliers, we welcomed 168 suppliers and partners from 100 organisations to join us for our annual supplier conference.

The conference showcased the importance of a customer-focused approach and supply collaborations as key to success.

This year, the *Modern Slavery Act 2018* was passed in the Australian Parliament. The Blackmores team held several onsite workshops; following which an action plan was created and is now in process with our initial focus placed on our Tier One suppliers.

MATERIALS

As our business grows, sourcing ingredients from around the world provides an increasing opportunity

to work collaboratively with suppliers and positively influence change across many regions.

Recognising the pressure climate change places on our ingredients and the communities from which they are sourced, consumers increasingly want to understand the provenance of the products they choose.

A number of key ingredients and materials underwent a detailed review in this past year, including the following outcomes:

- Lutein and zeaxanthin have transitioned to a vertically integrated supply model.
- Glucosamine moved from a shellfish to a vegetarian source.
- Vegetarian glucosamine process improvements, with an estimated waste water reduction equivalent to 151 Olympic-sized pools per annum.
- Reassessment of all fish oil sources globally, identifying current fisheries, species, catch volumes, geographical locations, seasonality and fishery improvement programs. As a result, we are now progressing a sourcing agreement

with an additional fishery.

- Cod liver oil transitioned to a Marine Stewardship Certified (MSC) source.
- Natural Vitamin E cream range was relaunched with both formulation and packaging improvements.

PACKAGING

Packaging plays an essential role in protecting, delivering and presenting our products and brands to our consumers around the world. It adds value by creating consumer convenience, providing product information, safeguarding public health and protecting the products throughout the supply chain.

As a founding signatory to the Australian Packaging Covenant Organisation (APCO), Blackmores remains committed to sustainable packaging improvements. In FY18 some key outcomes have included:

- Consistent with the organisation's sustainability policy, we have progressed Blackmores' Sustainable Packaging Guidelines, which provide structure to managing our responsibilities

associated with product packaging, point-of-sale material and marketing material.

- Extending brand embossing on our amber bulk packs, to increase consumer confidence in product authenticity.
- Light-weighting of our shipping boxes, moving to an alternate paper board to reduce material with an estimated 50-plus metric tonne reduction per annum.
- Branded silica gel sachets, to increase consumer confidence in the authenticity of our products.

MANUFACTURING

The key learnings have been documented; the outcome of which will set a revised approach to future undertakings.

The Blackmores commitment to acquire Catalent Australia's high quality tablet and soft-gel capsule manufacturing facility in Victoria, Australia, will provide even greater control and a more responsive approach to the sourcing and supply of ingredients and will support greater control over production,

Achievements

- 1 50 metric tonnes avoidance of packaging material through the light-weighting of shipper paper board.
- 2 Advocated for change on APCO industry roundtable for glass waste and recovery.
- 3 168 participants representing 100 suppliers hosted at Blackmores' supplier conference to align our values and strategy with others in our supply chain.

02

Source Responsibly

strengthening Blackmores' quality credentials and new product development capabilities.

Our Natural Vitamin E cream range was relaunched following a number of optimisations across ingredients and packaging. This included a reformulation and a change in the carton from a non-recyclable to a recyclable carton board. The review also enabled a number of product authenticity measures, including the application of the China Association for Quality Inspection (CAQI) label.

Chinese consumers have a great concern for product authenticity and it is important to be able to assure them they are buying genuine Blackmores Natural Vitamin E Cream which is made to our high quality standards. One of the ways we can provide such assurance is the

introduction of a hologram sticker from CAQI, a high level non-profit Chinese organisation under the supervision of the State Market Regulatory Administration. The sticker also contains a scannable QR code that Chinese consumers can access via a smart phone app to affirm authentication of our products.

The CAQI endorsement is a testament to the high quality of Blackmores' products. CAQI recognises that in the six years since Blackmores launched in China, the Australian company has maintained uncompromised quality and a genuine commitment to the health of their consumers. The product continues to be made in Australia.

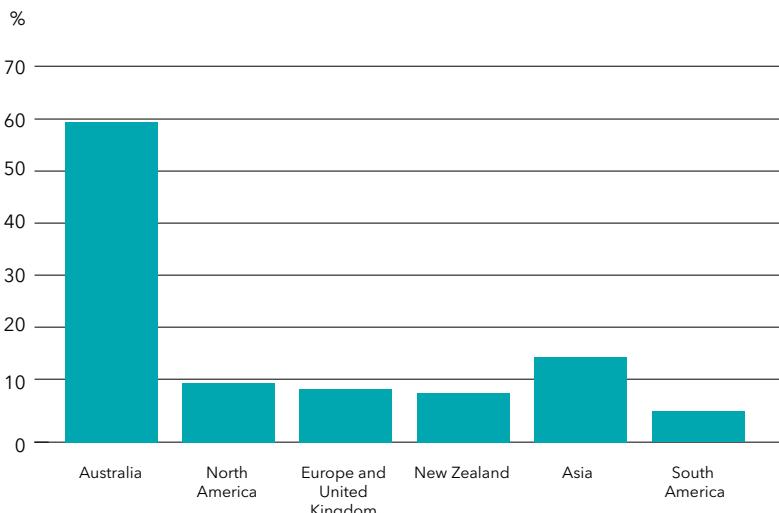
INVENTORY SPEND BY REGION

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, sourcing key components locally to support economic growth and prosperity.

In FY18, 59% of our spend was placed with local suppliers. While the local spend as a percentage is down on last year, we note that the dollar spend increased corresponding to our gross inventory spend increasing across the Group. While we are committed to sourcing locally, access to the variety of natural ingredients required for our product range is limited within Australia and therefore we source ingredients from suppliers around the world who have expertise in a particular ingredient and, most importantly, meet Blackmores' high quality standards.

LOCAL SPEND



Source Responsibly Highlight: Collaborative and transparent supply chains

We strive to partner with suppliers who share our values, have the ability to consistently meet our high quality standards, are committed to best practice and continuous improvement and take a collaborative approach to sustainability.

In partnership with marine oil supplier, TASA Omega, we have been able to improve the sustainability and traceability program for our fish oil supply chain from catch to capsule.

Blackmores Fish Oil is sourced from wild-caught sardines and anchovies harvested in the pristine waters off the coast of Peru from fisheries with independently set quotas. Fish are caught using responsible methods to protect the eco-system. Electronic catch certificates enable us to track the origin of each batch and provide details of the harvest such as the time and date the fish were caught, the quantity and species, the GPS location of the harvest, and the vessel name and licence number.

In recognition of this successful collaborative partnership, TASA Omega, received the 2018 Blackmores Sustainability Award at the Blackmores Supplier Conference which brought together more than 100 suppliers from around the globe.



02

Source Responsibly

Sustainable Supply Chains

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

MATERIAL TOPIC	MATERIAL PRIORITY	BOUNDARY*	WHY IT MATTERS	OUR COMMITMENT	PROGRESS
Sustainable Supply Chains	8	G	<p>Knowing the level of environmental, social, and economic impact and viability of our suppliers enables us to identify long-term sustainable ingredients, materials and partnerships.</p> <p>We seek to work with suppliers who share our commitment. By establishing supply chains of top performers we will be better positioned to identify and measure our impacts and take corrective actions as they occur.</p>	<p>Our aim is to help build resilient, secure, transparent long-term supply chains.</p> <p>We are committed to continued open dialogue, sharing Blackmores Sustainability Program to ensure business partners better understand our material priorities.</p> <p>In conducting business, we ensure a competitive environment where our current and potential suppliers compete independently, fairly and transparently for the goods or services we wish to acquire on the basis of price, quality, service, sustainable practices and other criteria.</p> <p>Understanding our suppliers' sustainability priorities is equally important. Shared knowledge highlights key topics in the supply chain, providing the opportunity to align our activities to mitigate risks.</p>	<ul style="list-style-type: none"> • We conducted regular meetings with suppliers to address business performance and sustainability progress. • A thorough review of available sustainability risk management software was completed. We have identified a solution that best fits our current and future needs, providing visibility across risks, regionally and globally. Implementation will begin in FY19. • Our annual supplier conference held in February 2018 hosted 168 attendees representing 100 suppliers. • In FY18, 59% of our inventory spend supported the local economy. As a percentage this was down on FY17, however we recognise that the overall spend across the Group has increased in line with business growth. • Internal Workshops were held to discuss topics including sustainable procurement and modern slavery action plans which will help progress key initiatives to assist in mitigate risks. • We continue to partner with World Wide Fund for Nature (WWF) and are committed to improving the environments from which we source.

*A=Australia. W=Warriewood. G=Global.

PERFORMANCE DATA - SUSTAINABLE SUPPLY CHAINS

PERFORMANCE MEASURE	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Global Supply Chain Quality Audits completed (%)	G	-	22	19	17	
Proportion of inventory spend on local suppliers to significant locations of operation (% inventory spend) (%) ¹	G	204-1	53	68	59	✓
Total partnerships with third parties to protect or restore habitat areas (EA)	G	-	2	2	1	

FOOTNOTE:

1. Materials or services directly related to a product. Please refer to disclosures index for detailed commentary.
EA = each

02

Source Responsibly

Materials and Resource Management

Managing ingredients and materials, our aim is to do more with fewer resources and less waste to help preserve our natural environment.

MATERIAL TOPIC	MATERIAL PRIORITY	BOUNDARY*	WHY IT MATTERS	OUR COMMITMENT	PROGRESS
Materials and Resource Management	5	G	<p>Our consumers and other stakeholders increasingly want to understand the provenance of our products.</p> <p>We recognise the positive effect that proactively 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 Sustainable Development Goals and in doing so, remain committed to strengthening relationships across our supply chain and to partnering with reputable organisations that are committed to sustainable farming, harvesting, processing and restorative actions.</p>	<p>Our focus is on product and packaging stewardship, minimising the environmental and social impacts.</p> <p>We identify opportunities to deliver innovative technologies or processes that minimise waste and reduce 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 that provide a more sustainable outcome for future generations.</p>	<ul style="list-style-type: none"> Our annual prioritisation of ingredients was conducted, identifying those materials or sources of supply which are most important to the business and/or most at risk. This enables us to place focus in the right areas. The Blackmores Sustainable Packaging Guidelines targeted for release in FY19 are intended to complement the general guidelines set by the Australian Packaging Covenant Organisation (APCO). Together, they will assist our internal stakeholders to make packaging decisions so that we efficiently use resources and reduce our environmental impact without compromising product safety or quality.

*A=Australia. W=Warriewood. G=Global.

PERFORMANCE DATA - MATERIALS AND RESOURCE MANAGEMENT

PERFORMANCE MEASURE	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Total production (packing) volume (EA) ¹	W	-	32,749,225	28,558,425	32,295,933	✓
Raw material supply chain risk assessment (% of top 10 ingredients) (%) ²	G	-	100	100	100	

FOOTNOTES:

1. Warriewood is the Blackmores Group's primary packing facility.

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

EA = each

02

Source Responsibly

Ethical Supply Chains

We will undertake effective risk-based due diligence when managing our supply chains; ensuring people and processes are ethical at every touch point.

MATERIAL TOPIC	MATERIAL PRIORITY	BOUNDARY*	WHY IT MATTERS	OUR COMMITMENT	PROGRESS
Ethical Supply Chains	8	G	<p>With increasing importance placed on transparency, stakeholders not only seek to understand the source of the ingredients, they are also interested in the ethical approach we take across our supply chains.</p> <p>Aligned to our culture, our approach to ethical supply chains helps us to make informed decisions and ensures long-term undisrupted supply while avoiding reputational and financial risks.</p>	<p>We seek to partner with suppliers who are aligned to our corporate culture and values. We aim to be responsive to changing priorities by managing costs, schedules, deliveries and growth while operating ethically.</p>	<p>The Blackmores Code of Conduct and Supplier Code of Conduct set out the behaviours expected of both our employees and our suppliers.</p> <p>In FY18 we conducted one ethical supply chain audit and 17 quality/sustainability audits.</p>

*A=Australia. W=Warriewood. G=Global.

PERFORMANCE DATA - ETHICAL SUPPLY CHAINS

PERFORMANCE MEASURE	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Suppliers adopting the Blackmores Supplier Code of Conduct (%) ¹	G	-	-	100%	100%	

FOOTNOTE:

1. In FY18, 'suppliers' refers to Tier One inventory suppliers.

03

Lead the Change





03

Lead the Change

Lead the industry through innovation, research and education and drive sustainable business standards.

BUSINESS PERFORMANCE

The financial health of Blackmores remained in a strong position at the end of the FY18 financial year, with Blackmores delivering year-on-year revenue and profit growth including \$601 million in revenue for the 2017/2018 financial year (up 9% on the prior year) and net profit after tax (NPAT) of \$70 million (up 19% on the prior year).

Blackmores remained the number one vitamin and supplement brand in Australia and the most trusted brand in Australia for the tenth consecutive year, as well as the number one brand in Malaysia, Singapore and Thailand.

INNOVATION AND EXPERTISE

The Blackmores Group launched 158 new products in FY18, including an innovative 99.9% sugar-free kids' range and an expanded BioCeuticals Armaforce immunity offering. We also introduced our flagship Blackmores Pregnancy & Breast Feeding Gold, Natural Vitamin E Cream and Odourless Fish Oil into new markets in Asia.

To help strengthen the quality use of complementary medicine and enhance public health outcomes, we invested in 74 research, education and scholarly activities, including a study on herbal extracts and osteoarthritis. We have more than 30 partnerships and alliances with academic research and education bodies across Asia-Pacific, including a health journalists' education program to improve public health with China's leading university, Tsinghua University, and a \$1.5 million donation by the Blackmores Foundation (Marcus and Caroline Blackmores' personal philanthropic fund), BioCeuticals, and the Jacka Foundation to support two new research fellowships at the Australian Research Centre in Complementary and Integrative Medicine (ARCCIM) at the University of Technology, Sydney.

Led by our research and education arm, the Blackmores Institute, and our practitioner-only range, BioCeuticals, we achieved more than 1.5 million educational

touchpoints with healthcare professionals, pharmacy students, retailers and vets, including our accredited CMed education program in Malaysia which supported 600 pharmacists.

We introduced DNA testing for personalised health with the launch of BioCeuticals Clinical Services, training 700 practitioners. This enables practitioners to address an individual's health needs according to their unique genetic profile and identify more suitable treatment protocols to help optimise overall wellbeing, including treatments for chronic lifestyle diseases, such as diabetes, which impact public health outcomes.

B!Academy, our multi-language online learning platform with modules accredited by leading universities and governing bodies, expanded to Indonesia, Thailand and Malaysia. Our global reach expanded even further with BioCeuticals FX Medicine podcasts, featuring a wide range of educational integrative medicine topics, downloaded more than

1.5 million times in 50 countries and achieving a number 2 ranking in its category on iTunes.

BLACKMORES PRODUCT QUALITY

Blackmores has an unwavering commitment to 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 growers and suppliers around the world, testing them in accredited laboratories for identity, purity and potency.
- Blackmores' suppliers, including contract product manufacturers, contract packers, component manufacturers 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.

Achievements

- 1 158 new products across the Group.
- 2 74 research projects, including clinical trials and research papers.
- 3 1.5 million touchpoints educating consumers, customers and health professionals.

03

Lead the Change

Left: Dr Lesley Braun,
Director of Blackmores
Institute.



Right: Kelli Yao, Finance
Director, Blackmores
China.



03

Lead the Change

CLOUD-BASED IT SYSTEM

This year, Blackmores moved all primary technology services to cloud-based systems to achieve greater operational efficiencies and a higher level of resilience for business systems. Benefits of the cloud-based system include the ability to scale operations based on actual needs along with a reduction in waste with less energy and physical hardware consumed by Blackmores. In FY19 we will further reduce hardware by switching to IP telephony that will not require a physical handset to be located on each desk.

CORPORATE GOVERNANCE AND RISK

The Blackmores Group has a comprehensive risk management framework. Early in 2018, the Audit and Risk Committee of the Board formally reviewed the Group's categorisation of risks in light of current external risk industry recommendations. Every quarter, each business unit reviews and updates their risk assessments, reporting changes to existing and new material risks to the Audit and Risk Committee. Appropriate controls or initiatives are then

identified and implemented to manage or limit the impact of such risks to the Group and our stakeholders.

In 2018 we enhanced our Corporate Governance and Risk Management Program by employing a Head of Business Improvement and Assurance who will be responsible for testing material controls and recommending business enhancements to further manage material risks.

We continue to improve awareness of risks within the business and to communicate the behaviours expected from employees with the objective of minimising such risks arising. In addition to continuing induction training in Australia and New Zealand we also conduct delegation of authority training for new employees in Australia, New Zealand and Asia.

The training topics delivered this year included the importance of privacy, competition law, and different sub-topics related to work health and safety (e.g. mental wellbeing in the workplace).

For information relating to our Risk Management Program, see

Blackmores 2018 Annual Report, page 32.

ANTI-CORRUPTION

The ongoing enhancement of our anti-corruption measures and practices continues to be important in order to protect our brand and the interests of all our stakeholders, including our shareholders, employees, customers and consumers. We seek to ensure employees understand the values-based behaviours expected of them as they conduct business on behalf of Blackmores.

Our Share the Kindness program, encouraging staff to share corporate gifts received for charitable purposes, is an example of the way Blackmores supports zero tolerance for bribery and corruption.

We also seek to work with suppliers who share a similar zero tolerance for bribery and corruption, and who are also aligned to our values.

We also communicated our anti-bribery and corruption policies across the Group, with both our workforce and governance body participating in training.

PRIVACY AND DATA COLLECTION

Protecting the personal information of our consumers and enhancing the security of information technology systems continues to be of paramount importance to Blackmores, particularly given increasing levels of interest relating to cyber security. In readiness for the mandatory privacy breach reporting requirements introduced in Australia early in 2018, our Executive Team were provided with training on how to protect the privacy of our consumers.

Blackmores continuously reviews our policy for retaining personal information with the goal of ensuring it is only collected when necessary for business purposes and protected in accordance with our privacy policy and applicable legislation. We know that the loss of personal information or a regulatory breach can potentially lead to serious reputational, financial and legal consequences. It can also lead to a loss of trust.

With the threat of cyber security incidents being one of the major risks impacting businesses today, Blackmores is committed to an ongoing program to enhance the

way personal data is stored and protected in compliance with current regulations across the regions in which we operate and the markets we reach. As an industry leader, we periodically test our information technology systems and continue to seek new and innovative technologies to protect our data and reduce the risk of cyber security breaches, including the adoption of a world-leading secure e-commerce payment platform.

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.

03

Lead the Change

Lead the Change Highlight: **Building pharmacists' knowledge of complementary medicine**

With widespread use of complementary medicine in Australia and Asia, patients are increasingly expecting their health practitioners to provide expert advice on the safety, efficacy and appropriateness of natural health supplements as a standalone or adjunct therapy.

In Malaysia, Blackmores Institute and the Malaysian Pharmaceutical Society (MPS) developed a Complementary Medicine Education global research program (CMed) to help build this knowledge base, so far engaging more than 600 pharmacists, especially community pharmacists.

CMed aims to improve pharmacists' knowledge and confidence in advising about complementary medicines. The structured learning program includes six online modules covering vitamins, minerals, nutritional oils and herbal medicines, as well as face-to-face masterclass sessions with case studies developed by pharmacists for pharmacists.

The accredited program allows pharmacists to receive continuing professional development points upon completion.

"It is important for pharmacists to have an overall view of medicines – both conventional and complementary – that their patients and customers are taking. Pharmacists who are able to harness the beneficial interactions between the two are enabling their patients and customers to manage their health better," said Amrahi Bin Buang, MPS President.

CMed sits alongside Blackmores Institute's range of complementary medicine e-learning modules for healthcare professionals and pharmacy staff. These are available in English, Thai, Mandarin and Indonesian Bahasa.

Monitar Tan, Senior Trainer,
Blackmores Institute Asia.



03

Lead the Change

Corporate Governance

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

MATERIAL TOPIC	MATERIAL PRIORITY	BOUNDARY*	WHY IT MATTERS	OUR COMMITMENT	PROGRESS
Corporate Governance	3	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 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 locations of significant operations expand we are likely to be further exposed to regions and environments where known corruption exists. That is why we are investing considerable time and resources, continuously and systematically, to strengthen our policies and processes.</p> <p>We are attentive and responsive to improvements that stakeholders and authorities may believe are necessary.</p>	<ul style="list-style-type: none"> During the last 12 months, our corporate risks have been reviewed in light of expert outside benchmarking. Our quarterly risk review process has been enhanced to further embed the practice of regularly and actively reviewing corporate risks and their management per department and function. We have continued to deliver training in relevant topics aimed at ensuring responsible corporate behaviour. These topics included our delegation of authority policy, competition law, the power and pitfalls of social media, anti-bribery measures and the prevention of corruption. We also have expanded training topics to include the importance of privacy protection and various work health and safety issues such as the importance of mental wellbeing in the workplace. We are progressively expanding the training related to corporate governance which is being provided to our Asia team. In addition to continuing our training in anti-bribery and corruption, and delegation of authority, we launched an induction training session which is focused on key values-based behaviours.

*A=Australia. W=Warriewood. G=Global.

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Lead the Change

Business Performance

PERFORMANCE DATA – BUSINESS PERFORMANCE

PERFORMANCE MEASURE	MATERIAL PRIORITY	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Total number of markets in which product or services are sold in (EA)	3	G	201-1	17	18	17	✓
Total revenue ('000)	3	G	201-1	599,988	550,172	601,854	✓
Total operating costs ('000)	3	G	201-1	319,331	343,348	363,107	✓
Total employee wages and benefits ('000)	3	G	201-1	134,933	120,209	137,135	✓
Total payments to government (by market) ('000) ¹	3	G	201-1	62,581	70,254	58,429	✓
Australia	3	G	201-1	51,430	60,513	48,594	✓
New Zealand	3	G	201-1	482	2,312	2,939	✓
Singapore	3	G	201-1	970	814	641	✓
Malaysia	3	G	201-1	1,731	1,213	1,047	✓
Thailand	3	G	201-1	2,537	1,712	1,927	✓
Hong Kong	3	G	201-1	45	55	55	✓
Taiwan	3	G	201-1	229	247	291	✓
South Korea	3	G	201-1	1,969	-421	440	✓
China	3	G	201-1	3,175	3,583	2,062	✓
Indonesia	3	G	201-1	12	226	434	✓
Japan ²	3	G	201-1	-	-	0	✓
Total investments ('000)	3	G	201-1	59,976	63,132	53,887	✓
Dividends paid to shareholders	3	G	201-1	57,704	58,568	49,957	✓
Interest payments	3	G	201-1	2,272	4,564	3,930	✓
Matched donations scheme ('000) ³	3	G	201-1	189	190	173	✓
Other community investment ('000) ⁴	3	G	201-1	868	1,502	1,376	✓

FOOTNOTES:

1. Cash payments to government.

2. FY18 Japan included in performance data.

3. Matched donations scheme supports employees' voluntary donations to charity.

4. Community investment does not include funds raised through the Blackmores Sydney Running Festival.

EA = each

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Lead the Change

Business Performance

PERFORMANCE DATA – BUSINESS PERFORMANCE (CONT.)

PERFORMANCE MEASURE	MATERIAL PRIORITY	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Total monetary value of financial assistance received by the organisation (by market) from governments ('000)	3	G	201-4	948	689	923	✓
Australia	3	G	201-4	946	600	801	✓
New Zealand	3	G	201-4	0	0	0	✓
Singapore	3	G	201-4	0	87	122	✓
Malaysia	3	G	201-4	0	0	0	✓
Thailand	3	G	201-4	0	0	0	✓
Hong Kong	3	G	201-4	0	0	0	✓
Taiwan	3	G	201-4	0	0	0	✓
South Korea	3	G	201-4	0	0	0	✓
China	3	G	201-4	0	0	0	✓
Indonesia	3	G	201-4	2	2	0	✓
Japan ²	3	G	201-4	0	0	0	✓

FOOTNOTE:

2. FY18 Japan included in performance data.

03

Lead the Change

Anti-corruption

PERFORMANCE DATA – ANTI-CORRUPTION

PERFORMANCE MEASURE	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Total number of operations assessed for risks related to corruption (%)	G	205-1	100	100	100	
Communication and training on anti-corruption policies and procedures for governance body (EA) ^{1,4}	G	205-2	-	14	15	✓
AUS/NZ	G	205-2	-	13	14	✓
ASIA	G	205-2	-	1	1	✓
Communication and training on anti-corruption policies and procedures for governance body, by region (%) ^{1,4}	G	205-2	-	-	-	✓
AUS/NZ	G	205-2	-	92	93	✓
ASIA	G	205-2	-	100	100	✓
Communication and training on anti-corruption policies and procedures for employees by region (EA) ^{2,3,4}	G	205-2	-	-	-	✓
AUS/NZ	G	205-2	-	584	634	✓
ASIA	G	205-2	-	319	266	✓
Communication and training on anti-corruption policies and procedures for employees by region (%) ^{2,3,4}	G	205-2	-	-	-	✓
AUS/NZ	G	205-2	-	100	100	✓
ASIA	G	205-2	-	100	77	✓
Total number and nature of confirmed incidents of corruption (EA)	G	205-3	0	0	0	
Total monetary value of financial political contributions made (\$)	G	415-1	25,200	0	22,173	
Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices (EA)	G	206-1	0	0	0	

FOOTNOTES:

1. When defining 'governance body' it refers to our Board and Executive Team members.

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

3. When defining 'employees' we refer to our 'workforce' numbers excluding governance body members.

4. Whilst investment in training, including specific anti-corruption training, was prioritised in FY18, the systems available to capture and record these training hours were inconsistent across the Group. This was particularly the case in some of our Asian offices, where manual attendance sheets were maintained, rather than inputting this information into the broader Group's training system. One of our priorities in FY19 is to invest in the roll out of a more comprehensive and consistent training management system across all of our offices, which in turn will facilitate greater data capture going forwards.

EA = each

03

Lead the Change

Product and Service Compliance

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

MATERIAL TOPIC	MATERIAL PRIORITY	BOUNDARY*	WHY IT MATTERS	OUR COMMITMENT	PROGRESS
Product and Service Compliance	11	G	<p>Customers and consumers expect companies to supply products and services that are of high quality and which are safe and effective.</p> <p>Blackmores has a reputation for quality and we strive to meet or exceed the expectations of our consumers while complying with Australia's high regulatory standards and requirements.</p> <p>Our rigorous standards underpin all our high quality natural healthcare products and services.</p>	<p>We are dedicated to achieving the highest levels of product quality and customer safety.</p> <p>We demonstrate our diligence through robust regulatory compliance processes, including the review and approval of ingredients, label claims and consumer information.</p> <p>We act responsibly by ensuring compliance with relevant labelling and advertising regulations and by providing information on our products through marketing and point of sale material.</p> <p>To ensure product integrity and consumer safety we will seek and adopt appropriate technologies, including solutions to protect product authenticity.</p>	<ul style="list-style-type: none"> Blackmores' products are manufactured to an international medicine standard enforced by the Australian regulator, the Therapeutic Goods Administration. Our focus is placed on continuous improvement of our quality management program and to complement our quality systems we have commenced the implementation of ISO 9001:2015. Our quality team completed 17 quality audits across our global supply chain in FY18. No incidents of non-compliance resulting in product recall occurred during FY18. However, a number of consumers reported adverse events of which 14 individuals sought medical attention. The reporting and investigations are logged so that we can identify any trends correlating to a particular product or ingredient. Blackmores piloted a program with Alibaba and PwC Australia as the exclusive partner for the vitamin and dietary supplements category, using blockchain technology to protect Australian product authenticity.

*A=Australia. W=Warriewood. G=Global.

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Lead the Change

Product and Service Compliance

PERFORMANCE DATA – PRODUCT AND SERVICE COMPLIANCE

PERFORMANCE MEASURE	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Proportion of new products that have undergone a quality assessment (%)	G	416-1	100	100	100	
Proportion of new products that have undergone a regulatory assessment (%)	G	416-1	100	100	100	
Proportion of new products that have undergone a health and safety assessment (%)	G	416-1	100	100	100	
Total number of incidents of non-compliance with regulations, concerning the health and safety impacts of products and services, resulting in a penalty (EA)	G	416-2	-	0	0	
Total number of incidents of non-compliance with regulations, concerning the health and safety impacts of products and services, resulting in a warning (EA)	G	416-2	-	0	0	
Total number of incidents of non-compliance with regulations, concerning the health and safety impacts of products and services and voluntary codes (EA) ¹	G	416-2	-	0	0	✓
Total number of products and services cancelled (EA)	G	417-2	0	4	3	
Total number of products and services banned by the competition regulator (EA)	G	417-2	0	0	0	
Total number of products banned from sale (EA)	G	417-2	0	0	0	
Proportion of new products that have undergone regulatory assessment of labelling (%)	G	417-1	100	100	100	
Total number of incidents of non-compliance concerning product labels (EA)	G	417-2	-	0	0	
Total number of incidents of non-compliance concerning product marketing (EA)	G	417-2	-	1	2	
Total monetary value of regulatory authority fines for non-compliance ('000)	G	417-2	-	65	0	

EA = each

03

Lead the Change

Innovation

We are proud to advocate for change as we help build a more sustainable tomorrow. We believe in leading through our actions.

MATERIAL TOPIC	MATERIAL PRIORITY	BOUNDARY*	WHY IT MATTERS	OUR COMMITMENT	PROGRESS
Innovation (includes investment in research and education)	14	G	<p>Our aim is to improve public health through natural medicine and to ensure we continue to deliver the best outcomes for consumers and communities through innovative products, research and education. Innovation is essential for our long-term business success and enhanced competitiveness in delivering a more sustainable future.</p>	<p>Innovation is central to creating a sustainable future. This is even more relevant given how quickly the competitive landscape and retail environment is evolving. Our commitment to innovation at Blackmores extends beyond new product development and incorporates our research and education program, new technology, business systems and tools, and methods for problem solving. We recognise innovation is a core driver for the natural health category and research progresses our understanding of ingredients and new product formats.</p>	<ul style="list-style-type: none"> The Group delivered 158 new products, including Blackmores' 99.9% sugar-free kids' range. Our flagship products, including Blackmores Pregnancy & Breast Feeding Gold, Natural Vitamin E Cream and Odourless Fish Oil, were launched in new markets in Asia. Launched BioCeuticals Clinical Service for personalised DNA testing with 700 practitioners trained. 74 research projects, including clinical trials and scholarly activities currently in progress. Rolled out B!Academy - an award-winning online natural medicine education platform in English, Mandarin, Thai and Indonesian Bahasa. Trained more than 50 staff in Gamechangers - a science-based innovation program to develop skills and provide a framework for innovating and problem solving. More than 1.5 million touchpoints educating healthcare professionals, pharmacy students, retailers and vets, including our CMEd education program in Malaysia reaching 600 pharmacists.

*A=Australia. W=Warriewood. G=Global.

PERFORMANCE DATA - INNOVATION, RESEARCH AND EDUCATION

PERFORMANCE MEASURE	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Total monetary value of financial assistance to research institutions ('000)	G	201-1	589	650	785	✓
Total research projects (EA) ¹	G	-	24	40	74	
Number of educational touchpoints with external stakeholders (EA) ²	G	-	447,816	1,215,300	1,540,922	
Number of advisory line touchpoints with external stakeholders (EA) ³	G	-	47,951	46,508	83,325	

FOOTNOTES:

1. Number of research projects relates to projects with research partners and includes clinical trials and academic papers.

2. Number of external participants in Blackmores' educational sessions. FY18 data includes Group FY16-17 data as Blackmores Australia only.

3. Number of external contacts made with Blackmores advisory and technical lines.

EA = each

03

Lead the Change

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 demonstrating ethical behaviour.

MATERIAL TOPIC	MATERIAL PRIORITY	BOUNDARY*	WHY IT MATTERS	OUR COMMITMENT	PROGRESS
Customer Privacy and Data Protection	15	G	<p>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.</p> <p>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 our business purposes, and treating information in accordance with our privacy policy.</p>	<p>Our Australian business operates under the Commonwealth Privacy Act. The act defines 'personal information', including anything which can identify an individual such as names, signatures, addresses and other contact details, dates of birth, medical records, bank account details and other information. It also includes information or opinions about individuals regardless of whether they are true or not.</p> <p>We recognise the importance of protecting personal information and are committed to continuously improving the robustness and security of our IT systems across all company operations. Blackmores' Code of Conduct and Privacy Policy detail guidelines and acceptable behaviours and actions in accordance with the law and our values. Employees in target audiences will routinely undertake privacy training.</p>	<ul style="list-style-type: none"> In preparation for the introduction of mandatory data breach reporting under the Australian Privacy Act, training focusing on protecting personal information was rolled out to employees in February 2018. Processes have been developed for the assessment and management of data breaches aimed at facilitating compliance with the legislation. Ongoing review and consideration is given to continuously improving our collection, management and security of personal information.

*A=Australia. W=Warriewood. G=Global.

PERFORMANCE DATA - CUSTOMER PRIVACY AND DATA PROTECTION

PERFORMANCE MEASURE	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Total number of substantiated complaints received concerning breaches of consumer privacy (EA)	G	418-1	1	0	0	✓
Complaints from outside parties, substantiated by the organisation (EA)	G	418-1	1	0	0	✓
Complaints from regulatory bodies (EA)	G	418-1	0	0	0	✓
Total number of identified leaks, thefts or losses of customer data (EA)	G	418-1	0	0	2	✓

03

Lead the Change

Stakeholder Engagement

By defining the needs and interests of our stakeholders, we can manage key risks and achieve far greater positive impacts on environmental, social and economic issues.

MATERIAL TOPIC	MATERIAL PRIORITY	BOUNDARY*	WHY IT MATTERS	OUR COMMITMENT	PROGRESS
Stakeholder Engagement	2	G	Our stakeholders are the individuals or groups who are, or could be, affected by our organisation's activities, products or services and business performance.	Through formal and informal settings across the globe we will deepen our understanding of what our stakeholders expect of us, and communicate with them on how we are responding to their priorities and concerns. Stakeholder engagement will help us to manage key risks and achieve far greater positive impacts on environmental, social and economic issues.	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 number of ways as outlined on page 9 of this report.

*A=Australia. W=Warriewood. G=Global.



Left: Staff at the Bungarribee Distribution Centre official opening ceremony.
Right: Jingyi Zhang, Senior Product Manager, Blackmores Australia.



04

Improve Wellbeing



04

Improve Wellbeing

Focus on wellbeing, improve community health, and champion a safe and secure workplace.

BUILDING A FLEXIBLE AND DIVERSE WORKFORCE

Blackmores employed 994 permanent full-time and part-time staff during FY18. 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 advisors in Malaysia and Thailand. With the addition of these roles, Blackmores is responsible for the employment of more than 1,400 people.

We value the importance of diversity across age, gender, skills and ethnicity, believing this positively impacts employee engagement, improves business performance, increases shareholder value, and enhances the achievement of corporate objectives. With brand presence in 17 markets, we encourage the cross-border and inter-group exchange of knowledge, including through an online recruitment system that enables

staff visibility of global job vacancies across the business. We are committed to aligning our company culture across the Group in a way that respects cultural diversity.

Blackmores regularly reviews policies to ensure that the Group aligns with the ASX Diversity Recommendations. More than 71% of Blackmores staff are female, with 25% in executive leadership roles (direct reports of the CEO) and 50% in management roles. We have set a target of 50% women for Board and senior executive roles by 2025.

Blackmores' Diversity Policy is available at blackmores.com.au/about-us/investor-centre/corporate-governance.

Blackmores Group employees in Australia work under an enterprise agreement originally developed in 1994 in consultation between management and staff. The objective of everyone working together under one agreement is to develop and maintain a positive work environment

which balances the needs of employees and the requirements of Blackmores to operate efficiently. As part of this, we are proud to support a flexible working environment, with 10.6% of our workforce, both men and women, working in part-time arrangements to support a work-life balance.

DEVELOPING OUR PEOPLE

Blackmores is focused on empowering our people and committed to paving the future for global talent across the Group. We place strong emphasis on developing talent and listening to our employees. Our biennial Climate Survey conducted in 2017 revealed employees wanted increased learning and development opportunities.

The Group offered monthly Career Development Planning sessions and invested in 4,075 learning and development sessions, with more than 10,777 learning modules completed in FY18. This

included business acumen courses open to all staff (attendance up 46% compared to prior year); a Game Changers innovation program trained 50 champions; a Leadership Management Academy with 12 graduate managers; and other leadership training opportunities at Harvard Business School and the Australian Institute of Management. In Asia, we have progressed the appointment of local providers to supply similar training opportunities.

Committed to developing talent and retaining staff, succession planning will be a key focus in FY19 with the appointment of a Chief People Officer to strengthen our business strategy with our global culture. Our online recruitment system, launched in Australia last year, is now available to employees in Thailand and China. It will be rolled out to other markets across Asia over the next 12 months, supporting those who want to expand their career opportunities within the

Group and affirming Blackmores as an employer of choice.

In FY18 Blackmores recruited 191 roles and we maintain a portfolio of key talent, developing a pipeline of top candidates for future roles.

STAFF LIAISON COMMITTEE

Blackmores is committed to a culture that is open, transparent and which encourages better communication between staff and management. We believe this creates trust and conflict resolution in an effective and professional manner. Our Staff Liaison Committee (SLC), which is comprised of elected representatives across the Group and a human resources manager, helps facilitate this open communication. In FY18 the SLC was extended so that every market in Asia now has their own elected SLC representative.



Achievements

- 1 191 new employees (19% of our total workforce).
- 2 26 days' additional pay awarded to staff as profit share.
- 3 33,048 participants at the Blackmores Sydney Running Festival.

04

Improve Wellbeing

Left: Leah Boonthanom,
Corporate Communications
Executive, Blackmores Group.

Centre: Elena Irlandez,
Distribution Operator,
Bungarribee Distribution
Centre.

Right: Thomas Cooper,
Production Operator,
Group Operations.



04

Improve Wellbeing

B!SAFE, B!HEALTHY

As Australia's leading natural health and wellbeing company, Blackmores is focused on protecting the workplace health and safety (WHS) of our employees through safe work practices. Our formal reporting process for workplace incidents, injuries and potential risks shows an overall improvement in WHS performance metrics in FY18:

- Workforce recordable injury rate is down on the prior year from 0.9% to 0.7%
- 11% decrease on total reported incidents compared to the prior year
- 87% of reported incidents resulted in no impairment and 12% experienced short-term impairment only.

This reduction may be attributed to increased WHS training for staff, with 12,411 training experiences across the Group, predominantly in Australia. Topics included 'Ergonomics and Manual Handling' and 'Slips, Trips and Falls' using online modules and training videos

produced using real staff in actual scenarios. We also invested in an e-learning driver safety program to support the safety of our sales team on the road.

There were no WHS incidences reported in Asia, which may be due to cultural differences in attitudes to incident reporting.

Recognising that wellbeing extends beyond physical health, Australian Red Cross trained 26 mental health first aiders. Additionally, we ran awareness campaigns aimed at reducing the stigma associated with mental illness and promoted the free counselling services available to staff through our Benestar Best You program (previously the Employee Assistance Program). To support the diversity of our workforce at differing stages of life, staff were offered Design Your Future and other seminars.

STAFF WELLBEING

Blackmores supports its employees to live the company values of health and wellbeing. Our Warriewood

Campus has an on-site corporate wellbeing centre including treatment rooms, a gymnasium and a swimming pool - with similar fitness facilities available at other locations - and a healthy on-site staff café offering subsidised meals. In FY18, 1,150 fitness and yoga classes and 290 meditation sessions were offered at the Blackmores Campus with gym memberships up 15% compared to the prior year. 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 40 years. Blackmores founder Maurice Blackmore paid staff an extra week's 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 aligned the number of days' extra pay to the amount of profit the company had delivered, which in FY18 was 26 days. 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

The Blackmores Group is committed to giving back to the communities in which we operate. Each market has its own local charity initiatives, ranging from health and mental wellbeing to environment and community.

In Australia, we donated 30 repurposed laptops to the Alice Springs School of the Air to support children's education in remote locations. As a key sponsor of The Growth Project, we provided one-on-one leadership mentoring to charities wanting to maximise their positive impact on the world.

Our inaugural Blackmores Mercie Whelan Women & Wellbeing Awards, in partnership with CCNB, celebrated women making an outstanding contribution to their local communities.

In Asia, Blackmores' key community initiatives included Project Kindness in Malaysia where staff served 7,500 meals to the homeless people; Well Beings Keep Running in Thailand which resulted in 7,543 pairs of shoes donated to school children in need; and our continued support of Bumi Sehat Foundation in Indonesia to improve maternal and child health in rural communities.

Recognising that charity starts at home, Group employees gave \$172,681 to 105 registered charities of their choice through participation in Blackmores' matched donations scheme, whereby 0.5% of their taxable pay is donated with the company matching this amount.

04

Improve Wellbeing

Lead the Change Highlight: The Growth Project

Blackmores is dedicated to making a difference and achieving long-lasting, sustainable outcomes for the communities in which we operate through grassroots collaborations.

In Australia, Blackmores is a key sponsor of The Growth Project which brings together individuals, companies and philanthropists with charity leaders for growth and leadership mentoring, resulting in shared learnings.

By providing one-on-one coaching to charities wanting to maximise the positive impact they have on the world, our team has both given back and benefited from this two-way relationship, gaining an improved understanding of leadership, values and purpose.

"Mentoring has provided an enriching opportunity to connect with a diverse network of people and do something outside the norm with meaning and purpose," said David Tuffin, Blackmores National Sales & Education Manager ANZ.

"The amazing thing is, you have no idea how much you will learn and grow in the process - both personally and professionally," said Nicole Steven, Blackmores Head of Business Development ANZ.

As an ongoing sponsor of The Growth Project which aims to reach 100 charity leaders and 100 business leaders by 2020, Blackmores mentored at the Edmund Rice Foundation, A Sound Life and the Layne Beachley Foundation in FY18.

Edo Kahn, Co-Founder of A Sound Life, one of several charities who have benefited from Blackmores leadership mentoring through The Growth Project.



04

Improve Wellbeing

Our People

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

MATERIAL TOPIC	MATERIAL PRIORITY	BOUNDARY*	WHY IT MATTERS	OUR COMMITMENT	PROGRESS															
Our People	1	G	<p>Much of our success relies on our ability to attract, develop and retain a high quality, motivated, engaged and diverse workforce.</p> <p>We are committed to providing our people with a work environment that supports their wellbeing and personal development, where they are engaged in their work and enabled to perform at their best.</p> <p>Engaged and happy employees contribute more to the business and the community as a whole.</p>	<p>We strive to create a safe and healthy 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 will create and retain a flexible workforce and working environment providing staff opportunities to manage life, family and work.</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"> Manage 1400 employees globally. 994 in permanent full-time and part-time roles. Another 400 managed by distribution partnerships and joint ventures. <p>Of our 994 employees:</p> <ul style="list-style-type: none"> 13% aged below 30, 71% aged between 30-49 years of age and 16% over 50. 71% are females. <p>Employee engagement:</p> <ul style="list-style-type: none"> 82% employee engagement in our biennial Climate Survey, 14 percentage points above the industry benchmark. <p>Foster an inclusive culture:</p> <p>Blackmores Diversity Targets</p> <table border="1"> <thead> <tr> <th></th><th>ACTUAL 2018</th><th>2025 TARGET</th></tr> </thead> <tbody> <tr> <td>Females on our Board</td><td>25%</td><td>50%</td></tr> <tr> <td>Females in senior executive roles</td><td>25%</td><td>50%</td></tr> <tr> <td>Females in management</td><td>50%</td><td>50%</td></tr> <tr> <td>Female employees</td><td>71%</td><td>70%</td></tr> </tbody> </table> <ul style="list-style-type: none"> We are progressing to achieve our 2025 targets with current representation of women being 25% on the Board of Directors and 25% as senior executives (being direct reports to the CEO). We have set a target of 50% of women on the Board and senior executives by 2025. Inclusive Leadership workshop held with 30 managers focusing on accelerating initiatives to enhance Blackmores' Diversity and Inclusion Strategy. As an outcome of this, an internal working group was formed to guide the development of a new strategy. <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 job-share. Employees are entitled to 12 weeks' paid parental leave. In the reporting period, 59 people across Australia used this leave entitlement. 		ACTUAL 2018	2025 TARGET	Females on our Board	25%	50%	Females in senior executive roles	25%	50%	Females in management	50%	50%	Female employees	71%	70%
	ACTUAL 2018	2025 TARGET																		
Females on our Board	25%	50%																		
Females in senior executive roles	25%	50%																		
Females in management	50%	50%																		
Female employees	71%	70%																		

*A=Australia. W=Warriewood. G=Global.

04

Improve Wellbeing

Our People

MATERIAL TOPIC	MATERIAL PRIORITY	BOUNDARY*	WHY IT MATTERS	OUR COMMITMENT	PROGRESS
Our People (cont.)		1 G	See previous page	See previous page	<p>Learning and Development:</p> <ul style="list-style-type: none"> Our employees undertook a number of mandatory training and learning sessions on policies and procedures throughout the year, including WHS training and anti-corruption. In the last 12 months, employee training has been focused on offering both business acumen and development of management capabilities. <ul style="list-style-type: none"> 4,075 learning and development sessions 10,777 learning modules completed 50 Game Changer Innovation champions trained 46% increase in attendees to business acumen training. 12 staff members participated and graduated from LMA (Leadership Management Academy), introducing good manager practices that allow the individual to be mentored by senior leaders from the business. 100% of our permanent workforce participate in regular performance reviews.

A=Australia. W=Warriewood. G=Global.

PERFORMANCE DATA - OUR PEOPLE

PERFORMANCE MEASURE	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Total workforce (EA) ¹	G	102-7	843	917	994	✓
Total workforce, by age group (EA) ¹	G	401-1	-	-	-	✓
<30 years of age	G	401-1	125	122	127	✓
30 - 50 years of age	G	401-1	574	643	707	✓
>50 years of age	G	401-1	144	152	160	✓
Workforce, by gender (EA) ¹	G	401-1	-	-	-	✓
Male	G	401-1	240	254	284	✓
Female	G	401-1	603	663	701	✓
Undisclosed	G	401-1	0	0	9	✓

FOOTNOTE:

1: 'Workforce' or 'employees' includes all permanent full-time and part-time employees inclusive of the executive team. It does not include casual or contract staff.

EA = each

04

Improve Wellbeing

PERFORMANCE DATA - OUR PEOPLE (Cont.)

PERFORMANCE MEASURE	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Workforce, by region (EA) ¹	G	401-1	-	-	-	✓
AUS/NZ	G	401-1	578	597	649	✓
ASIA	G	401-1	265	320	345	✓
Workforce gender ratio (male: female) ¹	G	401-1	29:71	28:72	29:71	✓
Temporary employees, by age group (EA) ²	G	401-1				✓
<30 years of age	G	401-1	-	23	22	✓
30 - 50 years of age	G	401-1	-	38	40	✓
>50 years of age	G	401-1	-	7	6	✓
Temporary employees, by gender (EA) ²	G	401-1	-	-	-	✓
Male	G	401-1	-	12	12	✓
Female	G	401-1	-	56	53	✓
Undisclosed	G	401-1	-	0	3	✓
Temporary employees, by region (EA) ²	G	401-1	-	-	-	✓
AUS/NZ	G	401-1	-	50	57	✓
Asia	G	401-1	-	18	11	✓
New employee hires (EA) ¹	G	401-1	91	189	191	✓
New employee hire rate (%) ¹	G	401-1	11	21	19	✓
New employee hires, by age group (EA) ¹	G	401-1	-	-	-	✓
<30 years of age	G	401-1	27	34	41	✓
30 - 50 years of age	G	401-1	57	139	130	✓
>50 years of age	G	401-1	7	16	20	✓
New employee hires, by gender (EA) ¹	G	401-1	-	-	-	✓
Male	G	401-1	34	44	80	✓
Female	G	401-1	57	145	105	✓
Undisclosed	G	401-1	0	0	6	✓

FOOTNOTES:

1: 'Workforce' or 'employees' includes all permanent full-time and part-time employees inclusive of the executive team. It does not include casual or contract staff.

2: 'Temporary employees' refers to casual and contract staff; it excludes casual staff managed by third-party employment agencies.

EA = each

04

Improve Wellbeing

PERFORMANCE DATA - OUR PEOPLE (Cont.)

PERFORMANCE MEASURE	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
New employee hires, by region (EA) ¹	G	401-1	-	-	-	✓
AUS/NZ	G	401-1	62	100	133	✓
Asia	G	401-1	29	89	58	✓
Workforce terminations (EA) ¹	G	401-1	-	122	148	✓
Employee terminations, by age group (EA) ¹	G	401-1	-	-	-	✓
<30 years of age	G	401-1	-	17	22	✓
30 - 50 years of age	G	401-1	-	93	105	✓
>50 years of age	G	401-1	-	12	21	✓
Employee terminations, by gender (EA) ¹	G	401-1	-	-	-	✓
Male	G	401-1	-	34	54	✓
Female	G	401-1	-	88	94	✓
Undisclosed	G	401-1	-	0	0	✓
Employee terminations, by region (EA) ¹	G	401-1	-	-	-	✓
AUS/NZ	G	401-1	-	71	89	✓
Asia	G	401-1	-	51	59	✓
Workforce terminations, by region (%) ¹	G	401-1	-	-	-	✓
AUS/NZ	G	401-1	5.9	11.9	15.3	✓
Asia	G	401-1	7.3	16.9	18.1	✓
Total employees under benefits scheme (%) ^{1,2}	G	401-2	69.0	100	100	
Number of employees entitled to parental leave, by gender (EA) ¹	G	401-3	-	-	-	
Male	G	401-3	-	254	284	
Female	G	401-3	-	663	701	
Undisclosed	G	401-3	-	0	9	

FOOTNOTES:

1.'Workforce' or 'employees' includes all permanent full-time and part-time employees inclusive of the executive team. It does not include casual or contract staff.

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

EA = each

04

Improve Wellbeing

PERFORMANCE DATA - OUR PEOPLE (Cont.)

PERFORMANCE MEASURE	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Number of employees taking parental leave, by gender (EA) ¹	A	401-3	34	54	59	✓
Male	A	401-3	4	8	6	✓
Female	A	401-3	30	46	53	✓
Undisclosed	A	401-3	-	-	-	✓
Parental leave, return to work rate, by gender (%) ¹	A	401-3	-	-	-	✓
Male	A	401-3	-	100	100	✓
Female	A	401-3	-	100	80	✓
Undisclosed	A	401-3	-	0	0	✓
Number of employees who returned to work after parental leave ended, by gender (EA) ¹	A	401-3	-	-	-	✓
Male	A	401-3	4	8	5	✓
Female	A	401-3	11	17	24	✓
Undisclosed	A	401-3	-	0	0	✓
Terminated employment	A	401-3	2	0	6	✓
Ongoing ²	A	401-3	17	29	24	✓
Employees who received a regular performance review (%) ¹	G	404-3	100	100	100	
Average training hours per employee, by gender (hours) ^{1,5}	G	404-1	-	-	-	✓
Male	G	404-1	-	8.4	9.6	✓
Female	G	404-1	-	9.5	6.7	✓
Undisclosed	G	404-1	-	0	0.0	✓
Average training hours per employee, by employee category (hours) ^{1,5}	G	404-1	-	-	-	✓
Governance body ³	G	404-1	0	2.6	4.2	✓
Employees ⁴	G	404-1	0	9.3	7.5	✓

FOOTNOTES:

1.'Workforce' or 'employees' includes all permanent full-time and part-time employees inclusive of the executive team. It does not include casual or contract staff.

2.'Ongoing' refers to employees who remain on parental leave as at 30/6/18.

3.When defining 'governance body' it refers to our Board and executive team members.

4.When defining 'employees' we exclude governance body members.

5.Whilst investment in training, including specific anti-corruption training, was prioritised in FY18, the systems available to capture and record these training hours were inconsistent across the Group. This was particularly the case in some of our Asian offices, where manual attendance sheets were maintained, rather than inputting this information into the broader Group's training system. One of our priorities in FY19 is to invest in the roll out of a more comprehensive and consistent training management system across all of our offices, which in turn will facilitate greater data capture going forwards.

EA = each

1. Noah Nofo'Akifolau, Team Leader Split Case, and Ramandeep Kaur, Supervisor, Order Fulfillment, at Bungarribee Distribution Centre.

2. Richard Henfrey, Chief Executive Officer, Blackmores Group, tending beehives at his home.

3. Gazi Rashel, Inventory Coordinator, Bungarribee Distribution Centre.

4. Kaysee Wang, Production Operator (left) and Evangeline Manhuyod, Production Operator, Group Operations.

5. Edouard Picherit, National Account Manager, Blackmores Australia.

6. Alex Lintner Nolan, Social Media Manager, Blackmores Australia.

1



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5



04

Improve Wellbeing

Our Communities

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

MATERIAL TOPIC	MATERIAL PRIORITY	BOUNDARY*	WHY IT MATTERS	OUR COMMITMENT	PROGRESS
Our Communities	7	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 are committed to making a positive contribution to the communities in which we operate and actively seek opportunities to engage with them.</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, particularly around health and wellbeing.</p> <p>Our staff are encouraged to actively participate in the community and we provide a platform for them to do so.</p>	<p>In FY18, we gifted more than \$2.18 million to charities and community causes. Our employees gave a further \$172,681 to 105 registered charities through our matched donation scheme (whereby 0.5% of their taxable pay is donated with Blackmores matching this amount).</p> <p>The Blackmores Group supported more than 40 charitable organisations and held a number of charitable events including:</p> <p>AUSTRALIA</p> <ul style="list-style-type: none"> Blackmores Mercie Whelan Women+Wellbeing Awards, celebrating women making an outstanding contribution to their local communities. Blackmore Foundation, the personal philanthropic foundation of Marcus and Caroline Blackmore, donated a revolutionary surf rescue drone to Bilgola Surf Life Saving Club. The Growth Project, providing one-on-one leadership mentoring to charities. Special Olympics Australia, supporting people with an intellectual disability. The Blackmores Sydney Running Festival, which raised \$1.6 million for charitable organisations. <p>ASIA</p> <ul style="list-style-type: none"> Project Kindness in Malaysia served 7,500 meals to the homeless. Well Beings Keep Running program in Thailand donated 7543 pairs of shoes to needy school children. For a full list of charitable initiatives visit Blackmores Annual Report 2018 page 41. <p>Leave entitlements:</p> <ul style="list-style-type: none"> Blackmores Community Day provides an additional leave day for employees to contribute to their community. Permanent full-time and part-time employees are entitled to up to five days' leave per year without loss of pay for the purposes of serving in voluntary emergency services.

*A=Australia. W=Warriewood. G=Global.

04

Improve Wellbeing

Our Communities

PERFORMANCE DATA - COMMUNITIES

PERFORMANCE MEASURE	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Blackmores Community Day (EA) ¹	W		-	-	-	
Number of charities, NGOs or local government bodies represented	W		0	64	15	
Number of external attendees	W		0	2,500	90	
Number of employees who volunteered	W		0	55	0	
Blackmores Sydney Running Festival	A		-	-	-	
Number of participants	A		32,000	33,048	33,361	
Number of employees, family and friends who participated	A		1,000	1,054	1,058	
Number of employees who volunteered	A		30	15	5	

FOOTNOTE:

1. FY18 Community Day refers to Blackmores Mercie Whellan Women+Wellbeing Awards.

EA = each

Winners and runners-up of the inaugural Blackmores Mercie Whellan Women+Wellbeing Awards - (L-R) Caroline Ghat, Jessica Brown, Lynne Shori, Elisabeth Goh, Donna Meads-Barlow and Tara Ellevesen, with Caroline Blackmore (second from left). Missing: Danielle Begg and Wendy Ross.



Dr Charlie Teo (left), Neurosurgeon and Founder of the Charlie Teo Foundation, and Marcus Blackmore, at the Blackmores Sydney Running Festival.

Right: Project Kindness, an initiative of Blackmores Malaysia, supported a soup kitchen providing meals for the urban homeless and needy.



04

Improve Wellbeing

Work Health and Safety

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

MATERIAL TOPIC	MATERIAL PRIORITY	BOUNDARY*	WHY IT MATTERS	OUR COMMITMENT	PROGRESS
Work Health and Safety (WHS)	12	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 drive a culture that places WHS as a key focus, supporting the wellbeing of all our employees.</p> <p>We will comply with applicable relevant legislation relating to our significant locations of operations.</p> <p>We will continue to find ways to improve the health and wellbeing of our staff.</p>	<ul style="list-style-type: none"> The governance body is accountable for the implementation of our WHS policy. All Blackmores employees, contractors and visitors have a personal responsibility for the application of this policy across the Blackmores Group globally. Blackmores' WHS 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. Formal reporting process for workplace incidents, injuries and potential risks are in place. In FY18, WHS committee focused on employee training and communications. There was a total of 12,411 WHS training experiences across the Group, including manual handling, slips, trips and falls and ergonomics. In Australia, workforce recordable injury rate is down on last year from 0.90% to 0.7%. There were no WHS incidents reported in Asia, where our global reporting system is in its infancy. Blackmores has an on-site corporate wellbeing centre, including treatment rooms, a gymnasium and swimming pool at our head office at Warriewood and provides subsidised access to external gym and treatment programs across many of our other sites. In FY18, gym membership was up 15%. Trained 26 staff as mental health first aiders through the Australian Red Cross. Launched Benestar Best You program to support the mental health and wellbeing of our staff. Held Design your Future workshops to help staff with managing their priorities both inside and outside the office.

*A=Australia. W=Warriewood. G=Global.

04

Improve Wellbeing

Work Health and Safety

PERFORMANCE DATA - WORK HEALTH AND SAFETY

PERFORMANCE MEASURE	BOUNDARY	GRI REFERENCE	FY16	FY17	FY18	ASSURANCE
Total workforce represented in formal joint management-worker health and safety committee (%) ¹	G	403-1	100	100	100	
Levels of formal joint management-worker health and safety committees (EA)	G	403-1	0	3	3	
Workforce recordable injury, by type (EA) ^{1,2}	G	-	-	-	-	✓
Fatalities	G	403-2	0	0	0	✓
Injuries with permanent impairment	G	403-2	0	0	0	✓
Injuries with long-term impairment	G	403-2	2	0	1	✓
Injuries with short-term impairment	G	403-2	8	16	12	✓
Workforce recordable injury, by gender (EA) ¹	G	-	-	-	-	✓
Male	G	403-2	5	4	4	✓
Female	G	403-2	5	12	9	✓
Undisclosed	G	403-2	0	0	0	✓
Workforce recordable injury rate (%) ^{1,3}	G	403-2	1.01	0.92	0.70	✓
Male	G	403-2	0	0.81	0.74	✓
Female	G	403-2	0	0.96	0.69	✓
Undisclosed	G	403-2	0	0.00	0.00	✓

FOOTNOTES:

1. 'Workforce' includes all permanent full-time and part-time employees inclusive of the executive team. It does not include casual or contract staff.

2. Please refer to Disclosures Index for commentary on occupational diseases.

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

EA = each

04

Improve Wellbeing

Wellbeing (in the context of society)

Improving health and wellbeing through delivering product and service innovation and building healthy communities.

MATERIAL TOPIC	MATERIAL PRIORITY	BOUNDARY*	WHY IT MATTERS	OUR COMMITMENT	PROGRESS
Wellbeing	16	G	<p>At Blackmores, our purpose is to improve people's lives through natural health and we understand the role we play in addressing the global challenge of achieving better health and wellbeing for society as a whole.</p> <p>Understanding health and health conditions, we have the unique opportunity to provide innovative products and services to meet the future needs of health-related impacts.</p>	<p>Through our products and services, we are committed to nurturing the long-term health and wellbeing of our consumers, their families and their communities.</p> <p>We seek innovative, evidence-based, high quality products grounded in our naturopathic philosophy.</p> <p>We will use consumer insights from across our markets to ensure we are developing products tailored to our consumers' needs and various markets.</p> <p>We will build communities of people who have a common interest in achieving better health.</p> <p>We will leverage our influence through community-based events that promote healthy lifestyles.</p>	<ul style="list-style-type: none"> Funded two research fellowships at the Australian Research Centre in Complementary Medicine (ARCCIM) at UTS Sydney with a \$1.5 million donation from the Blackmore Foundation (the personal philanthropic foundation of Marcus and Caroline Blackmore), BioCeuticals and the Jacka Foundation. The program will help understand community use of naturopathy to inform a more holistic healthcare system for Australians. Partnered with China's leading university, Tsinghua University, to improve public health through a health journalists' education program. Supported the Bumi Sehat Foundation in Indonesia to improve maternal and child health in rural communities. Further expanded our digital eco-system including social media, websites, podcasts and newsletters, providing people with immediate access to health information - 4.9 million members across our websites and social media channels and 15 million conversations with Australian consumers. In total the Blackmores Group advisory and technical service teams responded to 83,325 calls, emails, live chats and web posts about general health and wellbeing enquiries from around the globe. Support for key sporting events provides us with a platform to communicate the importance of healthy lifestyles including: <ul style="list-style-type: none"> - Blackmores Sydney Running Festival - Byron Bay Lighthouse Run - Run and Move in Thailand - Collingwood Netball Clinics - Australian Open

*A=Australia. W=Warriewood. G=Global.

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Disclosures Index

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	COMMENTARY	OMISSION			ASSURANCE				
				PART OMITTED	REASON	EXPLANATION					
GRI 101: Foundation 2016											
General Standard Disclosures											
GRI 102: General Disclosures 2016	Organisational profile										
	102-1 Name of the organisation	Blackmores Annual Report 2018, page 86	Blackmores Ltd								
	102-2 Activities, brands, products and services	Blackmores Sustainability Report 2018, page 3	<p>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.</p> <p>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.</p> <p>The primary brands are Blackmores, PAW, BioCeuticals, Blackmores Institute, IsoWhey, IsoWhey Sports, Fusion Health and Oriental Botanicals.</p>								
	102-3 Location of headquarters	Blackmores Annual Report 2018, page 86	20 Jubilee Avenue, Warriewood, NSW, Australia								
	102-4 Location of operations	Blackmores Sustainability Report 2018, page 2	<p>Our 'significant locations of operation' are defined as the countries in which we operate, where we have permanent workforce and/or office.</p> <p>These countries are; Australia, China, Hong Kong, Indonesia, South Korea, Malaysia, New Zealand, Singapore, Taiwan, Thailand and Vietnam.</p>								
	102-5 Ownership and legal form	Blackmores Annual Report 2018, page 119	Full commentary around ownership can be found in our Annual Report.								

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	COMMENTARY	OMISSION		ASSURANCE				
				PART OMITTED	REASON					
GRI 101: Foundation 2016										
General Standard Disclosures										
GRI 102: General Disclosures 2016	Organisational profile									
	102-6 Markets served	Blackmores Sustainability Report 2018, pages 2-3 Blackmores Annual Report 2018, page 4	Blackmores has market presence in the following markets: Australia, Cambodia, China, Hong Kong, Indonesia, Japan, Kazakhstan, South Korea, Macau, Malaysia, Mongolia, New Zealand, Singapore, Taiwan, Thailand, USA and Vietnam. The industry sector we operate in is Natural Health and our consumer offerings relate to human and animal complementary medicine. Our consumers 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 airports and B2C.							
	102-7 Scale of the organisation	Blackmores Annual Report 2018, page 80 Blackmores Sustainability Report 2018, page 2 Blackmores Sustainability Report 2018, pages 50-51								
	102-8 Information on employees and other workers	Blackmores Sustainability Report 2018, pages 49-53	BKL are unable to report on employee type by gender.							
	102-9 Supply chain	Blackmores Sustainability Report 2018, pages 25-56								
	102-10 Significant changes to the organisation and its supply chain	Blackmores Sustainability Report 2018, pages 25-27								
	102-11 Precautionary principle or approach	Blackmores Audit and Risk Committee Charter Blackmores Corporate Governance Statement blackmores.com.au/about-us/investor-centre/corporate-governance								
	102-12 External initiatives		All Blackmores products are manufactured to an international medicine standard enforced by the Australian Therapeutic Goods Administration (TGA). Blackmores headquarters, and home of operations, is TGA licensed. We are a founding member of the Australian Packaging Covenant Organisation (APCO). Member of Complementary Medicines Australia (CMA).							
	102-13 Membership of associations		NSW Business Chamber Complementary Medicines Australia (CMA) Australian Packaging Covenant Organisation (APCO).							

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	COMMENTARY	OMISSION			ASSURANCE				
				PART OMITTED	REASON	EXPLANATION					
GRI 101: Foundation 2016											
General Standard Disclosures											
GRI 102: General Disclosures 2016	Strategy										
	102-14 Statement from senior decision-maker	Blackmores Sustainability Report 2018, page 4									
	Ethics and integrity										
	102-16 Values, principles, standards and norms of behaviour	Blackmores Sustainability Report 2018, page 3									
	Governance										
	102-18 Governance structure	Blackmores Sustainability Report 2018, page 7									
	Stakeholder engagement										
	102-40 List of stakeholder groups	Blackmores Sustainability Report 2018, pages 9-11									
	102-41 Collective bargaining agreements	Blackmores Sustainability Report 2018, page 45									
	102-42 Identifying and selecting stakeholders	Blackmores Sustainability Report 2018, pages 9-11									
GRI 103: Product 2016	102-43 Approach to stakeholder engagement	Blackmores Sustainability Report 2018, pages 9-12									
	102-44 Key topics and concerns raised	Blackmores Sustainability Report 2018, pages 9-11									
	Reporting practice										
GRI 104: Environment 2016	102-45 Entities included in the consolidated financial statements	Blackmores Annual Report 2018, page 119									
	102-46 Defining report content and topic boundaries	Blackmores Sustainability Report 2018, pages 17-59									
	102-47 List of material topics	Blackmores Sustainability Report 2018, page 13									

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	COMMENTARY	OMISSION		ASSURANCE				
				PART OMITTED	REASON					
GRI 101: Foundation 2016										
General Standard Disclosures										
GRI 102: General Disclosures 2016	Reporting practice									
	102-48 Restatements of information		Restatements in FY17 disclosures have been made. These relate to energy, where fleet and third party fuels once combined have now been separated out for greater clarity. Some boundaries have broadened to expand data capture. Where applicable, these have been identified as restatements within footnote commentary.							
	102-49 Changes in reporting	Blackmores Sustainability Report 2018, page 12								
	Organisational profile									
	102-50 Reporting period		Financial year 01/07/2017 - 30/06/2018							
	102-51 Date of most recent report	Blackmores Sustainability website blackmoressustainability.com.au	Blackmores Sustainability Report 2017							
	102-52 Reporting cycle		Annual							
	102-53 Contact point for questions regarding the report		Sally Townsend, Head of Sustainability, Blackmores sustainability@blackmores.com.au							
	102-54 Claims of reporting in accordance with the GRI Standards		This report has been prepared in accordance with GRI Standards: Core option requirements.							
	102-55 GRI content index	Blackmores Sustainability Report 2018, pages 61-71								
	102-56 External assurance	Blackmores Sustainability Report 2018, pages 72-74								

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	COMMENTARY	OMISSION			ASSURANCE				
				PART OMITTED	REASON	EXPLANATION					
Material Topics Disclosures											
GRI 200 Economic Standard Series											
GRI 103: Management Approach 2016	Economic performance										
	103-1 Explanation of the material topic and its boundary	Blackmores Sustainability Report 2018, page 31					✓				
	103-2 The management approach and its components	Blackmores Sustainability Report 2018, page 31					✓				
GRI 201: Economic Performance 2016	103-3 Evaluation of the management approach	Blackmores Sustainability Report 2018, page 36					✓				
	201-1 Direct economic value generated and distributed	Blackmores Sustainability Report 2018, page 36					✓				
	201-4 Financial assistance received from government	Blackmores Sustainability Report 2018, page 37					✓				
GRI 103: Management Approach 2016	Procurement practices										
	103-1 Explanation of the material topic and its boundary	Blackmores Sustainability Report 2018, pages 25-28					✓				
	103-2 The management approach and its components	Blackmores Sustainability Report 2018, pages 25-29					✓				
GRI 204: Procurement Practices 2016	103-3 Evaluation of the management approach	Blackmores Sustainability Report 2018, pages 27-29					✓				
	204-1 Proportion of spending on local suppliers	Blackmores Sustainability Report 2018, pages 26-27	59% of our spend directly related to inventory (ingredients, materials or services) occurs within Australia and therefore is deemed 'local' to our significant locations of operation in Australia. This year the proportion of inventory spend across the Group increased. While local spend increased, so did spend across our global supply chain which consequently showed a percentage drop.				✓				
GRI 103: Management Approach 2016	Anti-corruption										
	103-1 Explanation of the material topic and its boundary	Blackmores Sustainability Report 2018, pages 25-29					✓				
	103-2 The management approach and its components	Blackmores Sustainability Report 2018, pages 33, 35, 38					✓				
	103-3 Evaluation of the management approach	Blackmores Sustainability Report 2018, pages 33, 35, 38					✓				

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Material Topics Disclosures											
GRI 200 Economic Standard Series											
GRI 205: Anti-corruption 2016	Anti-corruption										
	205-1 Operations assessed for risks related to corruption	Blackmores Sustainability Report 2018 page 38					✗				
	205-2 Communication and training about anti-corruption policies and procedures	Blackmores Sustainability Report 2018 page 38		205-2-c 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. Describe if the organisation's anti-corruption policies and procedures have been communicated to any other persons or organisations.	As noted in footnote [THIS REPORT], 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 reinforced through our Supplier Code of Conduct.					
	205-3 Confirmed incidents of corruption and actions taken	Blackmores Sustainability Report 2018 page 38									
GRI 300 Environmental Standards Series											
GRI 103: Management Approach 2016	Energy										
	103-1 Explanation of the material topic and its boundary	Blackmores Sustainability Report 2018, page 19					✓				
	103-2 The management approach and its components	Blackmores Sustainability Report 2018, page 19					✓				
GRI 302: Energy 2016	103-3 Evaluation of the management approach	Blackmores Sustainability Report 2018, pages 19-20					✓				
	302-1 Energy consumption within the organisation	Blackmores Sustainability Report 2018, page 20					✗				
	302-3 Energy intensity	Blackmores Sustainability Report 2018, page 20					✓				

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	COMMENTARY	OMISSION			ASSURANCE
				PART OMITTED	REASON	EXPLANATION	
GRI 300 Environmental Standards Series							
GRI 103: Management Approach 2016	Water						✓
	103-1 Explanation of the material topic and its boundary	Blackmores Sustainability Report 2018, page 21					✓
	103-2 The management approach and its components	Blackmores Sustainability Report 2018, page 21					✓
GRI 303: Water 2016	103-3 Evaluation of the management approach	Blackmores Sustainability Report 2018, page 21					✓
	303-1 Water withdrawal by source	Blackmores Sustainability Report 2018, page 21	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 data as a proxy.				✓
GRI 103: Management Approach 2016	Emissions						
	103-1 Explanation of the material topic and its boundary	Blackmores Sustainability Report 2018, page 17					✓
	103-2 The management approach and its components	Blackmores Sustainability Report 2018, page 17					✓
GRI 305: Emissions 2016	103-3 Evaluation of the management approach	Blackmores Sustainability Report 2018, page 17					✓
	305-1 Direct (Scope 1) GHG emissions	Blackmores Sustainability Report 2018, page 18	Scope 1 emissions include fleet (fuels) and synthetic refrigerants.				✓
	305-2 Energy indirect (Scope 2) GHG emissions	Blackmores Sustainability Report 2018, page 18	Scope 2 emissions include electricity, hot water boiler and hot/chilled water.				✓
	305-2 Energy indirect (Scope 3) GHG emissions	Blackmores Sustainability Report 2018, page 18	Scope 3 emissions include third party transport fuels, business air travel and overnight stays accommodation. FY18 air travel emissions based on DEFRA's distance uplift and includes radiative forcing.				✗
	305-4 GHG emissions intensity	Blackmores Sustainability Report 2018, page 18					✗

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				PART OMITTED	REASON	EXPLANATION	
GRI 300 Environmental Standards Series							
GRI 103: Management Approach 2016	Effluent and waste						✓
	103-1 Explanation of the material topic and its boundary	Blackmores Sustainability Report 2018, page 22					✓
	103-2 The management approach and its components	Blackmores Sustainability Report 2018, page 22					✓
GRI 306: Effluent and Waste 2016	103-3 Evaluation of the management approach	Blackmores Sustainability Report 2018, page 22					✓
	306-1 Water discharge by quality and destination		Our waste water performance is calculated from billing data. We have expanded our boundary to include performance data for operational sites across Australia. Where metres and/or billing data do not exist, assumptions have been made.				✗
	306-2 Waste by type and disposal method		We have expanded the boundary for this set of disclosures to NSW or AUS. Where possible, waste measures for our other Australian-based locations have been estimated based on owned or leased areas, using the Warriewood consumption data as a proxy. All waste is non-hazardous.				✓
GRI 400 Social Standard Series							
GRI 103: Management Approach 2016	Employment						
	103-1 Explanation of the material topic and its boundary	Blackmores Sustainability Report 2018, pages 49-50					✓
	103-2 The management approach and its components	Blackmores Sustainability Report 2018, pages 45-50					✓
GRI 401: Employment 2016	103-3 Evaluation of the management approach	Blackmores Sustainability Report 2018, pages 49-53					✓
	401-1 New employee hires and employee turnover	Blackmores Sustainability Report 2018, pages 51-52					✓
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Blackmores Sustainability Report 2018, page 45	Our 'workforce' refers to permanent full-time/part-time employees working for Blackmores Group inclusive of the executive team and Board. 'Temporary employees' refers to staff who work for and are paid by Blackmores; it does not include casual or contract staff who are managed by third party employment agencies or employed under joint ventures.				✗
	401-3 Parental leave	Blackmores Sustainability Report 2018, pages 52-53	Parental leave calculations are based on our 'workforce' which refers to permanent full-time/part-time employees working for the Blackmores Group.				✓

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	COMMENTARY	OMISSION			ASSURANCE			
				PART OMITTED	REASON	EXPLANATION				
GRI 400 Social Standard Series										
GRI 103: Management Approach 2016	Occupational Health and Safety									
	103-1 Explanation of the material topic and its boundary	Blackmores Sustainability Report 2018, page 57					✓			
	103-2 The management approach and its components	Blackmores Sustainability Report 2018, pages 47, 57					✓			
GRI 403: Occupational Health and Safety 2016	103-3 Evaluation of the management approach	Blackmores Sustainability Report 2018, pages 57-58					✓			
	403-1 Workers representation in formal joint management-worker health and safety committees	Blackmores Sustainability Report 2018, page 58	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, absenteeism, and number of work-related fatalities	Blackmores Sustainability Report 2018, page 58	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 the Blackmores Group.	403-2-a Types of injury, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), with a breakdown by: i. Region ii. Gender	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.	✓			

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GRI 400 Social Standard Series										
GRI 103: Management Approach 2016	Occupational Health and Safety									
	103-1 Explanation of the material topic and its boundary	Blackmores Sustainability Report 2018, page 57					✓			
	403-3 Workers with high incidence or high risk of diseases related to their occupation		Blackmores operations and activities are deemed 'low risk' in relation to occupational diseases.				✗			
GRI 103: Management Approach 2016	403-4 Health and safety topics covered in formal agreements with trade unions	Blackmores Sustainability Report 2018, page 57-58					✗			
	Training and Education									
	103-1 Explanation of the material topic and its Boundary	Blackmores Sustainability Report 2018, page 45-53					✓			
GRI 404: Training and Education 2016	103-2 The management approach and its components	Blackmores Sustainability Report 2018, page 45-54					✓			
	103-3 Evaluation of the management approach	Blackmores Sustainability Report 2018, page 45-55					✓			
	404-1 Average hours of training per year per employee	Blackmores Sustainability Report 2018, page 53					✓			
GRI 103: Management Approach 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Blackmores Sustainability Report 2018, page 54	Blackmores recorded training and average training hours are based on course or module completion dates. The disclosure may include 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.				✗			
	Customer Health and Safety									
	103-1 Explanation of the material topic and its Boundary	Blackmores Sustainability Report 2018, page 39					✓			
	103-2 The management approach and its components	Blackmores Sustainability Report 2018, page 39					✓			
	103-3 Evaluation of the management approach	Blackmores Sustainability Report 2018, page 39					✓			

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	COMMENTARY	OMISSION			ASSURANCE
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GRI 400 Social Standard Series							
GRI 416: Customer Health and Safety 2016	Customer Health and Safety						
	416-1 Assessment of the health and safety impacts of product and service categories	Blackmores Sustainability Report 2018, page 40	All new products undergo a detailed quality, safety and regulatory assessment.				✗
GRI 103: Management Approach 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services"	Blackmores Sustainability Report 2018, page 40	While there have been no 'incidents of non-compliance with voluntary codes concerning the Heath and Safety of our products or services', over FY18 period. Blackmores received 14 reports of adverse events from customers. Following detailed investigations, 13 of these adverse events were justified and reported to the Therapeutic Goods Administration as part of our voluntary monitoring program.				✓
	Marketing and Labelling						
	103-1 Explanation of the material topic and its Boundary	Blackmores Sustainability Report 2018, page 39					✗
GRI 417: Marketing and Labelling 2016	103-2 The management approach and its components	Blackmores Sustainability Report 2018, page 39					✗
	103-3 Evaluation of the management approach	Blackmores Sustainability Report 2018, page 39					✗
	417-1 Requirements for product and service information and labelling	Blackmores Sustainability Report 2018, page 40					✗
GRI 103: Management Approach 2016	417-2 Incidents of non-compliance concerning product and service information and labelling	Blackmores Sustainability Report 2018, page 40	This metric refers to reporting Section 30s under the Therapeutic Goods Authority.				✗
	Customer Privacy						
	103-1 Explanation of the material topic and its Boundary	Blackmores Sustainability Report 2018, page 33, 42					✓
GRI 418: Customer Privacy 2016	103-2 The management approach and its components	Blackmores Sustainability Report 2018, page 33, 42					✓
	103-3 Evaluation of the management approach	Blackmores Sustainability Report 2018, page 33, 42					✓
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Blackmores Sustainability Report 2018, page 33, 42					✓

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Independent Assurance Practitioner's Limited Assurance Report on the 2018 Sustainability Report to the Management of Blackmores Limited

We have undertaken a limited assurance engagement relating to the subject matter detailed below (the 'Subject Matter') presented in Blackmores Limited's ('Blackmores') 2018 Sustainability Report.

Subject Matter and Reporting Criteria

The Subject Matter and Reporting Criteria for our limited assurance engagement for the year ended 30 June 2018 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 2018 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 2016 Standards, Blackmores' 2018 GRI Index, and relevant internal policies and procedures</p>
<p>GRI Standards</p> <p>FY18 Sustainability Report in accordance with the core option prepared in accordance with the requirements of the GRI standards</p>	<p>The GRI Standards and related information, publicly available at GRI's website at https://www.globalreporting.org/standards/</p>

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Blackmores' responsibility for the Subject Matter

The Directors of Blackmores are responsible for:

- Ensuring that the Subject Matter is properly prepared and presented in accordance with the Reporting Criteria
- Confirming the measurement or evaluation of the underlying subject matter against the applicable criteria, including that all relevant matters are reflected in the subject matter information;
- Designing, establishing and maintaining internal controls to ensure that the Subject Matter is properly prepared and presented in accordance with the Reporting Criteria.

Assurance Practitioner'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.

Assurance Practitioner's Responsibility

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 Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information, 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 properly 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. 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 judgement and consisted primarily of:

- Interviewing respective Sustainability Performance Indicator data owners to confirm any changes or improvements to the approach for collating, calculating and reporting respective Sustainability Performance Indicators across the 2018 reporting period
- Undertaking a sample of detailed walkthroughs of key systems and processes used / relied upon to compile the Sustainability Performance Indicators for the 2018 reporting period
- Assessing the supporting process documentation developed to support the collation, calculation and reporting process in accordance with Blackmores' policies and procedures and the GRI Standards

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- Completing analytical reviews over material data streams to identify any material anomalies / gaps for selected Sustainability Performance Indicators and investigate further where required
- Agreeing overall data sets for selected Sustainability Performance Indicators to the final Blackmores' data contained in the 2018 Sustainability Report
- Obtaining Blackmores' draft GRI Index with General Standard Disclosures and agreeing disclosures to supporting documentation in accordance with the GRI's General Standard Disclosure requirements
- Selecting a sample of Management Approaches ('MAs') across material aspects and assessing the appropriateness of the disclosures in accordance with the requirements of the GRI Standards through discussions with relevant data and process personnel and review of supporting documentation.

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 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 judgements. The Subject Matter should be read in the context of Blackmores' Reporting Criteria as set out in the 2018 Sustainability Performance Report.

Limitations of Use

This report is made solely to the Directors of Blackmores in accordance with our engagement letter dated 11 April 2018. We disclaim any assumption of responsibility for any reliance on this report 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 2018 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 2018.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Paul Dobson

Partner

Sydney, 25 October 2018

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